

\*\*\*\*\*November 12, 2007\*\*\*\*\*  
The Town Council of the Town of Signal Mountain held a special called Council/Staff meeting on Monday, November 12, 2007, at 9:00 a.m. in the Town Hall. Those present were:

Mayor Paul Hendricks  
Councilmember Annette Allen  
Councilmember Susan Robertson

Also present were:

Town Manager Diana Campbell  
Recorder Sherry Morrison  
Police Chief Boyd Veal  
Fire Chief John Vlasis  
Public Works Director Loretta Hopper  
Water Utility Director William Sanders  
Recreation and Parks Director Jarred Thompson  
Building Inspector Chuck Gearhiser  
Library Director Karin Glendenning  
MACC Director Karen Shropshire

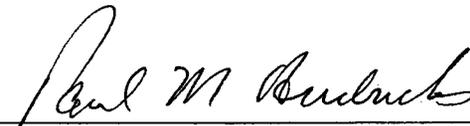
Mayor Hendricks called the meeting to order.

The Council discussed the pay increases and explained to the staff the pay increases that had been recommended by the Personnel Committee.

The Fire Chief requested permission to donate old fire hose that failed the hose tests to the Chattanooga Junior Rowing team to be used on their dock. Mayor Hendricks made a motion to approve the request. Councilmember Robertson seconded the request and it passed unanimously.

The meeting was adjourned.

  
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Sherry Morrison, Town Recorder

  
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Dr. Paul M. Hendricks, Mayor

\*\*\*\*\*NOVEMBER 12, 2007\*\*\*\*\*

The Town Council of the Town of Signal Mountain held its regular monthly meeting on Monday, November 12, 2007 at 7:00 p.m. in the Town Hall. Those present were:

Mayor Paul M. Hendricks  
 Vice Mayor Hershel Dick  
 Councilmember Annette Allen  
 Councilmember Bill Lusk  
 Councilmember Susan Robertson

Also present were: Town Manager Diana Campbell  
 Town Attorney Phillip Noblett  
 Recorder Sherry Morrison  
 See attached list for others present

Mayor Hendricks called the meeting to order. The Webelos Den Pack 3116 made a presentation on the United States Flag and led the Pledge of Allegiance. Reverend Anietie Akata from the St Augustine Catholic Church offered the invocation. The Recorder called the roll and all Council members were present.

The Mayor asked for approval of the minutes of the October 15, 2007 regular monthly meeting, the October 25, 2007 special called meeting on the high school, The October 30, 2007 special called meeting on water quality and the November 2, 2007 special agenda meeting. Councilmember Lusk moved that the minutes be approved as amended. The motion was seconded by Councilmember Allen and passed unanimously.

Next the Mayor introduced First Sergeant James Maida the Junior ROTC coach from Red Bank. The Sergeant explained the work the team had accomplished at the national competition for ROTC units. He informed the Council that the Red Bank JROTC had won second place in the nation. The recorder read the resolution, "A RESOLUTION RECOGNIZING AND COMMENDING THE RED BANK HIGH SCHOOL JROTC RAIDERS FOR THEIR PARTICIPATION AND PLACING IN THE RAIDERS NATIONALS HELD IN ATHENS, GEORGIA ON NOVEMBER 3, 2007." Councilmember Robertson made a motion to approve the resolution. Vice Mayor Dick seconded the motion and it passed unanimously.

Lou Oliphant gave a report on the Planning Commission. She informed the Council there would be a special called Planning Commission meeting to discuss the Land Use Plan on November 26, 2007.

Next the Council considered for second and final reading the first ordinance, "AN ORDINANCE TO AMEND TITLE 1. CHAPTER 1, TO ADD A NEW SECTION 1-105 TO THE SIGNAL MOUNTAIN TOWN CODE RELATIVE TO HEALTH INSURANCE FOR TOWN COUNCIL MEMBERS WHILE IN OFFICE." Councilmember Robertson made a motion to approve the ordinance. Councilmember Lusk seconded it and it passed unanimously.

