

BOARD OF MAYOR AND ALDERMEN

June 24, 2013

A regular meeting of the Board of Mayor and Aldermen was held on Monday, June 24, 2013 at 6:00 p.m. in the Council Chambers of the Municipal Center.

Mayor Sharon Goldsworthy was present and presiding.

The following Aldermen were present: Greg Marcom, John Drinnon, Mike Palazzolo, Forrest Owens and Rocky Janda. Staff present: Patrick Lawton, Tom Cates, George Brogdon, Andy Pouncey, Butch Eder, Tim Gwaltney, Chief John Selberg, Deputy Chief Rodney Bright, Susan Hopson, Pam Beasley, Lisa Piefer, Reynold Douglas, Paul Chandler, Adrienne Royals, Sherry Rowell, Michael Stoll, Phil Rogers and Michele Betty.

Call to Order

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

Invocation

Community Services Division Director George Brogdon gave the invocation.

Pledge of Allegiance

Alderman Greg Marcom led the Pledge of Allegiance.

Approval of Agenda

During the Executive Session the Board unanimously decided to place the following on the Consent Agenda: #8 – Certificate of Compliance, #15 – Adoption of FY14 Strategic Plan, #17 – Recognition of Donations – GPAC Foundation, #19 – Tennessee Task Force Agreement, and #20 – Acceptance of Reimbursement from Shelby County 911.

The Board also decided to add on as 9b – Aitken Contract and to move #18 up in the order to after #7.

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

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

Approval of Minutes

There were no corrections or additions to the minutes.

Motion by Mr. Janda, seconded by Mr. Owens, to approve the minutes of the June 10, 2013 meeting.

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

Play Like a Champion

City Administrator Patrick Lawton introduced the second graduating class in the recently developed leadership development program “Play Like a Champion”.

The name of the program is titled after several well established and championship caliber college sports programs. The program is intended to stress the need and understanding of what it takes to build a championship level organization through: Teamwork – including knowing your role, Personal Responsibility, Execution, Safety, Commitment, Respect and Pride.

This is an eight-month employee engagement program designed to provide those employees selected for the program with a broad perspective of the entire City organization. The program is designed to:

- Promote employee ownership, empowerment and pride
- Combine experience, training, reading and mentoring as part of the learning experience

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- Promote knowledge of one’s strengths and areas of development
- Demonstrate how our collective efforts contribute to the economic, environmental and social sustainability of our organization

By moving out of their departmental silos, from road construction to fighting fire, these employees have witnessed the collective effort necessary to operate such a diverse organization.

Mayor Goldsworthy joined Mr. Lawton in recognizing and presenting the graduates with their Certificate of Graduation. This year’s graduates included Emily Baker, Cindy Bond, Patty Buckner, Joe Dabbs, Marius Erby, Andy Griffith, Geoff Harrison, Kimberly Harrison, Greg Jones, Angie Lewis, Kathy Lovett, Fannie Matthews, Craig Melton, Steven Mosby, Sherrye Rhea, Carmen Richardson, James Smith, Clint Starnes and Starry Stigger.

Citizens to be Heard

No one came forward.

Certificate of Compliance Retail Package Store for the Winery of Germantown – MOVED TO CONSENT

Ordinance 2013-10 – Southeast Corner of Wolf River Blvd. and Kimbrough Rezoning from “R-T” to “O” – First Reading

Alderman Marcom recused himself and left the dais.

Economic and Community Development Director Andy Pouncey explained that this was a rezoning of 2.7 acres at the southeast corner of Wolf River Blvd. and Kimbrough. The rezoning is from “R-T” Multi-family district to the “O” Office District.

The concept plan envisions two office buildings one with 15,000 to 17,360 sq. ft. of floor area and a second building with 9,000 sq. ft.

Motion by Mr. Owens, seconded by Mr. Drinnon, to approve on first reading the rezoning from the “R-T” Multi-family District to the “O” Office District of 2.7 acres, and located on the southeast corner of Wolf River Blvd. and Kimbrough Rd. and set July 22, 2013 as the date of the public hearing.

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

Aldermen Marcom returned to the dais.

Resolution 13R03 – Sunset CIP Projects

Mr. Lawton explained that in 2005 the City adopted what is referred to as the CIP Sunset Policy. The purpose of this policy was to ensure the orderly process for design and execution of all projects identified in the annual capital improvements plan.

If a project did not move forward in a systematic way during the fiscal year it would sunset and not simply be reallocated into the following fiscal year. However, with some projects there are conditions and issues that arise during the year that may make the timely execution of the project impossible to achieve during the fiscal year. In addition, these projects are viewed as high priority and need to move forward despite the delay in execution.

