

**MINUTES OF SPECIAL CALLED SESSION OF THE
PIPERTON BOARD OF MAYOR AND COMMISSIONERS
June 13, 2023, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in a special called session on June 13, 2023 at 7:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Mike Binkley, Commissioner Russ Fletcher and Commissioner Bret Morris present. Commissioner David Crislip was absent. City Manager Steve Steinbach, Fire Chief Reed Bullock, Finance Director Maria George, Financial Asst Linda Lowrance and City Recorder Beverly Holloway were present.

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 Mayor Coats led in the Pledge of Allegiance to the American Flag.

Agenda item 3. First Reading, Ordinance No. 374-23, amending the Budget for FY 2022-2023, (Third Amendment)

Mr. Steinbach stated this is our third budget amendment for the fiscal year concluding at the end of this month. During the third budget amendment, we generally reconcile revenues, receipts of revenues, expenditures, emergency expenditures and items that have popped up that weren't previously addressed for one reason or the other. This is a first reading and we will have a full presentation during the second reading. This amendment consists of 5 exhibits addressing the General Fund, our Enterprise Fund, Operations (Water and Sewer) and the Special Revenue Fund (Street Aid and Sanitation). I will go through these fairly quickly, highlighting the important ones. On General Fund (Exhibit A), we are recognizing receipt of revenues or reconciling budgeted items that either exceeded or fell short of the mark. Property Tax, we obviously exceeded that nominally. Business tax, sports betting, miscellaneous income all slightly increased. Interest income is the result of increased interest rates. Quite frankly, we have done exceedingly well, which could not have been foreseen last year. Rates have increased 450 basis points over the last half of the fiscal year. Building permit income, we have talked about this item; a slowdown is upon us and that has hit the budgeted item of \$200,000.00 that was based on previous large building permits so we need to right size that overestimate and we have right sized that for fiscal year 2024. Acknowledging various grants that the Fire Department was successful in securing. Fire inspection fees reflects a loss that is related to building permits and the reduction in construction activities. Recognizing a Fire Department donation and Police BVP-Bulletproof Vest Award. Police Department, we have discussed this on numerous occasions, revenue has been down for a number of years largely related to our staff compliment. We have made progress toward that end and we are looking for improvements across the board which will be reflected in the budget. Items in yellow indicates line items that were not budgeted at the start of the fiscal year that were recognized during the course of this fiscal year. Police Officer Reimbursement contract is an item that is related to a personnel disbursement. Court, Electronic Fees, Circuit Court, Enforcement Fines all related to reduced activities in the Police Department. Sale of Surplus Public Property is attributed to the sale of police cars. The net amendment amount is \$76,367.04 and the change is reflected in the amended line items. Moving on to the expenditure items, again the purpose here is to reconcile and recognize increased expenditures or reduced expenditures for items that were not expended. Admin-Telephone Expense, the cost of our service provider has increased across the board. Organizational study, this is something I had hoped to get to. I want to retain a firm to

do a salary-benefit assessment so we remain competitive to the marketplace. Stipends, deferred comp are in recognition of changes due to increased staff. Fire-overtime & fill-in recognizes underestimated revenue and hopefully that number is reduced with increased staff compliment. Fire-land acquisition expense, we have completed the last part of our due diligence. I decided to punt that item. There are other items that need to be addressed and we need to engage in some community conversation with the neighborhood. I have asked Gerald to send a letter to the seller and negotiated a 30-day extension. We will close that probably the end of July. The results of the due diligence and the final decision will be brought to the Board at its July meeting and we look to close that out at the end of July. Grants/donations recognizing not previously budgeted. Public Works employee dental, building utilities recognizing increased cost. PubWorks software is an accounting matter because it is a subscription based and we are no longer classifying on this line item so it is recognized elsewhere. That is it for General Fund.

Exhibit B-Water Fund, the TDEC grant (part of the American Rescue Plan Recovery Act) has been secured, the Mayor has executed the contract and we are waiting to receive the fully executed contract from the State.

Mayor Coats stated he received a call that everything has been approved but hasn't seen the paper yet.