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The next ordinance the Council considered was, "AN ORDINANCE TO AMEND SIGNAL MOUNTAIN TOWN CODE, TITLE 14, TO CREATE A NEW CHAPTER 4 ENTITLED 'HISTORIC PRESERVATION AND CONSERVATION' AND ADOPTING HISTORICAL ZONING REQUIREMENTS FOR CERTAIN BUILDINGS, LANDMARKS, AND ENABLING THE CREATION OF HISTORIC PRESERVATION DISTRICTS WITHIN THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE." Jerry Robertson representing a group of citizens that had worked on the ordinance spoke briefly to the Council. Councilmember Robertson noted that all the ordinance did was set up a frame work to allow any qualified neighborhood of the Town to establish a historic or conservation or district. She said the ordinance did not designate any specific area as a district. The Mayor noted that the ordinance required a two-thirds vote of the area that applied for a district designation. The Mayor asked for a motion to put the ordinance before the Council for discussion. There was a motion and a second to consider the ordinance. The Mayor referred to the Section on Composition on page 4 where the ordinance stated there must be a representative of the Signal Mountain Planning Commission on the Historic Preservation Commission and asked the Town Attorney if it was mandatory that a member be on the Historic Commission. The Town Attorney stated that State law recommended that requirement and that was why it was included. The Mayor stated he was fine with it. Next he brought the Council's attention to the next paragraph labeled "Appointments, terms and compensation." He pointed out that the ordinance stated that the terms of one to two members would expire each year and he suggested that be changed to two or three members. Next the Mayor brought up wording on proceedings at paragraph (d) on page 11 where the ordinance required a meeting where the citizens in the area must attend and vote on the designation as a district. The Mayor expressed concern that a citizen may not be able to make the meeting and asked if the citizen could vote by letter. The Mayor asked Jerry Robertson what he would suggest. Mr. Robertson made a suggestion. The Town Attorney summarized Mr. Robertson's comments as "the preservation committee shall establish procedures that ensure the vote gets 2/3 majority of property owners." The Mayor then commented on the procedures by stating that if the Preservation Commission does not take action after two months for some things and six months for other things it would automatically go to the Planning Commission for their review. The Mayor asked if the Preservation Commission denied the request would there be an appeal or would the request go to the Council. The Town Attorney explained the request would stop at the Preservation Committee. Next the Mayor noted that at the bottom of page 13 item C, the ordinance stated the form was available at the office of the Planning Commission and he suggested changing the wording to say it was available at the Townhall. In item (D.) of the next paragraph he suggested taking out the requirement that the application be filed in triplicate. He suggested taking out the sentence in that same area that states, "The Planning Commission shall make all submitted materials available to the Historic Preservation Commission." Next he commented about the appeals process and noted in Section 14-407 that an appeal does not go to the Council but rather to the courts. His last comment was on Section 14-412 Right of entry upon land. He said the Historic Preservation Commission had the right to enter upon the land but not buildings. He suggested adding that there must be prior notice given.

The Town Attorney said he had been writing changes and read the change to page 11, paragraph (d) as "The Commission shall establish uniform procedures to ensure fair voting requirements before any district recommendation will be made to the Town Council." He said he had taken out the "in triplicate" requirement and taken out the sentence on Planning Commission involvement and added the "with prior notice" to the property owner on the right of entry. The Town Attorney suggested the Mayor receive a motion to pass the ordinance on first reading with the amendments as stated. Councilmember Lusk made a motion to approve the ordinance. Councilmember Robertson seconded the motion and it passed unanimously. The Mayor requested the ordinance be posted on the website for citizens to review.

