

BOARD OF MAYOR AND ALDERMEN

June 9, 2014

A regular meeting of the Board of Mayor and Aldermen was held on Monday, June 9, 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, George Brogdon, Tim Gwaltney, Bo Mills, Susan Hopson, Chief John Selberg, Chief Richard Hall, Wade Morgan, Pam Beasley, Reynold Douglas, Cameron Ross, Tony Fischer, Butch Eder, Ralph Gabb, Lisa Piefer, Adriene Royals, Sherry Rowell, Jessica Brown and Dotty Johnson.

Call to Order

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

Invocation

Community Services Divisional Director George Brogdon gave the invocation.

Pledge of Allegiance

Alderman John Drinnon led the Pledge of Allegiance.

Approval of Agenda

During the executive session, the Board discussed moving #12 – PSA Germantown Road Realignment and #13 – PSA WRB/Germantown Rd. Intersection Improvements to the consent agenda.

Motion by Mr. Marcom, seconded by Mr. Drinnon, 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 to the minutes.

Motion by Mr. Janda, seconded by Mr. Marcom, to approve the minutes of the Board of Mayor and Aldermen meeting held May 12, 2014.

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

Proclamation – Poster Contest Winner

Mayor Goldsworthy stepped down from the dais to present a proclamation recognizing Ms. Joyce Qin as the 2014 national poster contest winner. The National Garden Clubs, Inc. in conjunction with the USDA Forest Service Sponsors a Smokey Bear/Woodsy Owl Poster Contest to promote wildfire prevention education and conservation. The young lady won over 30,000 entries across the nation. Ms. Qin attends Farmington Elementary School.

Citizens to be Heard

Steven Morley, 8102 Meadow Glen, came forward to express his appreciation and that of the Friends of the Animal Shelter for the Board's attention and renovation to the shelter.

Herschel Freeman, 7684 Apahon, was concerned about the clear-cutting that is to take place on the Thornwood PUD development and felt this did not coincide with what Smart Growth had planned.

Sarah Freeman, 7684 Apahon, was concerned about the clear-cutting of the Thornwood PUD development and Smart Growth development.

Board of Mayor and Aldermen

June 9, 2014

Page 2

James Underwood, 7420 Oak Run Dr., thanked the Board and the BZA for considering changes to the Code for driveways. He stated whether the Board voted for or against it, he was very thankful for the consideration.

Public Hearing – Ordinance 2014-1 Year-End Budget Adjustments – Second Reading

Finance Director Ralph Gabb explained that at the end of the fiscal year, a number of year-end budget adjustments are made to the various City funds, which realign operating expenses/expenditure accounts with actual activity. They recognize various overruns, underruns, project acceleration and deferrals that have already been brought to the Board's attention and gained their approval. Accounting transactions may cross separate funds and consequently require approval by ordinance. Mr. Gabb then discussed each of the budget adjustments which will be included in the third reading to be held on June 23.

Mayor Goldsworthy opened the public hearing. Having no one come forward, the public hearing was closed.

Motion by Mr. Drinnon, seconded by Mr. Owens, to approve Ordinance No. 2014-1 for year-end budget adjustments on second reading.

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

Public Hearing – Ordinance 2014-2 – FY15 Budget – Second Reading

City Administrator Patrick Lawton stated the consideration and adoption of the budget by the Board of Mayor and Aldermen is the single most important action taken by the Board on an annual basis. It authorizes the allocation of resources and establishes the direction for programs and services for our Triple A city for the coming year and during the five-year planning period.

Mr. Lawton then presented a PowerPoint presentation on the budget. 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 **\$52,623,070** and includes the budget for the Germantown Municipal School District. The CIP for FY15 is **\$9,318,000**. 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 had several work sessions regarding the budget to consider the major governmental funds and key policy areas. An extensive work session was held with the Board on the entire budget document. An informational brochure entitled "The Budget in Brief" was 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 and is a public invitation to tonight's second reading on the budget and public hearing.

The FY15 proposed budget continues to support the Vision 2020 plan adopted by the Board of Mayor and Aldermen. 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.