Mr. Steinbach stated we are basically leveraging \$1.2 million dollars in grant funds with a 35% match for that and we will be designing the wastewater treatment plant (the renovation part), waterline extension up Hwy 196 and extending sanitary sewer to Piperton Farms; these are big projects that we otherwise wouldn't be in a position to fund and this is recognition of not only our money. We were allotted money but Fayette County decided to distribute its share to the various municipalities throughout the county. Penalty for late payment, interest income, meter water sales, and fire suppression maintenance; these are all increases in revenue over the budgeted items. Water tap fees for residential decreased significantly as related to the reduced building activity. Water tap fees-new development, this is the developers' side which shows an increase along with water tap fee-commercial. Miscellaneous is showing an increase with most of that attributable to repairs that Public Works has made due to damage caused by contractors. On the expenditure items, in 2019 the State of Tennessee and Collierville along with the Memphis metropolitan planning organization, which is the transportation for the metropolitan area, this organization distributes federal dollars for all the road projects, the widening of Hwy 57 from Collierville at 205 all the way out to the interstate was approved, design ensued and it was determined that one of our main waterlines that comes out of Collierville had to be moved and at the time the City Engineer had indicated that was a cost that would be absorbed by Collierville since it was their project and they were the procuring cause and subsequent to that it was determined that Piperton would be responsible and two or three years later a letter is received by Richard wondering where is our money. So that is the \$49,050.00 you see and we are contractually bound and obligated to do that. Materials/Supplies/Maintenance reflects a nominal increase. Telephone & Data (SCADA), the SCADA system is being employed throughout our sewer infrastructure which Richard has given you the overview previously reflects the cost associated with the data. Purchase Water/Collierville reflects an increase which is money in/money out that we capture back from our customers. Water line upgrade construction and design reflects the TDEC grant that I just described to you previously. A portion of that is for the design and the construction portion is for the waterline extension which is the main trunkline down Hwy 196. We are basically again, as with the land acquisition, punting them from this fiscal year to next fiscal year since we obviously were delayed in getting the contract executed as were most of the jurisdictions throughout the state. Water Tank Electronic Valve also punted to next fiscal year. Local Gov Upgrade and Meter Software this is another subscription situation that is simply a reclassification and the same thing with PubWorks Software, Meter Software taken from one and placed in another account item.

On Exhibit C (Sewer Fund), again the TDEC grant is recognized, the monies being removed from this budget and moved to next year's budget. Penalty for late payment, interest income recognizes underestimated revenue. Decentralized Sewer shows a decrease as we move and transition to centralized sewer. Miscellaneous income again related to repairs. Sewer tap fees for resident again decrease related to reduced building activities. Piperton is unique in that its sewer is provided by Rossville, Marshall County and our decentralized sewer. These items show an increase as well as Sewer tap fees-commercial in revenues. Expenditure items for Sewer Fund, Utilities have gone up across the board for our various facilities. SCADA, as I have already described this is the sewer portion of that. GPS monitoring recognizing an increase in fees. We went to 4G across the board. Rossville Sewer Fees we just discussed as we collect more revenue that means we pay Rossville more fees. SCADA system construction, this is an item I am trying to get my head around with Richard's assistance. What we are dealing with here is a project with a price tag north of \$300,000.00 that was pitched and sold to the Board, it is a critical project but the combination of delay and receipt of parts has kicked this to successive fiscal years and it is creating an accounting nightmare so the \$136,900.00 on top of a budget amendment of \$100,000.00. We budgeted \$50,000.00 initially, we increased as more parts came in that were anticipated so the bill is due now. It's not that we are spending more money it's just a timing situation. Piperton Farms sewer construction; everywhere you see the TDEC \$ that indicates a project associated with that, again we are punting that to next fiscal year. PubWorks Software again this is a reclassification-out of one into another account number.