The last ordinance before the Council was, "AN ORDINANCE TO AMEND TITLE 3, CHAPTER 1, SECTION 3-110 OF THE SIGNAL MOUNTAIN TOWN CODE RELATIVE TO MUNICIPAL COURT COSTS." The Mayor explained that Chief Veal had researched what other cities were charging for court costs and the ordinance being considered would bring the Town's court costs in line with what other cities were doing. Councilmember Robertson made a motion approve the ordinance. Councilmember Allen seconded the motion and it passed unanimously.

The next item on the agenda was the public comment on the decision of what should be done with the sales tax money that had been set aside. The Mayor explained the Council wanted to hear the citizen's comments before they made their decision.

The Mayor read a statement in which he outlined the history of the issue. In his statement, he explained that in 1999 the Town had passed an ordinance enacting ½ cent sales to aid in the building of a public high school if approved by referendum. He said the referendum passed by a 70 to 30 vote. He further stated in 2004 Hamilton County passed a countywide sales tax which meant that the money from this sales tax when returned to Signal Mountain was reduced by half. He explained that the Town of Walden at that point received an opinion from a consulting attorney that the Countywide referendum eliminated their obligation to commit the sales tax money to the high school. He said the Town Council of Signal Mountain continued to designate this money collected from 2004 to 2006 for the high school. He also noted that in 2004 the Town of Signal Mountain approved by referendum 55% to 45% approving the expenditure of \$7.7 million to the construction of a high school through bonds. He explained that the money collected from 1999 to 2004 was approximately \$675,512 and the amount since 2004 was approximately \$317,000 more. The noted that the referendum allowed the passage of a property tax to make the payments on the bonds. He said the property tax for the bonds began the previous year and there was a year's worth of property tax in the bank with the first payment not due until the next spring. The Mayor at the end of his statement said in his opinion that the Council should "allow Principal Eddie Gravitte to invest this money in our children's future."

Councilmember Robertson stated that the ¼ % sales tax that the Town received since 2004 was also received by all municipalities in the County. She said the sales tax money from 1999 until 2004 was definitely earmarked for education. She also stated that the tax from 2004 to the present was only designated for two years and the third year was the year being considered by the Council and had not been designated. She explained that

the money from the sales tax was not earmarked by any other municipality in the County. The Mayor thanked Councilmember Robertson for clarifying the tax. The Vice Mayor said he wanted to ditto what Councilmember Robertson had said.

The Mayor explained the procedure for the public comment period with a three minute time limit and asked for no applause and for each person to be respectful. During the time for public comment twenty-eight citizens addressed the Council. Some citizens urged the Council to use the money to pay on the debt and others asked the Council to use the money for programs and equipment needed at the school. The Mayor closed the time for public comment and thanked the citizens for being respectful and courteous.

Next the meeting was opened up for Council comments or questions. The Council asked Principal Eddie Gravitte several questions about the requirements and priorities lists that he had given the Council. Mr. Gravitte explained that the Hamilton County Board of Education had set aside \$1.27 million for equipping the school. He also stated that another \$1.4 million had been raised in pledges. He explained the priorities lists were prepared by study groups. He made several comments and provided information including one item that an estimated \$225,000 would be needed for books in the library which he said were not funded.

Councilmember Robertson talked about being a teacher and what teachers need to be successful. She stated that she felt the school would not open with out any thing the kids really needed. She said she had been working on the school for thirty years. She also said she had to look at things from a different perspective as a Council member. She stated that the Town was saddling their children and grand children with over a half million dollar loan payments each year. She asked, "how do you justify a Town that's given \$7.7 million by the end of the loan it will be closer to \$12 million. You can't say those people are not supportive." She said, "do you really want to say guys its not enough, you have got to give more." She said she had been lobbied by both sides and still had not made up her mind.

The Mayor explained that in the decision process there were two decisions to make. He said he wanted to propose with the first resolution that the Council could decided that one way or the other the money would be used for the school need.

