

**MINUTES OF THE REGULAR SESSION OF THE
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
May 16, 2017, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in regular session on May 16, 2017 at 7:00 p.m. at City Hall, with Board members: Vice-Mayor Mike Binkley, Commissioner Hugh Davis, Commissioner Neil Taylor and Commissioner Preston Trotter present. Mayor Henry Coats and City Planner Brett Morgan were absent. City Manager Steve Steinbach, Finance Director Maria George, Public Works Director Terry Parker, City Engineer Harvey Matheny, City Recorder Beverly Holloway, Police Chief Phil Hendricks, Fire Chief Reed Bullock were also present, along with Butch and Carolyn Rhea, William Meacham, Bill Hancock, Mike Rogers with Fisher Arnold, Gary Thompson with Boyle Investments, Firemen James Scott and Trevor Danis, Jack Murphy and Officers Matt Kittrell and Corey Traugher 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 were no changes to the Agenda and Commissioner Preston Trotter moved to adopt the Agenda, seconded by Commissioner Hugh Davis. The Motion received all affirmative votes.

Agenda item 4. Any changes to the Minutes of April 18, 2017; Motion to adopt the Minutes of April 18, 2017.

Action taken: There were no changes to the Minutes of April 18, 2017, Commissioner Neil Taylor moved to adopt the Minutes of 04/18/17 as presented, seconded by Commissioner 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 closing in on the conclusion of fiscal year 2017, the obvious focus is making our mark on our primary revenue generators and we are close, the cash accounts continue to be strong and will finish up with another good financial year, the City department heads are busy making sure that their line items that have not been amended or in the process of being amended are adhered to, the financial position is strong.

Mr. Steinbach on the Building Inspector's report stated it indicated a robust current period and we have every reason to believe that will continue with Piperton Preserve fixing to get platted and new home construction to commerce there and Twin Lakes is hopefully not too far behind it.

Fire Chief Reed Bullock stated for the month of April there were 23 total calls, 22 calls in the City, 8 medical calls which is 35% of the calls and in conjunction with the Building Inspector, we had 5 inspections.

Police Chief Phil Hendricks stated during the month of April there were 84 dispatched calls, 4 incident reports, 2 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. Twin Lakes CD-O (Phase 2) – Development Agreement

Harvey Matheny, City Engineer, stated before you is the Subdivision Development Contract for Twin Lakes Phase 2, Phase 2 is the northwest portion of the site, the portion in the middle is a future phase that will be developed later, there are 21 lots on 19.5 acres and on page 21 the fees and the surety amount are summarized, the surety amount is \$100,000.00 for all the onsite improvements and that remains in place until the improvements are done and the plat is ready to be recorded and the \$83,500.00 is for offsite improvements and there are actually three improvements made in Phase 1, there were three undersize culverts in Phase I that are going to be corrected with this Phase 2 development and would like to ask for the Board's consideration to add a condition and has spoken with the Developer about this and the new condition will be #25 that will formalize that requirement, the engineering plans and the construction plans that we have does include these culvert replacements and the surety amount does cover the work, I recommend we add condition 25; requires three undersize culverts from in Twin Lakes Phase I to be replaced during development of Twin Lakes Phase II.

Commissioner Davis inquired if this phase will be tied into their existing sewer system that is in place.

Mr. Matheny stated yes these lots will just tie onto the existing system and a lot of the improvements are in place; the gravel road bed which has been used for several years for access to the wastewater plant so that will need to be dressed up and then paved, the cul-de-sac will be constructed and pavement installed, on this section the base material is already down as well as all the way out to Wright Road so a good bit of the work is already in place for this phase so they will complete the work, record the plat and start building homes and one other correction which is not minor is the entity name on the front page that reads Boyle Investment Company should read Twin Lakes Joint Venture.

Commissioner Davis inquired if Boyle name is not on there or is inconjunction with Twin Lakes.

Gary Thompson with Boyle Investment stated Twin Lakes Joint Venture is the development entity as it has been since the start.

