

BOARD OF MAYOR AND ALDERMEN

June 13, 2011

A regular meeting of the Board of Mayor and Aldermen was held on June 13, 2011 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: Mark Billingsley, Ernest Chism, John Drinnon, Greg Marcom and Mike Palazzolo. Staff present: Patrick Lawton, Tom Cates, Andy Pouncey, Kristen Geiger, Chief Richard Hall, Bo Mills, Chief Dennis Wolf, Ralph Gabb, Michael Stoll, Pam Beasley, Melody Pittman, and Dotty Johnson.

Call to Order

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

Invocation

Public Services Director Bo Mills gave the invocation.

Pledge of Allegiance

Alderman Mark Billingsley led the Pledge of Allegiance.

Approval of Agenda

Mayor Goldsworthy stated that the Board had unanimously agreed, during the executive session, to move #8, Certificate of Compliance to the Consent Agenda.

Alderman Drinnon asked to defer numbers 9 and 10 which were third readings on Ord. 2010-10 and 2011-5. He stated there were still some misunderstandings or lack of understandings and he requested a work session with the Board to further explain and discuss the items.

Motion by Mr. Drinnon, seconded by Mr. Palazzolo, to approve the agenda as amended.

Alderman Billingsley asked, since this had been before the Board many times, for a gentleman's agreement that these two ordinances be brought to the Board by the second meeting in July.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–yes. Motion approved.

Approval of Minutes

There were no corrections or additions to the minutes.

Motion by Mr. Marcom, seconded by Mr. Palazzolo, to approve the minutes of the Board of Mayor and Aldermen meeting held May 23, 2011.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–yes. Motion approved

Proclamation – Firefighter/EMT Safety Week

Mayor Goldsworthy read a proclamation celebrating Firefighter/EMT Safety Week to focus attention on the dangers and risks of fire and rescue operations and to recognize the essential emergency services provided to the community. The week of June 19-25, 2011 was proclaimed Firefighter/EMT Safety Week.

Board of Mayor and Aldermen

June 13, 2011

Page 2

Citizens to be Heard

Mary Hill of 1581 Bubbling Brook Dr. came forward and expressed her dislike of “Smart Growth” and how big government is planning to take over by moving the small residents into the inner city leaving our communities vulnerable to outside interests to buy out the areas surrounding the inner city.

Certificate of Compliance – MOVED TO CONSENT

Ordinance 2010-10 – Amendment to the Code of Ordinances, Chapter 14, Signs, Regarding Ground-Mounted Temporary Leasing Signs – Third and Final Reading - DEFERRED

Ordinance 2011-5 – Amendment to Chapter 14, Permanent Signs – Third and Final Reading - DEFERRED

PUBLIC HEARING – Ordinance 2011-2 – FY12 Budget – Second Reading

City Administrator Patrick Lawton gave a PowerPoint presentation on the Budget highlighting some of the main budget challenges and an overview of what is included in this year’s FY12 Proposed Budget.

Mr. Lawton described the Strategic Planning Process and the four areas that incorporate the process which are strategic planning, budget formulation, deployment and evaluation. Mr. Lawton noted that all services were linked to Vision 2020.

The FY12 Budget includes the following items:

- A \$0.15 proposed property tax rate increase. The new rate will be \$1.575.
- Net staffing change – 9 positions
- 2% merit increase
- Reinstatement of health benefits for early retirees beginning in FY13
- SmartGrowth Plan Development
- Reaffirmation of Triple A Rating

The Enterprise Fund is used in governmental accounting where there is a specific fee charged for a service. These funds consist of the Utility fund, Stormwater Management Fund, Sanitation Fund, Germantown Athletic Club Fund, and Great Hall Fund.

The Utility Fund revenue total \$7,480,000 and is a 4.5% decrease from the FY11 estimate. The expenditures total \$7,171,303 which is a 4.0% increase over FY11.

The CIP for the Utility Fund for projects and initiatives is \$1,597,000 and includes retrofit of sewer pumping - \$115,000; Miller Farms Sewer Lift Station Phase 2 - \$1,300,000 and water extension at Arthur/Riggs - \$182,000.

