

MINUTES

MONTEAGLE CITY COUNCIL MEETING

July 29, 2008

**PRESENT: Charles Rollins
Dean Lay
Bud Knott
Marilyn Nixon
Lex Orr**

The regular monthly meeting of the Monteagle City Council was called to order at 6:00 pm by Mayor Charles Rollins.

Following the prayer and pledge of allegiance the Minutes of the meetings of June 24, July 10, and July 14, 2008, and the Public Hearing of July 14, 2008, were approved with a correction to change the month on the July 14th meeting from June to July. The motion was made by Ald. Orr and seconded by Ald. Lay. It passed 5/0.

REPORTS OF COMMITTEES AND MEMBERS

1. POLICE DEPARTMENT – Copy attached

In addition to the monthly report the police department requested that they be allowed to use Terry Turner's office as a training office for the police department. The council approved the request.

2. FIRE DEPARTMENT – Copy attached

The fire department requested approval to have the rescue van repaired and the council approved the request. There was a discussion on the procedure for using the siren to alert firemen of a fire call. At one time it was decided to use it as a weather warning. The council previously approved changing it back to a fire siren and it will be used for house fires only. Michael Gautier reported that the department's computer was destroyed by lightning and requested a new computer. He will get some prices and bring them back to the council. He also reported that he is going to the fire academy and will then be able to do the training for the other volunteer firemen. There was a discussion on dry hydrants and MTAS's Gary West will be working with the fire department on this.

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- 3. PLANNING COMMISSION – No meeting this month**
- 4. MAYOR – None**
- 5. ALDERMEN – Ald. Knott discussed the interstate lights and the Blazer that the police department has. He noted that it needs a new motor. No action was taken at this time. Ald. Lay reported that John Hall from TAUD will be here on Friday, August 1st, at 9:00 to meet with the council to discuss consolidation of the area's utility districts. Ald. Lay said the council needs to thank Mr. Hall for his work on the RDA grant. Ald. Lay also reported that he has contacted MTAS about information on ad valorem taxes. He said he is not advocating such a tax, but some of the public have asked about it so he is getting information on it.**
- 6. CITY RECORDER – The city recorder reported that there is a request for a donation to St. Jude Children's Hospital. The council took no action. She also reported that Mr. George Elliott is requesting the city to annex his property in Deep Woods. The property on either side of his is in the city limits and he would like to be also. This was referred to the Planning Commission.**

OLD BUSINESS

- 1. TODD MOORE – Mr. Moore emailed a contract for his services in connection with the state's audit report. He estimates he will spend 10 to 12 hours at \$200.00 per hour. Ald. Orr made a motion to approve the contract. Ald. Nixon seconded the motion and it passed 5/0 on roll call.**
- 2. BUDGET - 2007-08 – The city recorder presented the 2007-08 budget with line item changes to reflect the actual revenues and expenditures. Ald. Orr made a motion to approve the final figures for the 2007-08 budget. Ald. Knott seconded the motion and it passed 5/0 on roll call.**
- 3. ORDINANCE NO. 4-G – BEER ORDINANCE AMENDMENT – Lynn Stubblefield asked the council to clarify the wording of the ordinance as to whether it means to the property line or the building of a church or school. The council unanimously agreed that the intent of the ordinance is to the building, not the property line. The property line would only apply to playgrounds. There was also a question on non-conforming uses. If a building is non-conforming, as long as it is in continuous use or not vacant for more than six months, the beer license can be retained. Ald. Lay made a motion to approve Ordinance 4-G on second reading. Ald. Orr seconded the motion and it passed 5/0.**