Action taken: Commissioner Trotter moved to approve the Twin Lakes CD-O Development Agreement with these conditions added that were discussed, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 7. Recess: hold Public Hearing concerning Ordinance No. 279-17, repealing Ordinance 54-04 and establishing an updated occupational safety and health program plan, devise rules and regulations, and to provide for a safety director and the implementation of such program plan (TOSHA)

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

Fire Chief Bullock stated this plan has been in place and when we went through our TOSHA inspection this year they gave some verbiage that they wanted updated in the plan which is basically a reporting requirement should we have an injury, this is updating and providing for regular review of it.

Commissioner Taylor inquired if Chief was the Safety Director.

Chief Bullock stated yes sir.

Commissioner Davis inquired if it were highlighted in here.

Chief Bullock stated doesn't believe it is highlighted, it is literally just one sentence.

Commissioner Trotter stated he doesn't feel it is good practice to have individual names in the Ordinance and it should be the job title rather than the name on page 2.

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

Agenda item 8. Second Reading, Ordinance 279-17, repealing Ordinance 54-04 and establishing an updated occupational safety and health program plan, devise rules and regulations, and to provide for a safety director and the implementation of such program plan (TOSHA)

Action taken: Commissioner Taylor moved to adopt Ordinance 279-17 on Second Reading with striking of the Chief's name, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 9. Recess: hold Public Hearing concerning Ordinance No. 278-17, amending the Budget for FY 2016-2017, (Second Amendment)

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

Mr. Steinbach stated this covers three funds, the General Fund, the Sewer and the Water Fund, starting with the General Fund amendment; the items before you are the painstaking efforts of our various department heads to address shortfalls in other line items that resulted through actions not of their own accord and there are a couple of net increases and will address those and since the last time staff has added the department that it is applicable to outside to give better clarity, starting from the top everywhere there is a negative amount showing in the amendment amount it is effectively taking on that of a donor to another line item that was short, and moving on to Exhibit B, the Sewer Fund proposed budget amendment, line 1 and 5 reflect the increased revenues, this reflects the increased revenues and increased expenditures as we pay for that service and Exhibit C, the Water Fund represents the purchase of the Public Works Dodge truck that was an emergency purchase and that is an overview of the second amendment.

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

Agenda item 10. Second Reading, Ordinance No. 278-17, amending the Budget for FY 2016-2017, (Second Amendment)

Action taken: Commissioner Davis moved to adopt Ordinance No. 278-17, Second Amendment for the City of Piperton Budget for 2016-2017 on second reading, seconded by Commissioner Trotter. The Motion received all affirmative votes.

Agenda item 11. First Reading, Ordinance No. 277-17, amending the text of the Piperton Zoning Ordinance to amend Article 3, Section 3.3 Accessory Structures (Swimming Pools)

Mr. Steinbach stated he will be representing this proposal from the Planning Commission and Planning Consultant, Brett Morgan, the City has had a comprehensive accessory structure Ordinance for some time, the issue with the swimming pools is that our Building Code Officer has been enforcing provisions found in the International Building Code with regard to enclosures and they were not identified within the context of our accessory structure and additionally the way the City regulates accessory structures in Piperton which is not unique and there are some unique provisions but effectively a resident is limited to two accessory structures provided in document and essentially if you have an additional structure below the fence it is not counted toward your total and in understanding this Ordinance expands and provides for provisions for swimming pools and section I is a new section and this was scheduled to come before the Board for first reading last month but there wasn't enough clarity and the Planning Commission wanted more specifics with regard to this, so this document now reflects the desires of the Planning Commission and represents the regulatory requirements that our Building Code Officer enforces when a permit is

pulled for a pool and this further amplifies those items with regards to the anti-entrapment system that specifies the height and specifies the specific State Law known as Katie Beth's Law.

Vice-Mayor Binkley stated it does reference some of the most important things such as the anti-entrapment, the fence and the alarm system.

