

MINUTES OF MEETING. ATHENS CITY COUNCIL. OCTOBER 20, 2015

The Athens City Council met in regular session on Tuesday, October 20, 2015, at 6:00 p.m. with Mayor Davis presiding. The invocation was given by Mayor Davis; and upon roll call, the following members were present:

Burris, Pelley, Raper, Perkinson, Davis

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

- 1 -
MINUTES

The Minutes of the regularly scheduled meeting of September 15, 2015 was submitted and approved by unanimous consent.

- 2 -
COMMUNICATIONS

PRESENTATION OF U.S. FLAG FROM USS CHARLES R. WARE (DD-865)

Austin Fesmire, Parks and Recreation Director, attended the USS Charles R. Ware (DD-865) reunion in Ohio. During the flag folding ceremony, Mr. Fesmire was presented with a U.S. Flag that had flown over the Capitol and was asked to present it to the Athens City Council. In 2016, the reunion of the USS Charles R. Ware will be held in Myrtle Beach and in 2017 the reunion will return to Athens.

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MISCELLANEOUS CORRESPONDENCE

Mayor Davis acknowledged receipt of letter of appreciation to Austin Fesmire, Parks and Recreation Director, for time spent at the Living Heritage Museum USS Charles R. Ware exhibit with cadets from the Naval Academy in Chattanooga.

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PETITIONS AND REQUESTS

AUDIENCE

Mayor Davis opened the meeting for petitions and requests from the audience. Stephen Dick, 610 Greenwood Drive, Apt. 25, asked the Council to consider passing a resolution to support Insure Tennessee and proclaim their commitment to Governor Bill Haslam's plan. Mayor Davis asked that this item be placed on the November Work Session agenda. Matthew Bentley, 406 W. College Street, stated he was present to petition the Council for guidance and information on a property line encroachment issue. Mr. Bentley stated he had spoken to the Building Official who advised him that he had notified the property owner of the encroachment issue but had not received any response back. The encroachment involves a building and fence. There is no existing building permit on file for the building. Mr. Bentley stated he was seeking guidance on how to move forward as the resident does not seem to want to resolve this issue. He had filed a survey of his property at the County Courthouse. Mayor Davis asked Anthony Casteel, Community Development Director, if he had any information on this item. Mr. Casteel responded he believed the Building Official had advised Mr. Bentley that this was a civil matter and recommended he contact an attorney as the City had no control over the matter.

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REPORTS

FINANCE DEPARTMENT REPORT

Mr. Michael Keith, Finance Director, presented the Finance Department Report for the month of September 2015. The report was accepted as presented.

- 6 -

POLICE DEPARTMENT REPORT

Chief Chuck Ziegler presented the Police Department Report for the month of September 2015. The report was accepted as presented.

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FIRE DEPARTMENT REPORT

Chief Dyer presented the Fire Department Report for the month of September 2015. The report was accepted as presented.

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COMMUNITY DEVELOPMENT QUARTERLY REPORT

Mr. Anthony Casteel, Community Development Director, presented the Building Permit Quarterly Report for the City of Athens. He stated the City had another good quarter and added \$3.5 million dollars of property value and over \$1 million dollars of that total was for new residential. The largest projects were the Compass View Apartments, the 911 Center, Thomas & Betts' wastewater treatment plant, and a single family home valued at \$260,000. The City was looking at having a record year. The report was accepted as presented.

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CONSENT AGENDA

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

- a.) Authorize City Manager to obtain appraisal on Ingleside Elementary School;
- b.) Approve staff's recommendation to declare assorted items as surplus property and authorize sale as detailed in memorandum from Matthew Marshall, Director of Purchasing dated October 7, 2015;
- c.) Approve Resolution No. 2015-21 to officially adopt an amended and restated money purchase retirement plan;
- d.) Approve Resolution No. 2015-22 to dedicate certain city-owned property for Safe Routes to School Grant at Ingleside Elementary School;
- e.) Reappoint Dixie Liner to Health & Education Facilities Board, term expires September 21, 2021;
- f.) Appoint Hal Buttram to Health & Education Facilities Board to fill vacancy, term expires September 21, 2021.