The Recorder read the first resolution, "A RESOLUTION AUTHORIZING THE TOWN MANAGER TO DESIGNATE THE SUM OF THREE HUNDRED SEVENTEEN THOUSAND AND NO/100 (\$317,000.00) DOLLARS FROM SALES TAX PROCEEDS RECEIVED IN FISCAL YEARS 2004 THROUGH 2007 FOR CONSTRUCTION OF THE SIGNAL MOUNTAIN HIGH SCHOOL/MIDDLE SCHOOL." The Mayor asked for a motion to open up a discussion. Councilmember Lusk made a motion. Vice Mayor Dick seconded the motion. The Mayor explained that the resolution would mean the money would go to either for a specific need of the school or for the school bond. He said the resolution narrows the choice down to the two options but does not make the decision. After a brief discussion on what the last Council did with the designation, the Mayor asked if one of the former Council in attendance would like to make a statement. Former Councilmember Bob Linehart stated that he thought the Mayor was absolutely correct the only thing the Council was doing was

designating the money into an accrual fund to be used now or at a later date and specifically for the high school and also that is what the former Council did first by resolution and then by motion. Next the Council voted unanimously to approve the resolution.

The Mayor explained that with the approval of the previous resolution to designate the money to the high school the Council then needed to decide how to apply the money. He further explained that the Council had three resolutions to decide how to apply the money. He said the first was to apply the money to a specific need for the school, the second would apply the money to the debt and the third suggested by Councilmember Allen would split the money and apply some to a specific need and some to the debt.

After additional discussion the Council heard the next resolution that designated the money for a specific purpose. The Town Attorney explained that if the Town wanted to give money to the County, there needed to be an interlocal agreement stating the purpose for which the County could spend the money.

The Council asked to hear the next resolution. The Recorder read the next resolution caption that said the money would be used to reduce the obligation on the debt. The Council discussed briefly whether the money had to be paid on the loan or the Town could borrow less.

Next the Recorder read the third resolution option that stated a portion of the money would be used for the costs of construction and a portion would be used for payment of the debt. The Town Attorney stated that Councilmember Allen had wisely suggested splitting the money. Councilmember Allen stated the resolution should be read that a portion of the money should be spent for a specific purpose rather and another portion for the payment of the debt.

After some discussion on the matter the Mayor asked the Recorder to read again the resolution designating the money for a specific purpose listed on the agenda as 9(b). The Recorder read "A RESOLUTION AUTHORIZING THE TOWN ATTORNEY TO NEGOTIATE AN INTERLOCAL AGREEMENT WITH THE HAMILTON COUNTY DEPARTMENT OF EDUCATION WHICH WOULD PROVIDE ADDITIONAL FUNDING THE SUM OF THREE HUNDRED SEVENTEEN THOUSAND AND 00/100 (\$317,000.00) DOLLARS FOR A SPECIFIC PURPOSE FOR THE SIGNAL MOUNTAIN HIGH SCHOOL/MIDDLE SCHOOL WHICH SHALL BE DETERMINED BY RESOLUTION OF THE SIGNAL MOUNTAIN TOWN COUNCIL." The Mayor made a motion to approve the resolution. There was no second to the motion. The Mayor stated that the resolution did not advance. Councilmember Robertson asked what that meant. The Mayor explained that the resolution was dead and that it not on the table to be voted for or discussed.

Next the Mayor suggested the Council consider the third option or 9 (d) on the agenda, the resolution option that would designate some money to both the other options. Councilmember Allen said that she had been inundated with emails. She noted there was a strong argument for both sides. She stated that she had instilled in her children to respect and honor differences in people. She said the community was made up of

families with young children, elderly people, people on fixed income, and people of all incomes. She said the option was an attempt to honor people on both sides of the issue with an effort to acknowledge that both sides are right.