Action taken: Commissioner Trotter moved to adopt Ordinance 277-17 on first reading, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 12. FY 2018 – Presentation of Projected Revenues and Proposed Expenditures

Mr. Steinbach stated the Charter provides that the City Manager is to provide the Board of Mayor and Commissioners an overview of projected revenues and proposed expenditures, and will start with the revenue projections, when we do our fiscal year Budget for the benefit of our newest Commissioner we provide three exhibits to the State, we provide an exhibit A which is a summary of everything (revenues/expenditures), the exhibit B is the revenue and then a department specific Budget in addition to our debt service and currently our only debt service is the fire truck so we identify all their revenue accounts split between general revenue, enterprise funds which are your water, sewer and special revenue funds which consists of sanitation, street aid and drug fund, with regard to general taxes such as property taxes, associated delinquent taxes, payments in lieu of (MCR Project was given a two year pilot for Piperton and it is still on a payment in lieu of program with the County for ten years), the sales tax number is indicated and are very pleased to see the increase in our sales while our property taxes are going through a reappraisal and once staff received the certified new tax rate which the preliminary rate of 0.3741 versus 0.4080 but that rate will be tweaked as the appraisal data is finalized and staff will be given a certified rate which represents a revenue neutral, meaning the rate at which the new appraised properties will produced no more revenue than what it would have produced under the old rate while they do their best to anticipate property owner appeals and any desire to increase the certified rate provide to staff is a property tax increase and the State requires it to be identified as such so the Board will want to take that into account, our property tax revenue because of the rate has provided a nominal increases at best for every new resident that is added to the tax roll we see an estimated \$500.00 increase, the \$400,000.00 is a conservative number and has every reason to continue into new fiscal year with the same level of revenue stream regarding sales tax giving a conservative application of \$975,000.00.

Commissioner Trotter stated that we need to keep in mind that sales tax revenue will fluctuate depending on economic conditions.

Mr. Steinbach stated the State sales tax number is reflective of that and a lot of the City's revenue is associated with construction activities and as we diversify moving forward into more retail offerings, looks for that number to increase but also to reduce our risk exposure and the rest of your revenue streams are representative of monies that are distributed through the State; the Hall Income Tax is very difficult for us to estimate this and the Governor has indicated that he is going to phase out that tax as part of his transportation bill and the State has indicated that we should anticipate a 20% reduction and this is collected at the end of each fiscal year and on the Beer Tax since Collierville has passed their Ordinance permitting the sale on Sunday and this has already impacted us so staff is showing a reduction and will probably continue to show a reduction and the full breath of that impact won't materialize for some time and it is difficult to predict and on Business Tax, the State handles all of the Business Tax proceeds and redistributes those back to the locals as well as franchise tax; on excise tax that is the bank profits which is difficult to calculate and then the Ad Valorem tax so based largely on the strength of the sale taxes followed by the property tax, staff is projecting an increase of a quarter of a million dollars in general tax revenue, next on State Shared taxes they are based on a per capita distribution which is why it was so critical for the special census held last year which resulted in an increase to our revenue profile by almost \$20,000.00 by going through that exercise and before the next census it may be worthwhile to do that exercise again as you are permitted 2 and 3 with special permission, and

