

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

The regular meeting of the Board of Mayor and Aldermen was held on Monday, June 24, 2019, at 6 p.m. in the Council Chambers at City Hall.

Mayor Mike Palazzolo was present and presiding.

The following aldermen were present: Scott Sanders, Mary Anne Gibson, Dean Massey, Forrest Owens and Rocky Janda. Staff present: Pam Beasley, Michele Betty, Rodney Bright, Paul Chandler, Reynold Douglas, Tony Fischer, De’Kisha Fondon, Tim Gwaltney, Jason Huisman, Patrick Lawton, Mac McCarroll, Bo Mills, Daniel Page, Lisa Piefer, Cameron Ross, Sherry Rowell, Adrienne Royals, Emily Rozar, Andy Sanders, Dr. Charles Schulz and John Selberg. Germantown Municipal School District: Director of Finance Kevin Jones.

Call To Order

The Mayor called the meeting to order.

Invocation

Tony Fischer led the invocation.

Pledge of Allegiance

Alderman Massey led the Pledge of Allegiance.

Set Agenda

During the executive session, the Board unanimously agreed to place on the preliminary agenda an Add-On - Shelby County Flood Assistance Grant; to move to the beginning of the regular agenda #18 Contract – Professional Services Agreement Fire Station No. 3 and #21 Warrant Approval – Thornwood Mixed Use PD – Phase 5; to move to the preliminary agenda #19 Lease Agreement – Germantown Road Streetscape Right-of-Way and PILOT Fees; and to add to the regular agenda #22a Agreement – Parliamentarian and #22j Purchase – Repair to Wells No. 2 and No. 6 at the Johnson Road Water Treatment Plant and High Service Pump No. 3 at the Southern Avenue Water Treatment Plant.

Motion by Mr. Massey, seconded by Mr. Sanders, to add to the agenda discussion regarding the attempted purchase of the Germantown Country Club.

ROLL CALL: Sanders-yes, Gibson-no, Massey-yes, Owens-no, Janda-no. Motion failed.

Motion by Mr. Owens, seconded by Ms. Gibson, to approve the June 24, 2019 agenda as amended during the executive session.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Approval of Minutes

Regular Meeting held June 10, 2019

There were no corrections to the minutes of the regular meeting held June 10, 2019.

Motion by Mr. Janda, seconded by Mr. Sanders, to approve the June 10, 2019 minutes as written.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Special Called Meeting held June 14, 2019

There were no corrections to the minutes of the special called meeting held June 14, 2019.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 2

Motion by Mr. Janda, seconded by Ms. Gibson, to approve the June 14, 2019 agenda as written.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Citizens to be Heard

Sam Lencke, 8811 Tottenham Cove, came forward regarding the attempted purchase of the Germantown Country Club and the June 7, 2019 flood event.

Kristina Garner, 2411 Forest Hill - Irene Road, came forward regarding the volunteer organization Germantown Helps and its efforts to assist citizens affected by the June 7, 2019 flood event.

Jennifer Martinez, of Senator Brian Kelsey's office, presented a copy of a letter from the senator to Governor Lee requesting the governor declare a state of emergency for Shelby County and authorize the Tennessee Emergency Management Agency to provide emergency relief in response to flash flooding in the city of Germantown.

Beautification Commission Business Award

Landmark Community Bank is the recipient of the June Beautification Commission Business Award.

Alderman Liaison Reports

The Aldermen reported on their commission activities.

BEER BOARD - Public Hearing - Beer Permit - On-premise Application – Tandem Restaurant Partners

The City received a request from Michael Westmoreland and Stephanie Westmoreland for a permit to sell beer for on-premise consumption at Tandem Restaurant Partners, located at 7605 West Farmington, Suite 2.

The Mayor opened the floor for the public hearing. Having no one come forward, the Mayor closed the public hearing.

Motion by Mr. Owens, seconded by Ms. Gibson, to approve the request of Michael Westmoreland and Stephanie Westmoreland for a permit to sell beer for on-premise consumption at Tandem Restaurant Partners, located at 7605 West Farmington, Suite 2.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

REGULAR

Warrant Approval- Thornwood Mixed Use PD, Phase 5

The applicant is requesting that his previous approval of a patio addition to his lease space (Moondance Restaurant at the southeast corner of this mixed-use building) be revised to allow the enclosure of the space. Consequently, the current request is for approval to construct a 513 square foot building addition, which according to the revised site plan, is the same area as the previous patio addition. Since a portion of the building addition will be located along a primary street frontage (Neshoba Road), it must be a minimum of 20 feet in height in accordance with the zoning regulations. This addition is being built to allow year round dining opportunities, especially in the warmer weather months. Given the location of the addition at the end of the building façade, there will be no adverse impact to the streetscape along Neshoba due to this proposed deviation from the zoning ordinance.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 3

Motion by Ms. Gibson, seconded by Mr. Owens, to approve a warrant from 23-770(A)(1) to allow a proposed addition to the principal building to be 12'10" to the finished floor and 10'10" to grade instead of the required 20 feet minimum.

