

## **BOARD OF MAYOR AND ALDERMEN**

May 9, 2016

The regular meeting of the Board of Mayor and Aldermen was held on Monday, May 9, 2016 at 6:00 p.m. in the Council Chambers of the Municipal Center.

Mayor Mike Palazzolo was present and presiding.

The following aldermen were present: John Barzizza, Mary Anne Gibson, Dave Klevan, Forrest Owens and Rocky Janda. Staff present: Patrick Lawton, Debra Wiles, Pam Beasley, Reynold Douglas, Butch Eder, Stacey Ewell, Tony Fisher, Tim Gwaltney, Chief Richard Hall, Christy Nini, Daniel Page, Lisa Piefer, Phil Rogers, Cameron Ross, Adrienne Royals, Chief John Selberg, Steve Wilensky and Michele Betty.

### **Call to Order**

The Mayor called the meeting to order and recognized School Board Chairman Linda Fisher, GMSD Finance Director Kevin Jones, Executive Director/President of the Germantown Chamber of Commerce Janie Day, Executive Director of Germantown Education Foundation Stephanie Brockway, and retired City Finance Director Ralph Gabb.

### **Invocation**

General Services Director Reynold Douglas gave the invocation.

### **Pledge of Allegiance**

Alderman Dave Klevan led the Pledge of Allegiance.

### **Approval of Agenda**

The Board agreed to an Add-On – #16b Construction Contract – Wolf River Lateral G Drainage Improvements and move to Consent Agenda - #15 Acceptance of DRA Grant Funds for EPIcenter Germantown.

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

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-no. Motion approved.

### **Approval of Minutes**

There were no corrections to the minutes.

Motion by Mr. Barzizza, seconded by Mr. Klevan, to approve the minutes of the Board of Mayor and Aldermen meeting held April 25, 2016.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

### **Proclamation**

The Mayor read a proclamation to honor the profession of Public Works and the City of Germantown's Public Works Department which provides basic quality of life services including:

Animal Control, Street/Drainage and Sign Maintenance, Grounds Maintenance, Potable Water Production and Distribution and Sanitary Sewer Collection. National Public Works Week is May 15-21, 2016.

### **Special Recognition**

#### **Houston High School Cyber Hackers Club**

Cyber Patriots are an ethical computer hackers club, focused on training tomorrow's technology leaders in securing computer networks. The Cyber Patriot program was conceived by the Air Force Association (AFA) to inspire students toward careers in cybersecurity or other science, technology, engineering, and mathematics (STEM) disciplines critical to our nation's future. The Cyber Patriots along with the club sponsor and Houston High School Computer Science teacher Leslie Brommer, recently won awards for their outstanding work at the state competition.

School Board Chairman Linda Fisher introduced Ms. Brommer who, in turn, introduced the third place award winner Team Safe Computer, including: team captain Tim Liang, Rahul Ajmera, Taabish Kathawala, Jacob Pierce, Nikolas Preza and William Robertson and the Cyber Scrubs team, including: team captain Vijay Rajagopal, James Lindsay, Michael Jones, John Pi, Alejandro Scroggs, and Daniel Sylwestrowicz which took second place.

### **Alderman Liaison Reports**

Alderman Barzizza:

Historic Commission has set the Depot's hours as Saturday 1-4 p.m. and one day during the week, not yet determined.

Alderman Gibson:

Neighborhood Preservation Commission is preparing for the Neighborhood Summit in October. Education Celebration was held a few weeks ago. The Youth Excellence Award was awarded to Alyssa Neuberger of Briarcrest Christian School, New Teacher of the Year was awarded to Katie Prentice Houston Middle School, and Teacher of the Year winner was Jim Smith of Houston High School. Ms. Gibson recognized Commission Chairman Mindy Fischer in the audience.

Alderman Klevan:

The Library, Parks and Recreation, and Public Safety Education Commission are hosting Touch a Truck at the Library on Saturday, May 14. The Public Safety Commission will host the Child Safety Check.

The Public Safety Education Commission is preparing for Safety City the week of June 13-17.

Personnel Advisory Commission will not meet in June. Subcommittees will meet to discuss benefits and health events planned for the fall.

Germantown Athletic Club is in Phase II of renovations.

The Drug Take Back program resulted in 474 pounds of drugs turn in by citizens.

