

Minutes
Special Called Meeting
Bluff City Board of Mayor & Aldermen
January 30, 2017

Mayor Wells called the meeting to order at 11:00 A.M.

This is a business meeting. Not a court of law. No personal attacks. I welcome each of you here today. Anyone wanting to comment has three minutes in the first session and three minutes in the second session. The Board members do not have to comment unless they want to. Anyone wanting to comment must come to the podium and give their name, address and telephone number. No talking out in the meeting. If you would like to talk while the meeting is going on, you must go outside or in the hallway. Others want to be able to hear. You can be asked to leave if you are out of order. If you have a request for information, you must come to the office at City Hall during office hours 8 AM to 4:30 PM and fill out the proper request form.

Members present were Alderman Stratton, Vice Mayor Harrington, Alderman Harrison.

Prayer was given by Vice Mayor Harrington, followed by the Pledge of Allegiance.

Mayor Wells opened the floor for Citizen Comments-First Section.

Discussion/Action – Storm Water Permit- Todd Wood- Good Morning. Most of you all have heard me talk about this before. What you have. You have a permit with the state of Tennessee to discharge storm water into waters of the state. Rivers, lakes, streams, etc. That is generally a five year cycle. The new permit was issued back in the Fall. It was amended by the State and deadlines kind of pushed back because there has been some lawsuits filed against it, which will be heard next November. The new deadline was pushed back to February 1st. That is Wednesday I believe. The Mayor has a copy of the permit and we are working with her on that. There are five segments of it. The first part of public involvement and education. Let me back up and say, we have had this permit in place. The current one was done back in 2010. Of course we are in 2017 now so I said the five year cycle just kept getting extended. This will cover you for the next five years. Without this permit you are not allowed to discharge stormwater into waters of the state. All the other jurisdictions in Sullivan County are doing the same thing. In Johnson City, Washington County, Jonesborough, etc. So what we had to do is, it is called the Notice of Intent. Under these five items we have to tell the state, this is what we plan to do for the next five years. Now there are certain things we have to do that are written into the state permit. But within that we have flexibility on how we accomplish those goals. With the Notice of Intent it is more big picture. We are not detailing out every little thing we are going to do each week or each month. It is just telling the state we plan to do this. We have to tell them milestones and deadlines, when we are going to accomplish certain things. Most of what we are doing now is reviewing what we already have in place and updating it to meet the new permit requirements, or updating it to enhance it to better improve water quality in the Town of Bluff City. If you have any questions while we are going through this, feel free to ask them. The first part is public education and involvement. So with that, what I will say is that any public that are here, you can go to the Town's website. There is information on there to learn more about water quality. So that is one of the things we need to do is educate the public and get the public more involved. That is one of the big pushes by the State and on this permit cycle is getting the public more involved. So one of the things we will be doing is reviewing the plan we already have in place. We will probably have to get some members of maybe even this Board and the Planning Commission and the general public to get together and figure out how best do we do this. Next part is called illicit discharge. That is when things other than just rainwater are going into our storm drain

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system and into the lakes, rivers and streams. We have to have a plan in place to inspect all of our streams when it has not rained in three or four days. It is called dry weather screen to make sure there is not a pipe that is discharging water and it hasn't rained in four days. Why is there water coming out? It doesn't mean that it's an illicit discharge. That is just a red flag that goes up we have to then investigate that. We have an ordinance that is already in place for that. I do not believe under the new permit that we have to update anything on that. But we will review it. We are telling the State that we are going to review that and check it against the new permit and update as necessary. We do have to keep updating our storm system map. Our catch basins, our pipes, our major ditch lines and keep updating that and adding more information to it. At some point throughout this process and most of this review is going to occur next fiscal year. The permit cycle actually year one ends June 30 of this year. So we are already six months into it. In the next five months or so we are just going to be reviewing what we have and seeing who else we need to get involved. Next fiscal year is when we really start getting more involved in it and asking other people to get involved. At some point we may have to come back to the Board and ask for certain funds to implement pieces of this. And this is one reason why it would be good to have several members of this Board as part of that so you are involved in it from the beginning and we can find out the most cost effective way to do this for the Town. The third item is construction storm water. That's basically planned review for land development projects. Making sure people have erosion control up, sediment basins or whatever it might be during the construction process. We do have to update that. We have got eighteen months from October of this past year to update that ordinance. The state has changed some things in their construction general permit and we will have to update that. I will be getting with the Mayor to go over that and then have Mr. Frye review that and we will bring that back to the Board. Again that will occur about a year from now. That is my guess on that schedule. The fourth thing is permanent storm water. We also call that water quality that's the filtering off the storm water after a site has been developed. A subdivision, a service station, an office building or one acre or more of land disturbance. That's the part where the lawsuits have come up. We have a current ordinance that went into effect back in 2007 or 2008. What we have told the State and the State has basically told everybody this is how you can do this. We are going to continue to enforce that ordinance until the lawsuits are heard which will be next November sometime. Then on January 1, 2018 we have 90 days to submit an implementation plan stating that we are going to change the ordinance, what we are going to do. Now a year from now or 11 months from now, we may hear from the State that well that is going to be pushed back even further because of the lawsuits. The lawsuits, its coming from both sides. One side says the permit is not strict enough. The other side says the permit is too strict. We are caught in the middle and do not know what to do. The state does not know what to do either from a sense of changing things because they say everything is fine. We will see what happens with that lawsuit and then update that ordinance as necessary to meet the permit requirements. Right now we just continue enforcing the current ordinance. The fourth thing is good housekeeping and that is leading by example we cannot require that all the citizens and the business owners in the area do things to improve water quality and the Town of Bluff City not do it. So it is called good housekeeping and pollution prevention. We have to have pollution prevention plans for all of our facilities and operations including lawn maintenance. Each year we have to inspect the sites and make sure we are doing things well. I will tell you that the public works department and all of the facilities and their garage and everything have done a really good job with that. When we do the inspections each year it's hard to find anything. The same thing came out of the State's audit when they came through about a year and half ago. The Town is doing a good job on that. It doesn't mean we cannot improve it but doing well. Those are the five things... under the housekeeping we have to do training of all the new employees and the current employees. We will be updating those plans on how best to do that. Those are the five things. The Mayor signing that and sending that to the State is not saying we are going to spend x amount of dollars. It is just a notice of intent. This is what we plan to do over the next five years. We are going to detail it out. Anybody have any questions or need any more information? What we will do from this point, when the Mayor signs

