

*****MARCH 23, 2004*****

The Town Council of the Town of Signal Mountain held a special called meeting on Monday, March 23, 2004, at 7:00 p.m. in the Town Hall. Those present were:

Mayor James H Althaus
 Vice Mayor Bill Leonard
 Councilmember Robert White
 Councilmember Steve Ruffin

Also present:

Town Manager Hershel Dick
 Town Recorder Diana Campbell
 Town Attorney Phil Noblett
 See list attached for additional people

The Recorder read the title to the resolution:

“A RESOLUTION AUTHORIZING THE HAMILTON COUNTY ELECTION COMMISSION TO HOLD A SPECIAL ELECTION ON THE PROPOSITION OF THE TOWN TO ISSUE GENERAL OBLIGATION BONDS AND TO ASCERTAIN THE WILL OF THE ELECTORATE TO INCREASE THE TAX RATE TO SATISFY GENERAL OBLIGATION BONDS FOR THE CONSTRUCTION OF A NEW HIGH SCHOOL AND MIDDLE SCHOOL BUILDING PROJECT IN THE TOWN OF SIGNAL MOUNTAIN, AS AUTHORIZED BY T.C.A. § 9-21-209, SUBJECT TO CERTAIN CONDITIONS.”

The Town Attorney explained that the resolution was prepared at the Council's request and the purpose of the resolution was to authorize a referendum to allow the citizens to vote whether to increase property taxes to repay bonds that would be issued to contribute toward the cost of a high school on the mountain by Hamilton County. He noted the bonded indebtedness of the Town would be \$7.7 million and that a joint effort with the Town of Walden would provide \$10 million towards the cost of a new high school and middle school building. He stated that the State law required any resolution authorizing a referendum to include certain items such as the interest rate of 5% for the bonds. He further stated that it was the intent of the Town Council that this property tax be eliminated when the bonds were repaid. He also noted that the 1999 one-half cent local sales tax funds and other funds collected by the Town could also be used to pay off these bonds. The Town Attorney read the referendum wording that would be placed on the election ballot and explained that citizens could answer yes or no to the question. He further explained that the resolution would need to be sent to the Election Commission requesting the election on the issuance of bonds pursuant to T.C.A. § 9-21-209 and asking for the election at the earliest date under the law. He said he understood that the

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decision needed to be sent to Hamilton County before they finalize their budget for the upcoming year.

The Mayor then asked for a motion. Councilmember Ruffin made a motion to approve the resolution. Councilmember White seconded the motion. The Mayor then asked for discussion or questions.

Attorney Tom Caldwell, representing the group, Friends of the Signal Mountain High School, stated he wanted to clarify one point. He stated that a local paper had stated that Hamilton County had agreed to issue bonds if this was done. He made the point that the group had talked to everyone and they felt that Signal Mountain must make the contribution to get a high school built, but that they did not have an agreement from anyone. He further made the following points: Hamilton County only issues bonds for schools every four years; they feel there is an excellent chance of getting a high school; the cost of the construction would be in excess of \$20 million but Signal Mountain and Walden were not offering to contribute one half but were offering to contribute \$10 million; Walden would be meeting March 31, 2004, to discuss having a referendum; and the earliest date for a referendum would be May 18, 2004.

Joe Dumas addressed the Town Council and thanked them for having a referendum on the issue. He asked how much it would cost to hold the special election. The Mayor said he thought the 1999 referendum had cost about \$3000. The Town Attorney stated that it would depend on whether the Town of Walden joined in the referendum. The Mayor stated that the money could be paid from the money accumulated on the 1999 one-half cent sales tax.

Mr. Dumas stated that there would be a better turn out if the referendum could be held at the time of a regular election. The Mayor agreed with Mr. Dumas but stated that in recent conversation with Richard Casavant, Hamilton County Commissioner, the proposal needed to be in by May 1 when Hamilton County would begin their budgeting process. Mr. Caldwell stated that he had talked to Mayor Ramsey and had been told that the proposal needed to be in by June or July.