Mr. Lawton thanked the department heads for the work on their individual departmental budgets and the budget team consisting of Ralph Gabb, Adrienne Royals, Sherry Rowell, Jessica Brown, Stacey Ewell, Reynold Douglas, Susan Hopson, Lisa Piefer and Butch Eder.

Board of Mayor and Aldermen

June 9, 2014

Page 3

Mr. Julius Moody, FAC Chairman, reported this year's FAC had 22 citizen members from across the community. He stated that the FAC continues to take great pride in the City's financial stability, ratings, prudence and vision. The FAC had six meetings to review staff's presentation of key components of the FY15 Proposed Budget, the General Fund, Special Revenue Funds, Enterprise Funds, Capital Improvements Program, Infrastructure Replacement Program and Financial Policies. The FAC Commission members approved the Proposed FY15 Budget.

Mr. Moody is also a member of the Financial Audit Commission and stated the Audit Commission had voted to accept the FY13 Financial Audit report as presented. The accounting firm of Watkins Uiberall, PLLC issued an unmodified or clean report with no exception noted during the audit on the financial statements.

Mr. Lawton noted there were some things added to the Budget in the Exhibit A that if approved on this reading, would be incorporated in the Budget Ordinance on third and final reading.

Alderman Owens asked if a part-time position in the Parks Department could be included in the Budget for an Inclusion Specialist for the special education operation.

Mr. Lawton stated this would be a program change and would be discussed before the third and final reading.

Alderman Marcom asked for an explanation for the 1.4 million increase in the school budget.

Mr. Lawton stated the large increase was the \$975,000.00 coming from Shelby County for capital improvements. An additional \$500,000.00 was absorbed in salaries and this is the reason there is no fund balance.

In response to a question from Alderman Palazzolo regarding OPEB or pension liability issues, Mr. Lawton stated every year the City does an actuarial analysis on both the OPEB and pension liability and we meet our requirements and make sure we have sufficient funds to meet that obligation.

Mayor Goldsworthy opened the public hearing. Having no one come forward, the public hearing was closed.

Motion by Mr. Janda, seconded by Mr. Drinnon, to approve on second reading Ordinance No. 2014-2 and the budget amendments as set forth in Exhibit A establishing the FY15 Proposed Budget.

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

Public Hearing – Ordinance 2014-3 – Real & Personalty Property Tax – Second Reading

Mr. 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. A tax increase is not recommended in the FY15 Budget.

Mayor Goldsworthy opened the public hearing. Having no one come forward, the public hearing was closed.

Motion by Mr. Janda, seconded by Mr. Owens, to approve Ordinance No. 2014-3 on second reading.

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

Ordinance 2014-8 – Amendment to Section 23-88 – Parking in Residential Districts – First Reading

Economic and Community Development Director Cameron Ross stated the current regulations prohibit parking within the required front yards of residential lots. The only exception is in the case of a circular

Board of Mayor and Aldermen

June 9, 2014

Page 4

driveway. The BZA has requested staff and the Planning Commission discuss an amendment to the requirement. The Planning Commission recommended approval of the amendment to allow parking in front yards under specific requirements.

Motion by Mr. Owens, seconded by Mr. Janda, to approve on first reading, Ordinance 2014-8, which will amend the regulations in Section 23-88 of the City Code on parking in residential areas, and set July 14, 2014 as the public hearing date.

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

PSA (Environmental Phase) Germantown Road Realignment – Moved to Consent

PSA (Environmental Phase) WRB/Germantown Road Intersection Improvements – Moved to Consent

Animal Shelter Expansion - Construction Contract

Public Services Director Bo Mills stated the Animal Shelter was constructed in 1981 and is in need of major renovation. There is also a need for an expanded area for animal intake and isolation prior to observation and standard testing from the veterinarian. If a sick animal is brought into the shelter, this isolation area will keep diseases from spreading throughout the shelter. The building has had several roof leaks and there is visual exterior wood and gutter damage. Many of the internal doors, walls and baseboards have corroded due to daily cleaning and sanitizing of the kennel areas. Brick pavers are also to be installed in the front of the shelter. The Friends of the Germantown Animal Shelter hopes to sell the pavers in honor or memory as a fund raiser for this group. Barnes & Brower, Inc. were the low bid (\$311,649.00) for phase 1 construction of the base bid, outdoor canopies, flooring resurface and an operable window.