Three such projects were presented to the Board for consideration:

- Southern Avenue Aeration Towers \$1,000,000.00
- Bluegrass Sewer Lift Station \$ 275,000.00
- Poplar Avenue Culvert Phase III \$ 768,068.00

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All of these projects came in over budget in FY13 and will be reallocated in the CIP.

In response to a question from Alderman Palazzolo, Mr. Lawton stated the Aeration Towers and the Sewer Lift Station would be funded from the Utility Fund and the Poplar Ave. Culvert Phase III would be funded from TDOT.

Motion by Mr. Janda, seconded by Mr. Palazzolo, to adopt Resolution 13R03 to the Capital Improvements Program Policy in regards to the enforcement of the “sunset provision” in FY13.

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

Add-On – Consulting Services Agreement

Mr. Lawton stated that over the past several years the City had been involved in the establishment of a municipal school system. There is a considerable amount of work to be done prior to the election of the school board and the employment of the superintendent. These activities will require the knowledge and experience of an individual who understands the legal and administrative requirements to organize and operate a school district.

The consulting services agreement with Mr. John Aitken outlines the scope of work to be provided by Mr. Aitken between August 1, 2013 and December 31, 2013.

Motion by Mr. Palazzolo, seconded by Mr. Marcom, to authorize the Mayor to execute consulting services agreement with John Aitken for assistance in the establishment of a municipal school system commencing August 1, 2013 and ending December 31, 2013.

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

Ordinance 2013-1 – Year-End Budget Adjustments – Third and Final Reading

Finance Director Ralph Gabb stated this was the third and final reading on Ordinance 2013-1. At the end of each year there are a number of budget adjustments to be made to the various City funds, which realign operating expenses/expenditure accounts with actual activity. They recognize various overruns, underruns, project acceleration and deferrals that have already been brought to the Board’s attention and gained their approval.

Accounting transactions may cross separate funds and consequently require approval by ordinance.

Mr. Gabb explained each of the budget adjustments.

Motion by Mr. Marcom, seconded by Mr. Drinnon, to approve Ordinance No. 2013-1 for Year-End Budget Adjustments on Third and Final Reading.

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

Ordinance 2013-2 - FY14 Budget Ordinance – Third and Final Reading

Mr. Lawton asked the Board to consider on third and final reading the FY14 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 FY14 budget is balanced and totals \$71,235,377 million dollars for all funds. The general fund, which is the largest City fund, totals \$40,700,415 million dollars. The balanced budget is the result of ongoing departmental cost controls and efficiency measures implemented before the start of the

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recession and a fundamental shift in cost control measures during the five-year planning period and a proposed property tax adjustment of .445.

The budget represents hundreds of hours of review and analysis by City departments and the Financial Advisory Commission. The Board has had several work sessions regarding the budget to consider these major governmental funds and key policy areas. On Wednesday, May 8, the Board conducted an extensive work session on the entire budget document in anticipation of tonight's meeting. Prior to the public hearing on June 10 an informational brochure entitled "The Budget in Brief" was mailed to every household in Germantown. The Budget in Brief highlights the major revenue and expenditure categories in the proposed budget and the Board of Mayor and Aldermen's funding priorities. In addition, the Administration has conducted numerous HOA meetings specifically about the budget to engage and educate our community on this extremely important issue

The FY14 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 and vision for our community, including a stronger emphasis on economic development, the development of a municipal school system and an in-house ambulance program. 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.

Mr. Lawton thanked the Board for their policy direction and support, the FAC for their diligent oversight, the department heads for their support and cost containment efforts, and the City budget team consisting of Ralph Gabb, Adrienne Royals, Sherry Rowell, Jessica Brown, Stacey Ewell, Butch Eder, Lisa Piefer and Susan Hopson.

Motion by Mr. Janda, seconded by Mr. Palazzolo, to amend the FY14 Budget on third reading to include the following:

1. Provide \$125,000.00 to support GHS-TV and rescind the Board's earlier budget amendment regarding funding for GHS-TV made on May 13, 2013. The \$125,000.00 will be made available to support GHS-TV following the successful execution of a one-year access together agreement between the City of Germantown, the GHS-TV Foundation and the School Board.
2. Increase the Department of Administration budget by \$15,000.00 to support the services of a grant writer for the period of July 1, 2013 through December 31, 2013.
3. Increase the Municipal School Budget by \$35,000.00 to support the services of a municipal school consultant from August 1, 2013 through December 31, 2013.

Motion by Mr. Marcom, seconded by Mr. Drinnon, to approve on third and final reading Ordinance No. 2013-2 establishing the FY14 Proposed Budget as amended.

