

CITY COUNCIL MEETING

November 15, 2011

The City Council met in regular session in the Town Meeting Hall of the City of Lebanon Administration Building at Castle Heights.

A Public Hearing was held at 5:55 p.m. for:

1) Rezoning approximately 5 acres of property located at 524 Coles Ferry Pike, as shown on Map 58, Parcel 28.04, from R-1A (Single Family Residential) to B-3 (Restricted Business), by Will Hager, City Planner. (Ward 1) (Reference Ordinance No. 11-3987)

No citizens chose to address the Mayor or City Council at this time.

2) Rezoning 136.6 acres of property on the west side of South Posey Hill Road from B-4 (Highway Business) and B-3 (Restricted Business) to the Bel-Air Providence SP or Specific Plan, by Will Hager, City Planner. (Ward 4) (Reference Ordinance No. 11-3988)

No citizens chose to address the Mayor or City Council at this time.

The Public Hearing was adjourned at 5:56 p.m.

Prior to convening the Council Meeting, Mayor Craighead stated Ordinance 11-4004 has a revision, regarding insurance recoveries. It is Item 6 under New Business. Resolution 11-1588 is a drop-in; although it was on the Agenda for this evening and there was a placeholder in the agenda, to drop said Ordinance in. Regarding Resolution 11-1589 involving the possible lease for New Leash on Life, they are still working on the wording, so it will be withdrawn this evening, and will come back at a later time.

Mayor Philip Craighead called the Regular City Council Meeting to order at 6:00 p.m.

Invocation was given by William Porter, Director of Parks and Recreation.

Scott Bowen, Police Chief, led the Pledge of Allegiance to the United States Flag.

Council members present: Alex Buhler, Kevin Huddleston, Rob Cesternino, Joe Hayes, Haywood Barry and Kathy Warmath. Also present were Russell Lee, Commissioner of Finance and Revenue; Andy Wright, City Attorney; and Jaci Diebner, Secretary.

Motion was made by Councilor Alex Buhler, seconded by Councilor Kathy Warmath, to approve the minutes of the November 1, 2001 Regular Called City Council Meeting. Motion carried unanimously. Minutes were approved.

Motion was made by Councilor Alex Buhler, seconded by Councilor Kathy Warmath, to approve the minutes of the November 8, Special Called City Council Meeting. Motion carried unanimously. Minutes were approved.

Motion was made by Councilor Kathy Warmath, seconded by Councilor Kevin Huddleston, to approve the minutes of the November 9, Special Called City Council Meeting. Motion carried unanimously. Minutes were approved.

Communication from Citizens:

No citizens chose to address the Mayor or City Council at this time.

Communication from Mayor:

Mayor Craighead acknowledged the Veteran's Day Parade had a very good turn out and was glad to see what a good crowd had shared in the morning's event.

Mayor Craighead also pointed out that the Fallen Soldiers March, which came from the Legislative Plaza and marched to the Lebanon Town Square, was met by over 200 people. Jim Retzke helped to organize the Fallen Soldier March in our area. Chip Vanatta, with the Lebanon Fire Department made the eleven hour journey by foot, with Mr. Retzke and three others, in 31 hours. The March was sponsored to assist in the purchase of a service dog for a Veteran in need.

For their outstanding achievement in winning the 2011 State Class A Volleyball Championship. Mayor Craighead recognized the Friendship Christian School Girls Volleyball Team, the Lady Commanders. He presented them a Proclamation in their honor, which read:

WHEREAS, The Friendship Christian School is proud to partner with parents to provide an excellent education in a Christian environment;

WHEREAS, *This year's Varsity Girls Volleyball team, the Lady Commanders, along with their coaches represented their fellow students, faculty, school and community with honor, skill, and integrity; and*

WHEREAS, *Teammates include Tana Whited, Morgan Carr, Morgan Imler, Taylor Patterson, Ali Burroughs, Alex Sealy, Megan Reeves, Sarah Hall, Kelsey Dickey, Savannah Robinson, Samantha Finley, Brittany Petry, Jordan Burton, and Kaitlyn Teeter, who was voted "Most Valuable Player"; and*

WHEREAS, *The young women are led by Coach Randy Alley, and Assistant Coaches Deanna Teeter and Chase Alley; and*

WHEREAS, *It is through perseverance, talent, ability, and strong leadership behind them, that these young women were able to win the 2011 State Class A Region 4 Championship.*

NOW, THEREFORE, I, Philip Craighead, Mayor of the City of Lebanon, Tennessee, do do hereby proclaim, November 15, 2011 as: "Friendship Christian Lady Commanders Day."

Reports from Mayor Pro Tem / Committees / Aldermen / Officers:

1) Police Chief Scotty Bowen reported that due to the passing of Officer McKinley's grandfather, there will not be a presentation of the Life Saving Awards to Officers. Condolences were offered by Councilor Warmath.

