

The Signal Mountain Town Council held a special agenda meeting on Friday, April 4, 2014 at 10:00 a.m.

Those present were: Mayor Bill Lusk
Vice Mayor Susan Robertson
Councilmember Dick Gee
Councilmember Bill Wallace

Others present were: Town Manager Boyd Veal
Finance Director/Recorder Carol White
See attached list for others present

The April 14, 2014 regular meeting agenda was discussed as follows:

- Presentation: Tree City USA 2013 Award
- Resolution: Loan Agreement
- Public Hearing: Zoning Amendment
- Ordinance: Zoning Changes, Second Reading
- Ordinance: Budget Amendment FY 2013-2014, Second Reading

Kevin Rogers, Manager of Operations for Tennessee American Water (TAW) thanked the Council for renewing its contract with the Town. He stated that Signal Mountain is important to TAW. Mr. Rogers also informed the Council that TAW has two crews with very sophisticated acoustic devices for leak detection. He offered the Town the use of this equipment one day a month if the need should arise.

Mr. Rogers informed the Council that the Tennessee Regulatory Authority (TRA) has changed the method it uses to determine future TAW rate adjustment requests. He explained that last year Governor Haslam passed a bill to allow the TRA to use alternative ways to look at rates. Based on this change, the TAW petitioned the TRA last fall to apply a different method to adjust its rates. This method allows the TAW to meet with the TRA and report in advance the scope of the operational investment TAW needs for its upcoming projects. That request then goes through a review process, which allows for open participation among the affected parties. Mr. Rogers stated that this process provides a more specific, targeted review. Mr. Rogers provided the Council with a brochure (copy attached). He explained that the brochure gives a detailed explanation of the TAW requests to the TRA, and that he will keep the Town informed of any future rate changes.

Steve Walker, Marketing Representative for the Tennessee Municipal Bond Fund recommended that the Town apply for a bond rating from Moody's Investor Services. He explained that the Town has the potential to save approximately \$5,000 to \$12,000 in fees on its current school loan. In addition, the Town could save an additional \$10,000 to \$19,000 on the new loan to build the public works facility and the Shackleford Ridge fire substation. Mr. Walker explained that there is a \$6,000 application fee to be paid to Moody's. He further explained that most of the information required on the rating application has already been compiled for the loan application.

RESOLUTIONS

1. "A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE SUCH DOCUMENTATION AND TO PAY A FEE OF SIX THOUSAND (\$6,000.00) DOLLARS AS NECESSARY TO MAKE APPLICATION FOR A BOND RATING ISSUANCE THROUGH MOODY'S INVESTORS SERVICES, INCORPORATED FOR THE TOWN OF SIGNAL MOUNTAIN."

Councilmember Gee motioned to approve the resolution. Mayor Lusk seconded the motion. All present being in favor, the motion was approved.

2. "A RESOLUTION AUTHORIZING THE TOWN MANAGER TO ENTER INTO A CONTRACT WITH JOHNSON, MURPHY & WRIGHT, P.C. TO AUDIT TOWN ACCOUNTS FROM JULY 1, 2013 THROUGH JUNE 30, 2014, AND TO PROVIDE PAYMENT FOR MUNICIPAL AUDITING SERVICES PERFORMED ON TOWN ACCOUNTS FOR THAT TIME PERIOD NOT TO EXCEED TWENTY THOUSAND SIX HUNDRED FORTY DOLLARS NO/100 (\$20,640.00)."

Mayor Lusk made a motion to approve the resolution. Councilmember Gee seconded the motion. The motion was approved unanimously.

DISCUSSIONS

Boyd Veal, Town Manager, explained that the Library Foundation's request to raise money in the name of the Town to fund its proposed remodel had raised the question as to what type of entity the Library Foundation is under the law. Mr. Veal stated that he, Phillip Noblett, Town Attorney; Lew Waddey, Vice Chair of the Library Board; Art Dickerson from the Library Foundation; and Pete Cooper of the Community Foundation had met recently. They agreed that if all funds raised by the Library Foundation were turned over to the Community Foundation, then the Library Foundation has no assets or legal standing; and therefore no means under which the Town can enter into an agreement with them.

Mr. Veal informed the Council that it was also agreed upon that in order for organizations (such as the Library group) with no legal standing or assets to raise funds in the name of the Town, the Council can establish an ordinance to define what constitutes fundraising "in the name the town", under what guidelines it can be allowed, and what accounting procedures it will require. Such an ordinance would ultimately be binding on all organizations interested in fundraising for Town projects. Mr. Veal stated finally that it was agreed that the Town, the Library Foundation, and the Community Foundation would draft an agreement that, in conjunction with an ordinance of this kind, would enumerate the mechanisms for the distribution of funds and what they can and cannot be used for.

Mr. Veal informed the Council that the Town had received a draft report of the MTAS fire station feasibility study. After a review and in consultation with Fire Chief Eric Mitchell, Mr. Veal requested some minor corrections. These corrections dealt with an increase in the population and response area due to the Town's recent annexation. Mr. Veal stated that the report states the need for a second fire station. In addition, the report also recommends incorporating a training facility at that location. He said that as soon as the final report is available, it would be distributed to the Council.

Loretta Hopper, Public Works Director informed the Council that TDOT is requiring that a historical survey report be performed on the James Boulevard project area. She explained that she has received preliminary information from the State Historic Preservation Office that there is a possibility that TDOT will require river stone concrete that is in keeping with the original type that was used originally for the historic street. Ms. Hopper reminded the Council that the use of river stone concrete was discussed at a previous meeting and determined to be too costly to consider. Ms. Hopper stated that she is currently in the process of obtaining quotes for services from state qualified historians.

Mr. Veal related that he and Chief Mitchell had met with Genie Herndon of the State Fire Marshall's office regarding plans for an improved fire alarm and new sprinkler system for the MACC. Following that meeting, they went to Nashville and met with Frank Harris of the State Fire Marshall's office. During that meeting, plans for MACC and the proposed systems were reviewed. Mr. Harris provided instructions for finalizing the plans.

Mr. Veal said that this meeting was very productive and Mr. Harris was pleased that the Town has initiated contact on this issue. Mr. Veal and Chief Mitchell have met with Ed Garbee, Architect, and will soon meet with March Adams & Associates. Following these meetings, plans for the proposed systems will be presented to the State.

Mr. Veal asked the Council to consider avoiding any type of deferred principal payments as a result of the new debt service. The Council had an extensive discussion regarding the various projects currently in need of funding. In addition, the Council discussed the possibility of lost revenue through current legislative action to repeal the Hall Tax.

Councilmember Gee reported to the Council that the WWTA is in the process of repairing its lateral lines. This means that equipment is being located in the area in which the WWTA is working and that there is an increase in activity. Councilmember Gee asked that citizens with problems or questions regarding the ongoing WWTA work should contact him directly.

There being no further business, the meeting was adjourned.



Bill Lusk, Mayor



Recorder