Vice Mayor Owens:

Per request by the Financial Advisory Commission, rental rates for the Pickering Center are being considered by an Ad Hoc committee.

Parks and Recreation Commission will host in June the National Commission for Accreditation of Parks and Recreation Agencies.

The Beautification Commission and Tree Board are in the process of obtaining arboretum designation for Oaklawn Gardens.

Work Sessions are planned for June 8 and 16 at 9 a.m. to select holiday decorations.

The park expansion for Riverdale School was one item reviewed by the Planning Commission.

Alderman Janda:

Alderman Janda had no commissions to meet since the last Board meeting.

Mayor Palazzolo stated that the Board, City, County and State leaders were given the privilege to break ground on the Riverdale School expansion last week.

### **Citizens to be Heard**

No citizens came forward.

### **CONSENT**

#### **Bulk Purchase – Cement Treated Base Mix**

Cement treated base mix is used primarily for street maintenance repairs, utility cuts and stormwater maintenance projects. Public Works crews pick up the amount required each day as needed at the vendor's distribution plant for immediate application.

MOTION: To approve the purchase of 2,500 tons of cement treated base mix in the amount of \$58,900.00 from Metro Materials, Inc. and 1,000 tons from APAC-TN in the amount of \$26,500.00 for a total amount of \$85,400.00.

#### **Grant Contract – The Big Read**

The Big Read, a program of the National Endowment for the Arts, broadens understanding of our world, our communities and ourselves through the joy of sharing a good book. Managed by Arts Midwest, this initiative offers grants to support innovative community reading programs designed around a single book. The City is one of approximately 75 nonprofit organizations to receive a grant to host The Big Read project between September 2016 and June 2017.

MOTION: To authorize the Mayor to execute a contract with Arts Midwest to accept grand funds related to The Big Read 2016 totaling \$10,500.

#### **Germantown Education Foundation – Fill the Fountain**

The Germantown Education Foundation was established in 2006 and is an independent, 501(c)3, not-for-profit corporation that raises funds to directly support the public education of children in Germantown. The mission of the Germantown Education Foundation is to mobilize community

resources to support and benefit schools and educational programs in the City of Germantown.

MOTION: To authorize the transfer of funds collected by the City from residents and other to the Germantown Education Foundation in the amount of \$4,322.00.

**Acceptance of DRA Grant Funds for EPIcenter Germantown**

The funding provided in the FY16 budget has been used to start up and provide basic services to EPIcenter Germantown, including monthly rent, monthly cleaning service, office supplies, internet services, and security system and monitoring. The City has heretofore provided such reimbursements and services to Bioworks commencing with the opening of its operations in Germantown. The agreement has been drafted by the City Attorney to memorialize the parties' agreements regarding such funding.

MOTION: To approve an agreement between the City and Bioworks for the reimbursement of funds for expenses incurred as part of the EPI center Germantown initiative.

Motion by Mr. Barzizza, seconded by Mr. Klevan, to accept the consent agenda as read.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

**REGULAR AGENDA**

Mayor Palazzolo recognized retired City Finance Director Ralph Gabb in the audience. Mayor mentioned the City received today the Government Finance Officers Association award for the preparation of the City's CAFR. The City has a quarter century of excellence in reporting and accounting and the triple A bond was reaffirmed.

Mr. Gabb stated it was the hard work of City staff, our elected officials, and the City Administrator's team who look at the budget and financial statements on a monthly and quarterly basis and put in the effort and time that make Germantown a great city.

**Ordinance 2016-2 – Ordinance to Adopt the FY2017 Budget – First Reading**

Mr. Lawton stated this agenda item is the first reading of the FY17 annual Operating Budget and Capital Improvements Plan for the City of Germantown. These spending plans reflect our commitment to provide quality services and amenities to our residents, while preserving our organization's long term financial viability.

As the City continues to manage through a tempered economic recovery, we see positive signs of improvement to our five year financial forecast, particularly in the area of state sales tax and local sales tax. And although the costs of delivering services are also growing, we will continue to look for ways to build in operating efficiencies. The proposed budget before you continues to provide basic services and maintains the quality standards our residents have come to expect.

This balanced and strategic approach results in a spending plan that adapts to the changing needs of our community without compromising our financial future.