ROLL CALL: Sanders-no, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

Ordinance No. 2019-10 – Rezoning of a 15.229 Acre Portion of the Fulmer Property (South Side of Wolf River Blvd.) from “R” Residential to “O” Office Zoning – Second Reading and Public Hearing

The proposed rezoning site consists of a portion of the full 190.62-acre parcel, known as Fulmer Farms, which is owned by the Fulmer family. The family's home sites will continue to be located to the south of this newly rezoned office area and will remain in the R district. The rezoning request is due to the applicant's desire to replicate the development of the existing medical office complex located on the north side of Wolf River Blvd.

Motion by Mr. Sanders, seconded by Mr. Owens, to approve on second reading Ordinance 2019-10, the rezoning of a 15.229-acre portion of the Fulmer Property (south side of Wolf River Blvd.) from “R” Residential to “O” Office zoning.

The Mayor opened the floor for the public hearing.

Dennis Sexton, 7197 Mont Blanc, came forward to express his concern about the rezoning process. Don Fromme, 7289 Oakdale Drive, came forward to express his concern about rezoning and its impact on traffic congestion.

The Mayor closed the public hearing.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Contract – Professional Services Agreement Fire Station No. 3

Fire Station No. 3, located at 7766 W. Farmington Blvd., was originally constructed in 1977 with three apparatus bays. This 40-year old facility has had several remodeling projects to increase the functionality of the station. However, as staffing and service demands have increased over the years, the fire station is beyond its capacity for livability and functionality. A cross-functional team of City personnel concluded that renovation of the existing station would not be feasible. The initial scope of work includes programming, site analysis and site selection, schematic design, and sustainability.

Motion by Mr. Janda, seconded by Mr. Sanders, to authorize approval of a professional services agreement in the amount of \$117,852.00 with A2H for initial design services for the construction of Fire Station No. 3 and to approve Budget Adjustment No. 19-150.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Ordinance No. 2019-1 Ordinance to Adopt the FY2020 Budget – Third and Final Reading

The Board's review and annual adoption of the budget is the single most important action taken by the Board every year. The FY20 Proposed Budget takes into consideration the Policy Agenda developed by the Board. The Financial Advisory Commission has held several meetings with the staff to review each component of the budget including the financial policies, General Fund, Enterprise Funds, Special Revenue Funds and the CIP. The Personnel Advisory Commission's recommendation of a 3.0% market adjustment in salaries and wages is incorporated in the FY20 Proposed Budget.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 4

Motion by Mr. Janda, seconded by Ms. Gibson, to amend the FY20 budget on third and final reading with the revenue and expenditures outlined on Exhibit A to be included and made part of this motion.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Motion by Mr. Janda, seconded by Ms. Gibson, to approve on third and final reading Ordinance No. 2019-1 establishing the FY20 Proposed Budget.

Motion by Mr. Sanders, seconded by Mr. Massey, to amend Ordinance No. 2019-1, on third reading, in accordance with Article V, Section 5.01, the salary of the City Administrator will not be increased or decreased from the date of passage of this ordinance through June 30, 2020 without the vote of a simple majority of the Board of Mayor and Aldermen.

In accordance with Article VII, Section 7.01, the salary of the City Clerk/Recorder will not be increased more than 3% or decreased by any amount from the date of passage of this ordinance through June 30, 2020 without the vote of a simple majority of the Board of Mayor and Aldermen.

In accordance with Article XII, Section 12.01, the salary of the Chief of Police will not be increased more than 3% or decreased by any amount from the date of passage of this ordinance through June 30, 2020 without the vote of a simple majority of the Board of Mayor and Aldermen.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Motion by Mr. Sanders, seconded by Mr. Massey, to amend Ordinance No. 2019-1, on third reading, the salary of the Athletic Club Director, the ECD Director, Finance Director, Procurement Director, Parks and Recreation Director, General Services Director, GPAC Director, Human Resources Director, Public Works Director, IT Director, and Fire Chief shall not be increased from date of passage of this ordinance, through June 30, 2020, more that the amount of the Personnel Advisory Commission's recommendation of a 3.0%. In addition, these positions will not receive any bonuses, incentive pay, or other compensation above what any other full-time employee receives.

