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Town of Chapel Hill, Tennessee
Meeting Minutes
4650 Nashville Highway
Chapel Hill, TN 37034

Board: Board of Mayor and Aldermen

Meeting Date: September 13, 2021

Call to Order, Prayer, and Pledge of Allegiance: Mayor Faulkenberry called the meeting to order. A prayer and Pledge of Allegiance were rendered.

Roll Call: Mayor Faulkenberry, Vice Mayor Joyce, Alderman Jonathan Gilbert, Alderman Dottie Morton, Alderman Dale Brown, and Alderman Joe Sedlak were present. Alderman Brian Williams was absent.

Also present were Town Attorney J. Todd Moore, Town Administrator Amanda Harrington, Town Recorder/Treasurer Ruth Magallanes, Operations Manager Chad Dennis, and Police Chief Andrew Kon.

Approval of Agenda: Mayor Faulkenberry indicated slight change to the order of the agenda. A motion was made; Vice Mayor Joyce motioned to approve, seconded by Alderman Sedlak. All aye, and the modified agenda was approved.

Approval of the Minutes – Meeting minutes were not present in the packet distributed. Alderman Morton stated she would not approve anything that was just handed to her. Ms. Magallanes distributed meeting minutes to those present at the meeting.

Ms. Morton then stated that she had an amendment to the meeting minutes that were distributed to the Board at the meeting. Ms. Morton stated she wanted the fact that she asked that the administration to get a quote for a replacement air conditioning unit to be included in the minutes, and to call a special meeting to purchase if necessary. Ms. Morton stated she felt that the action was not taken until a second air conditioning unit at Town Hall failed. Recorder/Treasurer Magallanes informed Ms. Morton that she had made that comment during a Special Meeting, not at the last regular Board meeting. Ms. Morton inquired as to the date of the meeting; she stated it was before the regular meeting but wasn't sure. Ms. Morton emphatically stated she wanted to have meeting minutes from that special meeting because she was certain nothing was done. Vice Mayor Joyce informed Ms. Magallanes that the Board was accustomed to receiving the meeting minutes from all Town meetings in their packets. Mayor Faulkenberry called for a motion. Ms. Morton stated she wanted to defer until she had proof of the Special Call meeting because it was not on her calendar. Vice Mayor Joyce seconded. All aye on roll call vote and the motion carried.

Citizen Input: Residents from Spring Creek Farms made concerns about water pressure known to the Board, and the continued impact of heavy truck traffic. A resident voiced concern about brush pickup. A resident had questions about the Town's actions regarding the operations of the water plant; Ms. Harrington assured the resident that the plants are being operated by licensed

operators. A resident vocalized concern about speeding on Maple Street; she is concerned about the speed limit sign being obscured by a local company's sign. A resident vocalized concern about ambulance availability in the Town; Mayor Faulkenberry and Vice-Mayor Joyce indicated the concern should also be conveyed to Marshall County. Vice Mayor Joyce commended our police and fire department that are EMT certified and are proud to have them as our employees.

Communication from the Mayor: Mayor Faulkenberry stated there has been some struggle with the Town the last few weeks and he hopes that the Town will continue to work together. He is inviting a local pastor from every church to pray over the Town at each Board meeting. Mr. Faulkenberry acknowledged the work by staff on the water taps, which repairs those that were broken, recaptured lost revenue, and stopped water loss. He thanked Mr. Moore for engaging in Town business while he was on vacation.

Reports from Staff

- a. **Financial Report - Town Treasurer/Recorder.** Ms. Magallanes stated work continued on the budget and getting everything fixed. Credit cards, E-Checks, PayPal, etc. continue to be problematic. She distributed a profit & loss report to the Board at the table, but directed them not to look at asset list. She stated it was pretty close. There may be a few things missing but not much. Revenues were all in and she offered a comparison of Fiscal Year 2020-2021 and this year. Vice Mayor Joyce, Alderman Morton, and others vocalized that the reports were not in a format that is readable and understandable, and expressed displeasure that they were not included in the packet. Ms. Harrington stated she had not seen any of the reports the Treasurer distributed at the table.