Mayor Craighead asked Planning Director Will Hager, to come forward to answer any questions the Council may have regarding the fact that there had been an accident on the Lebanon Square; whereby Rick Smith had been struck by a car. Mr. Hager stated that he became aware of the accident that happened in the middle of last week. Fortunately, staff had already been working with local architect Mike Manous to develop some design elements that will improve safety around the square; which is something that the group has been pushing for several years now. So, our hope is to get a package that is presentable for some type of grant funding. We just got an e-mail today from the Nashville area Municipal Planning Organization, highlighting some different funding mechanisms that might be applicable for us. We just wanted to show that we are trying to respond to that issue.

Mayor Craighead also advised that there will be an upcoming organizational meeting of the "Growth Plan Coordinating Committee." There had been a meeting on October 19, 2011, which was begun by Mt. Juliet, to address some issues; and Wilson County Mayor Randall Hutto reconvened the

group. The next meeting will be on Monday, November 21, 2011, at 10:30 a.m., at the County Courthouse. Mayor Craighead advised that because the committee is only in the infancy stages, once more information is obtained, he will inform the Council.

Councilor Warmath questioned who or what led to Mr. Hager and Mr. Foushee being chosen for the Coordinating Committee, wondering why she was not included, saying “the Councilwoman that represents the west end of town that’s growing into Mt. Juliet, didn’t learn about it until today.” Mayor Craighead responded saying he thought she was aware of it, and that it had been discussed at one point; and has been in the front pages of the newspapers. Mr. Hager pointed out, “The way the timeline of events (happened), Mt. Juliet requested that the Coordinating Committee be reconvened to look at growth areas throughout the County; so we had thirty days to respond. The way the State legislation is written, the Mayor appoints two seats to represent the City of Lebanon, the Mayor also fills one seat, and the Manager of the largest utility—in this case, it is Clayton Anderson---also has a seat.” Councilor Warmath asked if there was a full compliment of members for the committee, including Will Hager, Kevin Foushee, the Mayor, and Clayton Anderson. Mr. Hager stated the City of Lebanon members are listed in the memo he distributed to the Council. Mayor Craighead remarked there are County representatives, Mt. Juliet representatives, as well as, Lebanon representatives on the committee.

Councilor Warmath wanted to go on record as saying this is the first time she has heard anything about this. Councilor Hayes echoed the same response. Councilor Warmath would like to be included in the dialogue; otherwise, she can’t really keep up with what is happening.

2) Councilor Alex Buhler wished everyone a safe and Happy Thanksgiving.

3) Councilor Kevin Huddleston wished everyone a Happy Thanksgiving as well. He congratulated the Lady Commanders on their achievement as State Champions. Before they left, he wanted to mention how great the Friendship Christian Football team did in beating Hartsville. Councilor Huddleston works with many Hartsville residents and he has really enjoyed rubbing it in this past week. He would have liked to get some Friendship gear to wear to work one day.

4) Councilor Rob Cesternino congratulated the Jessen and House families on their newest addition to the family; Isabel Alison House was born yesterday, November 14, 2011. He wishes the family all the best.

Councilor Cesternino also thanked all the veterans for everything they have done for us; Veteran's Day is an important day and he hopes that everyone will take a moment to reflect on what the Veteran's have done and continue to do for us.

5) Councilor Joe Hayes congratulated the Friendship Christian Volleyball team. He also congratulated Mt. Juliet, pointing out that they are going to be on the radio Friday; so people can hear it if they don't go to the ballgame. Although, Councilor Hayes is not necessarily for Mt. Juliet, they have got a good team and he would like to hear them play; just as well, as he liked to hear and see L.S.U. and Alabama. Councilor Hayes feels the young lady who has taken over the Lebanon radio station is doing a really good job. She is covering lots of events and new businesses; and really broadening our scope.

Councilor Hayes had someone ask him about the Christmas lights; who pays for them, and why are some lights on and some are not? Mayor Craighead stated many of the lights are put up by Middle Tennessee Electric and they have to hard wire them in; so there is not a switch. City/Utilities Engineer Chuck Boyett stated that they come on when the street lights come on and the parking lights come on; they are not individually controlled.

City Attorney Andy Wright interjected that he had received a couple messages that some on the panel need to back off their microphones just a little—it is causing an over modulation.

6) Councilor Barry congratulated the Volleyball team. To be an athlete today, and of such good caliber, is remarkable. He has a special interest in Friendship Christian because his granddaughter is in the eighth grade there.

Councilor Barry sent Attorney Wright an e-mail regarding the fact he has not gotten a Codes Violation report in quite some time. Apparently a group of people had set up a yard sale on the front of a business on the sidewalk on Main Street; it looked like it might be dangerous. From what he has been told it is not a Codes problem; but, a Police issue. The Code is difficult to determine; or do any type of word search. If anyone has any ideas of how this might be achieved; it should be easier to read than it is. Regarding Federal and State law you can simply put a word or two in and find what you are looking for; but most City Codes you do it like that. He believes Google will give you something free if you want it. Councilor Barry asked Attorney Wright to check into that. Attorney Wright pointed out it is published on the website.

