

**MINUTES OF SPECIAL CALLED SESSION  
PIPERTON BOARD OF MAYOR AND COMMISSIONERS  
June 29, 2021, 6:00 P.M.**

The Piperton Board of Mayor and Commissioners met in a special called session on June 29, 2021 at 6:00 p.m. at City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Mike Binkley, Commissioner Preston Trotter, Commissioner Hugh Davis and Commissioner David Crislip. City Manager Steve Steinbach, Fire Chief Reed Bullock, Finance Director Maria George, Public Works Director Richard Mills and City Recorder Beverly Holloway were present. Vicki Hancock, William Meacham, and Harry Hartwig were present in the audience.

**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:** Mayor Coats led in the opening Prayer and Vice-Mayor Mike Binkley 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 no changes to the Agenda, Commissioner Preston Trotter moved to adopt the agenda, seconded by Commissioner David Crislip. The Motion received all affirmative votes.

**Agenda item 4.** Review/approval of Financial Reports

City Manager Steve Steinbach stated this is the delayed financial report from the June 15<sup>th</sup> meeting, we are still in the process of closing out the books and this reflects our current condition which is overall very strong.

**Action taken:** Vice-Mayor Binkley moved to approve the Financial Reports, seconded by Commissioner Hugh Davis. The Motion received all affirmative votes.

**Agenda item 5.** Recess – hold Public Hearing concerning Ordinance No. 341-21, amending the Budget for FY 2020-2021 (Third Amendment) for the City of Piperton

**Action taken:** Vice-Mayor Binkley moved to recess the meeting to hold public hearing, seconded by Commissioner Davis. The Motion received all affirmative votes.

Mr. Steinbach stated this is the end of the year reconciliation, beginning with the General Fund (Exhibit A), the first page literally is recognition of the revised revenues, where we started and the amended amounts, and at the end of the page the tally is \$362,329.70 in the red but the true picture is we are removing the \$1.3 million dollars that was classified as revenue as loan proceeds, obviously we did not take a loan out opting to pay cash and remove that and the end result is \$937,670.30 in additional revenues some of that is grant money so it wasn't forecasted, the highlights are obviously local sales tax, building permits, state sales tax, and Cares Grant which was unforeseen and the Police Department is in the red with significant decreases in our traffic citation revenues due to Covid, the rest are fairly nominal adjustments, we did see substantial decrease in our interest income, moving on to the expenditures most of these are nominal department related adjustments-the Judges weren't working much of the fiscal year therefore they didn't make as much, some of these items were unrealized projects obviously we have no debt service on the Pinckney property because we didn't go into debt for it and that was a decision made by the Board after the adoption of the current fiscal year budget, substantial increases in City Engineer and Planner and that is indicative of all the development interests and because of our unique system we

recapture a lot of their fees and that is something that is not subsidized by our residents, we did experience over time in the Fire Department some projects were unrealized that will be carried over and at the conclusion on the page 3 you will see sum totals and overall expenditures are down and we discussed the fact that the revenue shows a negative but when you take out the debt service that is a tremendous gain in revenues overall. Water Fund (Exhibit B)-this consists of adjustments to both revenue and expenditure items, on the revenue items we made adjustments for underestimated revenue such as the low interest environment, fire protection fees, water tap fees increased as we have moved to a new refundable fee per the new Water Policy that the Board adopted recently, underestimation on water tap fees related to new development, under the expenditures: underestimation on water meters, increase on depreciation expense and there is significant increases in both water and sewer depreciation for all the new infrastructure that is going in the ground, some adjustments on projects delayed and carried over to FY22, the sum totals on page 2 of exhibit B shows a nominal decrease in revenues and a slight increase in expenditures largely attributable to the depreciation factor, Exhibit C (Sewer Fund)-a similar situation with the noticeable exception of the jump in revenues specifically related to the tap fees both the decentralized sewer revenue and the centralized revenue for Rossville sewer and those are offset based on our system from the increased expenditures but the tap fees are specially indicative of the strong housing market, we are also recognizing the Twin Lakes decommission project not realized yet-we are at 50% of our capacity threshold in our agreement with Rossville and there are new subdivision coming on, we are working through some infiltration issues in Twin Lakes, the SCADA project will be carried over and in sum there is a nominal increase in revenue over expenditures due largely to projects that were not initiated, Exhibit D (Special Revenue Fund-Street Aid) these are State shared distributed taxes and we are recognizing adjustments to those, and Miscellaneous recognizing increases due to Bid Packets and expenditure items-nominal increases related to unforeseen repairs- a few slight increases across those expenditure items, and in the summary section it is a wash, Exhibit E (Special Revenue Fund-Sanitation) again the recognized increased revenue is indicative of the continued strong residential new customer base growth and those are absorb and cancelled out by the corresponding increases to the vendor who provides those services and lastly Exhibit F (Special Revenue Fund-Drug Fund) reflects underestimated revenues and a slight nominal increase is General Session Court fees with no miscellaneous fees collected and that concludes your reconciliation of fiscal year 2021.

