

City of Crossville

392 N. Main
Crossville, TN 38555



Minutes

Thursday, June 25, 2015

5:00 PM

Council Chambers

Call for Special Meeting

*Mayor James Mayberry
Mayor Pro-Tem Pamala Harris
Council Member Jesse Kerley
Council Member Pedro (Pete) Souza
Council Member Danny Wyatt
City Manager David Rutherford
City Clerk Sally Oglesby*

The City Council for the City of Crossville, Tennessee met in special session on Thursday, June 25, 2015, at Crossville City Hall. Mayor James Mayberry was present and presiding. He called the meeting to order at 5:00 p.m.

Roll Call

Present 5 - Council Member Pete Souza, Council Member Jesse Kerley, Mayor James Mayberry, Mayor Pro-tem Pamala Harris, and Council Member Danny Wyatt

Others present were City Manager David Rutherford, City Attorney Will Ridley, City Clerk Sally Oglesby, John Turner, Mark Rosser, Brad Allamong, Fred Houston, R. J. Peterson, Tiffany Lyon, Jim Young, Levonn Hubbard, Mark Fox, Jerry Kerley, Scott Howard, Terry Potter, Clark West, and Doug Brady.

1. Appointments

Swearing-in of Alternate Administrative Hearing Officer

Mayor Mayberry administered the Oath of Office to Tiffany Lyon as Alternate Administrative Hearing Officer.

This Appointment was appointed

2. Consent Agenda

A motion was made by Council Member Jesse Kerley, seconded by Mayor Pro-Tem Pamala Harris, that all items on the consent agenda be approved.

Motion carried by the following vote:

Aye: 5 - Council Member Pete Souza, Council Member Jesse Kerley, Mayor James Mayberry, Mayor Pro-tem Pamala Harris and Council Member Danny Wyatt

ORDINANCES ON THIRD READING

- a. Ordinance amending §1-801(E) of the Crossville Municipal Code regarding open records

This Ordinance was adopted on third reading

- b. Ordinance amending the budget for year-end FY 2014-2015

This Ordinance was adopted on third reading

ORDINANCES ON SECOND READING

- c. Ordinance amending the FY14-15 budget for aerial photography

This Ordinance was approved on second reading.

- d. Ordinance amending §12-1101 of the Crossville Municipal Code regarding municipal administrative hearing officer

This Ordinance was approved on second reading

- e. Ordinance amending §13-402 of the Crossville Municipal Code pertaining to abandoned or inoperable vehicles

This Ordinance was approved on second reading

- f. Ordinance amending §13-104 of the Crossville Municipal Code pertaining to removal of vegetation and debris from certain lots

This Ordinance was approved on second reading

3. OTHER BUSINESS

- a. Ordinance adopting the FY2015-16 operating budget

Mayor Mayberry reviewed the budget process and commended the Council for the time that they put in the process. He further stated that the budget is a compromise between all members. He commended staff for reducing the amount of projected deficit for 2014-15 from \$965,000 to \$28,000. Councilmember Souza further commented that no one got everything they wanted, but the process worked. He indicated his plan to return next year and ask for a cost of living increase for 2 years for the employees.

A motion was made by Mayor James Mayberry, seconded by Council Member Pete Souza, that this Ordinance be adopted on third reading. The motion carried by the following vote:

Aye: 5 - Council Member Pete Souza, Council Member Jesse Kerley, Mayor James Mayberry, Mayor Pro-tem Pamala Harris and Council Member Danny Wyatt

- b. Ordinance establishing a tax rate for FY2015-16

Mayor Mayberry stated that the process started with reducing approximately \$1.5 million in requested funds, reducing support for some non-profit agencies, postponing implementation of the recreation master plan, and still having to increase the debt. The rainy day fund has steadily been reduced since 2008 when it was at a high of approximately \$14 million and, he felt a property tax increase is inevitable to provide services and promote the growth of our community.

Mayor Pro-Tem Harris indicated that she would not be supporting the tax increase due to the reduction in the shortfall and the approximate \$8 million in rainy day funds. She also expressed concerns about a tax rate increase and water/sewer rate increases in the same year. She would be in favor of using the extra funds to reduce the shortfall and she would like to see planning incremental tax increases in the next few years.

Councilmember Souza pointed out that the property tax pays for about 15% of the budget and a good portion of the rainy day fund is borrowed money. He is fearful there will be substantial budget amendments in the coming year due to the cuts in the budget. He is also worried about the long-term effects of the debt.

Councilmember Wyatt pointed out the substantial difference in what was projected for a shortfall in the current year and what actually happened. He believes the same thing will happen in the coming year and a tax rate increase will not be necessary.

A motion was made by Mayor James Mayberry, seconded by Council Member Pete Souza, that this Ordinance be adopted on third reading. The motion carried by the following vote:

Aye: 3 - Council Member Pete Souza, Council Member Jesse Kerley and Mayor James Mayberry

Nay: 2 - Mayor Pro-tem Pamala Harris and Council Member Danny Wyatt

c.

Resolution adopting water and sewer rates effective July 1, 2015

Mayor Mayberry reported that the proposed rates will be an increase of 15% in water and 25% in sewer.

Mayor Pro-Tem Harris reviewed research that she has done on modified depreciation and came to the conclusion that the City is obligated to use the straight-line depreciation.

Councilmember Wyatt commented that there appears to be a surplus and he would rather look at a modified depreciation approach, but the Council has chosen not to and he supports that.

City Manager Rutherford reported on the current reporting requirements of the Comptroller. He stated that the current Comptroller requires that depreciation be funded in cash rather than on paper, but that the money can be used for necessary repairs and upgrades. He will not be surprised if the Comptroller or SRF come back with a requirement to raise the rates even more when the reports are submitted with the budget.

Councilmember Souza reported about the reviews now being done by the State to insure that utility districts don't get in a distressed situation.

Councilmember Kerley said the rates should have already been raised, but were delayed by using the modified depreciation approach. He also commented that we could have saved money by researching other options or re-bidding sewer operations.

With his vote, Council Member Wyatt acknowledged that he has several businesses that are fairly large water users, but that it is not a conflict of interest in voting on the rate increases.

A motion was made by Council Member Pete Souza, seconded by Council Member Jesse Kerley, that this Resolution be approved as recommended. The motion carried by the following vote:

Aye: 4 - Council Member Pete Souza, Council Member Jesse Kerley, Mayor James Mayberry and Mayor Pro-tem Pamala Harris

Nay: 1 - Council Member Danny Wyatt

ADJOURNMENT

With no further business, the meeting was adjourned at 5:23 p.m.