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

Ordinance 2013-3 – Real & Personalty Property Tax - Third and Final Reading

Finance Director Ralph Gabb stated this ordinance was intended to adopt a real and personalty property tax rate. The recommended property tax rate on first reading is \$1.93 per \$100.00 of assessed valuation.

Mr. Gabb explained that by law the certified tax rate is the rate which, applied to the reappraisal tax base (adjusted for new property), will yield the same revenue as was "levied" the previous year. In addition, an appeals allowance will be calculated and added to the tax rate should it be determined that sufficient appeals will affect the assessed value of property.

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The tax increase is tied to operation service levels and needs of the community. Justification for a property tax increase results from in-depth discussions with the City's Financial Advisory Commission and the Board of Mayor and Aldermen during deliberations of the FY14 Budget.

Motion by Mr. Marcom, seconded by Mr. Drinnon, to approve Ordinance 2013-3 on third and final reading.

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

Resolution 13R04 – Five-Year CIP

Mr. Lawton explained that in addition to the adoption of the annual budget and capital plan, the Board also considers on an annual basis a five-year CIP.

The CIP is a multi-year financial plan updated on an annual basis that:

1. Lists and describes the capital projects the City plans to undertake in the future under major headings: General Government, Major Roads, Intersections, Drainage, Parks and Utilities
2. Indicates how the projects will be funded through grants, reserves or bonds.
3. Allows the City to project the effects of the CIP on key financial variables such as property tax and sales tax

Motion by Mr. Drinnon, seconded by Mr. Palazzolo, to adopt Resolution 13R04, establishing a Capital Improvements Program for fiscal years ending June 30, 2014 to 2019.

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

Resolution 13R05 – Resolution on Revenues

Mr. Gabb stated since the City's Code of Ordinances were codified several years ago, ordinances have been drafted to exclude dollar amounts of fees and rates. Ordinances indicate amounts will be set by resolution of the Board. Some of these amounts are set by Policy Letters; others are authorized by various Board resolutions. This resolution will consolidate all revenue authorizations into a single document and is expected to be revised and adopted each year concurrent with the adoption of the annual budget.

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.

Mr. Gabb then answered some questions regarding the use of credit cards and the fees that were charged.

Motion by Mr. Janda, seconded by Mr. Drinnon, to adopt Resolution 13R05 establishing the rates, fines and fees in the various funds of the City of Germantown for the FY14 Operating Budget.

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

Adoption of FY14 Strategic Plan – MOVED TO CONSENT

Resolution 13R02 - Pension Plan

Mr. Lawton stated the City has had in place since 1981 a defined benefit plan for full time City employees. On an annual basis and based upon an actuarial study, the City makes a financial contribution to the plan. Police and fire personnel also contribute to the plan for early retirement benefits.

In an effort to better control costs, the Administration is recommending that the City develop a new retirement plan for all new employees hired after July 1, 2013. That plan is currently under development, the parameters of which have been reviewed and endorsed by the RPAC.

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In order to “close the door” on admittance to the existing defined benefit plan for new hires after July 1, 2013, the City must define who is an employee for purposes of inclusion in the plan and for the Board to consider Resolution 13R02 Amendment No. 3 to the existing plan authorizing this action.

Motion by Mr. Palazzolo, seconded by Mr. Drinnon for the Board to adopt Resolution 13R02.

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

Recognition of Donations – GPAC Foundation - MOVED TO CONSENT

Tennessee Task Force Agreement – MOVED TO CONSENT

Acceptance of Reimbursement from Shelby County 911 – MOVED TO CONSENT

Crosswalk Improvements – Farmington/Poplar

City Engineer Tim Gwaltney stated crosswalk improvements were identified in the Smart Growth Area (SGA) Plan as a means to not only increase safety at high traffic intersections but to also provide a “sense of place” atmosphere. A total of six intersections were identified in the plan for crosswalk improvements at Poplar/Arthurwood, Poplar/West Street, Poplar/Germantown Road, Poplar/Exeter, Farmington/Germantown and Farmington/Exeter.

Three contractors picked up plans and attended the mandatory pre-bid meeting. One acceptable bid was received on the due date at a total of \$433,139.00 which was over the City’s budget. Staff prepared the bid documents such that we could pick and choose intersections that would best fit the City’s budget and recommends the following intersections: Farmington Blvd/Germantown Road (\$104,592.00), Poplar Ave/West Street (\$72,876.00) and Poplar Ave./Germantown Rd. (\$68,652.00) for a total of \$246,120.00.