Motion by Mr. Palazzolo, seconded by Mr. Drinnon, to approve a construction contract with Barnes & Brower, Inc. in the amount of \$311,649.00 for the Germantown Animal Shelter Expansion and Renovation Project and to approve Budget Adjustment No. 14-113.

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

SunGard Annual Maintenance

IT Director Tony Fischer stated the Board had approved an upgrade to the system in 2009 which included the implementation of additional modules. The original maintenance agreement was for a 5-year term. This will extend the software maintenance agreement for one additional year in the amount of \$199,171.87.

Motion by Mr. Janda, seconded by Mr. Marcom, to grant authorization to extend the 5-year software maintenance agreement with SunGard Public Sector for one additional year in the amount of \$199,171.87.

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

Library Roof

CIP Program Manager Butch Eder stated that currently the roofing system is in need of multiple repairs even though spot repairs have been ongoing over the past few years. The re-roofing project will address all of the identified areas of wet roofing insulation, cap sheet blisters, all penetrations of the flat section of the roof, and the skylight. B Four Plieed was the low bidder at \$114,037.00.

Motion by Mr. Drinnon, seconded by Mr. Janda, to authorize the Mayor to enter into a contract with B Four Plieed in the amount of \$114,037.00 for the re-roofing of the Germantown Community Library and approve Budget Adjustment No. 14-103.

Board of Mayor and Aldermen

June 9, 2014

Page 5

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

GPAC Stage Flooring

Mr. Eder stated the Germantown Performing Arts Center has been in service for more than twenty years and its original stage is showing its age after two decades of wear and tear. It has numerous defects including cracks, holes and dead spots. Although it has been refinished several times over the years, it has reached the point that it needs to be replaced. Sports Floors, Inc. was the low bid in the amount of \$122,765.00.

Motion by Mr. Palazzolo, seconded by Mr. Drinnon, to authorize the Mayor to enter into a contract with Sports Floors, Inc. in the amount of \$122,765.00 for the replacement of the Germantown Performing Arts Center's Stage.

Alderman Palazzolo stated that through the generosity of the GPAC Foundation Board, they had partnered with the City for \$90,000.00 for this project.

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

GMSD Funding

Mr. Gabb stated in June 2013, the Germantown Board of Mayor and Aldermen approved the fiscal year 2014 budget, including approximately \$2.5 million designated for municipal schools. These funds were approved with the understanding that the Germantown Board of Education (GBoE) and the Germantown Municipal School District would have expenses related to school start-up. The GBoE has no budget aside from the amount allocated by the City. This arrangement allows for a clear division between City employees and employees of the GBoE and allows the GBoE to fulfill the obligation to pay all their bills.

Motion by Mr. Janda, seconded by Mr. Owens, to approve the appropriation of funding in the amount of \$1,215,018.00 to the Germantown Board of Education for expenses incurred during the year.

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

CONSENT

Network Annual Maintenance

The maintenance contracts will provide security through firewall filtering, coverage for the entire City network and licensing required for equipment associated with the City phone system. The contracts will provide support in maintaining the system's functionality and integrity should there be a malware, URL, filtering or hardware failure. The contract is with Presidio Networked Solutions in the amount of \$19,756.14.

MOTION: To authorize the Mayor to renew the maintenance contract with Presidio Networked Solutions in the amount of \$19,756.14 for the City's internet firewalls, network hardware and phone system licensing.

Copy Machines Lease Agreement

This year, Shelby County completed the competitive sealed bid process to secure pricing for over six-hundred copiers which included language allowing cooperative purchasing by other municipalities. This is a three-year agreement for the lease of twenty-two copy machines from NovaCopy, Inc. for an estimated annual cost of \$58,100.00.

MOTION: To authorize a three-year agreement for the lease of twenty-two (22) copy machines from NovaCopy, Inc. for an estimated annual cost of \$58,100.00.