The Town Attorney read a revised version that he had just drafted of the caption for the resolution, "A RESOLUTION AUTHORIZING THE TOWN ATTORNEY TO NEGOTIATE AN INTERLOCAL AGREEMENT WITH HAMILTON COUNTY DEPARTMENT OF EDUCATION TO PROVIDE A PORTION OF THE SUM OF THREE HUNDRED SEVENTEEN THOUSAND AND 00/00 (\$317,000.00) DOLLARS FOR SALES TAX PROCEEDS RECEIVED IN FISCAL YEARS 2004 TO 2007 FOR A SPECIFIC PURPOSE FOR A SIGNAL MOUNTAIN HIGH SCHOOL/MIDDLE SCHOOL AND A PORTION OF THE SALES TAX PROCEEDS WHICH SHALL BE DESIGNATED FOR USE OF PAYMENT ON THE OUTSTANDING INDEBTNESS OF THE TOWN IN AN AMOUNT TO BE SPECIFIED BY THE TOWN COUNCIL." Councilmember Allen made a motion to approve the resolution. The Mayor seconded the motion.

Councilmember Lusk read a statement in which he said he had made his decision on the facts as he had found them. He said the Town had clearly chosen to tax itself for the construction of a high school. He said he agreed with every comment made in what it would do for the community and property values. He said he really wanted to understand the numbers and the Town's fiscal capacity to make an additional contribution. He said the Town would ultimately borrow just over \$6.5 million. He said that with interest, closing costs and the cost of an interest cap, the taxpayers would pay a total contribution to education of \$11,658,895. He stated it equated to a commitment of almost \$4,200 for each property owner based on 2,800 homes in the community. He noted that if the Council chose to contribute another \$317,000, the total investment with interest would be \$504,094. He stated that if the interest rate increased much over 5%, the Town would have to raise taxes. After much phone calls and email on the subject, he said thought it would be wise to look at who would be attending the school. He said that according to the information that he had received from Mr. Gravitte only 47% of the students reside in the Town. He said the Town's portion of 77% of public funding for 47% of the students was incredibly generous. He said he felt the basic needs of the children's education would be met and other needs should be funded as they had been over the years by community groups, athletic and band boosters, and PTAs. He stated that he did not support saddling the community and the citizen's children with additional debt. He said he could not vote to approve additional funding.

The Mayor asked Vice Mayor Dick if he wanted to say anything. The Vice Mayor said he thought most everything had been said but at the present time he could not vote for the \$317,000 being transferred to the school.

The Council Robertson suggested getting through the budget cycle and then making the decision to give something. A discussion followed. The Mayor then noted there were blanks in the resolution for the amounts to be given to each option. The Mayor suggested half to each option. Additional discussion followed. Councilmember Allen suggested 1/3 be designated to the immediate needs to the school and 2/3 be used to pay on the debt. The Town Attorney said the 1/3 would be \$105,656 for a specific project

and \$211,312 to pay down on the bonded indebtedness. Vice Mayor Dick made a motion to table the resolution. Councilmember Lusk seconded the motion. The Mayor opposed the motion to table but all other members voted in favor and the resolution was tabled.

Next the Council discussed how to proceed with the last resolution option that put all the money on the debt. After a brief discussion Councilmember Robertson made a motion to consider that resolution. Councilmember Lusk seconded the motion. Then the Mayor made a motion to table the resolution. However, there was no second to the motion to table the resolution so the Council discussed the resolution. The Recorder read again the resolution, "A RESOLUTION AUTHORIZING THE TOWN MANAGER TO APPLY DESIGNATED PAYMENTS IN THE AMOUNT OF THREE HUNDRED SEVENTEEN THOUSAND AND 00/100 (\$317,000.00) DOLLARS PLUS ANY INTEREST EARNED UNTIL THE TIME OF DISPERSEMENT TO REDUCE THE OBLIGATION OWED BY THE TOWN ON ITS BONDED INDEBTEDNESS FOR THE CONSTRUCTION OF THE SIGNAL MOUNTAIN HIGH SCHOOL/MIDDLE SCHOOL."