On Exhibit D-Special Revenue Fund (Street Aid), operating transfer in from General Fund for paving but there has been no paving for a variety of reasons. Our guys are continuing to assess our street situation so that is being taken out and refunded for next fiscal year. Expenditure items-Contract Services Traffic Signals, we have been hit hard on these signals as our responsibilities have grown and we amended this on the second amendment or the first amendment, we started out at \$3,000.00 and went to \$6,000.00 and then we had unexpected repairs. Street Striping-we didn't engage in street striping (no expense incurred). Keough Road Widening- the design and survey is all complete and that is reflected in the \$14,400.00, the actual construction has been punted to next fiscal year. We went out to bid and didn't receive any bids-we will lump it into a larger paving contract and we hope to be able to secure that project at that time. Repair/Patchwork/Replace-I just indicated that we did a minimal amount this fiscal year due other things going on.

Commissioner Russ Fletcher inquired which section of Keough are we widening?

Mr. Steinbach stated not widening, a trail on the southside of Keough Road, we have a rural section as you are aware of, the two-lane road, pedestrians are using that and it has created a dangerous situation so there has been a plan on the books for years to provide some type of safe pedestrian passage. We talked about many alternatives, and we looked at widening it for a multimodal lane that would be striped but we didn't feel that safe enough. So, this plan has a paved asphalt trail on the top slope on the other side of the ditch and we feel that will give an opportunity to connect.

On Exhibit E-Sanitation, Garbage collection cost has gone up due to a rate increases but our revenue has gone up and that is reflected in the \$4,830.00; same with bulk pickup, penalties and interest income on our savings and those are countered by the expenditures related to the increased revenue of \$8,090.00. Our vendors rates went up and we responded with our own rate adjustment but there is a delay in the implementation of that and that will reconcile itself as we get further into calendar year.

Mayor Coats inquired on the brush truck to which Mr. Steinbach stated we are not punting on that; I am told the brush truck will be here or I will know why.

Action taken: Vice-Mayor Mike Binkley moved to accept Ordinance No. 374-23 on first reading, seconded by Commissioner Russ Fletcher. The Motion received all affirmative votes.

Agenda item 4. First Reading, Ordinance No. 375-23, adopting the annual Budget and Tax Rate for the Fiscal Year beginning July 1, 2023 and end June 30, 2024

Mr. Steinbach stated we are not proposing any debt moving into this next fiscal year. We have in excess of \$7 million dollars in cash and cash equivalents. We are looking to leverage that to delay debt for at least another two fiscal years. We will have to incur debt for our wastewater treatment plant. We are looking at a \$5 to \$6 million dollar capital cost as well as the construction of the police/fire facility but that is down the road. We are proposing with the Board's support a ten-cent property tax increase bringing it to \$0.4176 with incremental increases over the next two years. Last year the State of Tennessee mandated a new format change. We have incorporated the format change and that is a part of the ordinance; and, for the record, not only the formatting but the caption. It reflects all of the information we will continue to convey to you and the residents in what we believe to be our much more user-friendly format which includes operating expenditures and capital expenses for each department. While we are no longer submitting that to the State, we are submitting this document and I wanted to make you aware of that. The information that is contained on this State format document is also contained in our exhibits which you have a copy of. Exhibit B, this document shows all of our revenue and then it breaks down each department by every line item-operating expense and capital expenditures at the bottom of the page. We consolidate and reconcile all of that in Exhibit A. so beginning with the revenues (Exhibit B), this broken up by our General Fund revenues which includes our general taxation at the top of the page. The increase is attributable to the ten-cent property tax increase which is approximately \$200,000.00 in additional revenue, the yellow items again are part of the budget amendment that was just looked at. The combination of the property tax increase and the sales tax will offset the decreased building permit income. State shared tax: the State is distributing more money and this number is on a per capita basis. This number is directly related to the residents that are certified and confirmed by the most recent census. Thus, the need to do a special census. The overall bottom number is nearly a half million dollars in increased revenue, again mostly attributable to property tax and sales tax. Our Enterprise Funds are our business operations, these are operations that are run as a business and accounted for as a business as required by the State of Tennessee. I am still working with the Public Works Director on some of these numbers. We may make some minor adjustments but clearly, we are going to sell more water. Those numbers will pick up. On Sewer, similar situation, again related to our growth. I like the numbers I feel they are reasonable. The centralized revenue for Rossville and Marshall County will increase. Moving to Sanitation, nominal increases and we will renegotiate the contract prior to the conclusion of next fiscal year, we look to secure better terms. We will make changes as to how we roll this service out. State of Tennessee revenue (Street Aid) is based on the per capita formula. The Drug fund, we don't budget items against this because we never know when those monies will come in. So at the bottom of the page, you will see this reflected in the State format and you see what our overall revenue sources is combined. We are talking about \$2 million dollars in additional funding opportunities. I say funding opportunities because a lot of that money is applicable to the grant monies that we are taking in nevertheless it puts us in a good position. Next is the revenue/expenditure summary, this document puts everything in front of you. It identifies the departments and identifies their purposed operating budget. The end result is for this fiscal year; we are projecting an increase in our operating expenses of \$ 235,059.00. We have proposed a 4% across the board raise, we have position adjustments for specific staff that are deserving of those position adjustments in keeping with market. There are several employees who have earned certifications in Public Works, Admin and Building. \$33,080.00 health insurance increase expenses which is a 2% increase in premiums. Retirement benefits, we are proposing a 4.5%.

