

**MINUTES OF REGULAR MEETING OF THE
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
May 16, 2023, 6:00 P.M.**

The Piperton Board of Mayor and Commissioners met in regular session on May 16, 2023 at 6:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Mike Binkley, Commissioner David Crislip, Commissioner Russ Fletcher, and Commissioner Bret Morris present. City Manager Steve Steinbach, Police Chief Phil Hendricks, Fire Chief Reed Bullock, Public Works Director Richard Mills, Building Official Elizabeth Reed, Building Inspector Pam Houston, Finance Director Maria George, and City Recorder Beverly Holloway were present. William Meacham, Elizabeth McCommon, Vicki Hancock, Deborah Joyner (Fayette Falcon), Letha Granberry, Walter Priddy, Jim Ragon, Lt. Adam Hursh, and Captain Bennett and et al were present in the audience. City Planner Brett Morgan and City Engineer Harvey Matheny were absent.

Agenda item 1. Call to order, establish quorum

Action taken: Mayor Henry Coats called the meeting to order at 6:00 p.m., and established that a quorum was present.

Agenda item 2. Prayer and Pledge of Allegiance to the American Flag

Action taken: Commissioner David Crislip led in the opening Prayer and Commissioner Bret Morris led in the Pledge of Allegiance to the American Flag.

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

Action taken: There were changes to the agenda with the postponing of item 7 and item 10, Vice-Mayor Mike Binkley moved to adopt the agenda with the postponing of item 7 and item 10, seconded by Commissioner Russ Fletcher. The Motion received all affirmative votes.

Agenda item 4. Any changes to the Minutes of the Special Called Work Session of April 5, 2023 and to the Minutes of the Regular Session of April 18, 2023; Motion to adopt the Minutes of the Special Called Work Session of April 5, 2023 and to the Minutes of the Regular Session of April 18, 2023

Action taken: There were no changes to the Minutes of the Special Called Work Session of April 5, 2023 and to the Minutes of the Regular Session of April 18, 2023, Commissioner Morris moved to approve the Minutes of the Special Called Work Session of April 5, 2023 and the Minutes of the Regular Session of April 18, 2023, seconded by Commissioner Fletcher. The Motion received all affirmative votes.

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

City Manager Steve Steinbach stated cash positions continue to remain very favorable for us. We have exceeded \$7 million dollars in Enterprise and General Fund Savings and we will need them with several major capital projects anticipated for FY 2024 and the economy showing a minor slow down or a prolonged slow down. We are not certain at this juncture, and we have had several of our line items in terms of our operating revenue that have decreased. We will exceed our budgeted revenues despite significant decreases in building permits and citation revenue. Sales tax has started to trend down for a couple of months nevertheless we are in good shape across the board. Operating accounts for our various funds are strong and we are in good fiscal shape.

Building Official Elizabeth Reed stated for the month of April, we have 31 active new single-family homes, with 29 total permits issued, conducted 93 inspections, and handled 26 code compliance issues.

Public Works Director Richard Mills stated the installation of the final half-column is almost complete. Warren Construction is underway ordering different components for the house and should start work around the first of the month. The 12" electric valve for the SCADA project has been installed on May 4th, this valve will be controlled by SCADA allowing the tank to fill, and allowing it to supply water to the northern parts of Piperton. We received notification on the TDEC/ARAP money on May 5th, TDEC has approved our projects. The ANR Pipeline has started delivering material off-site behind Public Works today. They will start construction in the next week or so on the gas lines in Twin Lakes. We have turned off part of the drip field to help dry the area and it will not affect our operations.

Mayor Coats inquired on the estimated construction time to which Mr. Mills believes it is 90 days. Sewer flow going to Rossville from 3-27-23 to 4-25-23 (29 days) was 1,327,600 gallons, that is an average of 45,779.31 gallons per day and that is 57.22% of the allotted 80,000 gallons per day. There were 66 Tennessee 811 locates for April, and 108 total work orders with 3 still pending with 7 after-hour emergency call outs.

Fire Chief Reed Bullock stated for the month of April there was 7 residential rough inspections, 6 residential final inspections. There were 51 total calls (50 in the city) and 1 mutual aid call.

Police Chief Phil Hendricks stated in the month of April, there were 48 dispatched calls, 5 incident reports, 0 arrest report and 6 motor vehicle crashes. Two officers completed a leadership course that was held in Collierville. Swore in a new officer today, who will be part-time.

There was no development update given due to Mr. Morgan's absence.

