

ATHENS CITY COUNCIL MINUTES OF MEETING

July 16, 2019

The Athens City Council met in regular session on Tuesday, July 16, 2019, at 6:00 p.m. with Mayor Burris presiding. The invocation was given by Council Member Pelley; and upon roll call, the following members were present:

Coker, Lockmiller, Pelley, Perkinson, Burris

The following decisions were made and ordered made a part of the records of the Athens City Council.

- 1 -

APPROVAL OF MINUTES

The Minutes of the regularly scheduled meeting of June 18, 2019 were submitted and approved by unanimous consent.

- 2 -

COMMUNICATIONS AND SPECIAL PRESENTATIONS

PRESENTATION OF VIVID AWARD – RICHY HUSTON

Mayor Burris presented the Very Important Volunteer Individuals (VIVID) Award for the month of July 2019 to Richy Huston in recognition of his service to The Friendly City.

- 3 -

MISCELLANEOUS CORRESPONDENCE

NONE

- 4 -

CONSENT AGENDA

Mayor Burris advised that the following items were discussed during the recent study session and are presented as a part of the Consent Agenda. The recording clerk read the following items into the record:

- a.) Reappoint Tom Hamilton and Janice Hardaway to the Athens Regional Planning Commission, terms expire August 18, 2022.
- b.) Reappoint Charles Byrd to the Tax Equalization Board, term expires April 1, 2021.
- c.) Approve extension of contract with Rogers Group Inc and Central Asphalt for asphalt pick-up.
- d.) Approve bid as submitted by Overhead Door of Knoxville for Public Works overhead door replacement.
- e.) Approve Resolution No. 2019-18 authorizing submission of application for a 2019-20 PEP "Safety Partners" Matching Grant Program (50/50 match).
- f.) Approve Resolution No 2019-19 adopting Signal Timing and Operations Study.
- g.) Approve change order for signal detection assets for state project CNR078 on Highway 30.

A motion was made by Council Member Pelley, seconded by Council Member Coker, to approve the Consent Agenda in its entirety. The motion was approved by the following roll call vote:

AYES: Coker, Lockmiller, Pelley, Perkinson, Burris
NAYS: None

- 5 -

ORDINANCES

ORDINANCE NO. 1079 – SECOND/FINAL READING – PUBLIC HEARING

AN ORDINANCE TO AMEND ‘THE ZONING ORDINANCE OF THE CITY OF ATHENS, TENNESSEE,’ SO AS TO AMEND THE OFFICIAL ZONING MAP TO REZONE THE PROPERTY LOCATED AT 705 EAST AVENUE FROM I-2 (HEAVY INDUSTRIAL DISTRICT) TO B-3 (INTENSIVE BUSINESS DISTRICT) SAID AREA BEING LOCATED WITHIN THE CORPORATE LIMITS OF ATHENS, TENNESSEE.

The caption of the above-described Ordinance was read by the recording clerk. Mayor Burris opened the public hearing. There being no one present wishing to discuss the Ordinance, Public Hearing was closed. **A motion was made by Vice Mayor Perkinson, seconded by Council Member Coker, to approve Ordinance No. 1079 on Second and Final Reading.** The motion to approve Ordinance No. 1079 was approved by the following roll call vote:

AYES: Coker, Lockmiller, Pelley, Perkinson, Burris

NAYS: None

- 6 -

OLD BUSINESS

NONE

- 7 -

NEW BUSINESS

NONE

- 8 -

REPORTS

COMMUNITY DEVELOPMENT QUARTERLY REPORT

Mr. Anthony Casteel, Community Development Director, was unable to attend the meeting. The Building Permit Quarterly Report for the City of Athens will be presented at the regularly scheduled City Council meeting in August 2019.