Mayor Coats stated he would like to bump that up now to 5%.

Mr. Steinbach stated thank you Mayor, it is noted for the record and we will address that and send it out. I appreciate that. On other under increased expenditures, it reflects \$5,000.00 increased Sewer infrastructure depreciation costs related to water and sewer. Once it is put into operation, it goes on the books and we have to depreciate it for generally 40 to 50 years and we try to recognize that. You see the projected revenues versus proposed expenditures, Special Revenue funds which consist of Street and Sanitation. The total operating revenues is reflected. the over/under revenues/operating expenditures is currently \$946,078.00. Moving to Exhibit A summary, this document shows everything in one location. It has all of the revenues by fund. It shows the starting fund balance and it has the revenue by the various operations all the way down including water and sewer. You will see the total revenues and below that you see all the expenditures by departments and then at the bottom, you will see where it all goes. You see the ending fund balances and the number of employees. The Capital Budget, this is the wish list and we don't always get to those for a variety of reasons such as can't find contractors, not ready to do the project so this is the on-going list. It is broken out by fund. I will quickly go through this but I want to touch on some of the high lights; the special census I have already addressed, the general transfers are to our Street Aid Fund and then for the Keough Road widening. Again, that comes from the General Fund, we transfer it over to the Street Aid Fund where it is actually expended from. Capital – Admin, we put it in there and the Piper House. We have talked about this; the number came at this amount but we have already value engineered a lot of that, the Mayor can explain a lot and Richard has tirelessly worked on getting the numbers right. The contract has been provided and I am reviewing it now. The contractor is set to start in a couple of weeks with a 10-month time frame and there is a penalty provision. On the furniture and fixtures, I am told that is a little light. We have now moved to a full GIS system for all of our maps which were previously based on a cad system. This will enable us to have interactive GIS maps on our website. Ultimately it will permit fire and police personnel to do heat maps, etc. Mr. Morgan has gotten our maps all changed and we are looking to secure an art view software program. Fire Dept.- the truck didn't make it here that was due to a deadline cutoff that we gave staff. The truck was unable to be purchased so you see the line item along with the outfitting of the truck. Land acquisition-we previously spoke on and it was punted. Mr. Steinbach asked Chief Bullock to speak.

Chief Bullock stated we had received donations for an EleGard Head-up system and a Stryker Lucas 3 and we would like to have second set because we run two scenes many times and want that lifesaving component on at least two apparatus that we can staff. We requested radios and that is just dealing with the challenging radio system that fire and police both have and addressing a solution to that.

