

The Signal Mountain Town Council held a special agenda meeting on Monday, November 2, 2015 at 6:30 p.m.

Those present were: Mayor Dick Gee
Vice Mayor Bill Wallace
Councilmember Chris Howley
Councilmember Bill Lusk
Councilmember Robert Spalding

Others present were: Town Manager Boyd Veal
Town Attorney Phillip Noblett
Town Recorder Carol White
See attached list for others present

Mayor Gee led the pledge of allegiance. A moment of silence was observed.

Update on James Boulevard Project

Ron Key, Senior Project Manager for Consolidated Technologies, Inc. (CTI) provided an update on the James Boulevard project to the Council. He explained that the Tennessee Department of Transportation (TDOT) has asked that CTI get acknowledgement from all affected utilities as to whether or not there is a conflict with the project. He said the Waste Water Treatment Authority (WWTA) had their letter hand delivered to them several months ago.

Mr. Key said TDOT has approved recent updated documents. He said he anticipates being able to advertise and be ready to go to construction in early spring. He said another engineer, Jerry Hightower, will meet with William Sanders, Public Utility Director to finalize locations and increased pipe size of the water line replacement. He said CTI is coordinating that with the road construction so that it will bid at the same time.

Loretta Hopper, Public Works Director confirmed the contract with TDOT for this project will expire August 2017. Mr. Key said while that does allow for some leeway time, CTI would like to proceed while TDOT is still behind the project. Council discussed the fact that this project may carry over into the next fiscal year.

Discussion

Mayor Gee recognized the staff that analyzed and compiled information to allow public hearings regarding zoning lot size to be meaningful and also provided a reasonable presentation to get information to the residents. He specifically thanked Boyd Veal, Town Manager. Mayor Gee said there were 2 well attended meetings and he was impressed with the attendance as well as the questions and concerns. He said the comments were well reasoned and overwhelmingly opposed to the proposal.

Council discussed the process by which action could be taken on this ordinance. Phil Noblett, Town Attorney advised that the ordinance has been tabled and need not be brought back for any further action. Council discussed this option and decided that was not sufficient to assure the ordinance was authoritatively defeated. Mr. Noblett then said the ordinance should be placed on an agenda for action.

He explained that at that time a motion to remove the ordinance from the table could be made and action could be taken. Council agreed to place the item on the November 19th meeting agenda.

Mayor Gee said the DRC is asking for a joint meeting with the Council. He said the DRC is looking for guidance as to where the Council wishes to go in regards to possible sign ordinance changes. Councilmember Spalding explained that recent sign ordinance changes had been discussed several times by the DRC and the Council and any ordinance changes regarding internally lit signs have not been discussed by the DRC. Mayor Gee asked the Council if there is any interest in making further changes to the sign ordinance. Councilmember Howley said that according to School Board Member Jonathan Welch, the schools anticipate bringing a sign variance request to the Council at a future date. Karen Rennich, Chairperson of the DRC, explained the DRC has no specific proposals or concerns at this time. Council agreed to meet with the DRC in the future if any concerns should arise.

Mr. Veal said the Signal Mountain Golf and Country Club (Club) has asked to renegotiate their lease with the Town. Mr. Veal reminded the Council the base lease agreement was prepared in 1966 and was amended in 1982. He said in 1990 a new law was enacted that required government owned golf courses leased to a private entity require payment in at least the amount of tax that would be received if the leasee were a private tax paying entity. He explained that in 1991 the lease was again amended with the lease amount of \$36,000.00 reverse calculated to determine what the value of the property would be to generate the \$36,000.00 in tax. He said this was determined to be the value but was not an actual appraisal of the property.

Mr. Veal said the lease further states that each time there is a reappraisal by the County, the appraised value of the lease would be adjusted accordingly and that the tax rate would fluctuate only as the tax rate for the Town as a whole would fluctuate.

Mr. Veal said the lease was adjusted in 2001 to \$52,000.00 and again in 2005 to \$57,000.00 with no further adjustments to-date. He said if the lease were adjusted today it should be \$74,000.00. He said he is not sure this is consistent with property values of similar properties as this calculation is based on residential property values. Mayor Gee said the Club stated that the \$57,000.00 lease is not currently a burden, however, they believe that \$74,000.00 is too much.

Mr. Veal said the County Assessor does appraise and assess private golf clubs. He said this has never been done on our property as it is owned by a governmental entity. He said an option would be to ask the Assessor to evaluate this property as if it is a private entity and therefore obtain a basis to operate from that is consistent with private golf and country clubs that are taxed. He said this is as close as the Town can get to assure compliance with the law.

Mr. Veal further stated there has been some question regarding the ownership of the building. He said it has been determined that the Town owns the building. He said that in addition, the Club is not paying any stormwater fees which should be approximately \$4,000.00 per year.

