

May 17, 2010

REGULAR CITY COUNCIL – MINUTES

Mayor Scott Burton called the regular Clinton City Council meeting to order on May 17, 2010, at Clinton City Hall at 5:32 p.m. Councilman Larry Gann, Councilman Charles Lyons, Councilman Jim McBride, Councilman Jerry Shattuck and Councilman E.T. Stamey were present for the meeting. Councilman Robert Herrell was absent.

Guest and Staff present:

Ron Young	Vickie L. Fagan	Steve Jones
Ron Bridgeman	Harry Patton	Ann Patton
Pauline Daugherty	Berny Ilgner	James Steadman
Walter Porter	Oscar Pointer	Wade Brock
Ron Langley	Rick Burchfield	Geoff Henderson
Dwayne Wilkerson	Charles Phillips	Charlotte Phillips
Cindy McGhee	Lynda Brock	Polly Williams
Dick McGhee	Larry Miller	Daniel Adams
Bekah McBride	Diane Ilgner	Alban Conden

Councilman E. T. Stamey made a motion to approve the agenda as received, and Councilman Jerry Shattuck seconded the motion. Councilman Jerry Shattuck made the motion to amend the agenda by moving Proclamations before Committee Reports and was seconded by Councilman Charlie Lyons. The motion was moved to carry.

Lawrence Hester of the United Methodist Church opened the meeting with prayer.

Councilman E.T. Stamey led the pledge of allegiance.

Councilman Jim McBride made a motion to approve the April 29, 2010 regular minutes as received, and Councilman E. T. Stamey seconded the motion. The motion was moved to carry.

Mayor Scott Burton presented a proclamation to family and friends of Reverend Herbert H. Daugherty. Councilman Charlie Lyons made the motion to approve the proclamation and was seconded by Councilman Jim McBride. The motion was moved to carry.

Steve Jones recognized officers Scott Gregory, Greg McBroom and Jason Lawson. The three officers of the Clinton Police Department spent the weekend helping the clean up efforts in Nashville and volunteered their own time. The City only spent a few dollars for gas.

Committee Reports

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School Board Report –

Dr. Vicki Violette checked with the roofing company for a good patch for the roofing at South Clinton. Dixie Roofing gave them an estimate to repair the current leaks for \$8,525.

Dr. Violette presented Council with the highlights of the Schools accomplishments of the last four years.

Dale Isabell presented the financial report ending April 30, 2010 and projected being within budget except for amendments for approval # 9 and #10. Dale Isabell requested approval by Council for the two amendments presented. Councilman Larry Gann made the motion to approve Budget Amendment #10 and was seconded by Councilman E. T. Stamey. The motion was moved to carry with a roll call vote with all members voting yes. Councilman Charlie Lyons made the motion to approve Budget Amendment # 9 and was seconded by Councilman Jim McBride. The motion was moved to carry unanimously with a roll call vote. Dale Isabell also presented Council with the FY 2010/2011 Budget.

Board of Zoning Appeals

The Board of Zoning Appeals had no business to consider in the meeting on May 10, 2010.

Clinton Regional Planning Commission Report –

Councilman Larry Gann reported the Clinton Regional Planning Commission met on May 10, 2010 and approved a request for site plan approval from Doral Steele of Tennessee for property located at One Eagle Way for an addition to the Liberty Steel Building. There was a training session after the meeting.

Clinton Utilities Board Report –

Councilman Charlie Lyons reported that the Board met on May 13, 2010 and approved vouchers for the month of \$6,960,392 with a net income of \$118,199. Councilman Lyons reported the upgrade on the wastewater main in downtown Clinton on Hicks Circle was

complete except for sowing grass. The project was under budget by \$17,818, the estimate was \$55,000. Design Services awarded the contract to Studio Four for a “safety” building that is impervious to storms and will house engineering and operations. The fuel cost adjustment by TVA increased again. CUB will be changing some power rates due to TVA considering charging higher rates for peak time usage. During the peak times TVA is required to run another generator to meet demand which is additional expense and will be passed along to the customer. Councilman Charlie Lyons reported that electric rates have only increased once in 20 years, water and sewer twice in 17 years and shared a comparison chart with council. CUB has the lowest water and sewer rates by 27%. Rates outside the city limits are a little higher. The Board passed the FY 2010/2011 budget. The electric department with a budget of \$73,482,000, water department \$1,990,000 and sewer department \$2,082,000.