- 9 -

FINANCE DEPARTMENT REPORT

Mr. Mike Keith, Finance Director, presented the Finance Department Report for the month of June 2019. The report was accepted as presented. Mr. Keith distributed a “Sales Tax, School Appropriation and School Debt Service” handout to the City Council and City Manager. He noted it was a sales tax spreadsheet showing the history since 1970 and was started well before he came to the City. This report details the Local Sales Tax Revenue, School Appropriation, School Debt Service, Total Appropriation for Schools, and % of School Appropriation to Sales Tax. There was some discussion at the July Study Session regarding sales tax and when did the 55/45 split get turned around. He pointed out several items of interest. In 1977, the local option sales tax increased from 1% to 2%, which is why there was a large increase in revenue between 1977 and 1978. In 1978, monies were borrowed for renovations and improvements at the schools, which were funded with additional funds from the sales tax increase. The 55/45 split began in 1984 when the City Council and City Schools agreed that the City would retain 55% of the local option sales tax and 45% would be given to the schools for their annual appropriation. In 2000, the liquor by the drink referendum passed. State law mandates that half of that revenue go to city schools. If there was not a city school system, then half of that revenue would go to the county schools. Collection of that revenue began in fiscal year 2002. In 2007, sales tax collections totaled \$3,950,964. In 2008, sales tax collections totaled \$3,949,206. Basically, sales tax collections were flat for those two years. This was when the economy went down, which is what they were calling the “great recession”. In 2009, collections totaled \$3,729,011 and revenues in 2010 dropped

even further to \$3,592,822. During those times, the schools continued to get 45% of the local option sales tax revenue. The percentage was increased to almost 51% in 2010 in order to restore maintenance of effort and continued in 2011. In 2012, the appropriation to the schools was increased to almost \$2.1 million and then in 2013 it went to \$2,326,000. That year the original appropriation to the schools was \$2,421,000. The schools received additional BEP and County funds that they were not expecting and agreed to the reduced revenue amount. Beginning with fiscal year 2014, the school appropriation amount has been at \$2,421,200 each year. The percentage has gone from 55/45 to as high as a 40/60 split. The percentage split is beginning to come back down due to the increase in local option sales tax collections. In order to come to a true 55/45 split, our local option sales tax must be between \$5.3 and \$5.4 million. Mr. Keith stated that what this table shows is that the City has supported the schools in their capital funding in several ways. The notes on the handout show when extra money was given to the schools. As soon as the 55/45 split was agreed upon, it immediately came about that the schools had to have money available to remove asbestos in the schools. This was not unique to Athens City Schools. Mr. Keith stated that if he recalled correctly, approximately 90% of the schools in Tennessee at that time had to deal with that issue. Even though the agreement had already been approved, the City borrowed money to have the asbestos removed from the schools. The City continues to fund the schools very well. In all the discussions that they have had on the sales tax and the issue on the referendum coming up, the schools are still scheduled to get a good portion of that money. All it takes is looking at 2009, 2010, 2011, and 2012 to see why we need to have a cushion in sales tax collections. We went from almost \$4 million in collections to under \$3.6 million in collections, a reduction of almost \$400,000. He pointed out that it took from 2007 to 2013 to come back to where we were before the recession, which is a long period of time not to have true growth. The debt payment is not going to go away once it is there. The payments will have to be made regardless of the sales tax collections. As Finance Director, Mr. Keith felt it was important to help the Council look toward the future. In looking at the School budget for the year beginning July 1, it is showing a large deficit of \$1.5 to \$1.6 million where they are spending down their fund balance. As a Finance Director, it is not bad to think about that happening on a one-time basis because you do have times that you want to reduce your fund balance down. He felt this was a lot of money for the School to make up in future years which was scary to him as a Finance Director. The City needs to be very careful about that and work with the School to make sure that is addressed on a frequent basis.

- 10 -

FIRE DEPARTMENT REPORT

Captain Tim Schultz presented the Fire Department Report for the month of June 2019. The report was accepted as presented.

- 11 -

POLICE DEPARTMENT REPORT

Police Chief Cliff Couch presented the Police Department Report for the month of June 2019. The report was accepted as presented.

- 12 -

REQUESTS FROM CITIZENS

Glen Whiting, 237 County Road 655, stated he continues to have issues regarding the police and his awning, but made no request of the city.

City Manager Sumner introduced Mr. Stacy Morrison, TDOT Planning Supervisor for Region 2, who specializes in long-term planning for the Department of Transportation. Mr. Morrison extended his apologies for not being able to attend the City Council's recent Study Session. On behalf of the Department, he wanted to thank the City for taking the initiative to apply for the Community Transportation Planning Grant for the Signal Timing and Operations Study. He appreciated Public Works Director Ben Burchfield for the work his department has done to get the plan in place.

- 13 -

REPORT FROM THE CITY MANAGER

City Manager Sumner reviewed his monthly report including the various Parks and Recreation and Public Works projects and activities going on throughout the city.

- 14 -

ADJOURNMENT

There being no further business to come before the meeting and upon motion duly made and seconded, the meeting adjourned at 7:02 p.m.



C. SETH SUMNER, City Manager



CHARLES T. BURRIS, II, Mayor