

*****March 14, 2005*****

The Town Council of the Town of Signal Mountain held its regular monthly meeting on Monday, March 14, 2005, at 7:00 p.m. in the Town Hall. Those present were:

Mayor William O. Leonard, III
 Vice-Mayor Stephen Ruffin
 Councilmember Lizetta Paturalski
 Councilmember Robert V. Linehart, Jr.
 Councilmember Robert E. White, II

Also present:

Town Manager Hershel Dick
 Town Recorder Diana Campbell
 Town Attorney Phil Noblett

The Mayor called the meeting to order and scout troop member Mathew Lynn lead the Pledge of Allegiance. Councilmember White offered the prayer. The Recorder called the roll.

Councilmember White presented an engraved gavel to the Mayor on behalf of the other Councilmembers.

Vice-Mayor Ruffin moved that the minutes of the February 14, 2005, regular meeting and the February 24, 2005, special called work session be approved. The motion was seconded by Councilmember Linehart and passed unanimously.

The Council considered an ordinance for first reading, "AN ORDINANCE TO AMEND CHAPTER 3, SECTION 1-301 OF THE SIGNAL MOUNTAIN TOWN CODE RELATIVE TO BONDS FOR OFFICERS AND EMPLOYEES IN THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE AND TO PROVIDE FOR INSURANCE COVERAGE INSTEAD OF BONDS." The Town Attorney explained that the Recorder had made a recommendation to the Council for insurance renewal. He said that it initially appeared to be a simple matter to replace insurance coverage for a surety bond requirement in the Code. He stated that there is a requirement in the Code at Section 1-301 adopted in June 2000 before he became the Town Attorney that a surety bonds be given by the Councilmembers, Town Manager, and Town Recorder in the amount of \$250,000 as surety for their duties embracing the receipt, disbursement, custody or handling of money for the Town. In addition, he explained that Section 1-302 required that each employee that handles money give a surety bond to the Town in the amount of

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\$100,000. He said that the Tennessee Municipal League (TML) Risk Management Pool does not issue a surety bond anymore. He said that they do issue bonds for public employees; and the public official bond for the Town Manager costs \$858 for a year. He noted that if the Town had to provide a public employee bond for each person named in the Code that the cost would be six or seven thousand dollars. He explained that TML currently offered an employee dishonesty insurance policy in the amount of \$250,000 on all employees. He then stated that he found in the Town's Charter a requirement for a bond and he was not sure a Charter requirement could be changed by an ordinance. He then recommended that the ordinance be tabled for one month. Vice-Mayor Ruffin made a motion to table the ordinance for one month. Councilmember White seconded the motion and it passed unanimously.

The second item before the Council was "A RESOLUTION RECOGNIZING AND COMMENDING THE YEARS OF SERVICE AND ACHIEVEMENTS OF DON MALARKEY ON HIS 100TH BIRTHDAY BY THE SIGNAL MOUNTAIN TOWN COUNCIL AND PROCLAIMING APRIL 3, 2005, 'DON MALARKEY DAY' IN THE TOWN OF SIGNAL MOUNTAIN." Councilmember Linehart read the resolution recognizing Mr. Malarkey. Councilmember Linehart made a motion to approve the resolution. Councilmember Paturalski seconded the motion and it passed unanimously.

The next resolution was "A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR WORKER'S COMPENSATION INSURANCE FOR THE TOWN OF SIGNAL MOUNTAIN EMPLOYEES WITH TML RISK MANAGEMENT POOL FOR THE PERIOD OF APRIL 1, 2005 THROUGH MARCH 31, 2006, IN THE AMOUNT OF ONE HUNDRED THIRTY-FOUR THOUSAND FOUR HUNDRED EIGHTY AND 75/100 (\$134,480.75) DOLLARS." In response to the Mayor's inquiries of the premiums in the past and the budget for this year, the Recorder explained that the premiums were about \$130,000 last year and that amount had been increased by 10% for the last quarter so the budgeted amount would be sufficient. She stated that the premiums had been about \$90,000 the year before last and about \$70,000 the year before that, and the Town had received increases due to Town employees being injured on the job. The Town Attorney explained the Town Manager needed the authority to renew the worker's compensation insurance that is required by the State if the Town is not self-insured. He talked about the requirements for Worker's Compensation insurance and the limits of liability under the State tort liability laws. The Recorder explained in addition to the base policy the recommendation included \$203 for medical compensation on all auxiliary police and \$63.75 for all Councilmembers to cover medical costs if they were injured on the job. After additional brief discussion, Vice-Mayor Ruffin made a motion to approve the resolution. The Mayor seconded the motion and it passed unanimously.