ROLL CALL: Sanders-yes, Gibson-no, Massey-yes, Owens-no, Janda-no. Motion failed.

Roll call original motion by Mr. Janda, seconded by Ms. Gibson, to approve on third and final reading Ordinance No. 2019-1 establishing the FY20 Proposed Budget.

Sanders-yes, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

Ordinance No. 2019-2 Year-End Budget Adjustments – Third and Final Reading

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. Typically at year-end, a number of 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 received the Board of Mayor and Aldermen's approval.

Motion by Mr. Janda, seconded by Mr. Owens, to approve Ordinance No. 2019-2 for year-end budget adjustments for third and final reading.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Ordinance No. 2019-3 Real and Personalty Property Taxes – Third and Final Reading

The recommended property tax rate on third and final reading for the FY20 budget is \$1.95 per \$100.00 of assessed valuation. The recommended property tax rate of \$1.95 per \$100.00 of assessed valuation will generate approximately \$33.8 million in property tax and represents 56.7% of the FY20 General Fund revenues. After a careful review of the proposed FY20 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 FY20 budget.

Motion by Mr. Janda, seconded by Mr. Sanders, to adopt Ordinance No. 2019-3 establishing the certified tax rate of \$1.95 on third and final reading.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

Ordinance No. 2019-4 Germantown Municipal School District Year-End Budget Adjustments – Third and Final Reading

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 for the Germantown Municipal School District (GMSD). The GMSD yearly budget adjustments have been approved by the Germantown Municipal School Board. However, the GMSD is a Special Revenue Fund of the City and will appear in the Comprehensive Annual Financial Report as of June 30, 2019. Therefore, the Board of Mayor and Alderman must approve any yearly budget adjustments.

Motion by Mr. Janda, seconded by Ms. Gibson, to approve Ordinance No. 2019-4 for Germantown Municipal School District year-end budget adjustments on third and final reading.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Resolution on Revenues – 19R01

A comprehensive review of fees, rates and revenue structures was made during the past year and throughout the budget process. In many business areas, market comparisons were performed to make sure the fees and rates are comparable for the area. Minor changes in fees and charges have been incorporated in most areas for the City in the attempt to keep pace with the cost of services being provided. Other changes in fees and fines are due mainly to review, research and comparison to existing costs of providing services, comparable fees charged by other cities in Tennessee and in direct compliance to laws and regulations of the state and federal governments.

Motion by Mr. Janda, seconded by Mr. Owens, to adopt the Resolution on Revenues 19R01 and schedules establishing the rates, fines and fees in the various funds of the City of Germantown for the FY20 operating budget.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Resolution - Capital Improvements Program - 19R02

The Capital Improvements Program (CIP) for subsequent years is recommended for approval in order to establish a plan by which Administration can schedule its activities to ensure that the projects are accomplished in accordance with the Board of Mayor and Aldermen's direction. The CIP for the six-year planning period is reviewed each year during the budget planning process and revised according to current needs and projections. The development of the CIP follows the guidelines for the CIP Policy adopted by the Board, which allows the City to identify long-term needs and to plan for the necessary financing.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 6

Motion by Mr. Janda, seconded by Ms. Gibson, to adopt Resolution 19R02, establishing a Capital Improvements Program for fiscal years ending June 30, 2020 to 2025.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

Contract Extension No. 2 - Library Services

Since 2004, LSS, Inc. has worked closely with City Administration, the Germantown Community Library Board and the Friends of the Germantown Community Library to enhance and expand services. With the current contract with LSS, Inc. for library operations set to expire on June 30, 2019, the City is exercising the second extension option to extend the existing library operations contract for an additional 12 months. The contract amount represents a 2.5% increase which includes the additional monies approved for cataloguing project. This amount is included in the FY20 budget.

Motion by Ms. Gibson, seconded by Mr. Janda, to approve Contract Extension No. 2 of the Library Services Contract with LSS, Inc. for the period of July 1, 2019 through June 30, 2020, for a total contract amount of \$1,449,711.85.