Mr. Steinbach stated there is nothing in Building and Codes. We continue to fund our lot demolition clean-up. Moving to Public Works, they have requested equipment maintenance tool box, welder, 220 electric volt panel that should have been at the public works building, tools for vehicle repair, Public Works Week for Employees, landscaping, personal equipment, Community beautification, (we added \$10,000.00 at the request of the Mayor and we are excited about what that entails), Community Drainage repairs (this is our on-going efforts in our subdivisions), and Capital-Public Works requests a vehicle lift, mower, the thumb for the backhoe, second story that is basically an attic build out in the storage area in the back of the building for storage needs, monuments signs, Piper Park improvements (Richard has gotten contributions for bench seating from the gas company), a lot of this money will be used for renting equipment. Police-City App (this is shared between PW, FD and PD), the Board has already approved and we will get cranked up soon after the fiscal year, 2 new police cars along with outfitting those cars, live firing range which has been on the books for years (this will be down at the wastewater treatment plant) and we will have to get a design for that.

Mayor Coats stated there is a possibility that we can bring some of the new car outfitting into maintenance at Public Works as far as wiring and those kinds of things to which Mr. Steinbach stated that must be what tools for vehicle repairs means.

Mr. Steinbach stated moving on to Water, there are fund appropriations for Water (a lot of these are continued over and they are shared across the General Fund, the Water and Sewer) consisting of the welder, the 220, tools, Public Works Week for employees, emergency water infrastructure repairs, water tank maintenance program (that is the subscription program that we entered into possibly for 5 years). Capital for water; vehicle lift, mower, second story, utility vehicle, SCADA programming, Critton/Hollow water project (that has been on the books- we have got to get this done, the design has been completed), Waterline upgrade to Keough & Old State Line Rd Construction (TDEC money), Waterline upgrade design (TDEC money)-this is a project that we wouldn't normally or otherwise to be able to do without this money but it is very critical for the expansion of our distribution network throughout the City as we grow east for pressure purposes. Total water appropriations are \$1,103,494.00. Street Aid appropriations- grounds/row maintenance (Herbicide), small equipment, street stripping which is nothing significant here. Capital-Street Aid-new Street light installation, 2024 annual paving and patch repairs (\$250,000.00), that number will go up, I know it is a passion of the Mayor to explore more comprehensive paving system and the big part of selling the property tax increase and so I expect that number to adjust and go up just based on where we end at the end of the fiscal year. Again \$7 million in the bank, \$6 million dollars in capital expenditures, \$1.2 in grant monies so that still leaves us with \$2 million in the bank not to account for or include the additional monies we sweep over quarterly, so this is a big seminal year for us but still leaving us substantial funds in reserve without going into debt. This depends on where we shake out on some of these; the Piper house, firing range-these are some of the big expenses coming directly out of the General Fund bank. Drug Fund- firearms training simulator (this is something that Captain Bennett had been working on and provided me specifications, I just really haven't been able to dig into that) and asked Commissioner Morris to explain.

Commissioner Morris stated it basically provides different scenario training and gives feedback. It is a very interactive and advanced. It is very beneficial.

Mr. Steinbach stated moving on to Capital Sewer- a lot of the same items that are reflected in the water that are shared and distributed across our general water and sewer; mower, second story, utility vehicle, SCADA, fence replacement at the drip field treatment facility at Shaw's Creek (New item), Piperton Farms sewer extension design (TDEC money), Piperton Farms sewer construction (TDEC money), Wastewater treatment plant (big one, big number-TDEC money) design only, WWTP-J.R. Wauford (TDEC money) very important to the City and with this document we will be in a position to renovate our plant and move forward with the future and lastly the sanitation; no specific Capital appropriations budgeted. So, the end tally is \$6.1 million dollars and again I want to be clear of that \$6 million dollars, \$1.26 million is the TDEC money so you take that off of that and we have the money. That is a brief overview. Between now and the second reading at the end of the month, I will reach out to the Board members to see if you desire to have a work session (informal), I do have some personnel matters that I need to address and hopefully we can find some time.

Mayor Binkley inquired what the tax rate is that we will be approving.

Mr. Steinbach stated \$.4176.

Action taken: Vice-Mayor Binkley moved to approve Ordinance No. 375-23, adopting the annual budget and tax rate for FY 23-24 on first reading, seconded by Commissioner Bret Morris. The Motion received all affirmative votes.

Agenda item 5. 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 8:14 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: _____ date: _____