Mr. Dumas's third concern was that the time before the election would be just five days short of two months and would not be enough time for getting the information out. The Mayor stated that the Friends of Signal Mountain High School would be working hard to get the message out. Mark Shartle stated he agreed with the concern. He stated that everyone should be informed. He recommended the letter from Mr. Dumas to the Council be put on the website so everyone could hear both sides.

Next Shannon Defries addressed the Council. She stated that she worked for the Hamilton County Election Commission but she lived on the mountain. She brought forms with her for voter registration. Councilmember Ruffin asked if anyone could get registered in time for the special election. She stated that the person must come into their office by April 9 or the registration must be postmarked by April 11th for a May 11th election.

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Debbie Mathews asked what would happen if the referendum passed and no high school was built. The Mayor explained that there would not be a tax increase for this. He stated to further questions that if the referendum passed in Walden and failed in the Town of Signal Mountain, then there would be no deal and if the resolution failed in Walden and passed in the Town of Signal Mountain, then there would be no deal.

Councilmember White stated that the issue was about children. He stated the Town would have a chance to do something for the children. He said that it was unfair for the children to get shipped off the mountain to school and not go to school in their neighborhood. He stated he agreed with the Mayor that this would be one of the best things that could happen to the Town. He stated that he personally hoped it passed. He said the Town would have a link on the Town's website to Joe Dumas website signaltaxpayer.com.

Councilmember Ruffin stated that he was adamant about citizens' making an informed decision. He said that it was important between that time and May 18th to make the most informed decision everyone could make. He agreed that this was the biggest thing that would happen in the Town.

Vice-Mayor Leonard asked if we could have a public forum at the Mountain Arts Community Center to have both sides presented. He noted that the websites were nice but a lot of people don't use computers.

The Mayor stated that he believed that everyone thinks Hamilton County should build a high school but they have not built one for 85 years. He stated that he was convinced that if a high school would be built that in five years it would be one of the best schools in Tennessee.

The Mayor then called for a vote. Councilmember Ruffin requested a vote by roll call. The recorder called the roll and the responses were as follows:

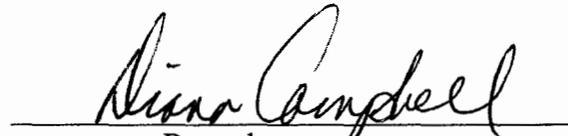
Councilmember White - yes
Councilmember Ruffin - yes
Mayor Althaus - yes
Vice-Mayor Leonard - yes

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There being no further business before the Council, the meeting was adjourned.



JIM ALTHAUS, Mayor



Recorder

List of additional people in attendance attached.

Date: March 23, 2003

NAME	ADDRESS
1. Joe Dumas	1111 James Blvd.
2. MARK & KRIS FAARTE	501 JAMES BLVD
3. Mary Beth Bednzy	323 Creebshine Dr.
4. Jesse Johnston	100 Maledm Ln
5. Joy Spirello	503 Hathaway
6. CHRIS HANSEN	927 ARDEN WAY
7. David Houston	310 James Blvd.
8. Jim Boyette	1115 Applewood Circle
9. Bruce Noukov	704 Windy Way
10. BROOKE MALEY	500 HAWAII DR.
11. JOHN MAC COON	601 Marr DR
12. Sherrilou	529 Fern Trail
13. Ben Felder	34 Mtn. Orchard Path
14. DONNA White-Drapkin	16 Cool Springs Rd.
15. Jean Jordan	103 Brow View
16. Julie Jayne	1243 Mtn Brook Cir
17. Karen Schmitt	#7 N. Dues Way
18. Brida Gardner	31 Mtn Orchard Path
19. Jeff Bily	307 P. N. T. Lane
20. Lisa Flint	408 Signal Mtn. Blvd.
21. Andrew Hausler	510 Georgia Ave
22. Liz Wilkerson	9 Big Rock Rd.
23. Debbie Matthews	36 Hidden Brook Ln.
24. Shannon Fiene	321 Hampton Road

Date: March 23, 2003

NAME	ADDRESS
1. <u>Sandy Hanks</u>	<u>510 Georgia Ave.</u>
2. _____	_____
3. _____	_____
4. _____	_____
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21. _____	_____