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Agreement– Parliamentarian

In December 2018, the Board of Mayor and Aldermen authorized Dr. Charles Schulz to serve as parliamentarian for six months. This agreement will expire on June 30, 2019. Dr. Schulz has performed well in this position and the Administration is recommending execution of this one-year agreement for fiscal year 2020. The agreement also allows for three (3) twelve month extensions at the City's option.

Motion by Ms. Gibson, seconded by Mr. Janda, to authorize the Mayor to execute a one-year agreement with three (3) twelve month extensions at the City's option for Dr. Charles A. Schulz to serve as the City's parliamentarian from July 1, 2019 to June 30, 2020 in an amount not to exceed \$10,000.00.

ROLL CALL: Sanders-no, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

Purchase – Repair to Wells No. 2 and No. 6 at the Johnson Road Water Treatment Plant and High Service Pump No. 3

The City's Annual Well and Pump Maintenance Report indicated that wells No. 2 and No. 6 at the Johnson Road water treatment plant and high service pump No. 3 at the Southern Avenue water treatment plant were in need of pulling for assessment and repairs. National Water Services has performed maintenance on wells and pumps in the City utility system over the past nine years and results have been positive. Performing these repairs should restore all three wells and pump to maximum levels and water product to its natural state.

Motion by Mr. Janda, seconded by Ms. Gibson, to authorize National Water Services to repair Wells No. 2 and No. 6 at the Johnson Road water treatment plant and high service pump No. 3 at the Southern Avenue water treatment plant in the total amount of \$74,022.00.

ROLL CALL: Sanders-no, Gibson-yes, Massey-no, Owens-yes, Janda-yes. Motion approved.

PRELIMINARY AGENDA

Appointment to Public Safety Education Commission

There is currently one vacancy on the Public Safety Education Commission. Sridhar Shankar has expressed his desire to serve on this commission.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 7

MOTION: To approve the appointment of Sridhar Shankar to serve on the Public Safety Education Commission with a term ending December 31, 2019.

Appointments to Education Commission

The Education Commission consists of twelve (12) members. Appointments are made in June of each year and conclude in June of the next calendar year.

MOTION: To approve the following appointments to the Education Commission to serve a one-year term, ending on June 30, 2020: Steve Chandler, Brenda Dew, Manjit Kaur, Patricia Toarmina, Stephanie Beliles, Kyle Eaton, Leslie Parker, Camille Vetro and Natalie Williams.

Appointments to Library Board

The Library Board consists of seven (7) members. The appointments are made this time of year to coincide with the establishment of the Library Board. The staggered appointments are for terms of three years. There are three positions to be filled.

MOTION: To approve the appointments of Gail Braddock, Tom Cates and Tom McFadden to the Library Board to serve a three-year term beginning July 1, 2019 and ending June 30, 2022.

Certificates of Compliance - Doc's Wines and Spirits

Audrey Michelle Page and Altus Keith May, owners of Doc's Wines and Spirits, located at 6645 Poplar Avenue, Suite 101, are requesting Certificates of Compliance for a retail package store. State law requires holders of a retail liquor store license to procure a Certificate of Compliance - Retail Package Store as to its location within a municipality approximately every two (2) years. The Germantown Police Department has found no criminal record or active warrant to discredit the applicants. The Economic and Community Development Department has found this location to be in compliance with City zoning laws.

MOTION: To approve the Certificate of Compliance - Retail Package Store for Audrey Michelle Page and Altus Keith May, owners of Doc's Wines and Spirits, located at 6645 Poplar Avenue, Suite 101.

Contract - Pickering Center Kitchen Renovation

The Pickering Center is located on 7771 Poplar Pike Road next to The Tennessee Genealogy Library. The Pickering Center serves as programming space for the Parks and Recreation 50+ group and rental space for the Germantown community. This renovation will make the kitchen more visually appealing, help to maximize the work space and include new amenities such as stainless steel cabinets with locks, wall shelving, open shelf work tables, a hand sink and a new garbage disposal with grease trap.

MOTION: To approve a construction contract with Dan Walker and Associates, Inc in the amount of \$31,187.00 for the base bid with Alternates 2 & 3 in the amount of \$2,953.00 for a contract total of \$34,140.00 and to approve Budget Adjustment No. 19-147.

Purchase - Copy Machines Lease (All Departments)

The Procurement staff reviews each year to see if it is beneficial to bid out the copy machine lease. Due to the lack of sheet volume and small number of machines requested, it has been in the best interest of the City to utilize a larger entity for better volume pricing.

MOTION: To authorize the Mayor to enter into a three-year agreement per the City of Memphis contract pricing for the lease of thirty (30) copy machines from NovaTech, Inc. for an estimated annual cost of \$72,500.00.