The IRP (Infrastructure Replacement Program) projects and initiatives total \$410,000 and includes a crew cab truck - \$30,000; sewer lift station rewiring - \$10,000; sewer collection maintenance - \$250,000; water mains maintenance - \$100,000; and water wellfield maintenance \$20,000.

The Stormwater Management Fund revenues total \$1,151,800, a 13.9% increase over FY11. The expenditures total \$995,454, a 7.6% increase over FY11.

The Sanitation Fund revenues total \$3,647,040, an 8.2% decrease from FY11 and the expenditures total \$3,662,401, an 8.3% decrease from FY11.

Board of Mayor and Aldermen

June 13, 2011

Page 3

The Germantown Athletic Club Fund revenues total \$3,718,200, an increase of 4.6% over FY11. The expenditures total \$3,979,669, a 7.4% increase over FY11.

The Great Hall & Conference Center Fund revenues total \$161,700, a 24.4% increase over FY11 and the expenditures total \$481,176, a 5.5% increase over FY11.

The City also has a series of Special Revenue Funds. The new one being considered is the establishment of the ambulance program. The expenses associated with this fund are \$1,330,709. These funds include ambulance, automated enforcement, drug asset, federal asset, Pickering Center, recreation, and State Street Aid with revenues totaling \$2,909,852 and expenditure totaling \$5,024,946.

The Capital Improvements Program includes General Government - \$5,490,000; Major Roads - \$5,108,000, with the City cost - 1,848,000; Intersections & Other - \$655,000, with the City cost of \$329,000; Drainage - \$1,840,000, City cost \$1,099,000; and Park - \$539,000. The funding for these projects will come from Reserves, Hall, Bond and Intergovernmental totaling \$14,688,000.

The General Fund Revenues consist of property taxes, sales tax, federal and state taxes, license and fees, and interest. The expenditures consist of public safety, general government, transportation, debt service, community services, and other.

The General Fund Revenues total \$40,416,068 and is a 6.3% increase from the FY11 estimate. The expenditures for FY11 total \$39,591,260 and this is a 7.0% increase. The increase in expenditures includes the special revenue fund for the ambulance program and the funding necessary for that expenditure.

Mr. Lawton displayed charts showing the expenses per capita, the G.O. Debt Service, the debt per capita and the Fund Balance as a percentage of the total expenditures.

Mr. Lawton thanked everyone involved in making the balanced budget possible. He thanked the community at large including the residential and business communities, the FAC for their expert financial guidance, the Board, the departments and staff in finance.

Mr. Julius Moody, chairman of the FAC, came forward and read a letter/report from the FAC pertaining to the budget. The FAC had divided into several subcommittees to review certain aspects of the budget. The FAC voted to approve the proposed budget for 2012 with respect to the anticipated revenues and expenditures. The FAC supported the new property tax rate of 1.575 which is an increase of 15 cents.

The ambulance service subcommittee approved the ambulance service on a 4-2 vote and moved the discussion and vote to the full FAC. The FAC as a whole, voted against bringing the ambulance service in-house by a 10-5 vote. The General Fund was approved with one dissenting vote. Mr. Moody thanked the entire FAC, the full City staff with whom they dealt and the Board for the opportunity to serve.

Mayor Goldsworthy thanked the FAC for all their work during the past several months.

Mayor Goldsworthy opened the public hearing.

Dr. Junling Wang of 1930 Glenbuck Street came forward and stated she had property damage from the stormwater due to the weather this spring. There is a drainage ditch behind her house and due to the inclement weather; the drainage ditch behind her house is caving in and very near her fence. She had been told she would have to wait until next year so this could be submitted for a budget item in the budget.

Board of Mayor and Aldermen

June 13, 2011

Page 4

The following citizens came forward to express their concerns regarding the ambulance service and the tax rate increase:

Mr. Jack Duggins, 7891 Woodford Lane, expressed his concerns over the property tax increase and the economy facing the citizens today.

Jay Gass, 8710 Poplar Pike, encouraged the aldermen to not vote for this budget with the 15 cent increase. He asked to not implement the ambulance service, eliminate the library expansion, the 2% pay raises, increase user fees to make some income and continue the competitive contracting in all areas.