Councilman Jim McBride noted that he had several complaints regarding the sewer smell. Councilman Charlie Lyons replied that would have to have cooperation from the Water Authority and make sure it was treated properly. Councilman Jim McBride questioned whether there had been any recent conversations with the Water Authority to solve the problem. Councilman Charlie Lyons noted that the problem is that you never know when it’s going to occur so that the additional chemicals can be added. Councilman Charlie Lyons noted that he would bring it before the board.

Mayor’s Commission –

Councilman Jerry Shattuck reported that a grant has been received to extend the greenway walking trail to Mariner Point and hoped that the matching requirements could be satisfied without using cash. The Board will meet soon.

CITY MANAGER’S REPORT

GENERAL INFORMATION

1. Clinton City Hall and City offices will be closed Monday, May 31, 2010 in observance of the Memorial Day Holiday.
2. The Tennessee Municipal League’s Annual Convention will be held in Gatlinburg, Tennessee this year starting June 13th. City Council members are invited to attend.

CURRENT PROJECTS AND ACTIVITIES

1. 2009 CDBG GRANT

Construction on the Byrd Street project has begun with two houses being torn down and rebuilt and another undergoing renovation. The HOME is underway and on schedule.

2. NEW INDUSTRY STATUS REPORT

The SL Tennessee project is ahead of schedule and should close out the project by the end of the month. Confluence is expecting to break ground late summer. The sales contract has been forwarded to Confluence and is currently being reviewed by their attorneys.

3. INDUSTRIAL PROPERTY TRANSACTION

The City and ACEDA have been working with an industrial prospect through a developer and are close to finalizing a deal. In order for the developer to put together the final package for consideration by the company, it is necessary for City Council to approve the transaction and authorize the Mayor to execute the final documents. Once again, because this competitive proposal that is being put together confidentiality has been requested; however, a preliminary site plan of the parcel in question is included in your package. Steve Jones recommended approval of the offer to the project discussed to transfer 9.48 acres in the I-75 Industrial Park at the price of \$22,679.32 per acre (\$215,000.00 total). Councilman Larry Gann made the motion to approve the sale of 9.48 acres and was seconded by Councilman E. T. Stamey. The motion was moved to carry unanimously.

DEPARTMENTAL ACTIVITIES

ADMINISTRATION

Finance Report- Vickie L. Fagan, Finance Director reported that through April 30, 2010 that Total Available Funds at approximately 80% and Expenditures and Appropriations are 67%. In Section II detailed revenues, local taxes are 75% and property taxes are approximately \$250,000 under budget. Ms. Fagan reported that local sales taxes are at 63%, licenses and permits 63%, state revenues 61%, recreation fees are 67% and court revenues at 78%. Section III detailed expenditures and appropriations reflect General Government 86%, Public Safety 84%, Public Works 79% and Recreation 84% of anticipated expenditures.

CODES ENFORCEMENT / BUILDING INSPECTIONS DEPARTMENT

FIRE DEPARTMENT

POLICE DEPARTMENT

Last month I requested that City Council consider the purchase of six Police Edition Ford Crown Victoria's that are scheduled to go out of production this year. There was a request by City Council to review a report from our mechanic regarding our current police fleet. I have included that memorandum from our mechanic through David Queener and included it in the package. I think the memorandum reflects a need based on safety of our officers and our ability to fulfill the mission of the Clinton Police Department. In order to get them before they are gone, we must go ahead and order them. I would again recommend that City Council approve the purchase of six Ford Crown Victoria Police Cars from Alexander Ford Murfreesboro, Tennessee at a total cost of \$147,000.00 (\$24,500.00 / each) which has the State of Tennessee's State Wide Contract, with proceeds coming from a lease purchase agreement that will be included in the 2010/11 fiscal year budget. There will be additional equipment costs associated with these vehicles and we will ask for an additional appropriation from the lease purchase package for this equipment when the vehicles arrive. Councilman Jim McBride did not want to incur any more debt. Councilman Jerry Shattuck noted that if the Chief says we need cars waiting doesn't affect the budget and should just go ahead. Councilman Jerry Shattuck made the motion to approve the purchase six Ford Crown Victoria police cars at a cost of \$147,000 with proceeds coming from a lease purchase agreement and was seconded by Councilman Larry Gann. The motion was moved to carry with Councilman Larry Gann, Councilman Charlie Lyons, Councilman Jerry Shattuck and Mayor Scott Burton voting yes and Councilman Jim McBride and Councilman E. T. Stamey voting no.

