

**MINUTES OF THE SPECIAL CALLED SESSION OF THE
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
June 13, 2017, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in a special called session on June 13, 2017 at 7:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Mike Binkley, Commissioner Hugh Davis, Commissioner Preston Trotter and Commissioner Neil Taylor present. City Manager Steve Steinbach, Finance Director Maria George, Public Works Director Terry Parker, City Recorder Beverly Holloway were also present, along with Gwen Brown, Firemen Adam Hursh and Brandon Allen, 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: Commissioner Neil Taylor led in the opening Prayer and Commissioner Preston Trotter led in the Pledge of Allegiance to the American Flag.

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

Action taken: There was a change to the Agenda with a last minute addition for a First Reading on Ordinance No. 281-17, amending the Budget for FY 2016-2017, (Third Amendment) to become agenda item #4, and Vice-Mayor Mike Binkley moved to adopt the Agenda with the addition, seconded by Commissioner Hugh Davis. The Motion received all affirmative votes.

Agenda item 4. First Reading, Ordinance No. 281-17, Amending the Budget for FY 2016-17, (Third Amendment)

Steve Steinbach, City Manager, stated the State notified us with regard to an action taken by our auditor on the sanitation fund, apparently last year we received an invoice for services that was dated June 28, 2016 that was inside the fiscal year calendar however the services were incurred after that date and the auditor accrued that to the previous fiscal year and the State did not like that so this is essentially bookkeeping clarification for the audit itself, this addresses the garbage fund and staff is proposing to amend the budget to increase the revenue that we will receive to address the expenses that are on the books so when the State reviews the revised numbers it will not show less revenue than we have expenses, so this is not asking the Board to appropriate more money for expenses that were unforeseen it is simply a matter of recognizing additional revenue that is forth coming to address that.

Action taken: Commissioner Trotter moved to adopt Ordinance No. 281-17 on First Reading, seconded by Commissioner Hugh Davis. The Motion received all affirmative votes.

Agenda item 5. First Reading, Ordinance No. 280-17, Adopting the Annual Budget and Tax Rate for Fiscal Year beginning July 1, 2017 and ending June 30, 2018

Steve Steinbach stated this is the first reading of the proposed fiscal year 2018 budget, there will be a public hearing on June 27th, and gave an overview of the proposed 2018 budget, projecting revenues over expenditure's in the amount of \$629,887.47, also proposed the addition of a full time Public Works/Public Utilities Administrative Assistant; Fire/Police position adjustments and has budgeted for a Lieutenant position in the Fire Department, as well still proposing the maintenance of our 2% defined contribution for the employee's benefit, the projected revenue summary provides in the General Fund revenue for \$2,722,000.00, the enterprise fund projected at \$647,000.00 with Special Revenue Fund at \$210,000.00 for total

revenues at \$3,579,000.00 (all figures are rounded to the nearest \$1,000.00) and the proposed operating expenditures of \$2,949,112.53 resulting in revenues over expenditures in the amount of \$629,887.47 and so we should put back in the General Fund reserve a little of \$200,000.00 of savings over proposed expenditures so we are still being very conservative, and proceeded to give an overview of Exhibit A which is the comprehensive summary of the entire fiscal year 2018 budget and projecting an ending fund balance of \$3,527,028.00, Exhibit B is the actual line by line revenue sources for the City and projecting an increase in General Taxes of \$252,000.00 and that will cover the increased cost of our operating expenses of \$106,000.00 and continued to go over the revenue sources under Exhibit B with projected revenues of \$3,578,769.00 over all sources, Exhibit C that is required by the State indicates all outstanding debt service which is the fire truck so he proposes to pay this off with cash next year when we retire half of that debt, and previewed the FY 2018 Capital Budget by department with an ending result of a total proposed of \$ 873,540.00, which includes big ticket items such as the ambulance under Capital-Fire for \$175,000.00, under Capital-Public Works a new building at \$175,000.00, under Capital-Street for paving, patching and culverts at \$138,000.00, a tractor and side boom for \$93,500.00 and that is broken out by fund with General Fund roughly \$600,000.00, Street Aid \$236,500.00 that will come from the General Fund, Enterprise Fund is less than \$50,000.00 and the City focus financially over the last 5 to 7 years has been building the chest and the Board has done a great job of doing that and this is a capital budget that can be afforded with no debt, it is all about prioritizing and it is a responsible capital budget at this point in the City's evolution and this is a first reading and the tax rate is preliminary certified at \$0.3741 which is a reduction of our current rate of \$0.4080 that happens on the reassessment cycle and that rate is included in the Ordinance and the rate should be clarified by second reading.

