

**MINUTES OF THE SPECIAL CALLED SESSSION OF THE  
PIPERTON BOARD OF MAYOR AND COMMISSIONERS  
JUNE 09, 2020, 7:00 P.M.**

The Piperton Board of Mayor and Commissioners met in a special called session on June 09, 2020 at 7:00 p.m. at the City Hall, with Board members: Mayor Henry Coats, Vice-Mayor Mike Binkley, Commissioner Hugh Davis, Commissioner Preston Trotter and Commissioner David Crislip. City Manager Steve Steinbach, Public Works Director Bill Kilp, and City Recorder Beverly Holloway were present. Vicki Hancock, William Meacham were present in the audience.

**Agenda item 1.** Call to order, establish quorum

**Action taken:** Mayor Henry Coats called the meeting to order at 7:05 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 Mayor Henry Coats led in the Pledge of Allegiance to the American Flag.

**Agenda item 3.** First Reading, Ordinance No. 327-20, amending or repealing portions of Ordinance No. 310-19 (2018 International Building Code) pertaining to seismic requirements

City Manager Steve Steinbach stated the building community collectively has conveyed concerns to the administration with regards to the seismic requirements that the City has under its adopted 2018 Code, and part of that code includes a seismic requirement that the building community exceeded that of Shelby County and Shelby County has adopted an Alternative Method which gutted the requirements of the seismic recommendations for communities within seismic areas which clearly Memphis is and to an extent Piperton is and he is awaiting data that defines the City's risk levels geographically within that seismic zone and so the Mayor convened a meeting with the building community who are represented by Structural Engineer Julie Furr and also lead by David Grett, who has been very active in the building lobby, they met with Tommie and discussed revisions to the 2018 code which essentially is an amendment to the current provisions, the changes suggested before you are representative of those prepared by the structural engineer and in all fairness they are still being readily accessed, so we need to be on an equal par with the rest of the market to the extent we are not compromising public safety, Collierville is currently under the 2012 code and will soon be moving to 2018 and they too will have to address the particular measure, Tommie stated this afternoon the State is looking to move into the 2018 code and the Mayor sent some additional literature that addresses this, we have agreed to move forward with an amendment and this first reading is a place holder for ultimately amending the seismic requirements to the extent that our building official is comfortable doing so and the Board is comfortable with the changes and what we are hearing from the building community is that the current code requires an excessive amount of steel panels in the construction of the homes and our Building Official said there are increased requirements but a proper design of the home and the nature of the home-two story homes with brick that extend beyond the first story requires these additional panels

and so staff feels comfortable that the data and the document that Julie, the structural engineer, has prepared is moving in the right direction so staff would ask the Board to consider this first reading as a place holder, once Tommie has completed his assessment, he will offer a full report recommendation to the Board perhaps by July but we are not certain if we can get this through at our June 23<sup>rd</sup> meeting.

A discussion ensued.

**Action taken:** Vice-Mayor Mike Binkley moved to approve Ordinance No. 327-20 on first reading, seconded by Commissioner Preston Trotter. The Motion received all affirmative votes.

**Agenda item 4.** First Reading, Ordinance No. 325-20, amending the Budget for FY 2019-2020, (second amendment)

Mr. Steinbach stated we will have a full presentation for our second reading, we have budget amendments across all funds beginning with the General Fund (Exhibit A); there is a host of revenue adjustments beginning with Property Tax which is coming in stronger, Building Permit Income has tremendous activity, commended Tommie and crew have done a wonderful job managing that process and our revenues reflect that increase, Traffic Violations reflects a decrease, City Litigation Tax, State Litigation and Tennessee Department of Safety and all of those are interrelated, our interest income is up, the bottom line amendment is \$29,920.00 and what is missing from this list is the sales tax and quite frankly we don't know we are projecting a \$100,000.00 below budget and that could change, hopefully by our second reading we will have a better read on that so staff is hopeful that number will not be as impacted as we initially thought, with regards to expenditures, there are amendments across the board and a lot of these are house cleaning items, with regards to wages-we are accruing wages that begin a week before the fiscal year so those numbers will be adjust upwards in a variety of departments, Police Wages, Police Overtime, Police Insurance-decrease due to the loss of several officers, Fire Wages-I have already had a candid firm conversation with our Fire Chief when the Board decided to adjust the salary scale for the Police Department out of necessity and to be competitive the Fire Department was watching as well they should be, the Fire Department came in with a proposal and I indicated I would not support that but I would support an assessment of that after we got into the fiscal year and that's one of the things that needs to be looked at annually the Fire Department has the most overtime of any department and that translates into real increases in salary across the board for the men, I want to make sure we take care of our personnel but also for the Board to be aware that our firemen when considering the overtime are well compensated whether they are well compensated as it relates to the rest of the market place we are not certain and has asked Chief for an assessment for the Board, Fire Hospitalization decreased due to changes in classification and there are no other major blips on the General Fund amendment; Exhibit B-Water Fund, adjustments on revenues consist of suspending late charges/cut-offs due to Covid-19, Interest Income increased due to our savings, Water Connection Fee Commercial-that wasn't budgeted it was lumped in with another category, it has been separated and moved to a new line item to distinguish between other uses and our commercial fees, Water Tap Fees increase related to the increase in the building community and will be offset somewhat with the increase purchased of meters, Miscellaneous items are difficult to forecast and can be anything from vendors hitting hydrants or other unrelated costs that

