

BOARD OF MAYOR AND ALDERMEN

June 27, 2011

A regular meeting of the Board of Mayor and Aldermen was held on June 27, 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, John Drinnon, Greg Marcom and Mike Palazzolo. Alderman Chism was absent. Staff present: Patrick Lawton, Tom Cates, Andy Pouncey, Kristen Geiger, Pat McConnell, Inspector Frank Hester, Bo Mills, Chief Dennis Wolf, Ralph Gabb, Michael Stoll, Butch Eder, Tim Gwaltney, Pam Beasley and Dotty Johnson.

Call to Order

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

Invocation

Finance and General Services Division Director Kristen Geiger gave the invocation.

Pledge of Allegiance

Alderman Marcom led the Pledge of Allegiance.

Approval of Agenda

Mayor Goldsworthy stated the Board had agreed to move number 8 (Professional Services – Convergent HRS, LLC- BMA Planning Retreat) and number 19 (Skate Park Improvements), to the Consent Agenda.

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

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

Approval of Minutes

There were no corrections or additions to the minutes.

Motion by Mr. Drinnon, seconded by Mr. Marcom, to approve the minutes of the Board of Mayor and Aldermen meeting held June 13, 2011.

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

Beautification Business Award

Alderman Billingsley and Mrs. Jackie Clift, chairman of the Beautification Commission, presented Charles, Tony and Jerome Salvaggio, representing The Salvaggio Group with the Beautification Business Award for the month of June. Their unique development, “The Brownstone”, is located in Old Germantown at 7695 Poplar Ave.

Citizens to be Heard

No citizens came forward to be recognized.

Professional Services – Convergent HRS, LLC – BMA Planning Retreat – MOVED TO CONSENT

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Ordinance 2011-2 – FY12 Budget – Third and Final Reading

Mr. Lawton stated this was the third reading of the FY12 proposed budget. 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.

The proposed FY12 budget is balanced and totals \$73.7 million dollars for all funds. The general fund, which is the largest city fund, totals \$38.9 million dollars. The balanced budget is the result of ongoing departmental cost controls and efficiency measures implemented before the start of the recession plus a property tax increase of \$0.06 designed to ensure our financial stability and the economic recovery continues to gather strength.

During the Board's deliberation on the budget at the public hearing conducted on June 13th, an amendment was made to the budget regarding a reduction to the proposed tax increase and the establishment of a special revenue fund for an in-house ambulance program. Those changes have been incorporated in the budget ordinance before the Board on third reading.

Some of the major initiatives included in this year's budget are the design and construction of a new vehicle maintenance facility, design for the expansion of the Germantown Community Library and replacement of our public safety radio system. Germantown last raised property taxes in July 2003. Careful financial management and strict adherence to our financial policies allowed the City to operate without a tax increase for eight years as opposed to the intended five years. Although there is every indication that the economy is stronger and Germantown's financial outlook has improved dramatically from this time last year, the recovery still appears to be delicate. We will continue to monitor these leading indicators on a monthly basis.

The FY12 proposed budget continues to support the Vision 2020 plan adopted by Board of Mayor and Aldermen. In January the Board revisited and refined the strategic plan in vision for our community. That effort reinforced our triple bottom line commitment to economic, environmental and social sustainability. These programs and services included in this year's budget continue to support this policy direction given by the Board of Mayor and Aldermen.

Alderman Billingsley thanked the Finance staff for their hard work and the City Administrator and Mayor for their work in making it a seamless budget process.

Motion by Mr. Palazzolo, seconded by Mr. Drinnon, to approve on third and final reading Ordinance No. 2011-2 establishing the FY12 Proposed Budget.

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

Ordinance 2011-4 – Year-end Budget Adjustments – Third and Final Reading

Ms. Geiger stated a number of year-end budget adjustments are required to be made at the end of the fiscal year, in order to avoid budget and fund overruns in the various funds. All the expenditures being funded by the budget adjustments were approved under the City's purchasing polices and adheres to Generally Accepted Accounting Principles (GAAP) guidelines.

The following transfers will be made:

- Transfer of funds from State Street Aid to Stormwater in the amount of \$89,353.00.
- Transfer of funds from Recreation Fund Balance to cover the Bob Hailey Field Renovation project in the amount of \$57,744.00.
- Transfer of funds from CIP Fund Balance to land for project MR9902 in the amount of \$2,562.00.