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NEW BUSINESS

- 1. BUSINESS LICENSES – There were four applications for business licenses. The council agreed to deal with each license separately. A) Kathy Morgan for Atop the Mountain Realty. This business is located next to Trademark Insurance. Ald. Lay made a motion to approve the license contingent on getting a copy of Ms. Morgan’s state real estate license. Ald. Knott seconded the motion which carried 5/0. B) Smokin’ B’s Bar-B-Q – Mr. Schaerer currently has a business license, but wants to add entertainment to his license. Ald. Orr made a motion to approve the license. Ald. Nixon seconded the motion which passed 5/0. C) Asia Health Spa at the former Lucky Spa location – A copy of the current state license was attached to the application. Ald. Orr made a motion to approve the application. Ald. Knott seconded the motion which passed 4/0 on roll call vote with Ald. Lay passing. There was a discussion with Police Chief McNeece following the vote about the previous illegal activities at this business. D) Therapy Works - Physical Rehab Services - Eve Austin will be operating a physical therapy facility at the Partin House on College Street. Ald. Orr made a motion to approve the application contingent on getting a copy of Ms. Austin’s state license. Ald. Knott seconded the motion which passed 5/0.**
- 2. INSURANCE DEDUCTIBLE – There has been a discussion on reducing our deductible for property damage. The current deductible is \$10,000.00. Lowering that to \$5,000.00 will increase our cost from \$17,960.00 to \$19,457.00. Lowering it to \$2500.00 would increase the premium to \$20,108.00. No change was made in the deductible at this time.**
- 3. INVENTORY UPDATE – A software program for inventory will cost about \$3,000.00 from SSI, the same people who supply our billing program. Mr. Boynton said he has designated Ben Packard to enter inventory and only he and Ben would have access to this computer. Ald. Lay made a motion to purchase the inventory package from SSI in the amount of \$3,000.00 and to implement an inventory for all departments of the city. Ald. Nixon seconded the motion which passed 5/0 on roll call.**
- 4. 2008-09 BUDGET – There was a discussion on pay raises for the employees. It was noted that a 3% increase had been included in the proposed 2008-09 budget. Ald. Lay made a motion to approve the 3% increase to be effective with the next paychecks. Ald. Knott seconded the motion. There was a discussion on applying 2% across the board and using the other 1% for merit raises. The motion failed 2/2 on roll call vote with Ald. Lay and Knott voting yes, Ald. Orr and Mayor Rollins voting no and Ald. Nixon passing.**

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- 5. BUSINESS LICENSE RENEWAL – The city recorder asked about sending out renewal notices. The council had previously decided to review all licenses before sending out notices. Ald. Lay made a motion to send out the renewal notices immediately. Ald. Orr seconded the motion and it passed 5/0.**

PUBLIC UTILITY BOARD MEETING

- 1. MOFFAT STREET – Jim Boyton and Carl Cantrell met with the Marion County Road Commissioner today about repairs on this road. There is a large oak tree only five feet off the edge of the road that needs to be removed, and there is a metal culvert that has rotted. This will need to be repaired before going any further with the repairs on Moffat. It was also suggested to have Arcadis mark where the laterals will need to go for the grinder pump system before starting the repairs. Ald. Lay made a motion to deal with the tree and the culvert and to have Arcadis mark the lateral locations before starting the repairs to Moffat Street. Ald. Orr seconded the motion and it passed 5/0 on roll call.**
- 2. HAILEY ENGINEERING – PARTIAL PAYMENT AND CHANGE ORDER FOR CONTRACT 107 – This change order is a decrease in the cost estimate and can be used for legal fees and the diesel engine we purchased. Ald. Lay made a motion to authorize the mayor to sign the Partial Payment request and Change Order No. 2 and No. 3 for contract 107. Ald. Orr seconded the motion which passed 5/0 on roll call. The mayor gave the council copies of the contract with Hailey for the Sewer Treatment Plant which he signed on July 22nd. Ald. Orr made a motion to authorize the mayor to sign this contract with Hailey Engineering. Ald. Knott seconded the motion and it passed 5/0.**
- 3. TDEC – The mayor said we had received a call from Angela Young inquiring about the new Sonic building being constructed on Main Street. She was told that this project was approved before the Agreed Order was signed as we had already committed water and sewer services to the Holiday Inn Express development which included a motel and retail shops and restaurants. The Sonic is the first building that is being done in this project. The development was later renamed Monteagle Square, but is the same project that was approved as Holiday Inn Express. She said she would talk to Dr. Urban about this. It was also reported that Dr. Urban is seeking to amend the order since we know we will not likely have the new sewer plant completed by December 2009. Bill Killian, Jim Boynton, and Lex Orr met with Dr. Urban last week to report on our progress and had a very good meeting. Bill Killian will contact Dr. Urban about the**

Sonic Restaurant.