The next resolution was "A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR LIABILITY INSURANCE FOR THE TOWN OF SIGNAL MOUNTAIN WITH TML RISK MANAGEMENT POOL FOR THE PERIOD OF APRIL 1, 2005, THROUGH MARCH

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31, 2006, IN THE AMOUNT OF SIXTY-EIGHT THOUSAND SEVEN HUNDRED THIRTY-NINE AND 00/100 (\$68,739.00) DOLLARS.” The Town Attorney explained the general liability insurance policy provided coverage for any type of accident that might occur due to any act or omission by any employee in the Town. He explained that there were specific amounts of liability for municipalities under the State tort liability laws including \$250,000 per person, \$600,000 per occurrence and \$85,000 per property. He noted that under the policy law enforcement liability, errors and omissions liability, and automobile physical damage provisions were also included. The Recorder stated that the recommendation included one change recommended by the insurance underwriter to change the deductible on errors and omission from \$2,500 to \$5,000 saving \$941. After some additional discussion about options available, the tort liability laws, and types of accidents covered, Vice-Mayor Ruffin made a motion to approve the resolution. Councilmember Patrualski seconded the motion and it passed unanimously.

The last resolution before the Council was “A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW AN INSURANCE CONTRACT FOR PEROPERTY AND SURETY COVERAGE FOR COUNCILMEMBERS AND STAFF OF THE TOWN OF SIGNAL MOUNTAIN WITH TML RISK MANAGEMENT POOL IN THE AMOUNT OF SEVENTEEN THOUSAND FOUR HUNDRED FIFTY-SIX AND 00/100 (\$17,456.00) FOR THE YEAR APRIL 1, 2005, THROUGH MARCH 31, 2006.” The Town Attorney explained the coverage in the policy was what had prompted the ordinance to change the code from bond requirements to insurance requirements. He said the insurance policy covered the Town’s property and also covered the Town for employee dishonesty, forgery, computer fraud and theft, disappearance, or destruction of property. He noted that the recommendation by the Recorder of \$16,598 did not include a public officials bond for the Town Manager. He stated that until the issue of a bond requirement in the Charter was resolved, he recommended that the Town renew the public official bond on the Town Manager for \$858 making a total of \$17,456. The Attorney said that in Article VII Section 1 the Charter said that the Town Recorder was required give to the Town a bond of not less than \$10,000 or as may be provided by ordinance. He further stated that Article VIII Section 4 of the Charter said that any employee or officer that handles money must execute a surety bond or the Town may provide blanket bonds. He explained that the question was whether the requirement in the Charter for blanket bonds would be satisfied with an insurance policy provided by the Town. That issue would need to be resolved with TML but until then the insurance policy needed to be renewed. Vice- Mayor Ruffin made a motion to approve the resolution. Councilmember Linehart seconded the motion and it passed unanimously.

Next the Town’s auditor, Brian Wright, addressed the Council to report on the Town’s financial statement for the fiscal year ended June 30, 2004. He noted that the financial statement was the Town’s first statement on GASB (Governmental Accounting Standards Board) 34 that was the new rules for government statements. He said the Town now had two sets of statements. One set of statement was on the modified accrual basis that was already being used. He explained that on that basis the financial statement is similar to a budgetary basis where assets are expensed in the year they are bought and not

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depreciated, loans are recorded as income when received. He explained that there was an effort to get the cities financial statements on the same basis as private businesses that would be the full accrual basis. He said that GASB decided to require both sets of statements. He pointed out in the financial statements that the governmental activities made \$57,505 under the old system of modified accrual and made \$487,074 under the full accrual system similar to businesses. Mr. Wright answered several questions from the Council and explained other points on the financial statements. He said there were no findings in the audit, and they were able to give a clean opinion on the statements. He noted that the Town staff prepared the financial statements and presented them to the auditors for review saving the Town about \$3,500. He also stated that he would be glad to provide information for any more questions, and he offered to be available to come to a work session if needed.

