

BOARD OF MAYOR AND ALDERMEN

May 12, 2014

A regular meeting of the Board of Mayor and Aldermen was held on Monday, May 12, 2014 at 6:00 p.m. in the Council Chambers of the Municipal Center.

Mayor Sharon Goldsworthy was present and presiding.

The following Aldermen were present: Greg Marcom, John Drinnon, Mike Palazzolo, Rocky Janda and Forrest Owens. Staff present: Patrick Lawton, Debra Wiles, Pam Beasley, George Brogdon, Paul Chandler, Reynold Douglas, Butch Eder, Tony Fischer, Ralph Gabb, Tim Gwaltney, Chief Richard Hall, Susan Hopson, Bo Mills, Daniel Page, Lisa Piefer, Phil Rogers, Cameron Ross, Chief John Selberg, and Dotty Johnson.

Call to Order

Mayor Goldsworthy called the meeting to order at 6:00 p.m.

Invocation

Parks & Recreation Director Pam Beasley gave the invocation.

Pledge of Allegiance

Alderman Greg Marcom led the Pledge of Allegiance.

Approval of Agenda

During the executive session, the Board discussed moving #19 – Resolution 14R07, Thornwood Planned Unit Development Outline Plan, to just after #10. There would also be an Add-on –Debt Management Policy Amendment.

Motion by Mr. Janda, seconded by Mr. Owens, to approve the agenda as amended.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Approval of Minutes

There were no corrections or additions to the minutes.

Motion by Mr. Drinnon, seconded by Mr. Janda, to approve the minutes of the Board of Mayor and Aldermen meeting held April 28, 2014, as printed.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

National Public Works Week Proclamation

The Mayor read a proclamation honoring the Public Services Department and proclaimed May 18 -24 as Public Services Week to recognize the contributions that Public Services personnel make every day to our health, safety, comfort and quality of life.

Citizens to be Heard

David Leon, 9668 Gotten Cove, thanked the Board for taking action on Lateral G and advised the Board of some recent legislative action from the Federal Government on flood zones that could help.

Donation – Germantown Police Department

Police Chief Richard Hall recognized Ms. Avery Foster and one of her friends, who along with other current Germantown Elementary students and animal lovers, conducted a cupcake/lemonade sale on April

12, 2014 to raise the funds for the K-9 dogs. Ms. Foster's parents assisted with matching funds for a total of \$100.00 to support our K-9 dogs.

Motion by Mr. Owens, seconded by Mr. Drinnon, to recognize a donation to the Germantown Police Department K-9 Unit in the amount of \$100.00.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Mayor Goldsworthy recessed the regular board meeting and convened as a Beer Board.

Beer Board
Beer Permit – Circle K

City Administrator Patrick Lawton stated the City had received a request from Randy Horne with Circle K Stores, Inc., for a permit to sell beer for off-premise consumption. The new store is to be located at 9113 Winchester Road. The police report stated that nothing has been found to discredit the applicant. Mr. Lawton noted on the application that Circle K #9812, 8140 Hwy 64, Bartlett, TN store had their beer permit suspended for six-months for selling beer to a minor with a fake I.D.(March 2013 – Sept. 2013).

Alderman Owens stated there was noted in the application a violation in the Bartlett store and asked for the representative of Circle K to explain his relationship with the Bartlett store.

Mr. Chris Denton stated he was the regional operations director for Circle K, and he manages all the stores in western Tennessee, north Mississippi and central Alabama. Mr. Denton stated the violation at the Bartlett store happened because the employee simply did not do his job. There are tools in place where the employee scans the customers ID in order to sell the alcoholic beverage. The employee was terminated as a result of selling alcohol to a minor.

In response to a question from Alderman Owens, Mr. Denton stated steps had been taken such as using a tobacco, alcohol management system where all new employees go through training. The district managers make phone calls every night from 3:00 p.m. until 8:00 p.m. and ask if they are being sure to card the customers.

Mr. Denton responded to Alderman Palazzolo's question regarding no tolerance when it comes to a violation of not following procedures as it relates to selling beer to minors. He stated they also have an external company that does random checking.

Motion by Mr. Palazzolo, seconded by Mr. Owens, to approve the request from Randy Horne, the representative of the Circle K Stores, Inc. to be built at 9113 Winchester Road, for a permit to sell beer for off-premise consumption.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Mayor Goldsworthy concluded the business before the Beer Board and reconvened the regular Board of Mayor and Aldermen meeting.

Board of Mayor and Aldermen

Resolution 14R07 - Thornwood PUD Outline Plan Approval

Alderman Marcom recused himself from hearing this agenda item and left the dais.