Purchase - Fire Station No. 1 HVAC Equipment Replacements

The HVAC equipment that serves Fire Station No. 1 was installed under the original construction in 2000. These systems are past their efficiency and dependable operation. Staff and service companies have performed numerous repairs over the years in order to keep the various HVAC systems operable.

MOTION: To approve the purchase of services with Metro Mechanical Contractors Inc. in the amount of \$54,057.00 and approve Budget Adjustment No. 19-149 for HVAC equipment replacements at Fire Station No. 1.

Purchase – Germantown Athletic Club Domestic Water Heater Replacements

Two domestic water heaters and a hot water storage tank are beyond their useful life of safety and efficiency and are in need of emergency replacement. One of the two water heaters has recently been taken out of service due to a cracked heat exchanger and the 600 gallon storage tank is leaking but still currently in service. The water heater that is operable also has mechanical issues due to age and there is no back up.

MOTION: To approve the purchase of services with Metro Mechanical Contractors Inc. in the amount of \$133,055.00 for the replacement of two domestic water heaters and one hot water storage tank.

Reimbursement Payment No. 6 – GMSD School Security Improvements

An invoice has been submitted by Germantown Municipal School District (GMSD) totaling \$43,051.15 for improvement work completed at Houston High School. The total amount the City will have reimbursed GMSD in FY19 would come to \$377,293.97. Invoices for the remaining security enhancements, totaling \$122,706.03 in FY19, will be forwarded to the City by the end of June 2019. Therefore, City staff is also requesting authorization of payment for the remaining FY19 balance of \$122,706.03, payable upon the receipt of anticipated invoices from GMSD for the remaining school security work at Houston High School, which according to GMSD staff, will be completed by the end of FY19.

MOTION: To approve Reimbursement Payment No. 7 in the amount of \$43,051.15 and to authorize payment for the remaining balance of \$122,706.03 upon the receipt of invoices from the Germantown Municipal School District for school security improvements completed by the end of FY19.

Shelby County Flood Assistance Grant

On Wednesday, June 19, 2019, the Shelby County Commission approved a resolution granting to the City of Germantown \$100,000.00 to assist in the flood clean up and restoration efforts from the June 7, 2019 storm. The resolution was sponsored by Commissioner Mark Billingsley at the request of Mayor Palazzolo. The funds, once accepted by the Board, will be placed in civic support and a check will be processed for \$100,000.00 and provided to the Kiwanis Club of Germantown to manage the distribution of the proceeds.

Motion: To approve budget adjustment 19-165 recognizing the \$100,000.00 grant from Shelby County Government for flood mitigation related to the areas in Germantown affected by the flooding on June 7, 2019 and to authorize a payment to the Kiwanis Club of Germantown in the amount of \$100,000.00 for the distribution of these proceeds.

Lease Agreement – Germantown Road Streetscape Right-of-Way

Construction on the Germantown Road streetscape project began in August of 2017 and the project received final closeout June 25, 2018. Improvements to the right-of-way included a patio area in front of the building that is currently occupied by Southern Social restaurant. The intent of the project was to create spaces for activity and vibrancy within this business district. The lease agreement for the use of 800 square feet of the Germantown Road right-of-way would be for a two-year term that is renewable for five terms.

BOARD OF MAYOR AND ALDERMEN

June 24, 2019

Page 9

Motion: To approve a lease agreement with Germantown Holdings, LLC for use of Germantown Road Streetscape right-of-way for an amount of \$500 per year.

PILOT Fees

The Industrial Development Board (IDB) of the City of Germantown was created in 2003 to promote economic development within our city. The IDB may on a case by case basis recommend to the Board of Mayor and Aldermen a PILOT incentive as stimulation for economic development under policies adopted by the IDB. Applicants for a PILOT are responsible for all attorney fees incurred by the IDB due to the application process. The City recently sent bills to Mid America Apartments and ThyssenKrupp Elevator Corporation for the City's legal fees for each of these transactions. The City has received both payments.

Motion: To recognize and accept the reimbursement from Mid America Apartments in the amount of \$139,418.13 and from ThyssenKrupp in the amount of \$25,325.00 and approve Budget Adjustment No. 19-158.

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

ROLL CALL: Sanders-yes, Gibson-yes, Massey-yes, Owens-yes, Janda-yes. Motion approved.

Meeting adjourned.

Mike Palazzolo, Mayor

Michele Betty, City Clerk/Recorder