Steve Brown, 9038 Longwood Lane, asked not to include the ambulance service in the budget and to lower the tax increase by the amount needed for the ambulance service. He felt this money may be needed later for the school situation and taxes would have to be raised then.

John Lunt, 7675 Belgrave Cv., recommended the City retain Rural Metro as the ambulance service and not raise taxes.

Tracy Speake, 2445 Cedar Dale Dr., suggested we not create our own ambulance service and keep the ambulance service that presently serves our community.

W.H. Guin, 2138 Sonning Dr., asked not to raise the taxes.

Wayne Jones, 2773 Johnson Road, spoke against the City taking over the ambulance service.

George Crosby, 2358 Willinghurst Dr., stated he had contacted every fire chief in the county and they all supported Rural Metro and their service. The only fire chief who did not was Chief Wolf.

Tony Young, 8443 Hunters Lane, spoke against raising taxes, reinstating the health benefits for early retirees and implementing our own ambulance service.

Having no other citizens come forward, the Mayor declared the public hearing closed.

Motion by Mr. Palazzolo, seconded by Mr. Chism, to approve on second reading Ordinance No. 2011-2 establishing the FY12 Proposed Budget.

Motion by Mr. Palazzolo, seconded by Mr. Marcom, to amend the Budget Ordinance to eliminate the in-house ambulance service revenue fund.

Alderman Marcom read a previously written statement regarding the budget, the efficiency of the staff, and how the aldermen and staff had worked to enhance the Germantown citizen's quality of life. He felt the need was there to establish an ambulance service but had heard the citizens and would agree to wait. He stated "it has been a pleasure to serve on the Board and I thank the citizens for the opportunity to serve. The competent staff and aldermen have worked together in a dignified and respectful manner to bring forth this ledger and do the business of the City."

Alderman Palazzolo thanked the citizens who had come and spoken. He encourage the staff, Fire Department and Rural Metro as they reaffirm the contract next year, all the stipulations be continued. He thanked Chairman Moody's leadership of the FAC and the work of the Commission.

Alderman Billingsley stated he appreciated the work of Mr. Moody on the FAC. He felt we had not approached the citizens on the subject of ambulance service in the correct way. He stated that "seconds do matter regarding saving a life" and he felt that an ambulance getting lost driving to Methodist Hospital was not acceptable. He appreciated the work done by the Mayor, Fire Department and City Administrator

Board of Mayor and Aldermen

June 13, 2011

Page 5

in their leadership on this issue and hopes the City will entertain this before a tragedy strikes and brings it back to our attention.

Alderman Chism stated he had listened to the citizens and the Board. The City has a Triple A Bond rating and he appreciated Mr. Moody and the FAC for all their fine work to keep that rating.

Roll Call for the amendment to the Ordinance.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–no. Motion approved.

Alderman Drinnon stated at some point it would be necessary for the City to have its own ambulance service but he felt that now was not the time.

Motion by Mr. Drinnon to amend the budget ordinance and eliminate ambulance service and to consider it in 2012.

Mayor Goldsworthy brought attention to the fact that this amendment has already been approved.

Alderman Drinnon withdrew his motion.

Roll Call on the Budget Ordinance as amended:

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–no. Motion approved.

PUBLIC HEARING – Ordinance 2011-4 – Year-end Budget Adjustments - Second Reading

Financial and General Services Director Kristen Geiger stated a number of year-end budget adjustments are required at the end of the fiscal year to avoid budget and fund overruns in the various funds.

Adjustments to the various City funds 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.

Mayor Goldsworthy opened the public hearing.

Having no citizens come forward, the Mayor declared the public hearing closed.

Motion by Mr. Palazzolo, seconded by Mr. Billingsley, to approve Ordinance No. 2011-4 for year-end budget adjustments on second reading.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–yes. Motion approved.

PUBLIC HEARING – Ordinance 2011-3 – Real & Personalty Property Tax – Second Reading

Finance Director Ralph Gabb came forward and stated the recommended property tax rate is \$1.575 per \$100.00 of assessed valuation which represents a fifteen cent tax increase. This tax rate ensures adequate resources are available to continue the support in service levels and provide financial resources that are consistent with the City’s financial policies. This increase incorporates the funding of in-house ambulance service and the reinstatement of health benefits for early retirees.