Alderman Sedlak stated he thought the Town should be looking at July statements because this was the August meeting. Ms. Magallanes said she was getting closer to that, but she just found out that there was another account with Sturgis she was not aware of. Bank statements were also not reconciled and there are deposits that need to be found. The money is there in PayPal but it has to be transferred and accounted for.

Alderman Gilbert asked about the video that was sent as update and asked why that was not helping. She stated that was only one part of the problem and attempted to explain why it wasn't hitting the general ledger. She acknowledged that action had helped.

Alderman Morton asked for clarification about PayPal and Sturgis. Ms. Magallanes stated she was still finding accounts and learning how the two pieces interplayed. She is still trying to piece it all together. She knows of three accounts.

Alderman Sedlak inquired how close the Town was to getting out of the budget freeze and get a budget. Magallanes stated she is trying to get August settled. Vice Mayor Joyce asked when there was going to be budget prepared. Magallanes stated she did not know. Alderman Sedlak stated he thought the Budget Committee had already been working on it. Ms. Joyce stated there had been one or two meetings.

Mayor Faulkenberry asked if he should be the one calling the budget committee meetings. Ms. Morton stated that the Administrator usually the one who calls budget meeting. Ms. Joyce

asked Ms. Harrington what the holdup was on the budget. Ms. Harrington stated she thought the update on the General Ledger activity was a game changer and could assist the Treasurer in reconciliation, but Ms. Magallanes informed her privately that the actions taken were not helpful. Therefore, Ms. Harrington is unsure what the holdup is at this point, but she is still amassing data to have ready when the Treasurer says the time is appropriate. Ms. Harrington stated she can put some numbers together, but cautioned the Board that the numbers may not be accurate and that she may not be able to answer specific questions the Board may have about activities within certain accounts. Mrs. Harrington stated that there are bond proceeds and loan funds that can be used to reimburse the Town for capital expenditures, such as replacement of air conditioning units. She verified with Attorney Moore that in order to draw down funds, the Board should, in best practice, pass a Resolution authorizing the draw. Vice Mayor Joyce and Alderman Sedlak emphatically restated concern about not having a budget yet and asked why the former Treasurer was not being called on for help. Ms. Magallanes stated the former Treasurer would make three or four entries a month to “just make journal entries balance”, therefore, MTAS said they have to go back from the beginning to reconcile those journal entries for a true reconciliation. Attorney Moore asked what could be known from the documents in their current condition in terms of revenue and expenditure, and cash on hand. That should be enough to formulate a budget. The budget committee could have something next month on first reading, just recognizing that budget amendments will have to be forthcoming. Alderman Morton stated that there was plenty of blame to go around, including the Board, and progress has to be made.

- b. **General Status Report - Town Administrator.** Mrs. Harrington reiterated the accomplishments of Chad Dennis and Cindy Warner over 100 meters on unread/dead/high consumption readings. Staff has gotten that down from over 100 meters to 12. Issues have ranged from water leaks, meters been laid down in the boxes so unable to be read, antenna was damaged, able to complete manual readings that had simply not been completed, including commercial enterprises. Troubleshooting revealed technical issue in the software between RG3 and Local Government NexGen. All members have been working on commercial billing. Manual bills continue to be issued for commercial reads until all meters are resent and/or replaced. Mayor Faulkenberry complimented staff on the door hangers for those whose water is being cut off for non-payment.