The next person to address the Council was John Clark, President of Mountain Rec, Inc. He explained that the Mountain Rec. Inc. was a committee set up several years in the past to oversee the building and operations of the Shackleford Ridge Park, a 200-acre park at Nolan School. He said that each year he had come before the Council to give them an update on the park and to ask for their continued support. He said this year Hamilton County had applied for and received a \$100,000 matching grant that would give \$200,000 to complete two more baseball fields that had been planned at the park. He said that although the bids had not come in that it had been estimated that the \$200,000 would be approximately \$50,000 short of completing the backstop, fencing, lighting and stands. He said that it was his understanding that for several years there had been money in the budget to convert Hedges Soccer Field, which was rarely every used for soccer, into a practice baseball/softball facility. He proposed that the \$50,000 be diverted to the completion of the ball fields at Shackleford Park. He noted that the proposal had the approval of the Mountain Rec Board and the Signal Mountain Recreation Advisory Board. Mr. Clark and Terry McElveen, who was on the Signal Mountain Rec Board and head of the baseball league, answered numerous questions from the Council. Vice Mayor Ruffin requested that the Council be given more time to consider the request and take up the request at the next meeting. Councilmember Linehart suggest taking a Mountain Vision type approach to all the fields and parks in the Town rather than allocating money piecemeal. Councilmember White said he would like to know if Walden would be contributing before making a decision. After more discussion, the Council decided to wait until the next meeting.

The Hamilton County Water and Wastewater Treatment Authority (WWTA) Chairman Henry Hoss then addressed the Council. He noted that in September 2002 the Council in the Town of Signal Mountain had made the decision to join its sewer system to the WWTA and in return they had taken over maintaining, improving and enhancing the system. He gave a brief history of the WWTA. He said the WWTA was funded through some bond issues, loans and sewer revenues and for the last seven years they had not received any money from any government agency particularly Hamilton County but was being funded by the customer base. He said the WWTA was set up under a State law that allowed counties to set up water and wastewater treatment authorities. He noted that the

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State law requires a board be appointed with five members from selected fields such as an accountant, a lawyer, an engineer, etc. The County Commission and County Mayor appoints those five members he said. They now have six municipalities joined to the system he explained and those six municipalities have each appointed one member. They now have the Towns of Soddy Daisy, Lakesite, Ridgeside, East Ridge, Red Bank and Signal Mountain. He said that former County Executive Dalton Roberts originally charged the WWTA to build sewers to help economic growth and to deal with septic tank failures. He talked about the size of the WWTA including the numbers of customers, revenue, etc.

Mr. Hoss stated that a lot of the WWTA's growth had come from working with developers. He told the Council that one of the big issues on Signal Mountain that had to do with the future development of the sewer system on Signal Mountain had to do with the minimum lot size. He said they recommend the Town Council look at the minimum lot size and consider reducing the size in order to facilitate their ability to build further sewer lines in Signal Mountain. At that time, he asked Mike Howard, who is the County Engineer and who serves as the engineer for the WWTA, to address the Council. Councilmember Linehart then noted that the Town had a larger lot size because the Town doesn't have sewers and the larger size was needed for septic tanks. After more discussion, Mr. Hoss stated that he was not proposing changing the lot size for houses that were not on sewers. Councilmember White said the Town needed growth and the Shackleford area would be a good area for growth.

Mike Howard then presented a map of Signal Mountain showing all the existing sewers in the Town. He noted that most of the sewers in the Town were in the Old Town area. He commented that there was no minimum lot size in the county. He said the lot size was controlled by the Health Department and was based on the size needed to handle field lines and a duplicate system if the land didn't perk well. Mr. Howard said since 2004 the WWTA had done or was in the process of doing almost \$800,000 of sewer work in Signal Mountain. He said they were in the middle of a \$580,000 project to smoke test, clean and televise the entire sewer system in Signal Mountain. He said the project would take about four months to complete and they hoped to find the leaks in the system. Mr. Howard stated the WWTA then planned to start projects to line various systems to try to stop the leakage and close out the roots that blocked the systems. He projected that after this year they would be spending the money to completely line the 22 miles of sewer lines in the Town. The Council asked several questions of Mr. Howard and discussed various issues regarding the sewers.

