

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, October 19, 2009, 4:30 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:35 p.m., by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Gilbert.
3. **WORK SESSION TICKLER.** Mayor Phillips mentioned the boat ramp was being used and looks very good. He provided an update on the Cooks Point subdivision meeting which he described as very positive.
4. **GED/KINGSPORT PROGRAM.** Dr. Lowell Biller, Kingsport City Schools (KCS) superintendent of student attendance, spoke about the great need for this program. Dr. Biller provided statistics leading up to implementation and a synopsis of the GED program, which averages around 60 new students each month. A total of approximately 230 GEDs were earned in 2008-2009.

In response to Alderman Marsh's inquiry about whether the City has the fund in its Education and Grow Fund, City Manager Campbell said the BMA will be asked to approve reallocation of Hawkins County revenue and will entail moving funds from one account to another.

5. **RED LIGHT CAMERA UPDATE.** Deputy Police Chief David Quillin said there was a recent meeting in Nashville from areas all over the state currently utilizing cameras for enforcement of red lights and speeding to further ensure public safety. Many wanted to hear how the cameras were working out in Kingsport.

Deputy Chief Quillin said one concern voiced at this meeting was that some camera vendors do not send all instances captured to police agencies for review. He said that, thanks to the foresight by City Attorney Billingsley, Kingsport Police Department reviews all instances captured so there is no third party making any decisions on ticket issuance. Another topic discussed was where fines collected are allocated by various

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cities. Chattanooga and Knoxville both allocate these monies into the general fund. Here in Kingsport, a portion goes directly into the police technology fund.

Another concern was constitutionality of camera enforcement and the Deputy Chief stated that the state attorney general ruled that use of these cameras does not violate any constitutional rights. This past year there was legislation introduced regarding two things: 1) appropriate signage – which Kingsport already has; and 2) not placing speeding cameras on highway – Kingsport has no speeding cameras. He indicated that legislation this year plans to fine tune and standardize the process across the state.

Information was provided to BMA members in a handout regarding court costs levied at comparative cities, along with other cost breakdowns. Johnson City is currently implementing red light cameras and plan to charge \$100 per violation, the same as Kingsport's charge, which is allocated \$50 to the fine and \$50 to court costs.

Another item of discussion at the Nashville meeting is the success of the program overall in decreasing the number of crashes, injuries and fatalities. Kingsport is now completing its third year in the program in December.

City Attorney Billingsley provided further explanation that those citizens who are ticketed by an officer must pay a \$100 bond and, if found guilty, have the charge counted against their driving record. Those ticketed at red light camera intersections pay the same amount but the charge is not ruled a moving violation, so driving school is not an option and the offense does not count against their driving record.

If one is ticketed by an officer and opt to attend driving school, the charge can be \$100-\$125 plus \$50 in court costs. For those found guilty, upon contesting a ticket, the fine is set at court, plus \$50 court costs and the offense is reported to the state and counted against their driving record.

After discussion of various options for reducing the amount of this fine, Mayor Phillips asked that City staff explore, in renegotiations of the Redflex contract, avenues to decrease the amount of the fine portion while keeping as much of the revenue as possible for the City coffers.

6. REVIEW OF AGENDA ITEMS ON OCTOBER 20, 2009 REGULAR BUSINESS AGENDA. City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.AA.2-VI.AA.5 Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the "Stonetree A, Stonetree B, Stonetree C and Stonetree D" Annexations and Consideration of Resolutions Adopting the Plan of Services (AF: 333 through 336-2009). City Planning Director Alan Webb provided information on behalf of City Planning Ken Weems.

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Board members requested information on the total effect of all four of these annexations, such as total cost and total revenue realized. The total cost of all four is around \$3.2 million and annual revenue will be approximately \$280,000. Net recurring expenses are \$86,000, resulting in a 34-year payback. Given these figures, there was Board concern questioning the viability of these annexations.