Setting long term priorities for the City is one of the most important responsibilities for Germantown elected officials. Earlier this year, you reaffirmed that commitment by adopting the Germantown Forward 2030 Plan. This policy document sets the direction for the organization, creates alignment between policy and implementation, and acts as a touchstone for making financial and operational decisions to achieve community expectations. The following policy and Key Performance Areas are reflected throughout the recommended budget.

Over the past several months, staff has worked closely and extensively with the City's Financial Advisory Commission based upon the budget calendar established by the BMA. After each commission meeting with the FAC, the Board was provided information regarding the FAC's review and recommendation for each of the governmental funds. During the public hearing to be scheduled for June 13, the chairman of the FAC will present an overview and recommendation of the FY17 budget. In addition to the work of the FAC, staff has provided the BMA with information briefings and work sessions regarding significant policy issues regarding CIP and the Sanitation Fund. The recommended budget includes appropriate funding to address these demands and service areas in a thoughtful and deliberate manner, without disrupting existing services or placing additional strain on the General Fund.

Each year, as part of the City's budget process, department heads engage with their employees to discuss trends, options and opportunities for addressing citizens' needs. Department heads align the Business Plans with the BMA's policy agenda and submit associated budget requests to achieve desired performance outcomes. The budget requests are responsible and, overall, the General Fund represents a 2.5% increase over the estimate for FY16. They are also prepared to answer any questions the BMA may have tonight regarding their area of operation.

The proposed FY17 budget assumes no increase to the property tax rate for the upcoming year. Also, the FY17 budget does not recommend any adjustments to water, wastewater, stormwater, the GAC or other significant user-based systems with one notable exception, sanitation. With the increase in the per unit cost for collection and disposal of solid waste, recyclables and yard debris, the FY17 proposed budget does include an increase to the user fee associated with this fund based on service type effective July 1, 2016. The new rate would not change during the initial five years of the contract with our new hauler and breaks down as follows: backdoor \$36.50, curbside \$29.50, and high density \$19.00.

This recommendation is coming to the Board after being thoroughly vetted with City staff and the FAC. In addition, the City regularly evaluates its other user charges to ensure that appropriate fees are assessed for the services we provide. For FY17, this information is provided in a document called the "Resolution on Revenues" at third reading.

Mr. Lawton ended his presentation with a summary of the budget for all funds for FY17 as \$130,383,002. The General Fund operating budget totals \$49,873,938, the Enterprise Funds total \$18,166,743, and Special Revenue Funds total \$50,441,143 of which Germantown Municipal School District is the largest portion at \$49,405,000. The Capital Improvements Programs total \$11,848,178.

Motion by M. Janda, seconded by Mr. Klevan, to approve on first reading Ordinance No. 2016-2 establishing the FY17 Proposed Budget and set Monday, June 13, 2016 for the second reading and public hearing.

Mr. Klevan expressed concern about a comment made at the last Board meeting about a FAC member resigning from the commission in protest. The Commission Chairman Julius Moody, Alderman Liaison Janda, City Administrator Lawton and Mayor Palazzolo have no knowledge of a FAC member resigning in protest.

Mr. Klevan stated he has a very strong desire to remain open and transparent so that the public has access to all records and information. He raised his concern about the impact of Freedom of Information Requests on the City and taxpayers. He formally requested a meeting with legal counsel.

Mr. Barzizza commented he would like to get a better understanding of the overall budget increase.

Mr. Janda recommended the aldermen, should they have questions regarding the budget, meet with the staff in the accounting department as he has and ask questions.

Ms. Gibson stated she takes the budget process very seriously and considers it to be one of the most important roles as an alderman. She has met with department heads and budget team.

Mr. Owens stated he does the same by meeting department heads, Administration, the Finance Director.

Motion by Mr. Janda, seconded by Mr. Owens to approve on first reading Ordinance No. 2016-2 establishing the FY17 Proposed Budget and set Monday, June 13, 2016 for the second reading and public hearing.

ROLL CALL: Barzizza-no, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

**Ordinance 2016-3 – Year End Budget Adjustments – First Reading**

Mr. Lawton stated there are often times year-end budget adjustments that come before the Board at the close of the fiscal year and in consideration of the budget adoption that in essence amend the FY16 budget.

Earlier this fiscal year, the BMA amended the budget and created a project account for the Riverdale School addition. Budget adjustment 16-56 transfers those funds from the capital budget to an operating account so the City can pay the invoices associated with this project from the bond proceeds.