Neal Hopper from Emmanuel Broadcasting addressed the Council. He said that he had received a construction permit from the FCC and had entered into a lease agreement with American Tower to put an antenna on their tower on Ridgeway Avenue. He said he was there asking the Council to give him a special use permit to put the antenna on the tower. Then he noted that the ordinance on antennas required a structural analysis from a structural engineer licensed in Tennessee. He explained that he was having difficulty get the structural analysis. He said the antenna that he was getting installed weighed just 15 pounds. He then asked the Council to give him a waiver from the requirement for the

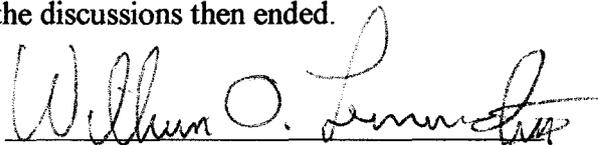
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analysis and just let him pay the application fee. After several questions, Vice-Mayor Ruffin stated that his concern was that the Town had required a structural analysis for other antennas that were placed on the tower in the past and he wasn't sure what position it would put the Town in to omit the requirement this time. The Town Attorney noted that the Zoning Ordinance required the analysis and to do something different would require the ordinance to be amended. After further discussion the Council declined to waive the required analysis and told Mr. Hopper to present the analysis to Bill Wagner, the Code Enforcement Officer of the Town of Signal Mountain, and he would not have to come back before the Council.

Next several citizens from the Green Gorge and Fern Trail area addressed the Council about the proposed plans for a handicapped trail in the Wildflower Park at the corner of Fern Trail and Druid Drive. After a very lengthy discussion on the proposal, Mayor Leonard stated that the Council would have a special called public meeting to get details on the proposed plans during the month.

Lou Oliphant gave a report on the latest Planning Commission meeting.

There being no other items before the Council, the discussions then ended.



William O. Leonard, III, Mayor



Diana Campbell, Recorder

Date: MARCH 14, 2005

NAME	ADDRESS
1. Henry A. Hoar	2425 Baskette Way. 37421
2. MARK and Pril STARTZ	501 JAMES BLVD
3. Neil Hopper	Cartersville, GA 30120
4. IRBY PARK	105 Mountain Court
5. Brian Wright	800 Glamis
6. Lou Olyphant	796 Cherokee Trc
7. Matthew Lynn	2132 Cliff Eldridge Rd. Soddy Daisy, TN. 37377
8. Terry McEwen	702 Windy Way
9. John Clark	325 Creekshing
10. Randy Campbell	508 Fern Trail
11. Shirley Keyes	401 N. Palisades Dr.
12. Carolyn Dodson	530 Fern Trail
13. Jim Dodson	530 Fern Trail
14. Gay C. Halland	519 Fern Trail
15. Linda Sheynette	507 Fern Trail
16. John W. Sherrish	507 Fern Trail
17. George A. Rea	100 James Blvd - Library Bond
18. Eleanor Sellers	503 Fern Trail
19. Mike Howard	1250 1250 Market St.
20. Joe Dumas	1111 James Blvd
21. David Connor	330 Green Gorge

Date: MARCH 14, 2005

NAME	ADDRESS
1. John Sellers	503 Fern Trail
2. Steve HANE	510 GEORGIA AVE
3. Don + Maxine Malarky	700 Dantbury
4. Diane Gallagher	6015 Palisades Dr.
5. Alva Hawkins	505 Fern Trail
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RESOLUTION NO. R-2005-4

A RESOLUTION RECOGNIZING AND COMMENDING THE YEARS OF SERVICE AND ACHIEVEMENTS OF DON MALARKEY ON HIS 100th BIRTHDAY BY THE SIGNAL MOUNTAIN TOWN COUNCIL AND PROCLAIMING APRIL 3, 2005 TO BE "DON MALARKEY DAY" IN THE TOWN OF SIGNAL MOUNTAIN.

WHEREAS, Don Malarkey will achieve his 100th birthday on April 3, 2005 and Don Malarkey is a long-time Signal Mountain resident and is the Professional Golf Association's oldest living member; and

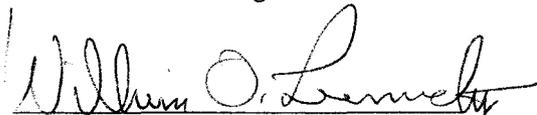
WHEREAS, Don Malarkey has contributed much to the Town of Signal Mountain, its history, and to the game of golf itself; and

WHEREAS, the Signal Mountain Town Council desires to recognize the service and achievements of Don Malarkey on his 100th birthday by proclaiming April 3, 2005 as "Don Malarkey Day" in the Town of Signal Mountain;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that April 3, 2005 is and shall be proclaimed by the Town Council of Signal Mountain and its citizens to be "Don Malarkey Day" and that this honor be written into the minutes and resolutions of the Town. Brief references to some of the achievements by Don Malarkey which warrant this special recognition by the Town Council are as follows:

- Don Malarkey was born on April 3, 1905 in western Pennsylvania, the son of a professional baseball player.
- Don took up the game of golf at age 10 while living in Arkansas City, Kansas. He bought his first set of clubs with money he made as a caddy.
- Don joined the PGA of America in 1926 and is now the Association's oldest living member.

