

COUNCIL MEETING MINUTES  
CITY OF LAWRENCEBURG

October 23, 2014

The Board of Mayor and Council met in regular session. The following members were present: Council Member Fox, Mayor Keith Durham, Council Member Williams, Council Member Sevier and Council Member Moore.

With a quorum present the meeting was called to order. The meeting opened with Prayer and the Pledge of Allegiance.

Motion to approve the minutes of the September 25, 2014 Council Meeting was made by Council Member Williams, with a second by Council Member Sevier. Motion passed unanimously.

Mayor and Council received a letter from Comptroller in the Council Meeting and instructed the letter be placed into the minutes as instructed:

Date: September 26, 2014

To: Mayor Durham and Council Members:

This letter acknowledges receipt of a certified copy of the 2015 fiscal year budget for the City of Lawrenceburg (the "City").

We have reviewed the City's budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received and is for the purpose of determining that the budget appears to be balanced. With regard to programs included in the budget such as education, roads, and corrections, we have not made any attempt to determine that the local government has complied with specific program statutes or guidelines, or with any financial requirements prescribed by any state or federal agency. A property tax rate may be included in this budget, and we would recommend that local government officials be certain that all program requirements have been met before initiating the tax collection process.

This letter constitutes approval, by this office, for the City's 2015 fiscal year budget as adopted by the governing body.

### **Considerations Concerning the Budget**

The Office of State and Local Finance has determined that the City's budget meets basic statutory requirements, but we have detected a deficiency, outlined below, that could possible lead to financial problems in the future.

### **Municipal Utility Revenues**

T.C.A. § 7-34-115(a) requires that user rates, fees, and charges be sufficient to meet the actual cost of providing services which includes depreciation as an operating expense and debt service. For fiscal year 2015, total costs are budgeted to exceed total revenues for the Water & Sewer Fund by \$940,109. The Water & Sewer Fund is, however, projected to post a positive change in net position of \$1,060,679.

Meeting the sufficiency requirement is of particular importance since recent legislation that removes the authority for a municipality to subsidize a public works system with tax revenues became effective April 4, 2014 (Public chapter 628). When the City reviews its utility's rates, it should ensure they are sufficient to at least pay their total costs pursuant to State statutes. Services to citizens may become impaired if sufficient rates are not charged to cover the costs of the service. The City should report the outcome of the review to this Office with its fiscal year 2016 budget.

Table 1 illustrates how estimated revenues compare to budgeted total costs.

**Table 1**  
**Statement of Sufficient Revenues/Rate Test**

|  |                  |
|--|------------------|
| Operating Revenue                          | \$ 7,747,676     |
| Non-operating Revenue                      | <u>2,000</u>     |
| Total Revenue                              | \$ 7,749,676     |
|  |                  |
| Operating Expenses including Depreciation  | \$ 5,944,000     |
| Debt Service                               | <u>2,745,785</u> |
| Insufficient Revenues to Cover Total Costs | \$ (940,109)     |

Based on the information presented in the budget the City does not appear to have sufficient monies budgeted to cover its projected total costs during fiscal year 2015 for the Water and Sewer Fund.

Sincerely,  
Sandra Thompson  
Director of the Office of State and Local Finance  
Cc: Mr. Jim Arnette, Director of Local Government Audit

Mayor Durham also announced the appointment of Josh Pollock to complete the term of Kathy Pollock/Lanning on the Housing Authority Board beginning on December 9, 2014 and ending December 9, 2017; and the reappointment of Geeta Shah with her term to expire on December 9, 2019. Note: these appointments were made early as the Housing Authority Director is scheduled for knee surgery in November.

Mayor Durham recognized Ardeen Walters and he presented a brief history and slide show of the Trail of Tears. He commented that many of the signs were placed in wrong places, and will work to help get this corrected.

Mayor Durham commented that he had looked at our sales tax revenue and it looks as though it is up around 30%; however, since the State took over the Business Tax the city revenue is down by \$330,000.00. The Mayor has spoken to our State Representative and the State Senator on this. Their comment is that we were one of the cities that were doing it right; and the comment from Council Member Williams was the State is not doing it right as he has not received a renewal notice in two years.

The City has received the LUS Financials for July 2014, and they have been accepted.

City Administrator, Chris Shaffer's report included the Quarterly Financial Report and the hiring of a new Sanitation Department Employee, Nick Violet. He asked Joe Baxter to give a report on the Buffalo Road and Helton Drive projects.