PUBLIC WORKS DEPARTMENT

1. In the Public Works Department, crews continue to be busy with right-of-way mowing and trimming. All mowing was temporarily suspended during the first week in May, as all maintenance personnel were needed to assist with pothole repair and asphalt patching. Mowing has since resumed to its normal schedule.
2. Public Works continues to manage the SL America project at the -75 Industrial Park. All work related to the building pad and associated storm drainage on the west side of Frank L. Diggs Drive is complete and has been turned over to the building contractor, Blaine Construction. Site work on the east side is progressing well and is ahead of schedule.
3. The approximate six inch rain event two weeks ago resulted in some flooding of low lying and flood prone areas, but no streets were closed

as a result. Public Works monitored the storm with minimal overtime expended.

RECREATION DEPARTMENT

ORDINANCES AND RESOLUTIONS

A. FIRST READING OF NEW ORDINANCE

Ordinance # 571 – FY 2010/2011 Estimated Revenues, Expenditures and Appropriations – Steve Jones had the department heads present noting that when questions are asked regarding needs in each department that's where he goes for answers. Mr. Jones presented Council with some statistics regarding the City's budget. The statistics are reported on operations during the last ten years.

- ✓ The property tax rate has increased 6.8% percent in the last 15 years and the percentage is less because the only increase was last year.
- ✓ The consumer price index has increased 26.5% in the last ten years including the current recession.
- ✓ The tax base for the City of Clinton has increased 31% due to annexation and economic development.
- ✓ The total mass of the City has increased 35% meaning there is 35% more area of responsibility.
- ✓ Sales tax revenues have increased 98%.
- ✓ The number of full time employees in the same time frame has increased by 1 from 96 in 2000 to 97 in 2010 thus having more responsibility without increasing the work force.

Mr. Jones noted that we are doing much more with the same amount of money.

Mr. Jones also noted the change in salary expenditures for the last ten years

- City Court has decreased by 28%
- Zoning and Codes Enforcement has increased by 7%
- Administration has decreased by 10.2%
- Police Department has increased by 33.5%
- Fire Department has increased by 42%
- Public Works had increased by 9%
- Recreation has increased by 19%
- Public Safety has increased by 11%

Mr. Jones noted that it did not take into account that in 2000 employees with family coverage had \$70 taken from their pay checks for family coverage. Mr. Jones wanted to give Council a perspective on how the operation of the City has changed over the past ten years and yet still provides excellent services. Mr. Jones also commented that the employees are all working hard to get more done.

Mayor Scott Burton suggested that it would be more organized for Council to go through the budget by line item. Councilman Jim McBride asked whether the tax rate had been certified. Steve Jones indicated that the new rate had not been received as yet. Councilman Jerry Shattuck noted that the new rate would equalize our revenues.

Councilman Jim McBride indicated that he did not like the new organization chart and wasn't in favor of issuing more debt nor raising the tax rate. Councilman McBride said that he would like to see the budget passed on first reading with no tax increase. Councilman McBride questioned whether it was possible to make some changes and save the \$225,000 from the proposed reorganization. Councilman Jim McBride noted that the fund balance is \$484,000 about 16¢ and we didn't get there overnight and would be satisfied if it was just \$1. Councilman Jerry Shattuck pointed out that the new number is \$492,000. Councilman Jerry Shattuck inquired what bankers expect the fund balance to be and if it could be \$300,000 with no detriment. Steve Jones had talked with 3 bankers and the long term goals are to reverse the trends and put ourselves in a position to increase the credit rating. Mr. Jones noted that the bankers were in agreement with \$400,000 in the fund balance. Mr. Jones wanted to work with the bankers up front to make sure we are on the right track to increase our bond rating and keep the Comptroller happy. Councilman Jim McBride understood the goals and inquired whether we would have to pay higher interest rates. Mr. Jones noted that we are still a good risk. Councilman McBride inquired if anyone could tell us the difference between a \$200,000 and \$400,000 fund balance and how much the interest rate would vary. Steve Jones noted that lenders will tell you that our debt ratio is low compared to other cities. Mr. Jones informed Council that the lending business has changed considerably in the last two years whereas before it was very predictable. Vickie L. Fagan noted that lenders and the Comptroller look very closely to see if you can repay your debt. With a deficit or a very low fund balance it comes into question whether the City can repay their debt. Mr. Jones noted that when you over estimate your revenues for 5 years in a row they are going to look very closely at your revenues and your ability to repay your debt.