- Don Malarkey was born on April 3, 1905 in western Pennsylvania, the son of a professional baseball player.
- Don took up the game of golf at age 10 while living in Arkansas City, Kansas. He bought his first set of clubs with money he made as a caddy.
- Don joined the PGA of America in 1926 and is now the Association's oldest living member.
- Don Malarkey came to Signal Mountain Golf & Country Club in 1956 and served as Head Golf Professional at the Signal Mountain Golf & Country Club until 1973 when he retired.
- In 1996 Don was named Golf Professional Emeritus of Signal Mountain Golf and Country Club.
- Don Malarkey has accomplished the amazing feat of shooting his age 625 times including more than 600 times at the Signal Mountain Golf and Country Club.
- Don played in two U.S. Open Championships.
- Don is a licensed pilot and trained pilots during World War II.
- Don was inducted into the Chattanooga Area Old Timers Hall of Fame in 1993.
- Don was inducted in the Tennessee Golf Hall of Fame in 1999.
- Don was awarded the Tennessee Section PGA Distinguished Career Award in 2004.
- Don co-authored, with long-time Signal Mountain resident G.Z. "Bome" Patten, a biographical book entitled "A Lotta Malarkey" which contains more information about Don's golf career and life as a teaching professional.
- Don is the namesake of the "Don Malarkey Open" hosted annually by Signal Mountain Golf and Country Club and played each year by many of the Southeast's top professional and amateur golfers.


 William O. Leonard, III, Mayor

DATE

3/14/05


 Diana Campbell, Town Recorder

DATE

3-14-05

RESOLUTION NO. R-2005-5

A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR WORKER'S COMPENSATION INSURANCE FOR THE TOWN OF SIGNAL MOUNTAIN EMPLOYEES WITH TML RISK MANAGEMENT POOL FOR THE PERIOD OF APRIL 1, 2005 THROUGH MARCH 31, 2006 IN THE AMOUNT OF ONE HUNDRED THIRTY-FOUR THOUSAND FOUR HUNDRED EIGHTY AND 75/100 (\$134,480.75) DOLLARS.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager and/or Mayor is authorized to enter into and renew a contract for Workers' Compensation insurance for the Town of Signal Mountain employees with TML Risk Management Pool for the period of April 1, 2005 through March 31, 2006 in the amount of \$134,480.75.

William P. Lomax
MAYOR

Dea Campbell
RECORDER

3/14/05
DATE

3-14-05
DATE

PAN/kac

RESOLUTION NO. R-2005-6

A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR LIABILITY INSURANCE FOR THE TOWN OF SIGNAL MOUNTAIN WITH TML RISK MANAGEMENT POOL FOR THE PERIOD OF APRIL 1, 2005 THROUGH MARCH 31, 2006 IN THE AMOUNT OF SIXTY-EIGHT THOUSAND SEVEN HUNDRED THIRTY-NINE AND 00/100 (\$68,739.00) DOLLARS.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager and/or Mayor is authorized to enter into and renew a contract for liability insurance for the Town of Signal Mountain with TML Risk Management Pool for the period of April 1, 2005 through March 31, 2006 in the amount of \$68,739.00.

William O. Lennett
MAYOR

Steve Campbell
RECORDER

3/14/05
DATE

3-14-05
DATE

PAN/kac

RESOLUTION NO. R-2005-7

A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW AN INSURANCE CONTRACT FOR PROPERTY AND SURETY COVERAGE FOR COUNCILMEMBERS AND STAFF OF THE TOWN OF SIGNAL MOUNTAIN WITH TML RISK MANAGEMENT POOL IN THE AMOUNT OF SEVENTEEN THOUSAND FOUR HUNDRED FIFTY-SIX AND 00/100 (\$17,456.00) DOLLARS, FOR THE YEAR APRIL 1, 2005 TO MARCH 31, 2006.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager and/or Mayor is authorized to enter into and renew an insurance contract for property insurance coverage and surety coverage for Councilmembers and Staff of the Town of Signal Mountain employees with TML Risk Management Pool in the amount of \$17,456.00 for the year April 1, 2005 through March 31, 2006.

William O. Lemmety
MAYOR

Sharon Campbell
RECORDER

3/14/05
DATE

3-14-05
DATE

PAN/kac