Councilor Buhler asked Attorney Wright if Codes goes around and checks to see if people who are selling things on the side of the road have a license or permit to do so. Attorney Wright stated, "I

preface these comments with Our Business Tax and Business Permit portion of our Code needs some updating; and just needs some modernization to it. But, under the way it is currently written, those people that go onto those vacant lots, and set up and sell things---are what are considered, and defined under our Code as transient vendors; and yes, they are required to have a permit, a transient vendor permit is quite expensive too. It is \$150 a day; and so if they don't have it, then they can be cited, by anybody in Codes or the Police.” Councilor Buhler asked if someone would have to call in to ask them to check it. Attorney Wright agreed, adding that checking for permits happens quite a lot with door to door sellers. The police are routinely called on that. Councilor Buhler understands having a garage sale; he is mainly concerned about the vacant lots or parking lots.

7) Councilor Warmath dittoed the congratulations to Friendship Christian. As a former graduate from Friendship Christian, along with others in her family, they have long been involved with the school and its activities; so they are very glad about their success and the prosperity the school has enjoyed over the years. It is very hard to have a good private school, when you have a good public school system.

Councilor Warmath, on several occasions, has brought forth the idea of an impact fee to help cover the lights and any of the infra-structure that goes into some of the undeveloped properties. She asked Attorney Wright if he has found a template or some sort of cookie-cutter legislation that we could emulate. Attorney Wright stated there are plenty of materials out there that can be used as a model; but the State Code provides for two different methods for doing that; it has been discussed that we should have a work session to discuss which method would best serve our needs. One is that you look at the size of the lot, and the amount of impact and benefit the size of the lot gets versus linear footage along the road that the lights line. And then divvy up the cost. But the procedure is set out in the Code; we just have to figure out which way we want to do it. Councilor Warmath would like for this to be looked at before we start development down Hartmann Drive. Attorney Wright will briefly put something together that explains both procedures and send it out to the Council; and then it can be decided whether you want to have a work session. Councilor Warmath thinks that would be good; we just need to figure out what our options are.

Councilor Warmath thought the Veteran's Day celebration was very moving and excellent. She would like to thank everyone who serves in some capacity for our Country. Councilor Warmath doesn't believe we can celebrate those that “give all” enough.

Councilor Warmath asked Attorney Wright to look at the documentation that the I.D. Board has produced, thus far, regarding “Project Tango” or Amazon. She pointed out that the City of Lebanon took quite a hit when Dell left, and we had very little structure to our agreement. We had waived quite a few fees. Prior to drafting any type of legislation, it should include language that part of our agreement includes employing people that live in Wilson County, and the City of Lebanon; and being able to actually aggregate that data--- not two years later, as opposed to now and every six months. And then actually looking at what happens when we waive a letter of credit for several thousands of dollars, as we did at the last meeting. This is good as long as business prospers. Councilor Warmath would like to see that documentation drafted; and for the Council to have the opportunity to look at what is in the verbiage, before we actually make that final commitment of going to ground. That is money going back into the economic engine of the local community; and she would like to see it done in writing; specifically, to see it done differently than Dell, which was our first one. We learned a lot with Dell. Councilor Warmath asked Commissioner Lee what the recourse was with Dell for the revenue; and are we even able to know that at this point, two years later. Commissioner Lee stated, “That was waived once they left and sold the company---or property to someone else; there was not really any recourse. The last report they turned in—and we need to check with Rochelle on this---they had met the requirements to have the taxes waived.” Mayor Craighead advised that although they had met the requirements then; but with the sale of this, we are now receiving property tax, instead of waiting until the end of the forty years. The Mayor added, “I think a lot of education has gone on in the last few years, considering how Dell was done before; and how the ID Board does things now. For now we are only at the maximum of seven years, and that involves figuring up total number of dollars invested, jobs produced and a lot of other criteria--- as to if they are able to even receive the benefits for the seven years. So what we have worked out now, is so much better than what was used back in Dell (era).”

Councilor Warmath has asked the City Attorney to request information in writing; because some of the practices Dell utilized of hiring a temporary service to hire workers for 60 days and then terminate them, they had no benefits or insurance, then they would rehire them. Councilor Warmath just wants to make sure that we do not see what happened with Dell---because it was our first opportunity---ever happen again, and that the issues are addressed on the front end. She does not want to find out, after the fact, that we did not have the provisions in place to protect our citizens that are underwriting these ventures.

Mayor Craighead suggested having G.C. Hixon come before the Council to give an explanation of the Pilot Programs that have been set up. It would enlighten everyone and provide information to make everyone more aware and comfortable of what is happening. Councilor Warmath would like to have this information before they actually “tie the bow on the agreement.”

Old Business:

Ordinance No. 11-3987, second reading, rezoning approximately 5 acres of property located at 524 Coles Ferry Pike, as shown on Map 58, Parcel 28.04, from R-1A (Single Family Residential) to B-3 (Restricted Business), by Will Hager, City Planner. (Ward 1)

Motion was made by Councilor Buhler, seconded by Councilor Huddleston, to pass said Ordinance on second reading. Motion carried unanimously. Ordinance was read and passed on final reading.