Mayor Scott Burton indicated that he is 100% against the proposed reorganization plan and that if it's not broken then don't fix it. Mayor Burton felt that services would suffer and would hate to exchange a healthier fund balance for the service of 7 employees Mayor Scott Burton made the motion against organization changes and reduction of the work force. Steve Jones agreed because in the last ten years there has been little increase in the work force and it would be more responsibility and work for remaining employees. Mr. Jones was trying to present an option and compromises for the budget. Councilman Jerry Shattuck noted that public safety officers have been tried elsewhere. Steve Jones indicated that it has, but not with great results. Councilman Shattuck noted that the reorganization would impact the tax rate by 8.6¢ if we don't make the changes. Councilman Shattuck felt that \$300,000 in the fund balance would be sufficient. Mayor Scott Burton informed Council that he was working on a contract for the recycling center that would save \$4,000 and we should look at other items to make up the difference.

Councilman Jerry Shattuck noted that the City Manager had recommended that the MOE for the schools be increased by \$100,000 to cover the increase in retirement rates. The

estimated fund balance for the schools is \$771,000. Dale Isabell reported that is a computer generated number and it's more like \$410,000. Councilman Shattuck questioned whether we could ask the schools to bear \$50,000 of the increase as it would not create a hardship on the schools budget. Steve Jones noted that bankers look at the fund balance of the schools and CUB also. Dale Isabell informed Council that they could not use fund balance for recurring or operations expenses, it can only be used for one time expenses. The state would not approve the expenditure. Mr. Isabell indicated that a \$410,000 fund balance is not sufficient. Councilman Jerry Shattuck noted that the state recommends a 3% fund balance but it is not mandated.

Councilman E. T. Stamey made the motion to reject the organization changes proposed and was seconded by Councilman Jim McBride. The motion was moved to carry with Councilman Larry Gann, Councilman Jim McBride, Councilman Charlie Lyons, Councilman E. T. Stamey and Mayor Scott Burton voting yes. Councilman Jerry Shattuck voted no.

Local taxes: Councilman Jim McBride indicated that 2.9 million is a very conservative estimate. Steve Jones noted that the 1.9% increase is based on state projections. Vickie L. Fagan pointed out the projection for business taxes were very uncertain based on collections from the state thus far. Mayor Scott Burton said that we are about \$10,000 ahead in sales tax. Councilman Jerry Shattuck pointed out that he was guilty for increasing sales tax projections last year. Mayor Scott Burton noted that if we take the trend and add 1.9% it would be additional \$50,000 to \$60,000 of sales tax revenues. Councilman Charlie Lyons noted the collections in property tax this year, and if we increase property tax rate the collections will drop further. Mr. Jones pointed out that the property tax freeze has been implemented for those that have trouble paying their taxes. Councilman Shattuck indicated that beer tax revenues have been steadily increasing and the 1.9% may not apply.

State Funds: Mayor Scott Burton noted that assuming the collection rate in 08/09 there would be an additional \$14,000 in sales tax revenues from the state. Steve Jones informed Council that financial experts are looking at 2014 to being back to the pre-recession numbers. It is expected that the upturn will be very very slow. Mayor Scott Burton asked Mr. Jones if he would be nervous if the sales tax revenues were increased to the 08/09 levels, an additional \$14,000. Mr. Jones replied yes as did Finance Director Vickie L. Fagan. State growth has been slower than local growth.