**Action taken:** Commissioner Trotter move to reconvene the meeting, seconded by Commissioner Crislip. The Motion received all affirmative votes.

**Agenda item 6.** Second Reading, Ordinance No. 341-21, amending the Budget for FY 2020-2021 (Third Amendment) for the City of Piperton

**Action taken:** Vice-Mayor Binkley moved to approve Ordinance No. 341-21 on second reading, seconded by Commissioner Davis. The Motion received all affirmative votes.

**Agenda item 7.** Recess – hold Public Hearing concerning Ordinance No. 342-21, adopting the annual operating Budget and Tax Rate for the fiscal year beginning July 1, 2021 and ending June 30, 2020

**Action taken:** Commissioner Trotter moved to recess the meeting to hold public hearing, seconded by Commissioner Davis. The Motion received all affirmative votes.

Mr. Steinbach recognized Maria George and Linda Lowrance for their hard work on this document, we are not purposing a property tax increase and the certified tax rate is .3176, the budget is comprised of Exhibit A-the summary document of all revenues and expenditures, so beginning with Exhibit B-the revenues, the yellow on this page is indicative of all the amendments this body just considered and adopted, the comparison year over year is

based on where we currently stand for example the local sales tax indicates 1.9 million dollars and we began the budget year at a forecasted 1,050,000.00 which was conservative based on the previous receipts and we are forecasting 1.8 million and we feel like there will be some pull back in some online commerce related spending so we want to be cautious in that and so in our General Taxes we are proposing \$2,544,000.00 which is approximately \$790,000.00 more than what was budgeted or received last year as opposed to what is indicated as a \$98,025.00 decrease so I wanted to put that in prospective as we close out the books we are comparing against last week not last year, State Shared Taxes are distributed on a per capita bases, the resulting \$236,062.80 indicates a \$7,052.80 increase and it is \$41,000.00 over last year's receipts, Building Permit Income, our current fiscal year concluding was the strongest on record, we took in over \$333,000.00 in building permit income a lot of that was related to some of the large facilities, we generally forecast at least for one if not two of those but we do anticipated a slight decrease in our building permit income due to low existing lot inventory.

Mayor Coats stated there are six homes on the market.