Ordinance No. 11-3988, second reading, rezoning 136.6 acres of property on the west side of South Posey Hill Road from B-4 (Highway Business) and B-3 (Restricted Business) to the Bel-Air Providence SP or Specific Plan, by Will Hager, City Planner. (Ward 4)

Motion was made by Councilor Hayes, seconded by Councilor Cesternino, to pass said Ordinance on second reading. Motion carried unanimously. Ordinance was read and passed on final reading.

New Business:

Ordinance No. 11-3997, first reading, to amend Tee Hangar Rental Rates for Rows A and B at the Lebanon Municipal Airport, by T. O. Cragwall, Lebanon Airport Commission Chairman.

Motion was made by Councilor Hayes, seconded by Councilor Huddleston, to pass said Ordinance on first reading.

Councilor Huddleston questioned T.O. Cragwall about receiving fuel tanks from Nashville. Mr. Cragwall provided some background information. At the present time we have two in-ground tanks; one is being used, and the other is not being used; and is inactive. Naturally, the government does not favor underground tanks; therefore, we have been heavily advised to take the tanks out, or at least begin the measures necessary to take out the underground tanks. The decision was made, initially, to go in and refurbish and recertify the tanks, and they were used for some time following the flood.

Mr. Cragwall stated that, at some point in time, the Cornelia Fort facility was closed. Metro Nashville took over those facilities. These tanks were surplus. We had conversations with the Bureau of Aeronautics and the Department of Transportation about the possibilities of putting those tanks here in Lebanon, where we needed them. And they assisted us, particularly the Parks and Recreation Department, in negotiating with Metro Nashville to allow those tanks to come to Lebanon---because it was an emergency situation for us--- which we consider it to be, because we have to show that we are working on it; or risk the possibility of being fined for having two tanks in the ground. We know the tanks have got to come out. This gave us an excellent opportunity. A new tank, with installation, is something like \$180,000+. These tanks are going to cost us, assuming that we are able to broker the fuel that is already in them—and we are working on that right now—and recover \$2,000 for brokering that fuel--- because it can't be used in aviation; however it can be used for other uses---that would reduce the cost to somewhere around, what we think is going to be around, or just above \$6,000. If unable to broker that fuel it would likely be \$7,800. The money for these would come from our operating budget; we have sufficient monies in the operation budget to take care of that. What we probably don't have money for in the sufficient funds for would be the other phases of it. That would just be moving those tanks up here. There are two jet fuels: the Jet A, and the 100 Octane low lead fuel. The low lead tank would be set on railroad ties directly south of the present 100 low lead fuel tank. The other tank will be stored on the Airport at a remote location. The immediate need is for the Jet A tank. The other tank will be used on down the road a little bit. The funding to do the placement of tank in service---that is the foundation for it---and then the funding necessary to remove those other two tanks, we may need assistance to accomplish; but, that is not an immediate need. We don't have to do that tomorrow. We will take the tank installation. If, in deed, we had to replace a lot of the works of the tank, which we don't feel we would have to, because they were in operation six months ago; but, if we had to redo the pump, the ancillary operation of that tank, we understand that it could run as high as \$62,000. We understand that the removal of those two tanks assuming that some of the soil has to be treated---although, we do not believe it to be too much---that cost would be around \$27,000. We have a commitment from the bureau that we will get at least 50/50 funding; and a portion of that we think we will get more than that. We are not sure; but we know we can get 50/50 funding. Those projects we are not pressed for; but, perhaps that gives you a little better understanding.

Councilor Huddleston agreed and that was exactly what he wanted the Council to hear.

Councilor Huddleston had previously called Commissioner Baines regarding the raising of the rental

rates and when they were last raised. Councilor Huddleston suggests that the possible costs of this should warrant raising the rates. Commissioner Baines suggested that we should try to get this Jet A fuel tank installed before next October; because next October is another deadline for more fees to be paid. We cannot go to the State for funding until the Council approves this. It makes sense to get away from using the underground tanks.

Councilor Buhler remarked that the longer these tanks sit the worse shape they will be in. After some discussion about the funds, whether it is 50/50 or whatever it might be, Councilor Huddleston suggested raising the rental rates from \$150 to \$165 and the \$190 to \$205.

Mr. Cragwall said a survey was done today: and at the Murfreesboro Airport, which has newer hangars, is going to get \$164 for the small hangar and the large hangar is going to get \$225. However, the Gallatin Airport is much more comparable to our airport, and has prices of \$150 and \$190; and their hangars are a little larger than ours. Mr. Cragwall stated we do not want our rates to be so high, that we lose planes because of competition. Councilor Huddleston doesn't think the difference of \$15 is going to run anybody off; since we having 21 people on the waiting list. This money is going to be used for the airport, as a Federal Government requirement. Councilor Huddleston believes that raising the rates is a step in the right direction; and that we should be looking at this kind of thing everywhere. We also need to be looking at private hangars, when their leases come up. We have got to be able to take care of things without this general fund; because it is shrinking smaller and smaller each year.