Budget Adjustment 16-66 realigns funds associated with the most recent addition of the Greenway by moving funds from major roads in the CIP to cover land improvements and consulting costs in the amount of \$6,840 associated with the Greenway. This budget adjustment also pulls money out of Retained Earnings in the GAC to fund the most recent change order associated with Phase I of the improvements to the athletic club.

Motion by Mr. Janda, seconded by Mr. Klevan, to approve Ordinance No. 2016-3 for year-end budget adjustments on first reading and set Monday, June 13, 2016 for second reading and public hearing.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

#### **Ordinance 2016-4 – Real and Personal Property Tax**

Mr. Lawton stated Article II sections 28 and 29 of the Tennessee Constitution and our own local charter give local government the authority to tax real and personal property. Property tax is the mainstay of our City's operating budget, comprising 58% of General Fund revenues. Setting the tax rate in our state is left to discretion of the governing body.

The tax itself is an ad valorem tax. In other words, the rate is based on the value of the property. Our current rate of 1.93 per \$100.00 of assessed valuation has been in place since FY14 and there is no recommended increase to this rate. Based upon Germantown's total assessed value as provided by the county assessor's office, our tax rate will generate \$29.4 million in revenue in FY17.

Motion by Mr. Janda, seconded by Mr. Barzizza, to approve Ordinance No. 2016-4 on first reading and set Monday, June 13, 2016 for second reading and public hearing.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

#### **Ordinance 2016-5 – Germantown Municipal School District Year End Budget Adjustments – First Reading**

Mr. Lawton stated School Board Chairman Linda Fisher and Finance Director Kevin Jones from GMSD are in the audience. This is the second year of operations for the GMSD and will require a number of yearly budget adjustments. These adjustments will recognize various overruns, underruns, project accelerations and deferrals that have been approved by the GMS Board. The GMSD is a Special Revenue Fund of the City of Germantown and will appear in the Comprehensive Annual Financial Report (CAFR) as of June 30, 2016. Therefore, the City Board

of Mayor and Aldermen must approve any yearly budget adjustments.

Motion by Ms. Gibson , seconded by Mr. Janda, to approve Ordinance No. 2016-5 for Germantown Municipal School District year-end budget adjustments on first reading and set Monday, June 13, 2016 for second reading and public hearing.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

Mayor Palazzolo noted some additional budget items including increasing the bike lane budget, median landscaping, funding for the Wellness Council, design work on The Grove at GPAC and adding the position of Assistant City Administrator.

Mr. Janda and Mr. Klevan would like to discuss further Freedom of Information and attorneys fees.

Ms. Gibson mentioned requests from the community pertaining to concerts by Houston High and Middle School and consideration of a full time inclusion specialist.

**Construction Contract – Repairs to Cameron Brown Channel Stabilization and Grove Park Retention Pond Levee Stabilization**

Mr. Gwaltney stated Cameron Brown Park has an existing natural drainage channel fed by the drainage pipe headwall discharging from the Park's lake to the south. The natural channel downstream of this headwall is experiencing bank erosion along both the east and west channel banks. The existing channel banks have erosion rills that are encroaching towards the baseball fields on both sides of the channel. On the east side, the erosion has encroached within 2 feet of the outfield perimeter fence.

The Grove Park outfall structure of Grove Park Lake is located in the northwest corner of the lake. This outfall structure discharges near the top of the existing lake levee, upstream from the confluence with the Wolf River. The levee in the vicinity of the existing outfall structure is failing and is in need of repairs.

Motion by Mr. Owens , seconded by Mr. Barzizza, to authorize the Mayor to enter into a construction contract with Encor, LLC in the amount of \$245,118.50 for construction of repairs to Cameron Brown Channel Stabilization and Grove Park Retention Pond Levee Stabilization Projects.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

**ADD-ON Construction Contract – Wolf River Lateral G Drainage Improvements**

Mr. Gwaltney stated that in 2013 the Federal Emergency Management Agency (FEMA) placed many of the homes and property along Lateral G south of Wolf River Boulevard in a Special Flood Hazard Area (SFHA). The City included in its FY14 CIP a project to re-evaluate 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. Four alternatives were identified that would remove all homes from the 100-yr. flood plain. Staff recommended Alternative 3 intercepting the drainage from Dogwood Grove Subdivision in a traditional surface inlet/underground piping system on the western edge of the existing practice field, conveying that stormwater northward under Wolf River Boulevard (WRB) and into Lateral G on the north side of the road. Just to the east of the proposed pipe alignment, a parallel berm would be constructed along the pipe route. Also included were modifications to the inlet side of the existing reinforcement concrete box under WRB. Improvements to Lateral G will include widening on the east side to provide additional storage capacity and bank stabilization.