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this she will get it to me and we will transmit it through email to TDEC. That is the preferred method they want. We will do that I guess today. Just scan it in, email it to me, I will attach that with all the other maps we have to send with that.

Motion by Vice Mayor Harrington. Second by John Harrison
Motion Carried

Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Discussion/Action- Audit report- Rodefer, Moss and Co.- Curtis Moss- Thank you for having me. My name is Curtis Morrison if you have not seen me before. We have completed our audit as of June 30, 2016. I am going to go over it briefly. I know that you all can read the report but there is a few things that I wanted to point out that you should know about. As you flip into the report one of the most important things you can look at really begins outside of our opinion. That is really really important. It starts on page six, which is management discussion and analysis. That is a good summary of a lot of the things that are in the financial statements. It is a good starting place and it gives you a little comparison year to year rather than just the current year. I think that is pretty important when it comes to just understanding where these are coming from. As you will notice we have issued a unmodified opinion which is the best opinion that we can give. That means that we are not aware of any material things that would change your mind about these financial statements. After page six, go to page 13. It is the statement of net position. This is a little different than what you see in your budgetary. This is what is called Gap presentation which is not based on your fund balance it based on basically assets and liabilities. It is a little different than what you would see in your monthly meetings and you do not budget this way. But it is important that you see what's on here. A couple of things that will stand out to you. You've got deferred outflows of resources and you have deferred inflows of resources. Those mostly relate to your pensions and your tax revenue that you have not collected. It is just important that you know what those numbers are and how they can possibly impact your net position. Year over year on page 14 you will see that on the government wide basis statement of activities. For the governmental activities you had a change in net position in roughly \$258,000 increase. Under business type activities you will see an increase of \$146,000. Both of those are good positives. It was very much needed for your business type activities in the water/sewer. You pretty much had to have that. I will get into that a little bit more detail here shortly. On page 15 is where you will see the governmental funds. This is the way you are used to seeing it presented for your budgets and items like that. I just wanted to point out that's where that is coming from. If you look at the bottom of page 16 which is telling you how you did. Did you add to fund balance? Did you take away from fund balance? Overall your general fund was up \$320,000. Year over year with the debt service fund decreasing. That should be common, that should continue to go down unless you add additional funds. Then your drug enforcement funds increased \$5,000.00. It's important to look at page 18 and 19. This is the proprietary funds. This is where you will see your water/sewer fund and your solid waste fund. As you are very well aware the State has forced you all to raise some rates. It is important to see how those rates affected your net position. On your water/sewer fund if you will look on page 19 the change in net position increased \$155,000. That's the good side it gives you an opportunity to come back to the State and show that you did in fact go positive on that. I know that they were pretty rough on you since it was in the negative in the past. The only thing I will point out to you, is that on the solid waste utility fund you did continue to show a loss on that. You will probably want to consider doing something with that fairly quick. Because, that is getting what I would consider pretty low. Just to be able to operate and fund itself. These are required to