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

Agenda item 6. Consideration of Health Insurance Plan Bids

Mr. Steinbach stated in 2015, we moved to People Processes to help craft a unique healthcare benefit package for our employees. This addressed medical, major medical, dental and vision, and we were able to successfully keep our rate structure down for a total of seven years. Unfortunately, Humana will be exiting from the health insurance business after this year. Our broker will attempt to work with the remaining providers to ensure that we keep the plan that our employees have become accustomed too. The overview of the plan is provided in your bid packet including BlueCross and the State of Tennessee plans. The recommendation is to continue with Humana in their final year.

Action taken: Vice-Mayor Binkley moved to continue with Humana through this next year, seconded by Commissioner Morris. The Motion received all affirmative votes.

Agenda item 7. Fire Agreement with Fayette County, payment for County Services

Action taken: This item was postponed at the beginning of the meeting.

Agenda item 8. Resolution No. 23-270, to authorize the City of Piperton, Tennessee to enter into an agreement with OCV, LLC for a City-Wide Mobile App

Chief Hendricks stated this is an application that would be available for both apple and android devices. It would contain the different departments of the City. It allows people to download the app and contact the City directly to report problems or a pot hole. It can be used for notifications, pay utility bills or a traffic citation.

Action taken: Vice-Mayor Binkley moved to approve Resolution No. 23-270, seconded by Commissioner Crislip. The Motion received all affirmative votes.

Agenda item 9. Resolution No. 23-271, to release and cancel Letter of Credit #69694784, dated April 27, 2022, issued by Simmons Bank in the amount of \$15,000.00 for Commercial Filter – on behalf of Stage Investments, LLC

Mr. Mills (filling in for City Engineer Harvey Matheny) stated Commercial Filter has completed all requirements so the letter of credit can be released.

Action taken: Commissioner Morris moved to approve Resolution No. 23-271, seconded by Commissioner Fletcher. The Motion received all affirmative votes.

Agenda item 10. Resolution No. 23-272, to release and cancel Letter of Credit # 82202502 dated April 11, 2023, issued by the Bank of Fayette County, in the amount of \$10,000.00 for Piperton Preserve Phase 3 – on behalf of RusDun Farms, Inc.

Action taken: This item was postponed at the beginning of the meeting.

Agenda item 11. First Reading, Ordinance No. 372-23, amending Title 11, Chapter 3, of the Piperton Municipal code by amending building operation hours

Mrs. Reed stated this is an effort to help our building community. All the other jurisdictions in the area have operating hours on Saturday. It is currently against the Piperton Ordinance to do construction on the weekends. The hours would be 8 a.m. to 4 p.m. for construction work on Saturdays only.

Action taken: Commissioner Crislip moved to approve Ordinance No. 372-23 on first reading, seconded by Vice-Mayor Binkley. The Motion received all affirmative votes.

Agenda item 12. First Reading, Ordinance No. 373-23, repealing Ordinance No. 363-22, in its entirety, and revising/adopting various fees for the City of Piperton

Mr. Steinbach stated this is the comprehensive schedule where all fees are contained in one document. This document is memorializing changes that were previously approved such as the code enforcement changes along with the sanitation rates over the last six months.

Vice-Mayor Binkley inquired on the spa hot tub fee; is that a stand-alone spa hot tub?

Mrs. Reed stated yes, we have a permit fee for spas and hot tubs that is stand-alone in addition to the inground and above ground swimming pools. This is on our permit, but was neglected to be reflected anywhere else.

Action taken: Vice-Mayor Binkley moved to approve Ordinance No. 369-23 on first reading, seconded by Commissioner Morris. The Motion received all affirmative votes.

Agenda item 13. FY 2024 – Presentation of Projected Revenues and Preliminary Expenditures

Mr. Steinbach stated the City Charter requires the City Manager to report projected revenues and preliminary expenditures at the Board's May meeting in advance of adoption of the Budget. We have started to engage the departments on their budgets, the templates were sent out in April. The department heads review their anticipated needs for the upcoming fiscal year, report back and the Finance department puts those together; and we start to access those. So, what I am presenting for your review and consideration is our anticipated revenue stream and then we will look at the new expenditures. These are very preliminary. We will meet with department heads in the next couple weeks. The project revenues in your packet and on the screen, we break our funding into General Fund, Enterprise Fund-which is a business fund operation as required by the State and what we declare as special revenue funds-which are a hybrid of two. We will begin with the General Fund; our largest funding source is property taxes. Staff is proposing a 10-cent property tax increase this fiscal year. Property tax was initially established for the sole purpose of paving city roads. Beyond that fiscal requirement, there has been no inherent relationship with our property tax and our expenditure requirements and responsibilities. We believe strongly that it is financially prudent and the responsibility of the