Councilor Buhler asked how many hangars there are. Mr. Cragwall replied Hangar Row A has 15 and Hangar Row B has 20. In addition to that we have eight box hangars and nine if you count Cracker Barrel. We own that one. We do not own the other hangars, we lease them. And Hangar Row C is a lease agreement. All together there are 57 hangars; which is more than Gallatin has; however, the Federal Government has approved \$7.6 million for a major expansion program in Gallatin, on which they have already broken soil. They are going big time. Our next project, after we get through plans for hangars is going to be a big terminal building. Murfreesboro has added several units of T-hangars and they have a good operation with Middle Tennessee State. There are more airplanes flying in Murfreesboro, as far as, general aviation goes; but they do not have the potential or the use in business aircraft that we have now. Some discussion was brought forth about the waiting list and Mr. Cragwall advised that of the 21 on the waiting list, not all of them would take a hangar today, but most of them will take a hangar at some point.

Councilor Cesternino asked Councilor Hayes, who is the Council representative on the Airport Commission, his opinion on the issue. Councilor Hayes feels that the increase of \$5 and \$7 was very reasonable; however, we could use more; because we have got a lot to do out at the airport.

Motion was made by Councilor Warmath, seconded by Councilor Huddleston, to increase rental rates on Hangar Row A from \$150 to \$165 and those on Hangar Row B from \$190 to \$205, which is a raise of rental rates by \$15.

Mayor Craighead suggested that the motion should be to defer this until Mr. Cragwall can go back to the Airport Commission and speak with them about raising the rates more.

Councilor Warmath stated she is not prepared to rescind or retract her motion. She has been to all of the previously discussed airports and the Lebanon Airport does not compare to the others; as we are all unique.

Mayor Craighead called for a roll call on the amendment.

Councilors voted as follows:

Buhler:	yes	
Huddleston:	yes	
Cesternino:		abstain
Hayes:	no	
Barry:	yes	
Warmath:	yes	

Motion carried by majority. Ordinance was amended, to increase rental rates on Hangar Row A from \$150 to \$165 and those on Hangar Row B from \$190 to \$205, which is a raise of rental rates by \$15.

Mayor Craighead called for a roll call vote on the Main Motion.

Councilor voted as follows:

Buhler:	yes	
Huddleston:	yes	
Cesternino:		abstain
Hayes:	yes	
Barry:	yes	
Warmath:	yes	

Motion carried by majority. Ordinance was read and passed on first reading as amended.

Ordinance No. 11-4000, first reading, to approve a contract with Windstream for revised data services (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Motion was made by Councilor Huddleston, seconded by Councilor Buhler, to pass said Ordinance on first reading. Motion carried unanimously. Ordinance was read and passed on first reading.

Ordinance No. 11-4001, first reading, to authorize Line Item Transfers for the Water/Sewer Bond Principle/Interest for the 2011 Bond (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Commissioner Lee stated these next couple items are based on when the bond interest is going to come due; obviously what was put in initially was an estimate. This sets it up at the correct amount. Councilor Cesternino questioned why it says “after the fact?” After much discussion, regarding why this ordinance was presented after the fact; when it has been clarified by Councilor Cesternino, as well as others, many times that it is policy that line item transfers must be approved before the fact, Commissioner Lee advised it had been estimated, prior to doing the actual calculation.

Councilor Cesternino questioned, “But, didn’t we move money around, or did we just make changes?” Commissioner Lee replied, “We moved it from the fund balance.” To which Councilor Cesternino replied, “And here’s the only thing—and I’m not trying to be an ass, but we’ve got a policy. If it’s not a crisis, and it’s not an emergency, why can’t we vote on it before we do it? It’s a procedural thing; but, we’ve got a policy and we’ve ranted and raved; I told everybody up here, I think, we spend the first and third Tuesday up here balancing the checkbook and not adding any value. If it’s not an emergency, why can’t we wait---let us vote on it and actually follow the procedure, unless it’s an emergency; and then have the Mayor sign off on it if it’s an emergency, which he has the authority to do? And I’m just asking; because I don’t understand it. If it’s not an emergency and you are telling me after the fact, *I’ve already done it, but I want to act like I really care what the hell you say—but, I don’t really, because I’ve already done it; and even if you say, no, you can’t do it—I’ve already done; it so it doesn’t really matter anyway.* So why are we even voting on it? That’s the only question I have; because I don’t understand the procedure; and I haven’t understood the procedure for nearly a year. I guess I’m still confused. I mean relative to everything. If it’s a bond, if it’s not an emergency—consistently, it’s after the fact, after the fact, after the fact. And the definition of insanity is doing the

same thing over and over again, expecting different results; and we are in the same place we were a year ago. I'm just asking why?"

Councilor Barry agrees; however, he believes this is where they just took it out of his account. Commissioner Lee replied, "This needs to be done in a timely manner---and---they are estimates, initially, until we get the final amortization schedule, that's all." Councilor Cesternino is not trying to put Commissioner Lee on the spot—it is just symptomatic of the problem---everybody has always got a reason about why they didn't talk to the Council before it was done. Commissioner Lee stated that budgets are estimates; if we knew exactly what it was going to be ten months out that would certainly be understandable. Councilor Cesternino questioned if a statutory law was broken by the fact that staff not waited for the Council to vote on it, prior to moving the money; adding if no law was broken----- please wait until after the Council votes on it to move the money around. Commissioner Lee stated there is not a statute.