Economic and Community Development Director Cameron Ross stated this was an outline plan for 17 acres called Thornwood PUD. This acreage is zoned T4 and T5 and part of the Smart Growth Plan. It is to be a multi-phased, mixed use development of retail, office, hotel and multi-family uses. It will incorporate an internal north-south and east-west axis street layout with a central round-about and an

emphasis on pedestrian connections to the surrounding areas and to other phases of the project. The Development Program consists of 60,000 sq. ft. office, retail and restaurant space, Hotel – 108 rooms, multi-family residential – 570 dwelling units and 0.5 civic space and 0.5 acres green space. The property is located north of Neshoba, east of Germantown Road and west of Exeter.

Motion by Mr. Drinnon, seconded by Mr. Owens, to approve Resolution 14R07 – the Thornwood PUD outline plan.

ROLL CALL: Marcom-recused, Drinnon-yes, Palazzolo-yes, Owens–yes, Janda-yes. Motion approved.

Alderman Marcom returned to the dais.

Bio-filter Replacement – Poplar Estates Park

Public Services Director Bo Mills stated that the odor control unit in Poplar Estates Park was installed to address the sewer odor problem that exists in the residential and park area. The odor control unit is no longer effective and in an effort to resolve the problem before the warm weather season, a professional services agreement was approved by the Mayor on February 14, 2014 with Allen & Hoshall to provide an effective and efficient solution.

The scope is to design a “built in place” bio-filter system using a wood chip medium contained in a concrete structure with a moist environment to provide odor control. To reduce project costs, the plan is to use existing piping, blower vent, electrical and water services in the design. The Sewer Division will maintain the odor control unit once the project is completed.

Motion by Mr. Marcom, seconded by Mr. Drinnon, to authorize the Mayor to enter into a contract with Chris Hill Construction Company in the amount of \$59,415.00 for the replacement of the Bio-filter at Poplar Estates Park, and approve Budget Adjustment No. 14-89.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens–yes, Janda-yes. Motion approved.

PSA – Design of Lateral G

Alderman Owens recused himself from this agenda item and left the dais.

City Engineer Tim Gwaltney explained that Lateral G is one of seven major tributaries to the Wolf River located in the city limits of Germantown. The City’s FY14 CIP included a project to reevaluate Lateral G with the goal of identifying alternatives that would eliminate or lessen the need to relocate major utilities while providing the maximum flood protection. The Re-evaluation Phase was completed in January of 2014. Four alternatives were identified that would remove all of the homes from the 100-yr. flood plain. The alternatives were presented to the BMA in a work session in February 2014. At a follow-up BMA work session, staff was instructed to proceed with the design phase of Lateral G Drainage Improvements. Staff recommended Alternative 3 because it provides the least amount of disruption to existing utilities, residents and Houston High School.

Motion by Mr. Palazzolo, seconded by Mr. Marcom, to authorize the Mayor to enter into a Professional Services Agreement with ETI Corporation in the amount of \$161,412.00 for design of improvements to Wolf River Lateral G.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens–recused, Janda-yes. Motion approved.

Alderman Owens returned to the dais.

Lease – Club Cardiovascular Fitness Equipment

Athletic Club Director Phil Rogers explained that the original bid was sent out on April 11, 2014 to provide a turnkey full service operating lease agreement for new commercial grade fitness cardiovascular equipment. This will be the third cardio lease. Leasing of this equipment ensures that the facility has state of the art equipment with a built in maintenance cost. The Germantown Athletic Commission (GAC) had given their approval of the lease.

Procurement Director Lisa Piefer stated there were four bidders with seven proposals. The evaluators were made up of staff from GAC. This will be an operating lease where we don't buy the equipment back, we turn it over. All cardio equipment will be in leasing agreement for thirty six months and lease payments will begin in FY15. The preventative maintenance agreement is for twelve months with two twelve month extensions.

Motion by Mr. Palazzolo, seconded by Mr. Janda, to authorize the Mayor and Board to enter into a contract with Direct Fitness Solutions in the amount of \$1,900.00 annually to provide preventative maintenance for the state of the art athletic cardiovascular equipment, and an operating leasing agreement with Geneva Capital in the amount of \$142,061.40 annually for the Germantown Athletic club.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Purchase – Club Strength Fitness Equipment

Mr. Rogers stated this was a purchase agreement for all new commercial grade strength equipment to include benches, bars, racks, dumbbells, weight plates, selectorized and plate loaded machines. With no electronics, and minimal or no moving parts, purchasing of this type of equipment is a more cost effective approach than leasing. Purchasing of the strength equipment also allows the Club to depreciate the assets and at the end of the life, sell them as surplus and put that money towards the next equipment purchase in the coming years.