On motion by Vice Mayor Perkinson, seconded by Council Member Raper, the Consent Agenda as stated above was approved by the following roll call vote:

AYES: Burris, Pelley, Raper, Perkinson, Davis
NAYS: None

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ORDINANCES

ORDINANCE NO. 1040 – SECOND/FINAL READING – PUBLIC HEARING

AN ORDINANCE TO AMEND THE MAP ENTITLED 'STREET MAP, ATHENS, TENNESSEE' TO REFLECT STREET NAME CHANGE FROM 'VO TECH DRIVE' TO 'TECHNOLOGY WAY'

The caption of the above-described Ordinance was read by the recording clerk. Mayor Davis opened the public hearing. There being no one present wishing to discuss the Ordinance, Public Hearing was closed. **A motion was made by Council Member Pelley, seconded by Council Member Burris, to approve Ordinance No. 1040 on Second and Final Reading.** Ordinance No. 1040 was approved by the following roll call vote:

AYES: Burris, Pelley, Raper, Perkinson, Davis
NAYS: None
ABSENT: None

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ORDINANCE NO. 1041 – SECOND/FINAL READING – PUBLIC HEARING

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF ATHENS, TENNESSEE, SO AS TO AMEND TITLE 14, CHAPTER 2, SECTION 4.03.12 REMOTE PARKING SPACE TO CLARIFY APPROVAL REQUIREMENTS; AND PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

The caption of the above-described Ordinance was read by the recording clerk. Mayor Davis opened the public hearing. There being no one present wishing to discuss the Ordinance, Public Hearing was closed. **A motion was made by Council Member Pelley, seconded by Council Member Raper, to approve Ordinance No. 1041 on Second and Final Reading.** Ordinance No. 1041 was approved by the following roll call vote:

AYES: Burris, Pelley, Raper, Perkinson, Davis
NAYS: None
ABSENT: None

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ORDINANCE NO. 1042 – SECOND/FINAL READING – PUBLIC HEARING

AN ORDINANCE TO ADD A CHAPTER 6 TO TITLE 13 OF THE ATHENS MUNICIPAL CODE RELATING TO THE PARKING OR STORING OF AN EXCESSIVE NUMBER OF VEHICLES ON CERTAIN PRIVATE PROPERTY.

The caption of the above-described Ordinance was read by the recording clerk. Mayor Davis opened the public hearing. There being no one present wishing to discuss the Ordinance, Public Hearing was closed. **A motion was made by Council Member Pelley, seconded by Vice Mayor Perkinson, to approve Ordinance No. 1042 on Second and Final Reading.** Ordinance No. 1042 was approved by the following roll call vote:

AYES: Burris, Pelley, Raper, Perkinson, Davis
NAYS: None
ABSENT: None

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NEW BUSINESS

CONSIDERATION OF PROPOSED SALES TAX ORDINANCE

ORDINANCE NO. 1043 – FIRST READING

AN ORDINANCE TO RAISE THE SALES AND USE TAX IN THE CITY OF ATHENS, TENNESSEE, FROM 2% TO 2.75% AND TO REQUEST A REFERENDUM OF THE PEOPLE TO APPROVE THE ORDINANCE.

The caption of the above-described Ordinance was read by the recording clerk. **A motion was made by Vice Mayor Perkinson, seconded by Council Member Raper, to approve Ordinance No. 1043 on First Reading.** Council Member Pelley rose in opposition to the ordinance and felt it should be defeated. Council Member Burris stated it had always been his stand to let the citizens vote and decide on which tax they wanted. He felt they should put this issue on the November 2016 ballot and let the voters decide if they want a sales tax or a property tax. Vice Mayor Perkinson stated he felt they were giving the voters a choice if both the ordinance and resolution were passed. He thought the referendum could say if you vote for the sales tax increase then the City would roll back the property tax increase. Apparently they could not do so according to the State of Tennessee but the proposed resolution would basically do the