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be self-funded. That's the key things when it comes to the actual numbers. If you really get bored, in the notes you can read all of the notes from the pension plans. If you understand those... good luck. Roughly I think it is four or five pages. Six pages just dealing with pension plans and how that affects your government wide statements. It's very hard to explain but what it does is that it says anybody that is employed by the City now is earning retirement. It will not be paid for years to come, but they are earning that now. So when you're are looking at the government wide statements there is a liability for what you are eventually going to pay. It's just important to note that's what these are really doing for you now. You're just accounting for that liability as you accrue it on that basis. Along with that there is some sensitivity analysis in here where if the investments change one percent do you have an asset or a liability. Yours is not bad. Page 55, this is our report on internal control over financial reporting. This is where we point out any findings that we had during our audit. I am going to give a brief summary from last year to this year. Last year I believe we had eleven findings. This year we have five. That means six findings were corrected. That's what we always want to see is improvement. The first finding is an internal control manual. Last year the state mandated that everybody have an internal control manual. You as a Board do not have to approve that. But you have to have the manual written. It's not done apparently but it's almost finished. That's not a huge deal as far as creating issues. However, it's important to note that you do want to make sure your internal controls are strong. By having that manual they are forcing your hand and documenting what you do. Finding number two where the proprietary fund the solid waste is not self-supporting, the fees that you are collecting for the garbage are simply not enough to cover your costs. If you don't turn that around the State will step in and force you to increase your prices. Finding number three is the inventory. That is repeated from last year. We would like to see inventory taken more often. Finding number four expenditures exceed appropriation. It is repeated from inventory last year. This particular case is \$9000.00 over expended that was approved. The original budget was fine but when it was amended you ended up going over by \$9000.00. The good news is that your revenues came in over budget so ultimately you did add the fund balance. Finding number five which is the last finding is bad debt. It is repeated from last year. This is where the water and sewer fund receivables over 180 days should probably be written off or given up for collections. We have to make adjustments for that. Feel free to call me with any questions.

Motion by Vice Mayor Harrington. Second by Alderman John Harrison
Motion Carried

Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Discussion/Action- Open Public Hearing at 11:35 am, closed 11:36 am – Ordinance No. 2016-008, An Ordinance Amending 95-012 and the Bluff City Municipal Code 14-201, Repealing Ordinance 2006-007, Planned Residential Development Zoning District in its entirety. Now therefore be it ordained by the Board of Mayor and Alderman and the City of Bluff City, Tennessee that article 3 definitions article 4 establishment districts and article 7 provisions governing use districts to be amended by removing planned residential development district in its entirety.

Second Reading Ordinance No. 2016-008

Motion made by Vice Mayor Harrington Second by Alderman Harrison
Motion Carried

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Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Discussion/Action: Open Public Hearing at 11:15 am, closed 11:16 am on Ordinance No. 2017-001 – An ordinance amending Section 15-305 of the Bluff City Municipal Code regarding speed limits (change speed limit on Holston Drive to 15 miles per hour) therefore ordained by the Board of Mayor and Alderman and the Town of Bluff City, Tennessee that Section 15-305 of the Bluff City Municipal Code hereby amended by changing the speed limit on Holston Drive from 25 miles per hour to 15 miles per hour. That the appropriate signage be installed upon this ordinance becoming law. This ordinance shall become effective immediately upon its final passage of the public welfare claim.

Second Reading on Ordinance No. 2017-001

Motion made by Vice Mayor Harrington Second by Alderman Stratton.
Motion Carried

Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Discussion/Action: First Reading – Ordinance No. 2017-002- This is an ordinance changing the speed limit the length of Hwy 44/Hwy 390 to 35 miles per hour. It's ready for consideration of the first reading.

Motion made by Vice Mayor Harrington Second by Alderman Stratton.
Motion Carried

Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Discussion/Action: First Reading – Ordinance No. 2017-003- In an ordinance to amend Title 10 Chapter 2 of the Bluff City Municipal Code dealing with adequate food, adequate shade and adequate shelter for dogs and cats. This is reading for consideration of the first reading.

Motion made by Vice Mayor Harrington Second by Alderman Stratton.
Motion Carried

Alderman Stratton Yes
Vice Mayor Harrington Yes
Alderman Harrison Yes

Citizen Comments-Second Section:

David Smith, 200 Highland Circle, 538-4736: I would like to ask the Board members to go ahead and vote on that trash deal to give a 25% and let it ride there for the next year and see how it works out. Vice Mayor Harrington states it went up \$1.50. Mayor Wells states yes, but we really its more than that. It was \$8,431.00. We have to make up \$8,431.00. The reason is the

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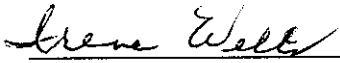
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garbage is the same as the water/sewer we have to take care of it with money that we have accumulated from the costs of garbage. We have been going in the hole for several years on the garbage. Mayor Wells states that Sharon will get the figures together and they will have to do an ordinance to raise the garbage rates.


Becky Buchanan, 750 Dry Branch Rd., 276-1165, If the people remember the Board of Mayor and Alderman voted to not increase the garbage bill to save the citizens some money because there was so much talk about people living on a fixed income. The Board did the citizens a favor and saved the citizens over \$8000.00. People should commend the Board for saving the citizens but yet they went in the hole on the garbage pick up. I just wanted to commend you all for that.

Shirley Clark, 932 Lona Lane, I just want to say thank you to the police officers and the Board for looking at the speed limits here in Bluff City. I appreciate what you all do. Thank you.

Motion to adjourn was made by Alderman Vice Mayor Harrington. Second by Alderman Stratton. All in favor. Meeting adjourned at 11:44 am.


Irene Wells, Mayor

Attest: This 30th day of January, 2017


Sharon Greene, City Recorder/Finance Officer