Mayor Goldsworthy opened the public hearing.

Tom Wilson, 2009 Myrtle Bend Drive, came forward and asked since the Board had voted to eliminate the in-house ambulance service would we still need to increase the property tax.

Board of Mayor and Aldermen

June 13, 2011

Page 6

Mayor Goldsworthy stated the Board is in the process of considering this action. We are following parliamentary procedure.

Having no other citizens come forward, the Mayor declared the public hearing closed.

Motion by Mr. Palazzolo, seconded by Mr. Marcom, to approve Ordinance No. 2011-3 on second reading.

Motion by Mr. Palazzolo, seconded by Mr. Marcom, to amend Ordinance No. 2011-3 by setting the property tax rate at \$1.485 effectively lowering the amount of a fifteen cent increase to a six cent increase.

Alderman Palazzolo asked the finance officers to make sure the six cent increase is enough to meet the next few fiscal years.

Ms. Geiger stated there may be some changes in the budget document to accommodate this amendment.

Roll call on amendment:

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–yes. Motion approved.

Roll call on motion as amended:

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–yes. Motion approved.

Alderman Billingsley asked the City Administrator to show what the increase in tax rate would be on homes.

Mr. Lawton stated that an increase in taxes on a \$250,000 home with the current tax rate is \$891.00 and the increase would be \$38.00 making the proposed annual tax \$928.00. On a \$600,000 home the tax would be \$2,138.00 to increase an additional \$90.00 making the proposed annual tax \$2,228.00.

PUBLIC HEARING – Ordinance 2011-7 – Amend Stormwater Ordinance - Second Reading

Mr. Lawton stated this amendment to our existing stormwater ordinance is in regard to the definition of exempt properties and a mandatory statement to be placed on our stormwater bill.

Last year the Board of Mayor and Aldermen put in place a stormwater management program consistent with State law and approved a stormwater management fee to support our EPA compliance efforts.

Recently the State law governing stormwater was amended to include a provision that states owners and operators of agricultural land, who meet the requirement and definition of a qualified farmer or nurseryman as defined in the State statute, are exempt from the stormwater fee.

This ordinance amends our existing stormwater management ordinance to come into compliance with State law.

The statute was also amended by removing the text “this tax has been mandated by Congress” to read “this fee has been mandated by Congress.” This language, as approved in State law, must appear on all of our stormwater utility bills.

Mayor Goldsworthy opened the public hearing. Having no other citizens come forward, the Mayor declared the public hearing closed.

Board of Mayor and Aldermen

June 13, 2011

Page 7

Motion by Mr. Marcom, seconded by Mr. Palazzolo, to approve on second reading Ordinance No. 2011-7 to agree the City's ordinance with T.C.A § 68-221-1107 and T.C.A. § 68-221-1112.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–yes. Motion approved.

Flooring – Germantown Athletic Club

Club Director Phil Rogers explained this contract was with Carpet Contractors to provide new rubber flooring in the fitness and weight area and a contract with Sports Floors for new hardwood flooring in the racquetball courts.

The rubber flooring was put down under the equipment and weights in 2001 to provide functional multipurpose floor for members and weights. This flooring is recycled rubber and is very porous making maintenance and cleaning of the floor very challenging.

The new rubber flooring is a non-porous surface which will allow easier cleanup and more sanitary environment and will allow a longer usage life and will hold up better with heavy weights and other objects being used.

The three racquetball courts are original to the building when it was erected in 1989. The new racquetball floors would be anchored and provide a sub floor to minimize the dead spots.

Motion by Mr. Palazzolo, seconded by Mr. Chism, to enter into a contract with Carpet Contractors to provide new rubber flooring in the fitness and weight area in the amount of \$106,000.00; as well as enter into a contract with Sports Floors for new hardwood flooring in the racquetball courts in the amount of \$26,004.00, and approve Budget Adjustment 11-145.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–yes. Motion approved.

Consent to Assign – 2006 Sanitation Contract

Neighborhood Services Manager Joe Nunes presented the 2006 contract and the 2011 contract.

On May 3, 2011, the City received notification that Republic Services would assume control of Advanced Disposal's (formerly All Star) Memphis area operations effective June 1, 2011. The nature of this transaction does require the consent of the City to the assignment of the current solid waste collection contract with All Star and assumption of all obligations by BFI Waste Services LLC dba Allied Waste Services, which is a Republic Services company. The contract is through June 30, 2011.