Mr. Steinbach stated Piper Hollow looks like it is close to being platted and that will open up more lots, Madeline Farms is probably prepared to move forward as is Piperton Preserve but there will be a lag time with regards to available lot inventory that is going to impact, so I do anticipate a decrease of probably \$100,000.00 to \$150,000.00 in building permit income and that gets wiped out with one large building, Glenn Farms is coming forward with a Phase 2 and the industrial market continues to be strong and we have over 550 acres of remaining industrial land in our industrial triangle, Fines and Forfeits-we do anticipated a continued decrease, Miscellaneous Revenue-\$139,029.00 loss is not reflective of where we are and if you consider approximately \$135,000.00 of what we are showing we received that we are not receiving was in grants and covid money and that will not reoccur so the reality is that we will be about \$5,000.00 less than what we were last fiscal year and most of this is interest income, so the Enterprise Revenues (Water and Sewer) both funds are growing pretty rapidly, our revenue structure based on our static rate has proven to be resilient and ultimately we will look to move to a volume base system but right now that is covering our charges, and the resulting increases in revenues is \$63,800.00 for water and \$3,780.00 for sewer and again we are comparing our projected revenues as to where we are right now as opposed to year over year, so we are looking at increasing revenues over \$200,000.00 year over year due to our strong customer growth base same thing with Sanitation-it is a vendor based operation-again year over year the number indicates \$11,000.00 in increased revenue that is truly year over year \$35,000.00, State Street Aid-\$4,000.00 again compared to where we ended up this fiscal year but year over year that is a \$10,000.00 increase, beginning with General Administration there are no increases for our Board members and Planning Commissioners, on our consultants we talked about increased development interests and that means increased demand on our consultants' time specifically engineering, we are showing a flat increase but again that is an amended item and that is about a \$20,000.00 year over year increase, regarding the Department budget on page 2; General Administration-we continue to budget for a full time Finance person and Linda Lowrance has been just tremendous, raises across the board and a slight decrease in our employee medical/dental and on operating expenses-they are largely flat other than the increase in our service fee for the audit, a slight increase in Insurance Expense, IT Services-we will implement an ongoing retainer with an IT vendor, the Pinckney property is listed because we have to close that out, Building and Codes-\$42,260.00 increase in personnel recognizes the addition of one of two new full time positions and we are proposing funding for a Code Enforcement Officer, operating expenses are essentially flat, the notable increases are due to the additional vehicle for Code Compliance Officer and our inspectors, insurance increases largely due to workman's comp other than that it is flat across the board, Public Works- an increase of \$49,803.00 recognizes the second of two purposed full time positions, we are budgeting for an in-house construction

inspector, a notable increase in employee medical/dental which is simply a reclassification, our health insurance premiums are flat, operating expenses are largely non-existent, Fire Department-an increase of \$13,065.93 is reflective of the new pay scale that the Board implement in the middle of this fiscal year for Police and Fire, Personnel related expense reflects vacation buy out of a year and overall expenses are kept in check, operating expenses are largely flat across the board in both equipment/supplies and facility items, Police Department-an increase of \$42,000.00 over last fiscal year which is indicative of the increased pay scale and for budget positions that aren't filled, across the board as with the fire department flat operating expenses, Municipal Court-recognizing their compensations level being elevated back to where they were, operating expenses are again flat for this department and commended Marcy and Bev Teel, Enterprise Funds (consists of Water and Sewer Fund) beginning with Water-\$8,270.00 increase largely due to salary adjustments-commended Gerald Dixon and Anthony Harville, we will see a decrease in our contract Utility Operator with Mr. Harville receiving his certification, operating expenses across the board shows some decreases and increases in purchased water but overall decrease in operating expenses for the department, Sewer Fund-\$5,070.00 in recognition of salary adjustments, the depreciation expense has been adjusted in the budget amendment, we started out as \$85,000.00 and the addition of the infrastructure has consequences and it is the depreciation expense, our current tap fee structure captures three years of that depreciation from the developer on the front end but it is going up and that is going to jump significantly because we now have centralized sewer and the distribution lines as they expand are going to increase that and that is the largest portion of the operating expense for Sewer, Special Revenue (consists of State Street Aid, Sanitation and Drug Fund) State Street Aid Fund-these expenditures have been consistent but there will be bumps, street lights has been amended to go up, largely flat year over year, Sanitation-the increased expenditures across the board simply relate to the increase growth as we collect and return to the vendor, Revenue/Expenditure summary-overall a \$257,469.56 increase, expenditures notes-the increase is personnel related with 2 full-time positions, raises and salary adjustments across the board, health insurance again flat the increase is related to employee classification changes, the retirement benefits increased to 3.5% and other increased sewer infrastructure depreciation costs with that said revenues over expenditures even budgeting conservatively and taking care of our own we are still looking at over a half million dollars in savings to put back in the bank barring anything catastrophic, the total operating revenue is \$603,385.00 these numbers are also reflected on the Exhibit A budget, and on the Capital Budget beginning with the Administration appropriation-upgrade to regulatory documents \$10,000.00, General Fund transfer to Street Aid (this comes out of savings and is funded annually for the annual Road repairs/paving) \$250,000.00, General Fund transfer to Street Aid Fund (Keough Road Widening) \$160,000.00 and we anticipate funding this with a portion of the American Cares, Repairs/Maintenance Diligence Pinckney Property \$100,000.00 this is a place holder, we have been doing ongoing repairs-the foundation has been repaired, in the process of trimming trees, Master Plan, Architecture-Pinckney Property \$ 50,000.00, Fireproof File Cabinet, Local Gov Upgrade and Admin Capital-Computer Equipment replacement & repairs, Computer Infrastructure Hardware (New Server, etc) & Alarm System (Pinckney Property); Fire Department appropriations-turnouts to replace out of date gear, low profile ball intake valve to replace failing unit, new mattress for the bunk rooms, replacement ladder, (2) weather stations, portable scene light & initial station outfitting for new hire (replacement from former staff, Capital Items-Fire Department; design and plan for a new station, fire hoses per replacement schedule, (5) AED replacements, Emergency Sirens \$200,000.00-we are also seeking grant money to help with the funding of the AEDs and the emergency Sirens per Chief Bullock, new repeater and microwave for redundancy, diesel filter for Engine 31, and tires for Engine 32; Police Department, no fund balance appropriations proposed, Capital items proposed are two