In response to a question from Alderman Palazzolo, Mr. Gwaltney stated the reason this improvement was not done during the widening of Poplar was because new pavement needs about a month to two months time to “knead”, to be compacted in before this type of material can be applied.

Alderman Owens asked why the difference in costs at the intersections. Mr. Gwaltney stated it was due to the size of the areas.

Alderman Drinnon stated he was for this project but would vote against it because of the timing of the project.

Motion by Mr. Marcom, seconded by Mr. Palazzolo, to authorize the Mayor to enter into a construction contract with Blalock and Sons construction in an amount not to exceed \$300,000.00 for the installation of crosswalk improvements at various intersections and to approve Budget Adjustment No. 13-124.

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

CONSENT

Recognition of Donation – Germantown Community Library

The Germantown Community Library has had donations totaling \$1,300.60 which will be used to support several different library programs.

MOTION: To recognize donations to the Germantown Community Library totaling \$1,300.60, and to approve Budget Adjustment No. 13-132.

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Methodist Hospital Traffic Signal Change Order and Closeout

This change order is with McCrory Electric, Inc. for the installation of the traffic signal at the intersection of Germantown Road and Methodist Drive in the amount of \$984.00.

MOTION: To authorize the approval of Change Order No. 2 for the installation of the traffic signal at the intersection of Germantown Road and Methodist Drive with McCrory Electric, Inc. in the amount of \$984.00 and to approve Budget Adjustment No. 13-131.

Annual Agreement – Ground Water Institute

The Ground Water Institute provides a comprehensive well head protection well fields report per State guidelines and an expanded well data base and geologic mapping of the regional aquifer system. The funding amount is the same as last year's agreement of \$16,100.00.

MOTION: To authorize the Mayor to execute a Contract Renewal Agreement with the University of Memphis Ground Water Institute in the amount of \$16,200.00 and approve Budget Adjustment No. 13-125.

Project Development Contract #1182 – Lot 3 – Wolf River Office Park Subdivision

The Project Development Contract is for the construction of a 46,000 sq. ft. office building on Lot 3 of the Wolf River Office Park subdivision located on the north side of Wolf River Blvd. between Germantown Road and Riverdale Road.

MOTION: To approve Project Development Contract No. 1182 for Lot 3 of the Wolf River Office Park subdivision.

Warehouse Shelving Purchase

The current shelving does not provide the space required to store the many different inventory items required for the day-to-day operations. The new shelving systems will allow the right sizing of inventory items to the shelving which will provide better workflow and faster cycle count. This project is in conjunction with new fleet facility completion.

MOTION: To approve the purchase of new open, bulk and modular drawer shelving systems from Grainger in the amount of \$22,999.55 and to declare as surplus the existing warehouse shelving.

Certificate of Compliance – The Winery – Moved from Reg. Agenda

Every two years, state law requires holder of retail liquor stores licenses to procure a Certificate of Compliance Retail Package Store. Ms. Lacey Dougher, owner of The Winery of Germantown, located at 7841 Farmington, is requesting this form to be signed by the Mayor in order to renew her license.

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

Adoption of FY14 Strategic Plan – Moved from Reg. Agenda

Vision 2020 is the long-range strategic planning document for the City and describes the vision for the City and how the City plans to achieve the vision.

MOTION: To adopt the FY14 Strategic Plan for the City of Germantown.

Recognition of Donations – GPAC Foundation – Moved from Reg. Agenda

The Germantown Performing Arts Center Foundation has donated \$90,000.00 to GPAC to replace the stage floor and make some other cosmetic updates.

MOTION: To recognize a donation from the Germantown Performing Arts Center Foundation of \$90,000.00 to be used to replace the stage floor and make other cosmetic updates to GPAC.

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Tennessee Task Force Agreement – Moved from Reg. Agenda

This is a Memorandum of Agreement between the Memphis Fire Department and the City for participation in Tennessee Task Force One.

MOTION: To approve renewal of the Memorandum of Agreement between the Memphis Fire Department and the City of Germantown for participation in Tennessee Task Force One.

Acceptance of Reimbursement form Shelby County 911 – Moved from Reg. Agenda

Shelby County 911 has reimbursed the City \$1,099,135.79 for the upgrade for Computer Aided Dispatch software used to dispatch Police and Fire emergency personnel.

MOTION: To accept \$1,099,135.79 from Shelby County 911 and approve Budget Adjustment No. 13-130.

Motion by Mr. Palazzolo, seconded by Mr. Owens, to accept the consent agenda as amended.

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

ADJOURNMENT

There being no further business to be brought before the Board, the regular meeting was adjourned.

Sharon Goldsworthy, Mayor

Dotty Johnson, City Clerk/Recorder