aren't used to budget against operating expenses, and Expenditure Items-most of these are related to the new Public Works Building, the Data Processing Support Charge is reflective of the new Neptune Meter Software that the Board agreed to fund and this will be included in the Governor's Grant so ultimately this will be a wash when the funds are received, Materials/Supplies/Maintenance-increased cost associated with various emergencies lumped in to this category, Mr. Kilp and his administrative assistant to determine whether those are accurately booked or not, Water Meters increase relates to the Tap Fee Line previously discussed, 12" Water Line Extension (Patrick Drive) representative of the change order that the Board approved in January or February (previously noting a subsequent budget amendment at that time), Purchase Water Collierville-again dollars in, dollars out, Emergency Water Infrastructure-related to the Hwy 196 project and its likely there will be other items within that line item once he meets with Mr. Kilp and his staff; Exhibit C-Sewer Fund again as with Water, the late payment reduced slightly, Interest Income increased, Step Tank/Decentralized Revenue and Centralized Sewer (Rossville) increased due to robust building activity, and under expenditure items-Utilities, these are related to the decentralized facilities and with the decommissioning of the Lakes of Greenbrier and Ridgewood Grove we expect those utilities to be reduced somewhat, Materials/Supplies/Maintenance-increased due to emergency repairs related our decentralized facilities; Exhibit D-Special Revenue Fund (Street Aid)-reflects the decreased revenues from the State and under the expenditure items, the Board approved the Public Works department request to forego the budgeted purchase of the paving trailer in exchange for the EXM Mower and associated landscape equipment, Exhibit E-Special Revenue Fund (Sanitation)-the increased revenues associated with growth of our customer base, and under the expenditure items-the increase associated with cost of our payments to our vendor relating to garbage and recycling, Bulk Charge is a new line item, we have worked out an agreement with Waste Connections when a resident desires to have bulk debris pickup on their property there is a charge associated with that and this reflects that item, and there will be a more detailed presentation for our June 23<sup>rd</sup> meeting as we are still in the process of clarifying our numbers.

**Action taken:** Commissioner Crislip moved to approve Ordinance No. 325-20 on first reading, seconded by Commission Hugh Davis. The Motion received all affirmative votes.

**Agenda item 5.** First Reading, Ordinance No. 326-20, adopting the annual operating Budget and Tax Rate for Fiscal year beginning July 1, 2020 and ending June 30, 2021

Mr. Steinbach stated if it is ok with Board, I will refer to the summary that was just passed out to you and since this is a first reading I will be prepared to dig in to the fine details at the public hearing but this enables us to get a sense of what we are looking at financially for the next fiscal year, the legal budget document consists of Exhibit A-which is a total summary of revenues projected and the expenditures along with Capital items and as City Manager, I am looking to insure that we can pay for the proposed expenditures and save a few dollars, so far our analyst tell me that we can do that very thing and I am comfortable where we are, this document has changed since it was presented at the work session due to the budget amendments, Personnel/Operating Expenses under Department/Fund the document we discussed at the work session showed a FY 2020 expenditure for Police Department of \$633,319.00 and now it shows \$561,719.00 due to