New Business:

Discussion regarding potential contributions to CHYB/SL (Chapel Hill Youth Baseball/Softball League). Frustration was expressed about the lack of funding come from the Town. Attorney Moore explained that there were multi-year negotiations between Graves and the League to enter in a long term lease for the organization to build the fields. Board did discuss making a contribution for utilities. Specifically, the cost of lights once the fields were completed. Moore stated yes once things were operating, it could be a non-prof contribution but would have to be reviewed annually as part of the budget. After that agreement, the Town & League changed at the plan to deed the property to the League. The Town has the legal authority to make contributions as a non-profit approved by the budget, but there is no specific contract binding the Town to that obligation. The Board has always made clear that it was a yearly decision by the Board subject to

funding capabilities of the Town at the time of request. Mayor Faulkenberry asked the League to continue working with Attorney Moore and Mrs. Harrington.

Discussion/Award of contracts from the HVAC repair/replacement bid; landscaping/mowing bid; and chipper/brush bid. Mrs. Harrington reminded the Board of the special call meeting that was held that authorized her to put several public works services contracts out to bid, including replacement of air conditioning units. Mrs. Harrington explained costs aspects of the packages and read the results of the bid.

Brush, Chipping, Emergency Services: Mrs. Harrington explained costs aspects of the packages and read the results of the bid. There was one responsive bidder, Tunes Land Clearing. Mrs. Morton asked about hiring for the organization and how that would interface with the bids. Mrs. Harrington explained that the Board authorized the chart, but she had not hired anyone yet pending the outcome of the bid process. Vice Mayor Joyce moved to award the bid to Tunes Land Clearing, seconded by Alderman Gilbert. All aye on roll call vote.

Landscaping/Mowing: Two responsive bidders, Laidback Landscaping and Lamb's Lawns. Mrs. Harrington explained costs aspects of the packages and read the results of the bid. Alderman Sedlak made a motion to award the contract to Laidback Landscaping, seconded by Vice Mayor Joyce. All aye on roll call vote.

HVAC repair/replacement bid. Alderman Sedlak stated he was going to abstain on this vote because he is a part time employee of the Air Guys. Because of the complications inserted into the bid process, Mrs. Harrington stated the following discussion was only for maintenance, repair and as-needed, and not for replacement of the units. Vice Mayor Joyce made a motion to award to the Air Guys and ask the Administrator to negotiate the hourly rate; seconded by Alderman Gilbert.

Vice Mayor	Joyce-Yes	Alderman Jonathan Gilbert	- Yes
Alderman Dottie Morton	- Yes	Alderman Dale Brown	- Yes
Alderman Joe Sedlak	- Abstain	Alderman Brian Williams	- absent

HVAC replacement bid. Mrs. Harrington deferred to Attorney Moore to lead this discussion. Moore explained the Town's purchasing ordinance and clarified the Administrator's purchasing authority was for \$5,000. Anything over that has to be Board approved. An informal quote for the first unit was obtained August 16th, and the amount exceeded \$5,000. At that point, Mrs. Harrington recognized she could not independently purchase the unit and be in compliance with the Town's purchasing agreement. A special called meeting was then held, during which the Board gave direction to put out to bid the HVAC replacement bid/replacement. The Board wanted additional quotes to be solicited even though it was already part of the bid package. People were contact by someone other than Mrs. Harrington to give quotes on the replacement of units. In between August 16 and the special called meeting, the second unit went down. This is why the two units for replacement was included in the bid package. Because two others were independently solicited, they did not include the quote for replacement in their bid package, which is why replacement had to be omitted in the previous item of business. The informal quotes are not appropriate for awarding because those were independently solicited, and did not adhere to the process. However, Clint's Air Care did include the replacement costs, though the other two

respondents did not. Vice Mayor Joyce stated that the Town should follow the rules on bid award, and for consistency, should consider what was properly submitted in the bid package. Clint's Air Care was the sole respondent for replacement. Mrs. Harrington briefly read the options included by Clint's Air Care, including the anticipated installation date. Stated that the Town should follow the rules on bid award, and for consistency, should consider what was properly submitted in the bid package. Vice Mayor Joyce made a motion to award to Clint's air care for the Rheem units, seconded by Alderman Gilbert.