new police cars and accessories to outfit, commended Chief Hendricks on a good job of maintaining and rotating his inventory; Court-attorney appeals \$15,000.00, we had currently budgeted \$7,500.00 and we have nearly exhausted that in pursuing the Richard Chandler matter and have scheduled mediation coming up and there are no capital appropriations for Court this fiscal year; Public Works appropriations-personal equipment (which is budgeted annually), emergency safety lights for vehicles & equipment (\$9,500.00), landscaping for City Hall and Public Works Building, Capital items-work truck for the new construction inspector, plotter/scanner, City Entrance Monuments (Design/Signage), 30" thumb bucket, 6 x 16 emergency response enclosed trailer, Building Dept appropriations-demolition, lot clean-up (funded annually), Capital items-computers & upgrades, new vehicle for inspector, Water appropriations-water plant preliminary design \$50,000.00, emergency water infrastructure repair (funded annually), Local Gov upgrade, special projects consultant (Bill Kilp), Capital items-water tank electronic valve and Critton/Hollow Roads water extension project (safety project), Sewer appropriations-contract residential tank pumping (annual maintenance), annual decentralized plants grass mowing contract, special projects consultant (Bill Kilp), decommission Twin Lakes WWTP (design) and WWTP improvements & maintenance (professional services), Capital items-sewer pumps replacement (homes), SCADA alarm system for Living Hope and Ballard Road pump stations, Street Aid appropriation-new street light installation, street striping, grounds/right of way maintenance (herbicide) and small equipment purchase/rental for a total of \$28,600.00, Capital items-transfers in from General Fund Savings for FY2022 annual paving/patch/repair program and the Keough Road widening project (to facilitate safer pedestrian travel) the resulting expense is \$410,000.00 and the end result is a net Capital Budget total of \$1,783,125.00 which is less than last year's Capital Budget.

**Action taken:** Vice-Mayor Binkley moved to reconvene the meeting, seconded by Commissioner Davis. The Motion received all affirmative votes.

**Agenda item 8.** Second Reading, Ordinance No. 342-21, adopting the annual operating Budget and Tax Rate for the fiscal year beginning July 1, 2021 and ending June 30, 2022

**Action taken:** Commissioner Davis moved to accept Ordinance No. 342-21 which encompasses our budget for July 1, 2021 to June 30, 2022 on second reading, seconded by Vice-Mayor Binkley. The Motion received all affirmative votes.

**Agenda item 9.** Any other old/new business, questions or matters from the audience

Mayor Coats stated he had spoken with Mike Russell concerning the schoolhouse, he is already moving forward and doesn't want to do anything, if it did sell the people will leave the outside alone and fix the inside up and keep the historic value and that was part of the agreement.

**Agenda item 10.** Adjournment

**Action taken:** Vice-Mayor Binkley made a motion to adjourn the meeting, seconded by Commissioner Trotter. The Motion received all affirmative votes and the meeting was adjourned at 7:18 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

Approved: \_\_\_\_\_ date: \_\_\_\_\_