Councilor Barry asked which budget fund balance they are talking about? Commissioner Lee replied it is coming out of the water and sewer fund; and is what they have that in unappropriated funds which is somewhere around \$2 million dollars, of which we are appropriating \$1,200. Councilor Barry questioned that Commissioner Lee is not talking about the rainy day fund, to which Commissioner Lee replied, "No, sir. It is an Enterprise Fund and must stand on its own." Councilor Barry understands what Commissioner Lee is saying—regarding having no control until they send him the amortization schedule. Commissioner Lee stated next year they will have an amortization schedule that gives a specific amount. Commissioner Lee doesn't know of another way to put a Budget together, other than to estimate it.

More discussion was brought forth by Councilors Barry and Buhler regarding estimates and calculations of the Budget; which seems like it should be possible to do with modern equipment.

Ordinance failed for lack of a motion.

Ordinance No. 11-4002, first reading, to authorize a Line Item Transfer for Water Customer Accounting for Bad Debt Expense (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Commissioner Lee explained there are requirements on some things to insulate what your bad debt expense will be, that doesn't mean we even lost the \$8.00. There is a difference in charging an

allowance, and charging an expense for bad debt. It may never even be spent; that is an Accounting function, not hard dollars that went out. This is just setting up an account for bad debt.

Motion was made by Councilor Barry, seconded by Councilor Hayes, to pass said Ordinance on first reading.

Councilor Barry questioned why this was not done during the Budget. Commissioner Lee stated he should have; he missed it.

Mayor Craighead called for a roll call vote.

Councilors voted as follows:

Buhler:	yes
Huddleston:	no
Cesternino:	no
Hayes:	yes
Barry:	yes
Warmath:	no
Mayor:	yes

Motion carried by majority vote, with Mayor Craighead breaking the tie vote, with a yes. Ordinance was read and passed on first reading.

Ordinance No. 11-4003, first reading, to authorize Line Item Transfers for the Fire Department (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Fire Chief Chris Dowell informed the Council this had been put in the original proposal of the Budget; however, it was taken out when everything was said and done. Chief Dowell informed the Council that this money comes out every three years; so, it will come out again in 2014. It has to be paid to the National Fire Protection Association every three years, so he paid it.

After some discussion, regarding the process of why the fees were paid, whether or not they should have been paid, whether or not it was in the status quo budget, and the policy of the line item transfers, Councilor Warmath *called for the question*. With no motion or second having been made, the Mayor asked for a motion.

Commissioner Lee requested he be allowed to respond first. "All the stuff we went through when you said roll it back---that's what I did. We held it, assuming we were going to get the Budget approved, and you know, I didn't change it from what the funding level was last year. It came where

we had to go ahead and pay it as Chris said, we paid a penalty on it---and we can't have it both ways. We need to pay things in a timely manner. You can say it's my fault; and that's fine."

Councilor Huddleston pointed out that Chief Dowell had the bill since July, and the Council met several times, so it could have come before them before it was paid.

Councilor Buhler stated, "It doesn't matter if the Council votes on it or not, it is a clean-up deal when the auditors look at your books; I'm smart enough to know that. But, we sat right here and had a work session; and had a guy brought in here; and he said it didn't make any difference whether you voted for it or not, you ought to be worried about the bottom line, okay?"

Commissioner Lee stated, "It does not violate any statute." Councilors Warmath, Barry, and Buhler pointed out that *it violates the City Ordinance*. Commissioner Lee corrected himself saying, "It doesn't get us in trouble with the auditors is what I meant."

Ordinance failed for lack of a motion.

Ordinance No. 11-4004, first reading, to authorize a Line Item Transfer for the Gas Department (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Mayor Craighead remarked this is revised, and is insurance recovery money. Commissioner Lee stated this cannot be done until after the fact, because you don't know what you are going to get back from the insurance recovery.

Motion was made by Councilor Huddleston, seconded by Councilor Cesternino, to pass said Ordinance on first reading as revised.

Councilors voted as follows:

Buhler:	no
Huddleston:	yes
Cesternino:	yes
Hayes:	yes
Barry:	yes
Warmath:	no

Motion carried by majority vote. Ordinance was read and passed on first reading as revised.

Ordinance No. 11-4005, first reading, to reappropriate funds from the 2010-2011 Fiscal Year Budget to the 2011-2012 Fiscal Year Budget for Street Improvement Capital (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Motion was made by Councilor Cesternino, seconded by Councilor Huddleston, to pass said Ordinance on first reading. Motion carried unanimously. Ordinance was read and passed on first reading.