Motion by Mr. Palazzolo, seconded by Mr. Drinnon, to authorize the Mayor and Board to enter into a contract with Direct Fitness Solutions in the amount of \$170,529.00 to purchase state of the art fitness strength equipment for the Germantown Athletic Club.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Ordinance 2014-1 – Year-end Budget Adjustments - First Reading

Finance Director Ralph Gabb explained that at the end of the fiscal year, a number of year-end budget adjustments are required to be made in order to avoid budget and fund overruns in the various funds.

Budget Adjustment No. 14-96 is to transfer fund balance to line items to pay for cafeteria plan expenses, compensation study expenses, driver's license check and telephone costs; Budget Adjustment No. 14-97 is to relocate telephone expenses to legal expenses and Budget Adjustment No. 14-98 will increase operating transfer from general fund to state street aid.

Motion by Mr. Owens, seconded by Mr. Drinnon, to approve Ordinance 2014-1 for year-end budget adjustments on first reading and set Monday, June 9, 2014 for second reading and public hearing.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Ordinance 2014-2 – FY15 Budget – First Reading

City Administrator Patrick Lawton stated how important the consideration and adoption of the budget is to the Board and the City. The budget authorizes the allocation of resources and establishes the direction for programs and services for our city for the coming year and during the five-year planning period.

The proposed FY15 budget is balanced and totals \$118,360,450 million dollars for all funds. The general fund, which is the largest City fund, totals \$44,893,300 million dollars. The special revenue funds total \$46,635,391 and include the budget for the Germantown Municipal School District (GMSD). The CIP for FY15 is \$9,368,300. The balanced budget is the result of ongoing departmental cost controls and efficiency measures implemented before the start of the recession and a fundamental shift in cost control measures. There is no property tax increase in the proposed FY15 budget or during the five-year planning period.

The budget represents hundreds of hours of review and analysis by City departments, the Financial Advisory Commission and the Budget team. The Board has had several work sessions regarding the budget to consider these major governmental funds and key policy areas. On Wednesday, May 7, the Board conducted an extensive work session on the entire budget document in anticipation of tonight's meeting. Prior to the public hearing on June 9 an informational brochure entitled "The Budget in Brief" will be mailed to every household in Germantown. The Budget in Brief highlights the major revenue and expenditure categories in the proposed budget and the Board of Mayor and Aldermen's funding priorities.

In January the Board revisited and refined the strategic plan and vision for our community, including a stronger emphasis on economic development, the funding requirements for the municipal school system and expansion of the ambulance program. The Board also provided direction to complete the utility rate study for the utility fund, which includes in the proposed FY15 budget a 30% rate adjustment, to protect the fiscal health of the fund during the five-year planning period. These programs and services included in this year's budget continue to support this policy direction given by the Board of Mayor and Aldermen.

Motion by Mr. Drinnon, seconded by Mr. Owens, to approve on first reading Ordinance 2014-2 establishing the FY15 Proposed Budget, and set Monday, June 9, 2014 for second reading and public hearing.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Ordinance 2014-3 – Real & Personalty Property Tax – First Reading

Finance Director Ralph Gabb stated the recommended property tax rate of \$1.93 per \$100.00 of assessed valuation will generate approximately \$28.4 million in property tax and represents 59.9% of the FY15 General Fund Revenues. After a careful review of the proposed FY15 Budget and the commitment to providing adequate resources to support defined service levels and provide financial resources that are consistent with City financial policies, a tax increase is not recommended in the FY15 Budget.

Motion by Mr. Janda, seconded by Mr. Marcom, to approve Ordinance 2014-3 on first reading, and set Monday, June 9, 2014 for the second reading and public hearing.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

ADD-ON Debt Management Policy Amendment

Mr. Gabb stated this was an amendment to the existing Debt Policy for the issuance of a Short Term Revenue Anticipation Note (RAN).

In December of 2011, the City adopted a Debt Management Policy as directed by the State of Tennessee Funding Board. The City, at that time issued bond debts for the purpose of capital improvements, particularly long-term projects. The Debt Management Policy has been modified to include the issuance of Short-Term Revenue Anticipation Notes to be used for cash flow purposes. The Germantown Municipal School District (GMSD) will have multiple sources of revenue to provide funding of its operations in FY15. As operations will begin on July 1, 2014, there is an immediate need for cash to pay for operations of the GMSD. The City under "Resolution 14R06 Revenue Anticipation Note" will appropriate on behalf of the GMSD a short-term debt in the amount not to exceed \$8.6 million.

Motion by Mr. Marcom, seconded by Mr. Owens to approve amendments to the existing Debt Management Policy as shown on the revised Debt Management Policy.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Resolution 14R06 – Revenue Anticipation Note and Repayment Agreement

Mr. Gabb stated the newly formed Germantown Municipal School District (GMSD) will not have enough funds to meet their projected cash demands in the first several months of operations. In order to ensure the GMSD has sufficient funds the City of Germantown will borrow, on a short term basis, the money necessary to provide the GMSD with cash to pay their bills. A repayment schedule has been developed in which the GMSD will repay the City of Germantown all funds borrowed by June 1, 2015. The resolution will allow the City to appropriate, on behalf of the GMSD, \$8,600,000 in Revenue Anticipation Notes.