same thing. Council Member Burris asked when the property taxes would be rolled back if the sales tax increase was approved by the voters on March 1st. Vice Mayor Perkinson stated the property taxes would be rolled back when they approve the 2016–2017 budget in June. It was his understanding that the State would not allow the City to put on the ballot that the property tax would be rolled back if the sales tax was approved and that was the reason they had the resolution before them for consideration. City Manager Moore stated that was correct and that he had a problem understanding Council Member Burris’ statement that the Council had promised to reduce property taxes when they voted on the sales tax increase. Council Member Burris stated it was in the resolution they voted on. City Manager Moore responded that he did not recall any such resolution. The Council voted on the Budget Ordinance which did not contain anything regarding the sales tax increase or reducing property taxes. They did discuss the issue at work session but it was not part of the vote. Council Member Burris asked why anyone in the Administration would put the wording on the ballot that if you vote for the sales tax increase then the City will reduce your property taxes. City Manager Moore responded that to him you would be saying to the citizens that the City would not double tax them. The City would not increase the sales tax and raise their property taxes. The City needed the money in the current fiscal year which is why in his budget message he recommended a property tax increase. If the Council approved the ordinance to go ahead with the sales tax referendum then they could go on record with the resolution stating if the voters approve the sales tax increase on the referendum then this Council for the next budget year will roll that property tax increase back to \$1.1328. Council Member Pelley stated that the City Manager was consistent. This was not in the budget ordinance but it was definitely in their discussion that if they voted for the sales tax increase then they would roll back property taxes. He did not agree with the City Manager’s opinion that they needed either a sales tax increase or a property increase as he felt they were not needed. Council Member Pelley presented a proposal not to have a property tax increase during the budget hearings and it was voted down. He stated that both Council Member Burris and he felt the citizens needed to be involved in this decision prior to the fact not after the fact. Council Member Raper did not see anything different between what they were doing now and what they did six months ago. The City needed income whether it was sales tax or property taxes. They didn’t need both of them and that was what the documents before them stated. Vice Mayor Perkinson stated that after four years of dipping into the reserves he felt at least four members of the Council agreed that either a property tax or sales tax increase was needed. Upon conclusion of the discussion, the first reading of Ordinance No. 1043 was approved by the following roll call vote:

AYES: Raper, Perkinson, Davis
NAYS: Burris, Pelley
ABSENT: None

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CONSIDERATION OF PROPOSED RESOLUTION PROPOSING TO LOWER THE PROPERTY TAX RATE SHOULD VOTERS APPROVE A SALES TAX INCREASE

RESOLUTION NO. 2015-23

A RESOLUTION PROPOSING IF THE VOTERS IN ATHENS, TENNESSEE APPROVE A SALES TAX INCREASE THE ATHENS CITY COUNCIL WILL LOWER THE PROPERTY TAX RATE IN THE 2016-2017 PROPOSED ANNUAL BUDGET.

A motion was made by Council Member Raper, seconded by Vice Mayor Perkinson, to approve Resolution No. 2015-23. Council Member Burris stated the only reason he was going to vote for this resolution was because it was the only way to give the citizens of Athens a choice. **Council Member Pelley moved to amend the motion to revise the resolution to read “A resolution that the Athens City Council will lower the property tax rate in the 2016-2017 proposed annual budget” and delete “if the voters in Athens, Tennessee approve a sales tax increase”, seconded by Council Member Burris.** Council Member Pelley stated if they were serious about lowering the property taxes then they didn’t need the word “if” in the resolution. Vice Mayor Perkinson stated the proposed amendment takes them back to the same rate they had before adopting the 2015-2016 annual budget. He was opposed to the amendment because it was proven they needed to increase revenue as indicated by the four years they had to go into the reserves to fund the budget before the property tax increase. Costs have continued to increase over the years. They also made a commitment to improve the City Schools facilities that are very aged which goes along with what they were trying to accomplish academically. Council Member Raper stated she was in support of a sales tax increase. Mayor Davis stated she did not think people realized that the City could not have gone ahead with the commitment to Athens

City Schools if they had not had the property tax increase in the budget. Council Member Pelley felt they could have handled the schools in the budget without an increase in property taxes. They would have had to dip into the reserves a little but they also needed to look at expenditures. Vice Mayor Perkinson stated that the increase in property taxes has not been able to keep up with the increased cost of asphalt for streets and other costs that have gone up so dramatically. The City also has one of the lowest sales tax rates in the state of Tennessee. Mayor Davis asked Council Member Pelley to restate his amendment. Council Member Pelley repeated his amendment to lower the property tax rate in the 2016-2017 budget. Upon conclusion of the discussion and upon roll call, the amendment was approved by the following vote:

AYES: Burris, Pelley, Raper
NAYS: Perkinson, Davis

Council Member Raper stated she misunderstood the motion. Mayor Davis asked if the motion could be restated and then voted on again. City Manager Moore stated he did not believe they could not do so at this meeting but a person voting in favor of the motion could bring it back at the next meeting.

Upon roll call, the motion to approve Resolution No. 2015-23 as amended failed by the following vote:

AYES: Burris, Pelley
NAYS: Raper, Perkinson, Davis

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MANAGER'S REPORT

City Manager Moore presented the Manager's Report. He reviewed the progress of current city projects/meetings scheduled during the months of October/November. The report was accepted as presented.


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ADJOURNMENT

There being no further business to come before the meeting and upon motion duly made and seconded, the meeting adjourned at 7:32 p.m.



ANN S. DAVIS, Mayor



MITCHELL B. MOORE, City Manager