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- Transfer funds from Utility Fund retained earnings to capital for Southern Avenue Water Plant Refurbishment in the amount of \$910,648.00; the improvements will include required seismic upgrades and Homeland Security Standards. The renovation addresses sustainability of the facility.
- Increase the transfer from General Fund to Germantown Athletic Club in the amount of \$270,000.00 to ensure the Fund going forward.
- Increase the transfer of funds from General Fund to Great Hall Conference Center in the amount of \$225,000.00, to ensure the Fund going forward.
- Increase the transfer of funds from General Fund to State Street Aid in the amount of \$500,000.00, to ensure Fund balance going forward.
- Decrease the transfer of funds from Automated Enforcement to General Fund in the amount of \$89,000.00, the Fund is doing better.
- Increase funding for legal services – Adam Reese firm for metro consolidation.

Motion by Mr. Drinnon, seconded by Mr. Palazzolo, to approve Ordinance No. 2011-4 for year-end budget adjustments on third and final reading.

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

Ordinance 2011-3 – Real & Personalty Property Tax – Third and Final Reading

Finance Director Ralph Gabb came forward and stated the recommended property tax rate on third reading for the FY12 Budget is \$1.485 per \$100.00 of assessed valuation. This tax rate ensures that adequate resources are available to support the service levels and provide financial resources that are consistent with the City’s financial policies and to ensure that the City’s financial stability practices for the next fiscal year.

The City has not had a tax increase in eight years. Over the past several years, the City has followed many different strategies to delay any type of tax increase. The City embarked on managed competition to operate more like a business. Also, several years ago, the City held its cost to minimal growth and in some instances reduced spending in several departments without sacrificing service levels to the citizens. The current property tax rate includes a tax increase of six cents to ensure adequate resources are available to support defined service levels and provide financial resources that are consistent with the City’s financial policies.

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

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

Ordinance 2011-7 – Amend Stormwater Ordinance – Third and Final Reading

Mr. Lawton stated this was an amendment to our existing Stormwater Ordinance regarding the language in the stormwater ordinance concerning owners and operators of agricultural land as well to change the wording from tax to fee to agree with T.C.A § 68-221-1112.

Motion by Mr. Drinnon, seconded by Mr. Palazzolo, to approve on third and final reading the 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.

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Resolution 11R09 – CIP Policy Resolution

Mr. Lawton explained in 2005 the Board of Mayor and Aldermen adopted a policy regarding those CIP projects where the funding is not encumbered during the current fiscal year. Those projects are considered “sunset” and will not roll forward into the next budget year simply because the funds were not encumbered.

Under this policy only the Board of Mayor and Aldermen can lift this prohibition by resolution and incorporate those projects into the new fiscal year.

The Administration is presenting three projects for consideration to have the sunset provision lifted. These are as follows:

1. Germantown Road Streetscape
2. Decorative Street Signs
3. Miller Farms Lift Station and Force Main

The Administration recommends that the sunset provision be lifted and resolution approved.

Motion by Mr. Billingsley, seconded by Mr. Drinnon, to adopt resolution 11R09 to the Capital Improvements Program Policy in regard to the enforcement of the “sunset provision” in FY11.

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

Resolution 11R06- CIP Resolution

Mr. Lawton stated with the adoption of the FY12 budget ordinance the Board approved the funding and funding source for the FY12 CIP. As has been the City’s practice in the past we look out at least five years from the current year CIP and establish a five-year CIP. This resolution establishes this long range CIP. This planning tool allows the administration and Board to identify those major capital projects on the horizon and begin the planning phase. It also allows the opportunity to identify potential funding sources for these projects and project future bond issues, use of reserves or possible grant support.

Motion by Mr. Marcom, seconded by Mr. Palazzolo, to adopt the resolution 11R06 establishing a Capital Improvements Program for fiscal year ending June 30, 2012 to 2017.

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

Resolution 11R07 – Resolution on Revenues

Ms. Geiger stated Resolution 11R07 authorizes various rates, fees and other revenue structures for the City. The departments are asked annually to review their revenue structures. The reviews are based on three primary areas: 1) Service delivery, 2) market conditions and 3) compliance with the law. While every effort has been made to include all amounts charged by the City, the exclusion of any amounts is not intended to cause such amounts to be unlawful. Any oversights subsequently discovered will be included in future revisions and updates of this resolution.

Motion by Mr. Drinnon, seconded by Mr. Billingsley, to adopt the Resolution on Revenues – 11R07, and schedules establishing the rates, fines and fees in the various funds of the City of Germantown for the FY12 Operating Budget.

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

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McVay Road Drainage Improvements

City Engineer Tim Gwaltney came forward and explained that Phase I of the Howard/McVay Road Drainage Improvements were completed in 1999 and consisted of the McVay Park Detention facility and approximately 1,300 feet of drainage pipe ranging in diameter from 36" to 54". The majority of the piping has not performed as anticipated and is in need of immediate replacement. Recent inspections of the existing pipe have revealed that a total of approximately 800 feet of HDPE pipe is in need of replacement.