Board to access the obligations. We have attempted and we have in fact engaged several methods of increasing revenues without burdening our property tax. The sales tax, the increase of our local option sales tax has served the City well. However, with the increase in personnel responsibilities and the cost associated with that, keeping our fund reserves strong and paying for anticipated capital expenditures we feel that it is again financially prudent to consider that proposal. The resulting increase from 10-cent property tax increase would be approximately \$200,000.00. For impact to the property owners and based on the evaluation of a home, we are looking at somewhere between \$125.00 a year for a half million dollar home up to \$250.00 or approximately \$20.00 a month for a million-dollar home. I believe we would still have the lowest property tax in the metroplex of those entities that have property tax. On local sales tax, we anticipate finishing the year at somewhere between 2.4 and 2.5 million dollars depending on our final two months. We are conservatively projecting an increase of roughly \$400,000.00. The State Shared Taxes are based on a formula that is provided by the State. This is distributed on a per capita basis which doesn't change until we change and we will be conducting a special census in December. On building permit income, based on my data this is what we budgeted but obviously we are going to fall short. When you are projecting revenue streams, they tend to be based on trend data; we had several years of large building structures that generated tens of thousands of dollars and we missed that window this year. There is rumor of another couple of large structures that maybe submitted over the course of the fiscal year; but given our current situation with regard to my observation of subdivisions that are on the ground or that will be delivered to market within the next six to twelve months, I am forecasting a damping situation and this is where your increased sales taxes equalize the loss in projected revenue. On fines/forfeits, we feel this is a reasonable number that is greatly reduced from past years and I am projecting a continuation of what was budgeted for last fiscal year. We are projecting an increase year over year of roughly \$300,000.00 in our General Fund and we believe that to be conservative. Moving on to the Enterprise Fund (Business Operations), this includes our Water and our Sewer funds; more residents mean more water sales. Collierville is contemplating an increase in its water rate and we buy our water from Collierville. We will have conversations soon. Mr. Steinbach went over the development fees. On Sewer revenues, we anticipate an increase in those as our customer base increases. In the future we anticipated decommissioning Twin Lakes' decentralized sewer. That means that revenue will go down, but centralized sewer will go up. There is a negative projection in the Enterprise Fund due largely to the reduction in tap fees and not our operating revenue. Special Revenue Funds (Street Aid, Sanitation and Drug Fund); on our Sanitation fund we went through a nominal rate increase over the last couple of months and we adjusted our rate structure to reduce our margins to give back to the customer base. We keep and anticipate a surplus which goes to pay for communitywide storm debris pickup in those instances. State Street Aid is based on a per capita formula which the State distributes to us so the increase/decrease in those revenue streams are established and set by the State; and as our official population is documented/changed and those numbers sent to the State, then those numbers will go up. The Drug Fund, when the funds come in then we will budget expenditures against that. The end result is a \$17,207.00 increase in our Special Revenue funds. Moving on to the preliminary assessment over revenues versus expenditures; you see the departments, you see what was budgeted for our current fiscal year and you see what is proposed for the upcoming fiscal year and also for our fund appropriations/capital expenses, a lot of these have not been expended due to projects not getting completed due to any number of reasons. The increases with regards to our various departments are largely related to personnel; a lot of these expenditures reflect increases in personnel's job title, promotions, Fire and Police operate on a pay scale different from our rank-file employees. I am projecting a 4% cost of living increase across the board. We have one new personnel proposed. Every year we budget for a full complement in Fire and Police but we don't meet that mark, so it is a place marker so there is no surprise to the Board.

Health Insurance is reflecting a 2% increase in premiums. We are proposing an increase as the Board has done over the last several years in the defined contribution plan of a ½% taking it to 4.5%. In other, every year we have depreciation expenses that increase for a growing city and we are very much that and that number is projected at \$5,000.00. The sum/bottom line is reflected under the projected revenues vs. proposed expenditure. You will see the General Fund revenues, the operating revenues, tap fees, Special Revenues, the expenditures by fund. This number doesn't include non-operating revenue and the excess revenue over operating expenditures goes back into our fund savings. We have no debt and I don't anticipate debt until we get into the construction of our waste water treatment plant or the completion of our waste water treatment plant. We are planning for a Fire and Police facility that is going to be an expenditure that could be easily five to six million dollars, if not more; and that would necessitate debt but until that time it is very much pay as you go here.

Agenda item 14. Any other old/new business, questions or matters from the audience
There was none.

Agenda item 15. Adjournment

Action taken: Vice-Mayor Binkley made a motion to adjourn the meeting, seconded by Commissioner Morris. The Motion received all affirmative votes and the meeting was adjourned at 7:05 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____