Recreation revenues: Councilman Jim McBride questioned the increase in recreation fees especially summer camp fees. Roger Houck noted that the 5 busiest weeks were ahead. Mayor Scott Burton questioned when the last time fees were increased. Roger Houck said the summer camp fees were increased last year; room rental rates have not been increased since 1986. Roger Houck noted that he would look at other cities and compare rates. Roger Houck noted that he would comfortable with the \$20,000 if fees were increased. Roger Houck would have recommendations for Council at the next meeting.

City Court Revenues: Councilman Jim McBride noted that the parking meter fines seem to be optimistic. Steve Jones replied that the numbers were off since officers have been spending most of their time on the road.

Other Revenues: Councilman Jim McBride inquired about the donations to Green McAdoo and whether \$20,000 was realistic. Steve Jones thought that by the second reading it will be close. Steve Jones noted that the City receives 90% of what the organization collects.

Expenditures – Legislature; Mayor Scott Burton inquired about the expense in mobile communications noting that he does not have a city phone. Councilman Larry Gann questioned the consistent increase in membership fees. Steve Jones replied that there is a lot of value from the professional memberships. Councilman Jim McBride requested a review to see if anything could be cut. Councilman Jim McBride and Mayor Scott Burton agreed that they are willing to pay for the own gas when traveling.

Judicial: Councilman Jim McBride questioned whether the occupational disability could be shopped around. Vickie L. Fagan noted that there is only the sole source for this insurance but will negotiate better rates.

Administration: Councilman Jim McBride reiterated to be very aware of the training budget and also questioned whether a city vehicle could be used for travel. Councilman Jerry Shattuck noted there's a limit when you have several people switching vehicles. Mayor Scott Burton questioned if there was anyway we could hold off the training. Steve Jones replied that much of it is mandated training, and he has already asked department heads that same question. Councilman Jim McBride would like to see mobile expenses bid out each year. Steve Jones said that it is bid out every year.

Zoning: Steve Jones noted that he was questioned about the man power when Curtis Perez got an assistant. We may need an additional inspector in the future. Councilman E. T. Stamey questioned the training in zoning. Curtis Perez's mandatory training was cancelled this year and it will be needed for his certifications.

Police Department: Councilman Jerry Shattuck inquired if the amount in 273 equipment rental provided for the police cars that were just approved. Steve Jones responded that it did and noted that there are several lease programs represented some of which will be retired.

Fire Department: Councilman Larry Gann noticed a sizable increase in 234 memberships. Vickie L. Fagan noted that it was the same that was budgeted before. Archie Brummitt said that \$300 has been used. Mayor Scott Burton inquired about the Crash truck and whether it could respond rather than the fire engines to save cost. Archie Brummitt relayed to Council that the vehicle has had some transmission problems but should be repaired soon.

Public Safety: Mayor Scott Burton inquired as to the reason for the increase in street lighting. Vickie L. Fagan indicated that electric rates affect the cost and with fuel costs adjustments from TVA there would be increases. Steve Jones informed Council that the City has received a grant from the State to replace traffic signals with LED bulbs and would have a savings there due to the fact that LED uses about 10% of the amount of electricity as regular bulbs.

Public Works: Mayor Scott Burton inquired what the training in Public Works was for. Lynn Murphy stated that the State has a week long class for Public Works training and his goal is to have every employee to complete the class. Councilman Jim McBride pointed out the big increase in gas and fuel and suggested a 15% increase for the year in every department. Steve Jones indicated that he watches trends very closely and when putting together the budget the cost of oil per barrel was about \$100. It has since come down in price. Mr. Jones felt that it was something we can consider. Mayor Scott Burton inquired as to what is included in the uniforms and boots line item. Lynn Murphy noted that Aramark is a good deal; they supply the uniforms and launder them. The employees are exposed to chemicals so they don't have to take them home to launder. Mr. Jones pointed out the increase in the Fire Department is due to the need of new turn out gear.