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- 4. NATURAL GAS SYSTEM – Ald. Lay made a motion to authorize the city attorney to complete the sale of the natural gas system to Middle Tennessee Natural Gas Company. Ald. Orr seconded the motion which passed 5/0 on roll call.**
- 5. SRF LOAN – Mr. Boynton presented a list of items that we need to work on to comply with the requirements of the SRF loan. Ald. Lay made a motion to have the city attorney deal with SRF on items 1-5 and report back to the council by Thursday at noon. Ald. Nixon seconded the motion and it passed 4/1 on roll call with Ald. Orr voting no.**
- 6. TERRY TURNER – Mr. Turner is retiring on August 1st as the utility manager. However, he is the only employee with a distribution license. It was recommended that we employ him about seven hours a week at \$20.00 per hour until we have another employee certified in the distribution system. There was also a discussion on the Agreed Order requirement that we have three sewer plant operators. Bill Killian is discussing amending this order with TDEC. After our new treatment plant is built we will only have one plant. Plant number one will become a pumping station only. Ald. Lay made a motion to accept Mr. Turner's resignation and to pay him all of his accrued vacation hours. Ald. Orr seconded the motion and it passed 5/0. Ald. Orr made a motion to hire Mr. Turner as a part time employee in accordance with the attachment to his letter of resignation. Ald. Knott seconded the motion and it passed 5/0 on roll call.**
- 7. REMOTE READER SYSTEM – Ald. Lay noted that we have been discussing this system for some time. He said he feels we need to get this system in place and he made a motion to have Jim Boynton get the final figures to get these readers fitted to our meters. Ald. Orr seconded the motion which passed 5/0.**
- 8. RATE STRUCTURE DISCUSSION – Ald. Lay reviewed our current rate structure and said he feels the inside and outside rates need to be closer together than the current 50%. Mayor Rollins suggested that we have a consultant look at our rates and make a proposal to set our rates. Ald. Lay said he feels the remote reader system will restore our customers' confidence in the accuracy of their bills. Mayor Rollins noted that we are under an order from the state to get our sewer system in compliance by December 2009. He said that everyone needs to remember that what we are doing only addresses the sewer problems. When we are done with spending the 6.2 million on sewer problems, we will have to look at the water issues. Ald. Lay said that we have a rate structure that will**

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go into effect on September 1st unless we rescind it. Ald. Orr said he had spent the last 2½ months looking at the situation with water rates. But unless we can find a given number that people can accept and afford and that will offset the debt service for the sewer system, he said he feels we can only proceed with what we are doing. Ald. Lay said he will talk to John Hall from TAUD on Friday about a rate study. Gene Nixon, owner of the American Eagle Inn, said he had heard there was going to be a \$17.00 per room charge for motels each month. He asked if that was true. Jim Boynton told him that this had been discussed but it was not a fair charge and we will have to look at what is fair to everyone. Mr. Nixon said he had received another call from Pilot Oil. They are still interested in putting a station in Monteagle. He suggested selling them the ballpark and moving the ball fields elsewhere. The council said they thought there were restrictions on the deed that would prevent the council from selling the ballpark. They asked the city attorney to look into this.

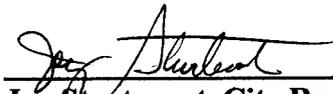
- 9. APPROVAL OF ACCOUNTS PAYABLE – Ald. Orr made a motion to approve the accounts payable presented by the city recorder. Ald. Nixon seconded the motion and it passed unanimously.**

CITIZENS HEARING – Chief Virgil McNeece announced that there will be a memorial concert to raise funds for Shane Tate, the Grundy County deputy who was killed in the line of duty in June. The concert will be held on August 6th at the Stage.

It was decided that, since there was still unfinished business to take care of, the council will recess to reconvene at another time. Ald. Lay made a motion to recess this meeting and reconvene at noon on Thursday, July 31st. Ald. Knott seconded the motion which passed 5/0.

The meeting recessed at 8:59 pm.

Respectfully submitted,



Joy Sturtevant, City Recorder