The Vice Mayor said that when the Town was told there would be a school built they were told \$7.7 million was needed. He further stated that shortly after the bond issue the Town was told there would be an additional \$4.2 needed. He said he felt like he had been deceived because it was said the money would be raised by donations. He stated that he felt that Hamilton County itself should be picking up some of the amount. He stated there were other things in the budget that need to be taken care of and that was the reason he felt like the money should go to pay on the bond. Councilmember Robertson suggested the Council put the money on the bond and then in May after the Council saw how much money was available decide if there was money available to give to the school. There was additional discussion. The Mayor called for a vote. The resolution passed with Vice Mayor Dick, Councilmember Robertson and Councilmember Lusk voting to approve the resolution and the Mayor and Councilmember Allen voting against the resolution.

Next the Town Manager informed the Council that the contractor for the WWTA would be paving the roads where the sewer line construction had occurred. The contractor had asked if the Town wanted to pay for the sections between the pavings they would be doing. She explained that the road would be paved from edge of payment to edge of payment but only in those areas where the contractor had to dig in the road. She stated the amount to fill in pavement gaps would be about \$82,000. She also said the Public Works Director, Loretta Hopper had looked at the pavement in those areas and had stated the paving was in good shape and recommended that the Town not spend the money to pave those areas. The Council agreed with the staff recommendation.

The Mayor announced that Diana Campbell, Town Manager would be leaving. He stated that she had served with the Town for the last seven years first as the Recorder/Finance Director and then as the Town Manager. He said she told him when she first took the job she thought she was easing into early retirement. He said she will now get to spend some more time with her family. He said the Council appreciated her hard work over the last year in helping to orient a totally new Council and helping them in keeping their "fiscal house in order" with no tax increase this year. He said the

Council wished her the very best both personally and professionally. He said Diana would remain with the Town during a period of transition and the Council would be hiring an Interim Town Manager while they undertook a search for a new permanent Town Manager. He also said the Town had an opening for a permanent Recorder/Finance Director since Sherry who has been serving in that capacity has always been serving in an interim capacity. He said the Council looked forward to Sherry remaining with the Town in another capacity once that job was filled.

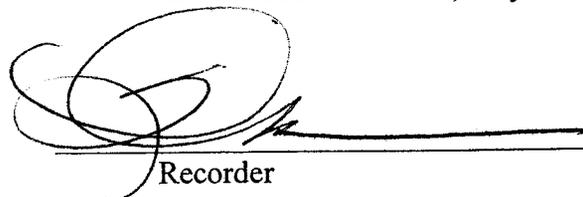
The Mayor then explained that the Council had contacted MTAS about interim town managers and had received two resumes. He stated the Council did an interview with each of those people. He said the Council needed to make a decision about which one to accept. He said both of the people they had interviewed were capable and experienced as Town Managers in Tennessee. He explained the first person they had interview had several commitments and the other person would be more available. The Mayor recommended the Town choose Lynn Wampler as the Interim Town Manager. He stated Mr. Wampler had been the Town Manager in Fayetteville, Tennessee for twenty two years. There was a brief discussion that followed. The Council said they would need to work out the financial details of the arrangement. The consensus of the Council was to hire Mr. Wampler.

During the opportunity for citizens to address the Council, Bob Spaulding asked if the Town was supporting the road through Prentice Cooper State Park. The Mayor stated that the Town Council had no say in that matter and that it would be between the County and the Forest Service. The Mayor stated his opinion that there was a need for an additional road but he thought there was other areas with access. Mr. Spaulding said he had a petition with about 200 names that requested a land use committee study the issue and decide on the use of the park. He asked for a resolution from the Council in support of that. Mr. Spaulding presented other comments on the subject. Councilmember Lusk asked if Mr. Spaulding could provide the information that he had and allow the Council to review it. He said the Town Attorney could advise them of the legalities and let the Council hear it at the next meeting.

There was a brief session of citizen's questions and comments. With no further business the meeting was adjourned.



Dr. Paul M. Hendricks, Mayor



Recorder