In response to a question from Alderman Drinnon, Mr. Gwaltney stated there was a warranty on the material that was used and from the beginning there was a considerable amount of construction following the completion of the installation. It has been ten years and the warranty has been expired. He stated the material would not be used again and neither would the installer.

Motion by Mr. Billingsley, seconded by Mr. Palazzolo, to authorize the approval of a contract with Encor, LLC in the amount of \$154,882.18 for construction related to the McVay Road Interceptor Replacement.

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

Signalization – Poplar/Forest Hill – Award of Construction Contract

Mr. Gwaltney stated the residential and commercial growth over the past few years in the eastern portion of Germantown has made the existing Poplar Ave. and Forest Hill-Irene intersection obsolete and unsafe. Upon completion, the intersection will consist of protected left turns at all approaches.

The City received notification from the Metropolitan Planning Organization (MPO) that Surface Transportation Program (STP) funding was approved for the project. The traffic signal related items are reimbursable at 100%. All roadway related items are reimbursable at 80%.

The lowest of the three bids was provided by McCrory Electric in the amount of \$220,115.80. However, their bid was deemed non-responsive due to their use of a bid bond form not approved by the TN Dept. of Transportation. Therefore, Shelby Electric Company, Inc. provided the lowest responsive bid.

Motion by Mr. Drinnon, seconded by Mr. Marcom, to authorize the approval of a contract with Shelby Electric Company, Inc. in the amount of \$22,845.70 for construction of traffic signal and other related intersection improvements at Poplar Avenue and Forest Hill-Irene Road.

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

Professional Services Agreement for Construction Engineering and Inspection – Signalization of Poplar Avenue and Forest Hill-Irene Road

Mr. Gwaltney stated this was a construction engineering and inspection (CEI) services related to the intersection improvements at Poplar Ave. and Forest Hill-Irene Rd. CEI services are required on all federally funded projects. Askew Hargraves Harcourt and Associates were chosen by a selection committee as the best qualified firm to perform the tasks necessary to complete this project within the given timeframe and with the quality service the City expects. All traffic signal related items are reimbursable at 100%.

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Motion by Mr. Palazzolo, seconded by Mr. Billingsley, to authorize the approval of a contract with Askew Hargraves Harcourt and Associates, Inc. in the amount of \$46,825.00 for CEI services related to intersection improvements at Poplar Avenue and Forest Hill-Irene Road.

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

Skate Park Improvements – MOVED TO CONSENT

Germantown Performing Arts Centre Agreement Amendment No. 2

Mr. Lawton stated that during the Board’s deliberation on the FY12 proposed budget, the Board of Mayor and Aldermen discussed the possibility of appropriating the various funding levels for civic support projects within other cost centers of the budget and eliminate the civic support cost center. The Board of Mayor and Aldermen also requested that those current civic support groups currently receiving grant funding such as Tennessee Shakespeare and the Arts Alliance request those dollars from the GPAC Foundation.

In order to ensure a baseline funding mechanism for these art agencies GPAC would be allowed to keep all of the rental revenues it receives from renting space at GPAC. Currently the first \$120,000.00 in rental revenues is transferred to the City. In order for GPAC to keep the entire amount for grant making activities the existing agreement with the foundation and the City must be amended.

During the executive session preceding the regular meeting, the Board discussed a possible amendment to the amendment and that would be to have resident representatives of the City of Germantown who currently serve on the GPAC Foundation be the grant making body for the various art agencies.

Motion by Mr. Marcom, seconded by Mr. Palazzolo to authorize the Mayor to execute Amendment No. 2 to the agreement between the Germantown Performing Arts Centre and the City for the operation of GPAC.

Friendly amendment to motion by Mr. Billingsley, seconded by Mr. Marcom, that a subcommittee of the GPAC Foundation be comprised wholly of Germantown residents.

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

Motion by Mr. Marcom, seconded by Mr. Palazzolo to authorize the Mayor to execute Amendment No. 2 to the agreement between the Germantown Performing Arts Centre and the City for the operation of GPAC as amended.

Friendly amendment to the motion, by Mr. Marcom, seconded by Mr. Palazzolo, to amend the main motion by a stipulation in the contract that the agreement become effective from June 30, 2011 to June 30, 2012.

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

Motion by Mr. Marcom, seconded by Mr. Palazzolo to authorize the Mayor to execute Amendment No. 2 to the agreement between the Germantown Performing Arts Centre and the City for the operation of GPAC as amended.

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

Resolution 11R08 – the Elysium Planned Unit Development

Economic and Community Development Division Director Andy Pouncey stated the applicant is requesting approval of the Outline Plan for the Elysium PUD, which establishes the framework of street

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and easement dedication, uses permitted, and number of dwelling units which will guide the development of the project. Approval of the Outline Plan and associated conditions will allow the applicant to file a Final Site Plan for a future Planning Commission meeting and Board contract approval.