Ordinance No. 11-4006, first reading, to authorize a Line Item Transfer for the Wastewater Treatment Plant (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Commissioner of Public Works Jeff Baines explained the Wastewater Treatment Plant only has \$200 in Public Relations. This year they had to advertise for the polymer and the job vacancies. Commissioner Baines stated they overextended and agreed they need to do better; however, they spent \$1,000 for chemicals for the polymer and then didn't have enough money to pay the \$200 for advertisements in the Democrat. Commissioner Baines stated we all need to do better; but, they are trying to do better.

Motion was made by Councilor Barry, seconded by Councilor Huddleston, to pass said Ordinance on first reading.

Councilor Huddleston questioned if it would be legal for the City to make some sort of bid with the Democrat for a certain amount of money to take care of all of our ads. There are two different newspapers. Attorney Wright mentioned that we try to swap it up and use both newspapers evenly. Commissioner Lee added that they charge per the column inch, so until we know had large the ad will be, they cannot give us a price. Attorney Wright stated there is no specific agreement as to how much we pay to advertise; as long as you have two consenting parties they can agree to anything when it comes to pricing. Councilor Huddleston believes if one thought they were going to get it over the other, we could probably save some money. Councilor Huddleston questioned how much we spend on advertising. Commissioner Baines replied that is something he would have to go back and see. Discussion was held, regarding predicting how much it would be for the whole year in all of the different departments. Councilor Huddleston suggested that would not be an issue with them, if they knew they were going to get everything, plus get a certain amount of money. He feels that it would not be a problem, and is something we ought to look at.

Speaking to Commissioner Baines, Councilor Cesternino said he understands the Commissioner's point; however, he would like to ask the Commissioner, "If you know you are going to go over and you know there is going to be a Council Meeting in two weeks, send them a check for the \$302, and let them know the \$698 is going to come after we get it approved; or send an e-mail out to us; because you're a department head, and you are technically violating a policy and a procedure; and I don't want to put you in a bad way like that." Councilor Cesternino suggested that he at least get the Council involved in this; because they get e-mails on other things---and this is an important thing. The Councilor added, "This is what we spend the lion share of our time doing; so, we should be proficient at it by now."

Mayor Craighead advised the Council the amount of \$302 was the balance that was owed; and the other amount of \$698 is the extra moved into the account to take care of future items.

Councilor Huddleston *called for the question.*

Mayor Craighead called for a roll call vote.

Councilors voted as follows:

Buhler: no

Huddleston: no

Cesternino: no

Hayes: yes

Barry: yes

Warmath: no

Motion failed for lack of a majority.

Councilor Barry asked Attorney Wright to dig out the ordinance everyone is referring to—he would like to read it again---and requested that it be e-mailed to him; Attorney Wright agreed to do so. Councilor Barry believes it sounds like something needs changing. Councilor Warmath said it may not be the ordinance that needs changing. Councilor Barry stated, "I don't know what it is; but when we sit up here arguing about \$300 and \$400---and we are not worried about taking \$2 million out of the rainy day fund."

Councilor Warmath stated that we are just now three months into the 2011-2012 Budget and we are already making line item transfers. Councilor Barry pointed out, however, that we have been spending money out of the Budget since July 1. Councilor Barry added, "All of my training of Budgets are something that, you know, you are going to try to hit, but you may not hit; and we need to look at

that; and that's what Rob was talking about, and I have talked about it; and I was against it, when we passed the line item---I wanted a line item, but I wanted some discretion in it, and I still do. So that's it, and I'll shut up."

Councilor Warmath discussed management in the private sector, saying that she would not keep her job if she missed her budget by \$5,000 or \$6,000. Although that is probably not true in government budgets; it is true in 99.9% of the private sector.

Mayor Craighead responded to Councilor Warmath's statement saying, "To reply some to that. Over the years we have tried to cut and cut and cut; and at the end of this last year--- I don't know what the final balance is going to be---but, it's been said that we also reduced our spending under the Budget by \$1 million. So, this working with the line item transfers—we would like to have the ability to shift here and there; it would be helpful to us, so we wouldn't come to these issues. But, we are being very responsive in watching our dollars, and we proved that this last year, by what we turned back in."

Councilor Warmath replied, "And what has that been? What did you turn back in? I apologize, I have not heard." Commissioner Lee replied, "I should have the final figures for you next week."

More discussion continued between Councilor Warmath, Mayor Craighead and Commissioner Lee regarding the Budget and line item transfers. Mayor Craighead stated much is being made of a few instances where there were unique circumstances, due to having much more advertising; but we are doing a good job overall, of watching the dollars; and a lot of good things are happening for Lebanon, that involve these line items. Councilor Warmath stated she is not trying to criticize or debate; however, she has a saying, "The Budget is the Budget---and it is what it is."

Ordinance No. 11-4007, first reading, to authorize Line Item Transfers for the Drug Fund (2011-2012 Fiscal Year Budget), by Russell Lee, Commissioner of Finance and Revenue.