Vice Mayor	Joyce-Yes	Alderman Jonathan Gilbert	-	Yes	
Alderman Dottie Morton	-	Yes	Alderman Dale Brown	-	Yes
Alderman Joe Sedlak	-	Abstain	Alderman Brian Williams	-	absent

Old Business: None.

New Business:

Renew two CD's with First Commerce Bank. Ms. Magallanes explained the need for renewal and reviewed current interest rate. No action would result in the CD just rolling over. She was unsure if this requires Board action but wanted to bring it forth just in case. Alderman Morton made a motion to renew; seconded by Vice Mayor Joyce. Roll call vote:

Vice Mayor	Joyce-Yes	Alderman Jonathan Gilbert	-	stepped away from table	
Alderman Dottie Morton	-	Yes	Alderman Dale Brown	-	Yes
Alderman Joe Sedlak	-	Yes	Alderman Brian Williams	-	absent

Resolution 2021-19 Approve Police Vehicle Transmission Repair. Chief Kon explained the vehicle in question was 2006 Ford Explorer. Three bids were received for repair; it is currently at the Ford dealership awaiting Board action. Chief Kon recommends repairing this vehicle and keeping it because of challenges on supply chains resulting from COVID. Sedlak made a motion to approve repair by Lyons Ford, seconded by Vice Mayor Joyce.

Vice Mayor	Joyce-Yes	Alderman Jonathan Gilbert	-	Yes	
Alderman Dottie Morton	-	Yes	Alderman Dale Brown	-	Yes
Alderman Joe Sedlak	-	Yes	Alderman Brian Williams	-	absent

Tahoe vehicle previously approve for purchase for Police is not available. Chief Kon checking into other options. New resolution needed? Kon explained the Board approved in July the purchase of a Tahoe. GM restructured the bidding process. Kon explained that GM opened orders for one day, a steep departure from the typical 30 to 60 day window. The Town missed the one-day window to place the order, even though the proper steps had been taken in preparation on the Tow's end. As an alternative, Chief Kon explained there is a truck available and that the Board would need to approve a new bid for the truck. Alderman Sedlak made a motion to cancel the contract with Chevy Tahoe to the Ford F-150 2021 to maintain the fleet; seconded by Vice Mayor Joyce. All aye on roll call.

Discuss Water Billing. Mrs. Harrington said she was unaware of what or how this item was placed on the agenda. Mrs. Morton stated she had a recollection that bills were supposed to be increased by \$5.00 every year, and hers indeed did increase. Alderman Sedlak made a motion to defer the item, seconded by Vice Mayor Joyce.

Discussion of Purchasing Ordinance/Policy. Attorney Moore stated he had worked on an amendment to the purchasing policy with previous administration but the Board never took action on it. Attorney Moore said a raise from \$5,000 to \$10,000 is not uncommon to streamline purchasing. Anything over \$10,000 would still have to go to the Board for approval. Attorney Moore indicated he could have an amendment ready for review by the next Board meeting.

Discussion of respective duties of Town Administrator and Recorder/Treasurer. Town Attorney Moore explained the respective duties of the two positions as dictated by the Town's Charter. One position is not over the other; both report to the Board. Each have respective responsibilities and rely heavily on each other. Any changes to the duties would have to come about through a Charter amendment. Alderman Morton highlighted some items in the descriptions she felt were vague, particularly related to purchasing. Attorney clarified the Town Administrator is responsible for purchasing and compliance with the policies, and the Treasurer cuts the checks. At Ms. Morton's request, Attorney Moore went through the eleven enumerated duties of the Town Administrator as codified, as well as those enumerated for the Recorder & Treasurer. He stated the keeping of the public records is a large task unto itself, and some communities choose to separate the Recorder and Treasurer functions. The Treasurer is financial only – reporting, receipt of taxes, making sure disbursed funds are properly authorized, and property approved by the Board if required. The budget is technically the Treasurer's responsibility, though generally the Administrator is heavily involved in its creation. The positions are heavily dependent on each other, ranging from agenda creation to budget. Mayor Joyce stated she has been concerned about the fact that she and Mayor Faulkenberry both signed a large check for a renewal of a license that requires Board action, but was never taken to the Board. This was prior to the hiring of Mrs. Harrington as Town Administrator. Attorney Moore stated that the contract was of a nature that did require Board approval. He also acknowledged there is a steep learning curve between the government and private sector accounting, and that not having a budget in September is not a favorable position for the Town. Attorney Moore reiterated to the Board that it is the Board's responsibility to make the determination whether the Administrator and Treasurer/Recorder are meeting their duties under the Charter. Alderman Gilbert made a motion to terminate the Town Treasurer; motion seconded by Vice Mayor Joyce. Roll call vote:

Vice Mayor Joyce-Yes
Alderman Joe Sedlak – Yes
Alderman Jonathan Gilbert – Yes

Alderman Dale Brown- Abstain
Alderman Dottie Morton – Abstain
Alderman Brian Williams – Absent

Resolution 2021-20 to consider the renewal of contract with Local Government for software. Attorney Moore explained the background of the contract renewal. An invoice was paid and signed by Mayor Faulkenberry and Vice Mayor Joyce. Attorney Moore recommended ratifying the expenditure by Resolution to bring the Town into compliance with the purchasing ordinance. Alderman Sedlak made a motion to approve the Resolution; seconded by Gilbert.

Vice Mayor Joyce- abstain
Alderman Joe Sedlak – Yes
Alderman Jonathan Gilbert – Yes

Alderman Dale Brown- Yes
Alderman Dottie Morton – Yes
Alderman Brian Williams – Absent

Discussion of codification update of Municipal Code. Mr. Moore stated that the Town needs to continue making progress toward codification. Mrs. Harrington recommended a work shop. Mayor Faulkenberry gave direction to Mrs. Harrington to set up a workshop date.

SRF Loan: 1) Submit final receipts, \$105K, 2) Reduce loan amount letter, 3) Close out

Ms. Magallanes stated she was asked to close out the loan and reduce the loan amount since all the funds that were available were not used for the project. At the Town Administrator's suggestion, she contacted JR Wauford to ensure there were no outstanding invoices that could be paid using the loan proceeds; a note was made that was the extent of the Town Administrator's involvement. There was one outstanding invoice. This is tied to sewer rates, which helped pay for the project. The loan amount is to be decreased by \$100,000. Alderman Sedlak expressed he did not understand how the Treasurer was coming up with the numbers she was presenting. More discussion ensued. The document to request reimbursement of \$105K and a letter stating the Town is reducing the amount and closing the loan. No vote was taken.

Ordinance 2021- 01: Dissolution of Town of Chapel Hill Water/Wastewater Utilities Board: This was a late add to the agenda by the Treasurer/Recorder on a revised agenda that was distributed at the meeting. A motion to defer was made by Aldermen Gilbert and seconded by Vice Mayor Joyce. All aye on roll call vote.

Other Business: Attorney Moore advised the Board give direction to the Administrator for the filling of vacancy. Mayor Joyce stated hire someone on contract or hire an interim. The Board would not interview the interim because of the urgent need for attention to the Town's health. The Board will ultimately have to approve how the position fills. The Town Administrator has the authority to hire someone in the interim to get through to the next meeting and until the Board is filled.

Mayor Faulkenberry suggested giving Ms. Magallanes a severance pay for two or three months. Vice Mayor Joyce agreed; Alderman Sedlak agreed if it followed the Treasurer/Recorder contract. Attorney Moore advised that was not negotiated in her contract, but he said a post-termination payment would probably be okay given the circumstances as an officer of the Town. Mayor Faulkenberry called for a motion. Alderman Morton made a motion to pay Ms. Magallanes 2 months' salary, seconded by Vice Mayor Joyce; insurance to be terminated immediately. All aye on roll call vote.

Adjournment. Alderman Morton made a motion to adjourn.

Approved: 
Mayor Michael Faulkenberry

Attest: 
Town Recorder