Recreation: Mayor Scott Burton inquired of Roger Houck regarding uniforms also. Roger Houck noted the outside employees have steel toed boots and uniforms while the inside employees have polo shirts. Steve Jones informed Council that a few years ago there were complaints because employees couldn't be identified as such. Councilman Charlie Lyons inquired as to how the cost of natural gas could be reduced. Roger Houck, said the maintenance crews have been doing things to insulate the older buildings from heat loss.

Councilman Jim McBride suggested using volunteers to staff the Green McAdoo to save the employee expenses. Steve Jones noted that volunteers could be used but the City would need to be mindful of liability issues. Mayor Scott Burton suggested bringing back several options at the next meeting to address this issue. Steve Jones noted that the Green McAdoo Museum brings a lot of value to the City. Councilman Jerry Shattuck informed Council that things like a museum sets the City off when compared to other sites for industrial prospects. Councilman Larry Gann inquired if this could hurt the status of being a national park. Steve Jones said that it would.

Library: Steve Jones thanked the library for not requesting additional funding this year.

Debt service: Councilman Jim McBride noted that one issue with our bond rating dropping is having a lot of variable debt. Councilman McBride inquired if there is a plan included in the budget to reduce variable debt. Steve Jones said that it would probably be January before we begin looking at fixed rate debt. Vickie L. Fagan noted that it would be considered new debt and subject to all the fees and costs of issuing new debt.

Lynn Murphy asked Council to consider the request for monies for resurfacing. When asked by the City Manager what it would cost Lynn Murphy calculated the cost to be \$3.9 million for all the streets. The City Manager then asked for the cost of the streets with the

highest priority. The amount was \$2 million. Mayor Scott Burton replied that a capital outlay note will be paid off next year and we could use that expenditure for street paving.

Mayor Scott Burton expects to save \$140,000 with the above suggestions.

Councilman Jerry Shattuck made the motion to approve Ordinance # 571 with the above adjustments on first reading and was seconded Councilman E. T. Stamey. The motion was moved to carry with Councilman Jim McBride and Councilman Charlie Lyons voting no.

Ordinance # 572 – FY 2010 Tax Rate – Councilman Jerry Shattuck made the motion to approve Ordinance # 572 on first reading at a tax rate of .89¢ per \$100 and was seconded by Councilman Larry Gann. The motion was moved to carry with Councilman Jim McBride and Councilman E. T. Stamey voting no.

B. SECOND & FINAL READING

C. RESOLUTIONS

VISITORS –

NEW BUSINESS –

Mayor Scott Burton had asked police and fire to participate in a salary and benefits survey. Mayor Burton submitted the proposals from the Fair Pay Committee to Council. Councilman Jerry Shattuck did not know about a committee noting that the charter requires that any committee be approved by Council. Mayor Burton noted that he didn't bring it up at any meeting but just did it on his own. Mayor Burton was not aware of the requirements of the charter in regards to advisory committees. Steve Jones had concerns regarding the violation of the charter but as a courtesy did listen to input from persons on the committee. Mr. Jones had supplied the Council with a study and would be glad to supply copies if needed.

Councilman Jerry Shattuck suggested that the City Manager's contract should be address at this meeting before the contract terminates. The sixty day limit in the contract will be June 21, 2010. The contract will expire on August 21, 2010 and Mr. Jones deserves the courtesy of knowing Councils intentions. Mayor Scott Burton recommended waiting until the June meeting and gives the Council the opportunity to meet with Steve and felt that Councilman Robert Herrell should be present. Councilman Jerry Shattuck noted that it is not a new contract just an extension of the current contract. Councilman Shattuck felt that

all the Council is well aware of Mr. Jones accomplishments. Mayor Scott Burton felt that he may want to consider changes to some of the terms. Councilman Shattuck stated that it is in the best interest of the City to maintain the services of Steve Jones. Councilman Shattuck encouraged all councilmen to extend Steve Jones contract with the City of Clinton. Councilman Jim McBride thought any discussion of his contract should be on the agenda. Mayor Scott Burton felt that it should be delayed until June when Councilman Robert Herrell would be present as this is an important decision.

MAYORS COMMUNICATIONS –

Councilman Jim McBride made a motion to adjourn the meeting, and Councilman E.T. Stamey seconded the motion. The meeting adjourned at 6:36 pm.

Mayor Scott Burton

Vickie L. Fagan, City Recorder