amending the budget to reflect the loss of personnel, the bottom line number with regards to what our projected revenues are and what our proposed expenditures hasn't changed what has changing is the incurring of expenditures and or revenue throughout the year, there is a difference in that number but again it is reflected in the up to date numbers that we discussed and with regard to Police that reflects the loss of personnel, with regard to Fire there is a slight adjustment that reflects the increased overtime but across the board we are fairly consistent so with regard to the comparison to FY2020 to FY 2021, I refer you to the increase/decrease, and so the Admin budget shows an increase \$81,275.00 that is comprised of the debt service for the purchase of the Pinckney property should we finance the entirety of that acquisition without any equity so if you take out \$78,000.00 you would see the increase related to salaries is around \$3,000.00 to \$4,000.00, Fire Department has gone down due to a reduction in overtime, Police Department is up over the adjusted budget-again the more accurate assessment is what was budgeted last year and it is flat if you consider that; and again across the board Public Works and Building & Codes exhibited the greatest increase and that is because those are the departments we are proposing the addition of personnel (2 part-time Public Works Utilities laborers; 1 full-time Building Clerk) and I am moving a greater amount of the burden from the General Fund over to the Enterprise Fund this relates directly to Public Works, so that increase is reflected and the cost of 2-Public Works Utility employees/1-full time Building Clerk, raises (proposing 3% across the board) and a couple are salary adjustments for promotions, health insurance increased 2.9%, retirement benefits-we are not proposing an increase if the City's financial condition improves by the fall then I will come back to the Board, so at the bottom of the page you see the projected revenues (which are reflected on Exhibit B), on your enterprise operating revenues-the tap fees are withdrawn from consideration from the operating expenses because we don't budget personnel against tap fees that goes directly to our enterprise fund savings, total revenues of \$3,787,524.00 and operating expenditures \$3,619,749.00 leaving a positive balance of \$167,775.00 for the fiscal year, and expenditures by fund-most of that is due to savings in General Fund, we are showing the operating expenses to be in the red in the Enterprise Fund but when you figure back in the fees we collect for the tap fees and send to Collierville (see footnote at bottom of page) that returns us to a positive number, this is our first year heavily burdening our Enterprise Fund with increased salary percentages, should we slip on that we have two years to adjust that and it will simply be tweaking the percentage of salary that we burden the fund with, so with regard to the first reading as noted the budget consists of Exhibit A-the summary document that shows all of the revenue sources, it also shows all expenditures, it indicates transfers in and out which is primarily related to street paving where the General Fund contributes to the Street Aid Fund and this year \$250,000.00 is proposed in the budget, Exhibit B-Detail, which consists of the revenue of all sources that reconciles across the board and you will see we are \$38,260.70 more and that is inclusive of grant money, you take the grant monies and we are slightly under but still able to pay our obligations, we are staying conservative with our projection on sales tax but projects we will exceed that with Dollar General coming online, the additional C-store is coming back and asking for building permits which may facilitate additional developments, with regards to our Enterprise Funds-we do see increased growth related to our residential, commercial and industrial base, Sanitation-related to the growth in our residential market and we are proposing an increase there and we are seeing a decrease in the State Street Aid from the State, the balance of

Exhibit B is the detailed budgets for each department beginning with the General Administration-consisting of the Mayor and Board, the Planning Commission and the staff that serves the Planning Commission (City Planner, Mapper & City Engineer-contract labor) and that is flat across the board as proposed, with regard to General Administration expenses and staff, personnel expenses are proposed to increase by \$10,117.09, and the debt service for the Pinckney Property (which will be address in Exhibit C), with regards to our fund balance/capital expenses you will see what was purposed for FY 2020 and what was expended and what is proposed for FY 2021, the largest of which is the expenditure for the Pinckney Property and I have also included the master plan and architecture for that property, we will start sending out RFQ's for that once we get through our due diligence which has commenced, I have order the phase 1 environmental, an alta survey and waiting to hear back from a couple of home inspectors; on Building and Codes-the salary increase is \$25,827.00 for the addition of a new Building Clerk with additional staff we should realize savings in decreased expenses for the contract building official, operating expenses increased because we pulled out their workman's comp and liability insurance out of general administration and put it into their department, with regards to capital expenditures, I am proposing a new vehicle for our inspector and we annually fund our Building & Codes Enforcement-Demolition and lot cleanup, that gives me an opportunity to address the Chandler property, and we have the lawsuit ready to go so over the course of next month or so we hope to get action on that and force him to address his property or receive the legal authority to address it for him if he is unable or unwilling; Public Works Budget-increased expenditures due to the addition of 2 Public Works workers, one of which has been hired, Operating Expenses across the board are increasing due to the Public Works Building, Building Physical Plant Maintenance has decreased due to the removal of the leased trailer so across the board there is a modest increase related to personnel and the capital expenditures proposed are the building site and proposing a continuation into next fiscal year, will have a full accounting of that by the time it is complete and expects to meet our number second time amended, proposing City entrance monument sign, heavy duty shelving in the shop area and re-provisioning of equipment and personal equipment; Fire Department is fairly flat across the board even when considering increased raises, and we will have to address the salaries and a conversation about the overtime and with regard to his capital proposed expenditures-looking at a variety of items none too excessive relative to last year and prior years; Police Department is reflecting the increase of salary base across the board as we start to work back to our full complement, will see an increase to employee medical/dental, we are budgeting against the classification of employee that is unknown yet, operating expenses across the board are down by \$8,237.00 and there are no proposed capital expenditures for this fiscal year; Municipal Court-increases in personnel which is offset by changes in employee medical/dental, a slight increase in operating expenses, with regard to capital expenses, I budgeted last year for additional legal fees dealing with citation appeals & Chandler property, we spent \$810.00 before we were shut down by the pandemic but we will certainly use this new fiscal year and that is why that budget item was continued; Enterprise Fund (consists of Water Fund and Sewer Fund)-the increase in personnel reflects a greater percentage of the employee's salaries into the Enterprise Fund, operating expenses will decrease, trying to work with Mr. Kilp to breakout from supplies/repairs/maintenance those items that would be classified as emergency repairs and eat up their budget, wants the Board to see the exact repairs that