FEMA issues a conditional letter of map revision indicating that upon completion of the Lateral G improvements as described, the Flood Insurance Rate Maps, (FIRM) revision process would be initiated. Anticipated start date will be June 2016 with an estimated completion of November 2017.

In response to questions from the aldermen, Mr. Gwaltney stated it may take a year for FEMA to lift the flood designation from the properties in the flood hazard area but there is a process already underway for the maps to be revised. This will alleviate flooding that has occurred for many years.

Mr. Owens works for the design firm association with this project. For the sake of transparency, Mr. Owens asked for confirmation that this particular agenda item is only for construction, not the design phase. Mr. Gwaltney confirmed this item is construction only.

In response to questions from Ms. Gibson regarding the impact of this project on school traffic and activities, Mr. Gwaltney stated he is coordinating the project with the schools.

Motion by Ms. Gibson, seconded by Mr. Janda, to authorize the Mayor to enter into a construction contract with Acuff Enterprises, Inc. D/B/A Scott Construction in the amount of \$2,290,036.50 for construction of Wolf River Lateral G Drainage Improvements and approve Budget Adjustment No. 16-73.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

The Mayor adjourned the regular Board meeting and reconvened as a Beer Board.

### **BEER BOARD**

#### **Public Hearing – Beer Permit Application – Fresh Market – 9375 Poplar**

The City has received a request for a permit to sell beer for off-premise consumption at Fresh Market, located at 9375 Poplar. No one came forward to address the Board. Mayor Palazzolo asked Ms. Terri Payne, Manager of Fresh Market, at 9375 Poplar Avenue, to step forward. In

response to a question from Mr. Barzizza, Ms. Payne stated this is a change of ownership.

Motion by Mr. Barzizza, seconded by Mr. Klevan, to approve the request from Scott Francis Duggan, Manager of Fresh Market, for a permit to sell beer for off-premise consumption at Fresh Market, located at 9375 Poplar.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

**Request for Approval of Temporary Beer Permit – 2016 Wings Art and Healing Fundraiser**

The City has received a request for a temporary beer permit for a fundraiser on May 21, 2016 to benefit The University of Tennessee/West Institute for Cancer Research. Ms. Kerri Burnett stepped forward to respond to a question from Ms. Gibson. Bartenders from Heart and Soul Catering will serve beer and wine and a permit to serve wine will be acquired from the Alcohol Beverage Commission.

Motion by Ms. Gibson, seconded by Mr. Klevan, to approve the temporary beer permit allowing the sale of beer at the 2016 Wings Art and Healing fundraiser at the West Cancer Center located at 7945 Wolf River Blvd. on Saturday, May 21, 2016, during the hours of 6 p.m. to 9 p.m.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

Mayor Palazzolo stepped down from the dais and turned the meeting over to Vice Mayor Owens. Mayor Palazzolo serves on the Germantown Education Foundation which is the beneficiary of the next two permits.

**Request for Approval of Temporary Beer Permit – Germantown Education Foundation Fundraiser**

The City has received a request for a temporary beer permit for a fundraiser on May 11, 2016 to benefit the Germantown Education Foundation. Ms. Stephanie Brockway, 8981 Dogwood Road, stepped forward to answer questions from the Board.

Motion by Mr. Barzizza, seconded by Mr. Klevan, to approve the temporary beer permit allowing the sale of beer for the Germantown Education Foundation at the Bring Back the Joy fundraiser at the Great Hall & Conference Center, on May 23, 2016 from the hours 6 to 10 p.m.

ROLL CALL: Barzizza-yes, Gibson-yes, Klevan-yes, Owens-yes, Janda-yes. Motion approved.

Vice Mayor Owens adjourned the Beer Board.

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Mike Palazzolo, Mayor

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Michele Betty, City Clerk/Recorder