

The Signal Mountain Town Council held a special worksession on Tuesday, May 1, 2018 at 7:00 p.m.

Those present were: Mayor Chris J. Howley
Vice Mayor Dick Gee
Councilmember Dan Landrum
Councilmember Robert Spalding (arrived at 7:30 p.m.)
Councilmember Amy Speek (left at 7:45 p.m. – returned 8:10 p.m.)

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

Mayor Howley led the pledge of allegiance. Phil Noblett, Town Attorney, gave the invocation.

Discussion

Signal Mountain Water System, RFP Proposals, Related Matters

Town Manager, Boyd Veal, presented the Council items to consider if the Town retains the water utility (see attached for copy of presentation). Mr. Veal explained that while the utility is well run, the systems has grown and aged.

Mr. Veal said there will be increased costs associated with maintaining and improving the current water system. He said this stems from a need to modernize and improve operations and to accelerate system improvements. Mr. Veal said that some of the factors that will contribute to increased costs include increasing staff wages to move toward competitive market salaries (estimated \$123,803 for water department personnel only), improved meters and billing modernization and upgrade of the SCADA (supervisory control and data acquisition) system (estimated cost of \$600,000.00), and other needed system improvements.

Mr. Veal said that a past study indicated that there were 3 projects that needed immediate attention. He said the Town has completed those projects plus replaced lines in the area of the James Boulevard restoration project. This has provided the Town with current linear foot costs. He stated that there are 2 areas with PVC pipes that have chronic system breakages. Based on the current cost information, Mr. Veal estimates that these 2 projects will require a construction budget of approximately \$3.0 million. Mr. Veal said, if these projects were to be financed, the annual debt service required is approximately \$198,000.00.

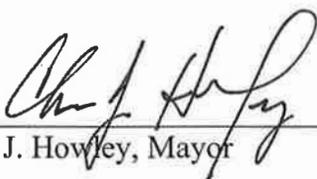
Mr. Veal said that to finance both the project financing and the needed salary increases will result in an overall impact on rates of 29.75% to 37.5%. He said the costs mentioned here are only the

beginning, that there are also cast iron pipes that need to be replaced along with other system improvements that are needed.

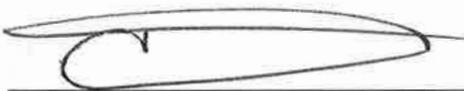
Following the presentation, the Council held extensive discussions. All agreed that they needed more time to make a decision regarding the possible sale of the system. Councilmember Landrum said he wants to get through the budget process first.

Council decided to hold a special budget worksession on May 8th

There being no further business, the meeting was adjourned.



Chris J. Howley, Mayor



Recorder