After extensive discussions, the Council was polled. They unanimously agreed to request the Hamilton County Assessor appraise the leased property and provide an assessment value.

Mr. Veal said he recently attended a Tennessee Municipal League (TML) meeting where recent legal issues were discussed. He said he learned that Senator Watson has formulated a plan similar to the sales tax redistribution plan put forward by Mayor Jim Coppinger. He said citizen volunteer Kerry Lansford is now employed and will no longer be able to work with the town on this matter. Mr. Veal

said most of the other municipalities have entered into an inter-local agreement for a consultant with Red Bank voting on it at their next meeting. Councilmember Howley expressed concern about the legality of the inter-local agreement. Mr. Noblett discussed whether the consultant is a professional service under the state procurement guidelines. Mr. Veal said that TML has a full and complete understanding of this scenario and has done a lot of work preparing to oppose this action.

Mayor Gee said if the proposed redistribution is passed, the Town will have to either cut services or increase taxes. He said the questions will be "what did you do to try to stop this?" Council and Councilmember Lusk asked about having Senator Bo Watson, and Representative Patsy Hazelwood meet with the Council. The Council agreed Mayor Gee will write to request a meeting with these individuals.

Mr. Veal said there are new engineers on site from Thompson Engineering for the new public works facility project. He said the previous engineers said the site was secure and that no additional costs would be needed for site safety. Mr. Veal said the new engineers requested additional testing and boring and determined the current main building placement on the site was not safe. He said the proposed solution is to flip the site and put the shed and equipment building where the public works facility would be and vice versa. He said this will place the main building on solid rock. He said there are minimal additional costs including \$10,000.00 in changes to the metal structure of the building and \$4,500 for additional architectural services. Mr. Veal said this should be offset by savings obtained by not having do excavation at the original site, shortened utility runs, and removal of a retaining wall. Mr. Veal said staff will let residents of Jamestown know of the changed site plan. He said this change will be better in that the solid building will block the noise from daily operations. Councilmember Howley asked if the Town has any recourse against the engineering firm who should be held to keep the original cost or to make up the difference. Mr. Veal said he will review the contract.

Councilmember Lusk asked about repairing road cuts on Druid Lane. Mr. Veal replied that he recently signed purchase orders for these repair and that they should be completed soon.

Councilmember Wallace asked Ms. Hopper to speak to TDOT regarding restriping the highway coming up the mountain.

Mr. Veal informed the Council that during scheduled work in the MACC auditorium, a significant deterioration was discovered. He said the rear wall is only held up by the plaster with the floor underneath almost completely destroyed. He said in addition there are significant mold deposits. He said environmental air quality experts have been asked to test that area and other parts of the building. Mr. Veal said the Town is currently awaiting their report. He said that in addition the auditorium has been sealed off. He said March Adams had a structural engineer do a preliminary review and have provided a quote of \$3,000.00 for engineering services. Council expressed concern whether scheduled events will be affected. Mr. Veal said that the rest of the building is safe to use. Mayor Gee commented that this is an old building and that this is probably symptomatic of a more widespread problem. Councilmember Howley stated that the Council needs to evaluate the costs involved especially in light of funding other unanticipated programs like the SRO. When asked, Mr. Veal again explained that only the auditorium is currently affected and other activities at the MACC can go forward.

Mr. Veal explained he had recently received an e-mail from the Alexian stating that they had petitioned the State for relief from property tax assessments. He said that since this was the very first time he had heard of this request, he contacted the State Board of Equalization. He said they informed him

the State did deny full exemption, but Alexian was granted an exemption for the newly constructed building and the chapel. Mr. Veal said all the other properties remain taxable at this time. He said this change alone results in a reduction of our property tax receipts of \$125,000.00. He stated the Alexian is asking for new property tax billings for the current year. Council asked Mr. Veal to express their concern that the Town was not notified of an action of this magnitude.

Council discussed a tentative agenda for the November 9, 2015 regular meeting.

Other Business

Mr. Veal said that the Town has received a grant opportunity for a sidewalk grant through TDOT. This grant is an 80/20 grant with anticipated costs of \$196,000.00 leaving the Town with expenditures of \$39,000.00. Mr. Veal explained the new proposed sidewalk will connect the Town facilities with the other TIPS grant multi-model sidewalk, that has already been approved, which runs to the commercial area of the Town. He asked the Council to approve the grant request as there is a limited time allowed for the application. Councilmember Howley motioned to direct the Town Manager to pursue this grant. Mayor Gee seconded the motion. All present being in favor, the motion was approved.

There being no further business, the meeting was adjourned.



Dick Gee, Mayor



Recorder