

## MINUTES

### MONTEAGLE CITY COUNCIL MEETING

August 7, 2008

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

**This meeting of the Monteagle City Council was called to order at 5:00 pm by Vice-Mayor Dean Lay.**

**The following items were discussed:**

- 1. WATER RATES – Mr. Lay reported that as a part of the SRF loan requirements the council has to establish rates that will enable us to repay the \$6.2 million dollar loan. Mr. Boynton gave a brief rundown of the fees that were passed earlier this year to take effect on the September billing. Mr. Lay said that the city has since studied these rates and determined that schedule was not in the best interest of the customers of the Monteagle utility department. Ald. Nixon noted that we have asked Mr. Killian to look into adding to the Occupancy Tax and using those funds for debt service. Mr. Lay stated that the city adopted a new rate structure on June 2<sup>nd</sup> that will go into effect on the September billing unless we adopt a different one. He also suggested that the General Fund set aside funds each year to apply to the debt service for the sewer projects. He said this would not be a loan from the General Fund. He stated that one of the problems with the old rate structure was that it had a decreasing scale for water and sewer, so that the highest users were paying a lower amount for the services. He feels this is not a fair way to charge for the water and sewer. He explained that what we are looking at now is a flat rate per thousand gallons. This way the highest users would pay the same amount for all the water they use as the lowest users. Mr. Lay asked the other council members if they had any comments. Ald. Orr said that we have worked on this for quite some time trying to arrive at the fairest rates for all users. The old descending rates meant that the higher users were getting a big break on their bills. He said that going through the drought last year changed our mind set on rates. He feels the minimum should remain at 2000 gallons. Commercial customers, he noted, have the opportunity to recover their costs. In addition, he feels that establishing a flat rate per thousand gallons will be fairer to everyone. He also wants everyone to remember that the primary reason for doing all of this is that we are under an administrative order from the state to upgrade our sewer**

**MINUTES  
MONTEAGLE CITY COUNCIL MEETING  
August 7, 2008  
Page Two**

system in order to comply with their requirements. We have no choice but to arrive at rates that will provide the funding. Ald. Knott commented that American Water is going up on their rates in Chattanooga. Ald. Lay noted that TVA is increasing the electric rates about 20%. He said that he has discussed consolidating the local utility districts into one. John Hall from TAUD has said that the utilities would save money by consolidating. A new rate sheet was presented that keeps the minimum bill at 2000 gallons, keeps the rate the same for minimum use as the current rate and establishes a flat rate for all water consumption that would be the same for every thousand gallons used. It also narrows the gap between inside and outside rates. Ald. Nixon made a motion to pass the proposed rate schedule, void the one passed June 2, and to continue to work on rates. Ald. Knott seconded the motion and it passed 4/0 on roll call.

2. **2008-09 BUDGET – A) Ald. Nixon said she had talked to TDOT about a Roadscapes Grant. The application has to be in the state’s hands by September 12<sup>th</sup>. It is a three-phase grant for \$120,000.00 with a 20% matching funds requirement of \$24,000.00. Mr. Lay read the resolution for approval to apply for this grant. Ald. Orr made a motion to approve the resolution. Ald. Knott seconded the motion and it passed 4/0 on roll call. B) Mr. Boynton discussed road work that needs to be done during this budget year. Moffat Street will cost \$15,400, Laurel Lake Drive will cost about \$15,500 to repair 1000 feet, and he will get an estimate on College Street and Church Street. Mr. Boynton also said we need to upgrade to another van. Mr. Lay asked him to get some numbers to present at the next meeting. After a brief discussion, Ald. Orr made a motion to approve the 2008-09 budget as presented on first reading. Ald. Knott seconded the motion. The motion carried 4/0 on roll call. Mr. Lay asked about the Mountain Goat Trail. He was told that they are working on easements and funding. They have 18 months from June of this year to finish the project.**
3. **CODES ENFORCEMENT OFFICER – Ald. Nixon asked if this could be done by the building inspector. Ald. Lay said he didn’t feel it was best to have one person doing both. He said he felt this would be a good job for the part-time police officer. He suggested checking with MTAS for minimum qualifications for this job.**
4. **CVS – Mr. Boynton gave the council a copy of a layout for the proposed new CVS store at the former 313 Main site.**
5. **ARCADIS – Mr. Boynton recommended that the council hire Arcadis to do the grinder pump system for Grundy County. He said we need to get the plans to TDEC as soon as possible. The preliminary plans have been approved. It was noted that we need a cost estimate and a time frame before approval is done.**

**MINUTES  
MONTEAGLE CITY COUNCIL MEETING  
August 7, 2008  
Page Three**

**Ald. Lay raised questions about the \$8,000.00 bill we just received from Arcadis and asked what it was for. Mr. Boynton said that part of it is for an environmental study. He said they send someone here each month to take samples from the creek.**

- 6. HYDRANT CAPS – Mr. Boynton reported that hydrant caps are being stolen for the brass in them. He is planning to replace the caps with plastic ones.**
- 7. INTERSTATE LIGHTING – Mr. Boynton said he has one estimate for repiring the interstate lights and is waiting for another one.**
- 8. SONIC RESTAURANT – Ald. Lay reported that County Mayor Boo Bouldin is working on easements for this project. He also noted that he had not made any agreements with Sonic for the city to do \$83,000.00 worth of work at the city's expense as previously reported**
- 9. HIRING PROCEDURES – Ald. Nixon suggested that we should look at our hiring procedures for new employees.**
- 10. PAY RAISES – Ald. Lay asked what the council wanted to do about raises for the employees. Ald. Orr made a motion to approve a cost of living raise of 2% retroactive to July 1<sup>st</sup> and to hold the remaining 1% until the city council and the department supervisors can review all employees and recommend merit raises for specific ones. Ald. Knott seconded the motion which carried 4/0 on roll call.**

**The meeting adjourned at 7:53 pm.**

**Respectfully submitted,**

  
\_\_\_\_\_  
**Joy Sturtevant, City Recorder**