Board of Mayor and Aldermen

June 9, 2014

Page 6

Fire Hose Purchase

The Germantown Fire Department fire apparatus are required to carry a minimum of 1200 feet of supply fire hose to meet ISO requirements. Inventory history shows over the past ten years that a majority of our five-inch fire hose has lasted considerably less than ten years. The Fire Department is requesting the purchase of three different types of hose to assist with long-range evaluation. The cost of the three types of fire hose will be a total of \$20,665.71.

MOTION: To purchase fire hose from Dana Safety Supply in the total amount of \$7,040.00; from EVS in the total amount of \$7,041.71; and from Safe Industries in the total amount of \$6,584.00; for a grand total of \$20,665.71

Donation – Safety City

The Leadership Germantown Alumni has made a donation to Germantown Safety City in the amount of \$300.00.

MOTION: To recognize a donation to the City of Germantown Safety City program in the amount of \$300.00.

Donation – Parks & Recreation

The Germantown Woman’s Club made a donation to the Farm Park totaling \$1,300.00 to support irrigation enhancement efforts and increase agricultural production at the Farm Park.

MOTION: To recognize a donation from the Germantown Woman’s Club to the Farm Park totaling \$1,300.00 and to approve Budget Adjustment No. 14-109.

Purchase of Utility Trailer

This purchase is for a low profile heavy duty equipment trailer to be used to haul the new excavator the Board approved for purchase on October 28, 2013. The City owned tilt type equipment trailers are not designed to safely transport this type of machinery. The purchase will be made by utilizing a cooperative purchasing agreement through National Joint Powers Alliance to procure pricing from Century Equipment Rental in the amount of \$16,233.24.

MOTION: To approve the purchase of a 2014 Felling FT-30-2 LP heavy duty equipment trailer from Century Equipment Rental in the amount of \$16,233.24.

PSA (Environmental Phase) Germantown Road Realignment – Moved from Reg. Agenda

In an effort to decrease vehicular traffic congestion and provide safer pedestrian and bicycle movement within the central business district, realignment of Germantown Road immediately north of the railroad tracks with West Street was proposed in the Smart Growth Plan in 2007. The proposed realignment consists of realigning the existing roadways to the west to connect the offset legs of Germantown Road. A new signalized intersection would be constructed north of the Norfolk Southern Railroad to accommodate West Street and Old Germantown Road traffic. TDOT has agreed to cover half the local match requirement. Therefore, the City will be reimbursed 90% of the project expenditures.

The Professional Services Agreement for \$58,000.00 was awarded to Kimley-Horn who was unanimously chosen as the most qualified firm for this project.

MOTION: To authorize the Mayor to enter into a Professional Services Agreement with Kimley-Horn and Associates, Inc. in the amount of \$58,000.00 for the Germantown Road Realignment Project.

PSA (Environmental Phase) WRB/Germantown Road Intersection Improvements – Moved from Reg. Agenda

This intersection is one of the most heavily congested intersections within the entire Memphis-MPO area. Excessive delays at all times of the day prompted the City of Germantown to request federal funding for

Board of Mayor and Aldermen

June 9, 2014

Page 7

improvements to add capacity and increase efficiency of the intersection. Since the bulk of the project is on a state route, TDOT has agreed to cover the 20% local match requirement. There, the City will be reimbursed 100% of project expenditures.

Using Qualification Based Selection (QBS) criteria, the selection committee chose Buchart-Horn as the most qualified firm to provide the design services for the City. Approval of this PSA will authorize the Preliminary Engineering/Environmental Phase of the project to commence in FY14 in the amount of \$49,785.00. The preliminary design phase will not commence until after completion of the environmental phase. The design fee is estimated at \$141,000.00.

MOTION: To authorize the Mayor to enter into a professional services agreement with Buchart-Horn, Inc. in the amount of \$49,785.00 for environmental services for the Wolf River Boulevard/Germantown Road Intersection Improvements project.

Motion by Mr. Marcom, seconded by Mr. Drinnon, to accept the Consent Agenda as amended.

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