Motion by Mr. Drinnon, seconded by Mr. Marcom, to approve Resolution 14R06 which allows the City to appropriate on behalf of the Germantown Municipal School District (GMSD) \$8,600,000.00 in Revenue Anticipation Notes.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

Agreement for Loan Repayment

Mr. Lawton explained that earlier on the agenda, the Board of Mayor and Aldermen approved a resolution regarding a short-term obligation, the RAN, for the temporary financing needs of the Germantown Municipal School District (GMSD). The principal and interest of which will be paid by the GMSD to the City of Germantown with revenue received by the school district during FY15.

In an effort to memorialize this understanding and the various terms and conditions under which this loan will be repaid to the City, the City Attorney developed the agreement for loan repayment. On Monday, May 5, the GMSD superintendent presented this loan repayment agreement to the Germantown Board of Education and it was approved with a unanimous vote.

The amount of the loan will not exceed \$8,600,000 from the sale of revenue anticipation notes.

- The loan will be repaid in its entirety plus any interest by June 30, 2015
- The loan agreement identifies the repayment schedule for the GMSD to adhere to
- And, a clear understanding that the provision of this RAN will in no way affect the City's maintenance of effort obligations to the GMSD.

Motion by Mr. Janda, seconded by Mr. Drinnon, to authorize the Mayor to execute the Agreement for Loan providing for repayment of the loan to GMSD of funds obtained from issuance of Revenue Anticipation Notes, approved by the Board of Mayor and Aldermen pursuant to Resolution 14R06.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

CONSENT

Riverdale Tennis Court Fencing

This is for replacement of weak posts, chain link fencing and windscreen surrounding the tennis courts at Riverdale Park. The existing fence was installed in the mid 80's and over time has become unsightly and unsafe due to weather, rust and use. The contract is with West Memphis Fence & Construction Co. Inc. not to exceed \$20,000.00.

MOTION: To authorize the Mayor to enter into a contract with West Memphis Fence & Construction Co., Inc. not to exceed the amount of \$20,000.00 for the replacement of fencing and wind screen at the Riverdale tennis courts, and approve Budget Adjustment No. 14-90.

Annual Agreement – Ground Water Institute

The fee of \$16,100.00 is the fee that provides funding for a technical staff that consults with local utility officials on water system issues. The GWI updates and maintains a comprehensive well head protection well field report per State of Tennessee guidelines and an expanded well field data base and geologic mapping of the regional aquifer system.

MOTION: To authorize the Mayor to enter into a contract renewal with the University of Memphis Ground Water Institute in the amount of \$16,100.00.

Appointments to Germantown Education Foundation

David Carlisle and Kim Wirth have expressed an interest in serving on the GEF Board. Ms. Wirth has an extensive background with foundations and working on education initiatives. Mr. Carlisle has worked in schools over 42 years, serving as a teacher and most recently as principal of Riverdale Elementary for 29 years until his retirement in 2013. The two candidates were approved at the GEF's April 1st meeting.

MOTION: To approve the appointment of David Carlisle and Kim Wirth to the Germantown Education Foundation for a three-year term.

Great Hall Lobby Flooring

This is a contract with Carpet Contractors in the amount of \$20,938.32 for the replacement of the Great Hall Lobby flooring. This project will replace both the tile and the badly worn carpet in the lobby providing for an aesthetically pleasing entranceway into the facility.

MOTION: To authorize the Mayor to enter into a contract with Carpet Contractors in the amount of \$20,938.32 for the replacement of the Great Hall Lobby Flooring and approve Budget Adjustment No. 14-93.

Fleet Shop Storage Cabinet and Shelving

The City utilized a cooperative purchasing agreement through National Joint Powers Alliance (NJPA) to procure pricing from Grainger for the shelving systems. National cooperative contracts provide considerable time and resource savings for participating member agencies and streamline the contracting processes and maximize efficiencies. This will be new open, bulk and modular drawer/shelving systems in the amount of \$27,974.47.

MOTION: To approve the purchase of new open, closed, bulk shelving and modular drawer/shelving systems from Grainger in the amount of \$27,974.47.

Motion by Mr. Drinnon, seconded by Mr. Owens, to accept the Consent Agenda as read.

ROLL CALL: Marcom-yes, Drinnon-yes, Palazzolo-yes, Owens-yes, Janda-yes. Motion approved.

ADJOURNMENT

There being no further business to be brought before the Board, the regular meeting was adjourned.

Sharon Goldsworthy, Mayor

Dotty Johnson, City Clerk/Recorder