Police Chief Scott Bowen explained, "Okay, the \$19.50 I didn't know anything about. That's some kind of bank charge that Mark called me about. Apparently, we paid it out of a different line item last year; but, they didn't want us doing that this year. So, they actually want this \$19.50 put in this line item to pay this bank. I went to see them today, and it's some kind of account analysis fee that I don't even see. The Accounting Department pays it and I don't even see that. I think that it is automatically taken out of our account. Councilor Warmath asked if it could not be paid next week so the line item transfer would be before the fact. Chief Bowen explained it automatically comes out of the account; and staff doesn't even know about it until they get our bank statement. He showed me the

bank statement today; and it's on there---the \$19.50. If I would have known before hand I would have put some money in here. But, I didn't know. Like I said, Mark showed me the bank statement that said basically, it took \$19.50 out of the balance that was in there."

Councilor Cesternino questioned the rent line item. Chief Bowen stated he didn't have a chance to look at this budget; and he thought he had put \$1,800 in there; because he had come to the Council last year with a line item transfer to pay the rent on the facility that we store seizure items in. Because he has not been getting the budget sheets, he thought it was in there. If it wasn't in there, he just missed it. Also, he had to add more money this year; because of the vehicle homicide, it's going to go from \$1,800 to \$5,400---because the Attorney General's office has asked that we store those two vehicles in the lock up facility. Councilor Cesternino asked, "Can you just step back, what do you mean, you haven't been getting budget sheets?" Chief Bowen responded, "We haven't been getting them; because the budget wasn't passed. I got my first one yesterday; and that's what you were talking about earlier---we wouldn't have known we were over; because we didn't get (any) budget sheets, so we didn't know. If I'd got those budget sheets like last time, I could have looked at it and seen it." Commissioner Lee interjected, "You are supposed to be keeping a record of what you spent, Scotty." Chief Bowen replied, "I understand that, Russell. But again, there has been no budget sheets coming."

Commissioner Lee noted, "In any case we can't roll balances until we close; and you don't have the budget numbers in there until you do that anyhow."

Motion was made by Councilor Huddleston, seconded by Councilor Barry, to pass said Ordinance on first reading.

Mayor Craighead called for a roll call vote.

Councilors voted as follows:

Buhler:	no
Huddleston:	yes
Cesternino:	no
Hayes:	yes
Barry:	yes
Warmath:	no
Mayor:	yes

Motion carried by majority vote, with Mayor Craighead breaking the tie vote, with a yes. Ordinance was read and passed on first reading.

Ordinance No. 11-4008, first reading, to authorize the purchase of one bush hog attachment for the Gas Department (funds appropriated in the 2011-2012 Fiscal Year Budget), by Lisa Lane, Purchasing Agent, and Jeff Baines, Commissioner of Public Works.

Motion was made by Councilor Cesternino, seconded by Councilor Huddleston, to pass said Ordinance on first reading.

Councilor Buhler asked if the bush hog was going to the Gas Department and what is being bush hogged. Commissioner Baines stated it is for the Gas Department, and will be used to bush hog the right of way, where our gas lines are off the road, from Lebanon down to Hwy. 109. The Commissioner also advised that the Street Department will use it some as well.

Motion carried unanimously. Ordinance was read and passed on first reading.

Ordinance No. 11-4009, first reading, to authorize the purchase of one rotary mower attachment for the Gas Department (funds appropriated in the 2011-2012 Fiscal Year Budget), by Lisa Lane, Purchasing Agent, and Jeff Baines, Commissioner of Public Works.

Motion was made by Councilor Cesternino, seconded by Councilor Hayes, to pass said Ordinance on first reading.

Commissioner Baines explained the previous ordinance was for a side arm mower and this ordinance is for a pull behind mower.

Motion carried unanimously. Ordinance was read and passed on first reading.

Resolution 11-4012, first reading, to authorize a Line Item Transfer for the Mayor's Youth Council, by Russell Lee, Commissioner of Finance and Revenue.

Motion was made by Councilor Buhler, seconded by Councilor Huddleston, to pass said Ordinance on first reading.

The Mayor advised The Mayor's Youth Council was set up through contributions when Don Fox was Mayor, and this is the last of those funds. Commissioner Lee added that this is what was left at the end of last year. Mayor Craighead advised that the money goes to "Project Graduation." Councilor Warmath stated it is a fiduciary account, "It is not our money; but, we oversee it."

Motion carried unanimously. Ordinance was read and passed on first reading.

Resolution No. 11-1588, to sell the Hartmann Drive Fire Hall, by Scott Bowen, Chief of Police.

Motion was made by Councilor Warmath, seconded by Councilor Buhler, to defer for a work session or until it can be discussed further.

Mayor Craighead called for a roll call vote:

Councilors voted as follows:

Buhler: yes
Huddleston: yes
Cesternino: no
Hayes: yes
Barry: yes
Warmath: yes

Motion carried unanimously. Resolution was deferred for a work session and more discussion.

Resolution No. 11-1589, to lease property to New Leash on life, by Mayor Philip Craighead.

Withdrawn prior to Council Meeting

The Regular City Council Meeting of November 15, 2011, adjourned at 7:40 p.m.

Attest:

Approved:

Russell Lee
Commissioner of Finance & Revenue

Philip Craighead
Mayor

Secretary:

Jaci Diebner