Mayor Coats thanked all department heads on a very good, responsible budget and commended the members of the Board for their help.

Commissioner Trotter stated his first impression as he looked at it was that the total operating budget looks great at about \$620,000.00 below projected revenues, but the capital budget looked high initially bringing the total expenditures to about \$240,000.00 more than total projected revenue so on the surface it looked like we were probably over spending but after drilling down into the details and looking at starting fund balances and ending fund balances the extra \$240,000.00 or \$250,000.00 we are spending is kind of a drop in the bucket compared to our fund balances and we are at the point in an economic cycle where things are looking pretty good and if we are ever going to overspend revenue now would be the time to do it for things that we need and after looking at all the different capital and fund appropriation items my conclusion was that it is affordable but he hasn't completely finished looking at all the items and evaluating them but in general it looks like things that are there are things we need and this is the appropriate time to get them done.

Vice-Mayor Binkley agreed with Commissioner Trotter and if we take the ambulance out of consideration which we may or may not it is only \$69,000.00 coming out of our funds.

Commissioner Davis concurred with everything said.

Action taken: Commissioner Trotter moved to adopt Ordinance 280-17 on First Reading, seconded by Commissioner Davis. The Motion received all affirmative votes.

Agenda item 6. Any other old/new business, questions or matters from the audience

- 1) Mr. Steinbach stated on the Pyramex project, the City has been working behind the scenes trying to facilitate approval for that project, internally the site plan has been approved, the improvement plan submitted by Pyramex has been approved by the Planning Commission, thanks to the Mayor's efforts working with Harvey Matheny, the City Engineer, who has worked very hard we are in-line to secure several hundred thousand dollars for the extension of the sewer from the new wet well/pump station we have installed, all the way down Stateline Road to be able to provide centralized

sewer to Pyramex and build off of that and is encouraged that we are in a position to do it hopefully at a net zero cost to the City if we are fortunate enough to secure the Delta Regional Authority Grant which he feels that we put together a solid proposal, there was good dialog and presentation with that body and they were very supportive and continue to be supportive in working with us, Harvey is trying to put the final touches on the application with Pyramex for a grant however Pyramex as procuring cause has to execute the application for the remaining \$200,000.00 and there are standard provisions that address the performance of the procuring cause (Pyramex) and their performance is based on the generation of retention of jobs and all economic grants are based on the performance of these companies doing what they say they are going to do so there are clauses within this agreement that provide for penalties for failure to perform to generate a specific threshold of jobs or retain jobs and currently the company is not very comfortable in executing a document that ensures or guarantees their performance, it provides for penalties on a per capita basis or pro-rata basis based on the number of employees and in discussing this with the Mayor, we came up with what we hope to be a viable solution for the Board's consideration in which the City would agree to take on the financial responsibility of that remaining portion of the sewer line that we otherwise would pay for and there would be a tap fee applicable to Pyramex and there would be the fees that they would have to expend to provide for a septic system and speaking with the City attorney and coming up with a safety net that in the very unlikely scenario in which if the City was successful in securing the grant that for whatever reason Pyramex would not be able to meet its performance threshold with the number of jobs and the potential of a penalty that the City would step in and agree to financially cover the cost of that to the extent that it did not exceed what the City's responsibility would be for getting the remaining sewer line to Pyramex it is unorthodox but given the situation that without Pyramex we would be trying to figure out how to finance \$800,000.00 in sewer extension to get to the west side of the City and there are associated clauses if you have reviewed the agreement that says that the Delta Regional Authority in its sole discretion can waive those fees if there are economic situations that justify the failure of a company to live up to it but we are currently at a standstill and the agreement has to be executed by the 16th to increase the likelihood of success in securing that money and opens it up to the Board for discussion on this subject.

Action taken: The Board acknowledges and supports Pyramex on this and is willing to step in as a Board. Mr. Steinbach stated there will be an associated agreement drafted on this that will be totally independent of the grant process but the Mayor will be able to address that with Pyramex that the City is willing to cover that portion of the potential penalties.

- 2) Terry Parker gave an updated on debris removal, we contacted our vendor, Waste Connections, to assist us with this but after speaking with Waste Connection they will fall short due to the fact they do not have a grappler to assist so we reached out to other vendors and will secure three quotes to choose the best one to serve us and hopefully start the cleanup process and will also let the residents know the specific date of service.

Agenda item 7. Adjournment

Action taken: Vice-Mayor Binkley moved to adjourn, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____
Mayor