Motion by Mr. Billingsley, seconded by Mr. Palazzolo, to authorize the Mayor to execute the Assignment Assumption and consent Agreement to consent to the assignment of the Contract for solid waste collection services with All Star Waste Systems, LLC (All Star) to BFI Waste Services, LLC (BFI), a Republic Services Company, for the remainder of the term of the current contract through June 30, 2011.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–yes. Motion approved.

Consent to Assign – 2011 Sanitation Contract

On April 25, 2011, the Board approved a solid Waste Collection Services Contract between the City and Advanced Disposal Services. On May 3, the City received notification that Advanced Disposal and Republic Services negotiated an asset swap where Republic Services would assume control of the Advanced Disposal Memphis area operations effective June 1, 2011. The nature of this transaction does require the consent of the City to the assignment of the contract and assumption of all obligations by BFI Waste Services, LLC dba Allied Waste Services, which is a Republic Services Company. This approval

Board of Mayor and Aldermen

June 13, 2011

Page 8

requires BFI to perform the contractual responsibilities originally contracted with Advanced Disposal for the solid waste collection services for the contract term of July 1, 2011 to June 30, 2016.

Motion by Mr. Billingsley, seconded by Mr. Mr. Marcom, to authorize the Mayor to execute the Assignment Assumption and Consent Agreement to consent to the assignment of the Contract for solid waste collection services with Advanced Disposal Services, LLC (Advanced Disposal) to BFI Waste Services, LLC (BFI), a Republic Services Company, for the Contract term of July 1, 2011 through June 30, 2016.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo–yes, Billingsley–yes, Chism–yes. Motion approved.

CONSENT AGENDA

Delinquent Accounts

These are yearly delinquent uncollectible accounts and amounts for disposition or removal from the City’s financial records. The total amount of uncollectible accounts is \$65,134.38

MOTION: To remove the amounts from the accounts to be written off City records totaling \$65,134.38.

Annual Maintenance Contract – New World Systems, Inc.

This is the annual maintenance contract for the New World system modules for the Police Department. This is a three year contract with the first year amount being \$102,180.00.

MOTION: To grant authorization to enter into a 3-year software maintenance agreement with New World Systems, Inc. and fund the amount required for year one of the agreement in the amount of \$102,180.00.

Recognition of Donations – Germantown Community Library

The following monetary contributions were made to the Germantown Community Library totaling \$1,378.44: Better World Books \$428.44, Brandoria Miller & Patrick Lawton \$25.00, Germantown Woman’s Club \$425 and Todd Armstrong \$500.00.

MOTION: To approve the donations totaling \$1,378.44 made to the Germantown Community Library and to accept Budget Adjustment No. 11-147.

Recognition of PEG Fees

Comcast remitted \$42,519.44 and AT&T remitted \$5,141.94 for the third quarter of FY11. The PEG access fees are remitted to the City who in turn remits the money to the Germantown Community Television Foundation to support the capital needs of the PEG station. This amount represents the time period of January 1, 2011 through March 31, 2011.

MOTION: To approve budget adjustment number 11-146 increasing the FY11 revenue and expenditure budget in the amount of \$47,661.38 for PEG money received from Comcast and AT&T and remitted to the PEG station, Germantown Community Television Foundation.

Certificate of Compliance – The Winery – MOVED FROM REG. AGENDA

Ms. Lacey Dougher, owner of The Winery of Germantown located at 7841 Farmington, requested approval of a Certificate of Compliance Retail Package Store. State law requires holders of retail liquor stores licenses to procure a Certificate of Compliance Retail Package Store every two years.

Board of Mayor and Aldermen

June 13, 2011

Page 9

MOTION: To approve the Certificate of Compliance Retail Package Store from Ms. Lacey Dougher, owner of The Winery of Germantown located at 7841 Farmington.

Motion by Mr. Chism, seconded by Mr. Palazzolo, to accept the consent agenda as read.

ROLL CALL: Marcom–yes, Drinnon–yes, Palazzolo-yes, Billingsley-yes, Chism–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