RESOLUTION NO. R2004-10

A RESOLUTION AUTHORIZING THE HAMILTON COUNTY ELECTION COMMISSION TO HOLD A SPECIAL ELECTION ON THE PROPOSITION OF THE TOWN TO ISSUE GENERAL OBLIGATION BONDS AND TO ASCERTAIN THE WILL OF THE ELECTORATE TO INCREASE THE TAX RATE TO SATISFY GENERAL OBLIGATION BONDS FOR THE CONSTRUCTION OF A NEW HIGH SCHOOL AND MIDDLE SCHOOL BUILDING PROJECT IN THE TOWN OF SIGNAL MOUNTAIN, AS AUTHORIZED BY T.C.A. § 9-21-209, SUBJECT TO CERTAIN CONDITIONS.

WHEREAS, T.C.A. § 9-21-208 authorizes the governing body of a local government to hold an election for ascertaining the will of the electorate concurrently with a decision of the local governing body to issue general obligation bonds for a public works project; and

WHEREAS, T.C.A. § 9-21-208 authorizes local governments to adopt an election resolution in accordance with T.C.A. § 9-21-209 and to hold an election for ascertaining the will of the electorate in accordance with T.C.A. § 9-21-210 even without adopting and publishing an initial resolution issuing general obligation bonds; and

WHEREAS, the Signal Mountain Town Council desires to submit an election resolution requesting the Hamilton County Election Commission to hold a special election within the time periods authorized by T.C.A. § 2-3-204 which would allow the will of the electorate to be determined prior to the issuance of no greater than 7.7 million dollars of general obligation bonds for the construction of a new High School and Middle School building project located within the Town of Signal Mountain;

NOW, THEREFORE,

BE IT RESOLVED that the Town of Signal Mountain, Tennessee requests that the Hamilton County Election Commission place an election resolution on the ballot for a special election to be held at the first available date authorized by T.C.A. § 2-3-204 stating in substance as follows:

(1) The maximum amount of general obligation bonds to be issued by the Town of Signal Mountain shall be 7.7 million dollars for the construction of a High School and Middle School building project to be located within the Town which shall be staffed and maintained by the Hamilton County School Board;

(2) The public works project or projects for which the general obligation bonds are to be issued is for the construction of a High School and Middle School building project;

(3) The maximum rate of interest which the general obligation bonds are to bear shall be no greater than 5% per anum;

(4) The debt service for these general obligation bonds will be payable based upon an ad valorem tax increase not to exceed .35 cents per 100 dollars of assessed property values in the local government. It is the intent of the Town Council that this tax increase shall be eliminated after repayment of the bonded indebtedness for this construction project. Debt service payments on this bonded indebtedness may be supplemented by proceeds from the 1999 ½ cent sales tax or other revenues presently collected within the Town.

(5) A proposition to issue the general obligation bonds should be forwarded to the Hamilton County Election commission and should appear on the special election ballot as follows:

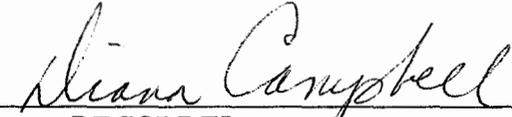
The Town of Signal Mountain may issue general obligation bonds in a maximum amount not to exceed 7.7 million dollars for the construction of a High School and Middle School building project to be located within the Town which shall be staffed and maintained by the Hamilton County School Board; provided that the debt service for these general obligation bonds will be payable based upon an ad valorem tax increase within the Town which shall not exceed .35 cents per 100 dollars of assessed property values which tax increase shall be eliminated after repayment of the bonded indebtedness for this construction project; and further provided that debt service payments on this bonded indebtedness may be supplemented by proceeds from the 1999 half-cent cent sales tax or other revenues presently collected within the Town of Signal Mountain

_____ Yes _____ No

(6) That the county election commission is to hold the election at the earliest available date allowed under T.C.A. § 2-3-204.



MAYOR



RECORDER

03-23-04
DATE

3-23-04
DATE

PAN/kac