again associated with the Governor's transportation bill there were reductions in various sales taxes on groceries and a variety of things so while the State Share Tax is dealing with general taxation is going to experience a nominal reduction but the Street Aid revenue that is based on gas taxes is going to increase by \$8,400.00 and on Building Permit Income Fees; it is anticipated with Piperton Preserve and Twins Lakes a total of 47 new lots to be added to inventory and it is projecting an increase with the anticipated activity and on Fines and Forfeitures are relatively flat for the next fiscal year and miscellaneous revenue is all of the revenue associated with the interest on our accounts, staff doesn't indicate or illustrate grant monies and also does not budget personnel and operating expenditures on grant monies because this is a one-time thing so staff is projecting a modest increase of \$250,000.00 for our General Fund revenues, and moving to the Enterprise Fund, this consists of water and sewer and are projecting a nominal increase in customers and the other associated fees are essentially flat and on interest income: the water tap fee is an estimate based on the number of new lots brought to market, the water fees that were collected this very evening were projected to go into fiscal year 2018 but will likely collect them in this fiscal year and that will have an impact and anticipate another phase for Piperton Preserve and feel like if that comes it will come within this fiscal year based on conversations and that money is generally remitted to our Water Fund Savings and generally base our operating and personnel expenses off of real revenue and not the tap fees unless it is necessary and the water tap fees for residential indicate the second part of the tap fee that we collect (\$2500.00 is collected from the developer on the front end and \$1500.00 is collected from the builder when the building permit is pulled) and the current water agreement with Collierville requires staff to remit \$870.00 to Collierville every time a meter is set and that money goes towards their system upgrades so they can continue to provide water to us, miscellaneous revenue consists of a variety of revenue sources, sewer revenues as with the water we purchase sewer capacity and treatment capabilities from Marshall County and beginning this fiscal year we will purchase treatment capacity capabilities from Rossville and the \$4000.00 indicated is based on a set number of anticipated homes throughout the fiscal year in Piperton Preserve and this is an estimate at this point and centralized revenue will increase also our water and sewer rates are being reviewed by Buddy Petty, the special revenue fund doesn't include any personnel expenses and these are revenues that are paid to the vendors that provide the services in sanitation and the City makes a margin of dollars for administrative purposes and the State Street Aid previously discussed under general taxes is an estimated amount given to us by the State and those numbers are projected to go up but those monies have to be expended in association with road or right of way maintenance and the Drug Fund is the Police Department and it is totally unpredictable but those monies can purchase items to go back into the Department and are not diluted into other sources and on the revenue summary report, the bottom line is that staff is showing revenues over proposed expenditures of \$610,759.00 and of this \$210,000.00 comes from the special revenue which was indicated that we don't budget personnel cost against however we do budget operating expenditures so that number is not as strong as that and now to review the expenditures, Mr. Steinbach gave an overview by the various departments' operating expenses and the total impact to the fiscal year budget is \$126,873.23 right now and doesn't anticipate that number to vary \$10,000.00 either way and our current capital budget for FY 2018 is \$870,540.00 and gave an overview of the capital expenditures to be considered and prioritized by the Board.

Commissioner Neil Taylor requested cost comparisons on labor, labor saved, plus contractor's fees etc.

Commissioner Hugh Davis stated as this City matures we have to pay for somethings because it is the cost of doing business and we are growing and the tractors are the most efficient way to go, we must be planning for the future and admires the fact that the Fire Department went full time and it was a chance and it reduces insurances cost going from a 5 to 3, that costed money but it saved money and we are growing and we need to get serious about putting the money aside and raising revenue because in 5 years we will not have the .40 cents property tax

and people need to get use to that because if you want services as a City you have to be willing to pay for those services.

Terry Parker, Public Works Director suggested Commissioner Taylor ride with him and see what hazard his department is faced with doing their job.

Mr. Steinbach stated this is an insight into what is coming and the good news is this is a strong community and growing, the opportunity is here and you have to pay so it is about priorities and this does not reflect any infrastructure projects as we are working with the State to secure grants for our latest sewer extension project and if successful that will have a zero impact on us.

Agenda item 13. Surplus Property – Ford F350 Truck – nomination to sell

Terry Parker, Public Works Director requested permission to sell a 2007 Ford F350 that has been replaced in the fleet.

Action taken: Commissioner Taylor move to approve the sale of the vehicle, seconded by Commissioner Trotter. The Motion received all affirmative votes.

Agenda item 14. Discussion of Mosquito Abatement Program

Vice-Mayor Binkley stated the Board has discussed this before and were told by several vendors that the trucks' spraying through the neighborhood is not very effective.

Commissioner Davis suggested remove standing water and is not in support of going along with it.

Commissioner Taylor stated a resident suggested using BTI mosquito Dunks which is a non-toxic chemical that is added to standing water.

Vice-Mayor Binkley recommended asking residents on the water bill to remove objects that leads to standing water issues.

Commissioner Trotter would like to hear more about the BTI mosquito Dunks.

No further discussion is necessary on this subject.

Agenda item 15. Any other old/new business, questions or matters from the audience

The meeting schedule for June was given to the Board with a special called meeting to be called on June 13th after the Planning Commission meeting which has been rescheduled for 6pm instead of 7pm, the regular session of the Mayor and Board of Commissioners will be cancelled and moved to June 27th at 7pm, the IDB will meet on June 7th at 6pm at City Hall.

Agenda item 16. Adjournment

Action taken: Commissioner Trotter moved to adjourn, seconded by Commissioner Taylor. The Motion received all affirmative votes and the meeting was adjourned at 7:37 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____
Vice-Mayor