Mr. Baxter reported that the project on Buffalo Road should be concluded soon. The top of the culvert was placed last Friday and it needs at least a 14 day cure time. The Remke portion of the Helton Drive project should be paved Monday & Tuesday and then the Helton portion should begin. It will not be as extensive as the Remke section and will be open for traffic.

**ORDINANCE NO. 1145**

**AN ORDINANCE FOR THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF LAWRENCEBURG TO ENTER INTO A COLLECTION SERVICES AGREEMENT WITH PIONEER CREDIT RECOVERY, INC. PURSUANT TO THE PROVISIONS OF TCA §40-24-105(e) First Reading**

Motion to approve on first reading was made by Council Member Moore, with a second by Council Member Williams. Motion passed unanimously.

**ORDINANCE NO. 1146**

**AN ORDINANCE TO AMEND ORDINANCE NO.1144 ENTITLED BUDGET APPROPRIATIONS OF REVENUE AND EXPENDITURES FOR THE 2014-2015 FISCAL YEAR FOR THE CITY OF LAWRENCEBURG, TENNESSEE. First Reading**

Motion to approve on first reading was made by Council Member Sevier, with a second by Council Member Williams. Motion passed unanimously.

RESOLUTION(S)

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF NOT-TO-EXCEED \$2,750,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015, OF THE CITY OF LAWRENCEBURG, TENNESSEE, AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION THEREWITH

Motion to approve was made by Council Member Moore, with a second by Council Member Williams. Upon a roll call vote all voted to approve. Resolution passed.

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF NOT-TO-EXCEED \$6,100,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015, OF THE CITY OF LAWRENCEBURG, TENNESSEE, AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION THEREWITH

Motion to approve was made by Council Member Williams, with a second by Council Member Fox. Upon a roll call vote all voted to approve. Resolution passed.

A RESOLUTION FOR THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF LAWRENCEBURG, TENNESSEE TO AUTHORIZE CERTAIN BANK ACCOUNTS TO BE TRANSFERRED FROM BANK OF AMERICA TO FIRST FARMERS AND MERCHANTS BANK WITH SIGNATORIES ASSIGNED TO THE ACCOUNTS

Motion to approve was made by Council Member Moore, with a second by Council Member Sevier. Motion passed unanimously.

A RESOLUTION OF THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF LAWRENCEBURG, TENNESSEE TO ENTER INTO A MAINTENANCE AGREEMENT WITH THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION FOR SIGNING AND SIGNALIZATION ON SR-6 (N. LOCUST AVE) FROM ELLINGSON STREET TO ROBINS STREET

Motion to approve was made by Council Member Williams, with a second by Council Member Sevier. Motion was approved with Council Member Fox voting no.

A RESOLUTION FOR THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF LAWRENCEBURG, TENNESSEE TO APPLY FOR AND ENTER INTO A GRANT AGREEMENT FOR A RURAL ECONOMIC ENTERPRISE GRANT TO BE ADMINISTERED BY USDA/ RURAL DEVELOPMENT.

Motion to approve was made by Council Member Moore, with a second by Council Member Fox. Motion passed unanimously.

A RESOLUTION FOR THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF LAWRENCEBURG, TENNESSEE TO ACCEPT THE THDA HOME GRANT IN THE AMOUNT OF \$250,000 DOLLARS AND TO APPROVE THE POLICIES AND PROCEDURES FOR THE GRANT.

Motion to approve was made by Council Member Williams, with a second by Council Member Fox. Motion passed unanimously.

IN OTHER ANNOUNCEMENTS OR BUSINESS

Parks Director, Beth Campbell, reminded everyone of the Halloween Carnival at Rotary Park on Halloween for those 10 years of age and under from 5 to 7 PM. She asked everyone to plan to park in the front of the park.

LUS Director, Vic Pusser invited everyone to the 75<sup>th</sup> Anniversary of the Lawrenceburg Utility Systems on North Locust, next Thursday. TVA Plaque presentation at 11:30 a.m. with hotdogs and hamburgers for everyone.

With no further business to come before the Council a motion was made by Council Member Moore, with a second by Council Member Williams.

Meeting adjourned.

Attest: \_\_\_\_\_  
City Administrator/Acting City Recorder