are being made that caused that budget item to balloon as it did this year, I am confident that we will get that adjustment made never the less as a budgeting matter we are backing that up to the year before and so that is why we are showing a reduction, I would like that line item reserved for what would be classified as routine and on-going repairs, Fleet-we have increased GPS Monitoring, Vehicle Maintenance/Repairs and Fuel is because I have now broken out the Fleet for Water and Sewer in an effort for greater transparency to the true cost of operating the separate departments for budgeting purposes so we are more accurate with our accounting numbers, Fund Balance Appropriations/Capital Expenses-proposing a new utility truck, Water Plant preliminary design this year as we get closer to the expiration of our agreement with Collierville, Emergency Water Infrastructure Repair-returns to the previously discussed item Supplies/Repairs/Maintenance-wants to pull that out now and keep an item specifically for that for transparency, Sewer Fund-again the reflecting of the additional personnel and increased percentages, cost going down across the board, then there is Supplies/Repairs/Maintenance number-feels like after speaking with staff that was an anomaly and it is hard to forecast those unseen things but we don't like to budget for them that allows for budget creep and bad things happen in those instances, again we pulled out the Fleet directly related to the Sewer Fund, Capital Expenses-below the line, you will see Sewer Pumps Replacement and Contract Residential Tank Pumping, these items were pulled out of Supplies/Repairs/Maintenance, Annual Decentralized Grass Mowing will be cut in half because of the decommissioning and doing some of that cutting in house, Decommissioning Lakes of Greenbrier and Ridgewood Plants-these are roll overs from our current fiscal year, we have the construction plans done for Ridgewood Grove and will be going out to bid next week but it is unlikely that we will be in a position to approve that bid prior to the conclusion of the fiscal year less the expenses to date for engineering, I am proposing the decommissioning of Twin Lakes Plant, again it is my hope to decommission all of the plants south of the river that we can decommission since we have the ability to send that effluent to Rossville but it also enables us to build up the quality and quantity so when we are ready to open our own treatment plant, and Twin Lakes has been a tremendous burden this year, the Mayor is in the process of negotiating increased capacity with Rossville, we are proposing to resurface the gravel drive to the WWTP and also proposing for the SCADA system (Living Hope & Ballard Rd. Pump Stations), which is a high tech alarm system that we would like to see on all of our pump stations and lastly our Special Revenue Fund (consists of State Street Aid, Sanitation and Drug Fund Balance)-State Street Aid is flat due to decreased revenues, Fund Balance Appropriations/Capital Expenses-proposing new street lights at critical and strategic locations around the City, FY 2021 Annual Paving Program is a slight increase from last year of \$50,000.00 but it is important to know we only expended \$112,000.00 of the \$200,000.00 we budgeted for last year so that will continue into the new fiscal year, Sanitation-the numbers are reflective of our increased growth and will sit down with Mr. Kilp and Christi to get an accurate handle on those, we are not losing money but I want to make sure we more accurately tie our revenues and expenditures together; Drug Fund-we are not proposing any capital expenditures this year, lastly as part of the legal budget document is Exhibit C for our proposed debt and at this time it is a place holder because we don't know what our debt will look like, I have set up an amortization schedule 20 years at 2%, this reconciles with the Administration budget for that, this document will be fined tuned for second reading.

Mayor Coats inquired do we have a generator or anything available to hook up to those pump stations.

Mr. Steinbach stated Mr. Kilp is assessing those pump stations and the pump stations do have the connections and asked for recommendations but have not received yet so that is something that may tweak is the acquisition of a larger generator and in the interim should that occurrence happen is to rent a generator which are available for that purpose.

**Action taken:** Vice-Mayor Binkley moved to approve Ordinance No. 326-20 on first reading, seconded by Commissioner Trotter. The Motion received all affirmative votes.

**Agenda item 6.** 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 8:12 p.m.

Respectfully submitted,

Beverly Holloway, City Recorder

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