The PUD contains 47 lots for single-family detached dwellings. The PUD will provide a Common Open Area with recreational amenities along the stream that divides the PUD. There will be a range of lot sizes, from 4,800 sq. ft to over 1 acres. A stream and common open area will separate the smaller and larger lot areas. The one-acre and larger lots will be accessible by a gated private drive that connects to On-the-Hill Drive. The smaller lots will be accessible by a gated private drive that connects to Poplar Ave. The two drives will not be connected. Approximately 8.26 acres of common open space will be provided for the use of residents.

Mr. Bob Dalhoff representing Dalhoff Thomas Designs was present and answered questions regarding the development.

Alderman Marcom suggested the contract be changed to clarify where it said DRC and to change it to architectural control committee so there would be no question as to whether the residents would go to the architectural committee or the Germantown Design Review Commission.

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

Motion by Mr. Marcom, seconded by Mr. Drinnon, to approve the Outline Plan for the Elysium Planned Unit Development.

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

CONSENT AGENDA

Annual Agreement – Ground Water Institute

This is a contract with the University of Memphis Ground Water Institute to continue to service the City by acting as an independent expert in the ground water area.

MOTION: To authorize the Mayor to execute an agreement with the University of Memphis Ground Water Institute in the amount of \$16,100.00.

Appointment to Germantown Education Foundation

Mr. Kent Brown has been selected to serve a three-year term with the Education Foundation.

MOTION: To approve the appointment of Kent Brown to the Board of Directors of the Germantown Education Foundation.

Sound Console Replacement – GPA

The sound board at GPAC is over ten years old and is no longer functional. The console is specialty sound equipment used in the theatrical setting for all mainstage performances, rehearsals and rental events.

MOTION: To request authorization to purchase sound equipment from Audio Communications Consultants in the amount of \$9,553.00.

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Internet Service Contract

This is a 5-year contract with Paetec Communications, Inc. The funding for year one is in the amount of \$18,629.00.

MOTION: To approve authorization to enter into a 5-year contract with the City's existing vendor, Paetec Communications, Inc. and funding for year one in the amount of \$18,629.00.

Recognition of Overtime Reimbursement – Police Department

The Germantown Police Department has an officer assigned to the FBI Joint Safe Streets Task Force and the DEA Task Force. The officer usually works overtime in the performance of his duties. The FBI SSTF and the DEA reimburses any overtime that the officers receives while carrying out his duties.

MOTION: To recognize overtime reimbursement from the Federal Department of Justice and to approve Budget Adjustment #11-154.

Parking Lot Security – GPAC, Great Hall, Germantown Athletic Center

This agenda item will extend the contract with Phelps Security for security guard services at the Club, GPAC and the Great Hall for one year in the amount of \$41,863.12.

MOTION: To authorize the Mayor to execute an extension of the security guard contract agreement with Phelps Security, for a term of one year at the expense of \$41,863.12.

Low Voltage Wiring – Fire Station 4

Under the construction contract with Belz Investco GP, the Contractor is responsible for the installation of all the electrical wiring including power and lighting. In addition, the Contractor is responsible for providing conduit for all data, phone, and cable television outlets. Under the construction contract, it is the City's responsibility for installing the low voltage wiring in the conduit provided by the Contractor.

MOTION: To approve a contract with Data Network Systems, Inc. for the installation of low voltage wiring at the new Fire Station 4 in the amount of \$23,851.99.

Professional Services – Convergent HRS, LLC – BMA Planning Retreat– Moved from Reg. Agenda

This contract is for consulting and facilitation services for the Board to meet in midyear to assess the progress towards achieving their Vision 2020 and their annual retreat in January 2012.

MOTION: To authorize the Mayor to execute an agreement with Convergent HRS, LLC in the amount of \$33,550.00 to provide consulting and facilitation services for the Board of Mayor and Aldermen in assessing the strategic plan approved in January 2011 and during their annual retreat in January 2012.

Rejection of Skate Park Renovation Proposals – Moved from Reg. Agenda

The Competitive Sealed Bid Process was authorized by the Board to address the deficiencies within the skate park. After conducting a thorough review of the two proposals submitted, staff determined that Gridline proposed the best and most creative design and renovation which met project budget. A recommendation to move forward with the selection process was implemented. However, after further discussion with Gridline staff concluded that this contractor did not meet the Tennessee contractor license qualifications. The other proposal received did not demonstrate the "value added" expectations for the project. Therefore, neither contractor is acceptable.

MOTION: To reject both proposals submitted for the renovation of the skate park.

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

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

Mayor Goldsworthy asked all citizens to come to Municipal Park and join in the Family Fourth Celebration in Municipal Park on July 4th.

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