City Manager Campbell responded that, in looking at this particular area, in context with the entire Rock Springs area, there is not a lot of potential, but looking at the entire Rock Springs area, there appears to be a fairly quick, reasonable payback of 10-12 years.

Alderman Marsh asked if, and City Manager Campbell confirmed, that this will finalize annexation in the Rock Springs area. The City Manager and Public Works Director Ryan McReynolds have been speaking with developers who are interested in City property in this area.

Mayor Phillips mentioned the Colonial Heights annexation moratorium will expire in January 2010 and that will be a good time for the BMA to consider annexation going forward. City Manager Campbell confirmed there are no more substantial annexations looming on the horizon.

VI.D.6 Consideration of a Resolution Modifying the Voting Procedure for the Neighborhood Traffic Management Plan (AF: 321-2009). Traffic Engineer Michael Thompson provided information as to why homeowners in the Preston Forest area have requested this modification. The recommendation of City staff is to disapprove the resolution. The current measure of approval in the Plan is a minimum of 70% approval from affected residents (or use of 30% of disapproval response, with all non-responses being recorded as favorable). The Preston Forest Community Association has requested a change in voting to a 51% approval with non-responses being recorded as abstentions.

The Association representative in attendance explained there was a perception among the residents that people who didn't vote didn't count and it appeared the vote was being skewed and was, therefore, unfair. The residents considered 51% approval would be more equitable.

Board members agreed with City staff recommendation to disapprove and this action item was pulled from the agenda and will not be considered at the business meeting.

VI.D.7. Consideration of a Resolution Approving Renewal of Recycling Services Agreement with Tri-City Waste Paper, Inc. for a Curbside Collection of Recyclable Materials Program and Authorizing the Mayor to Execute all Documents Necessary (AF: 349-2009). In response to a request for information from Alderman on how much recycling cost the City and how much recycled product is sold for the past year, Streets and Sanitation Manager Ronnie Hammonds provided some of the information on a slide he had with him. After reviewing the information presented, Mr.

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Marsh requested additional information regarding other costs involved such as fuel be provided by Mr. McReynolds by tomorrow night.

Alderman Parham added he had learned, at a conference he attended this weekend, that the state plans, in the next three to six months, to mandate recycling.

VI.D.9 and VI.D.10 Consideration of Initial and Detailed Resolutions Authorizing the Issuance of General Obligation Bonds (Aquatic Center) in an Amount Not to Exceed \$15,000,000 (AF: 338-2009) and Consideration of Initial and Detailed Resolutions Authorizing the Issuance of General Obligation Public Improvement Bonds in an Amount Not to Exceed \$41,835,000 (AF: 339-2009) Budget Officer Judy Smith provided a handout of bond projects included in these two action items.

Alderman Marsh expressed great concern about increasing the City's level of debt at such a critical, economic time. Unemployment in Kingsport is higher than the national average, several car dealerships have closed and he recently saw that 50% of American homeowners have a negative value in their home. In the last 4 years, the City will nearly double its debt from \$110 million to \$218 million – that's a huge burden to put on the citizens, taxpayers and on generations to come.

He further stated that, in making four assumptions: 1) no more federal stimulus programs; 2) the local economy stabilizes; 3) inflation remains very moderate (less than 3% and leveling out at that rate); and 4) the state does not cut any shared revenues for schools or otherwise; and then looking at the last four months of sales tax revenue, the City is running at a \$1.6 million deficit and he asked how the City will make up the \$1.6 million in this year's budget.

City Manager Campbell responded that there is actually only two months FY10 revenue reflected because of the way sales tax revenue is accrued and \$1.6 million is the worst case scenario. He added that he believed the worst figures would be at front part of the fiscal year and would improve in the latter part, leaving a deficit of around \$700,000 to \$800,000. In order to address those figures, all City departments have been asked to holdback 3% of their budgets. In addition, other revenues will be coming in and positions are not being filled, where possible, which will also have a positive impact on next year's finances.

Further Board discussion involved the need for future school funding, aquatic center operation costs, possible financial involvement in the King College medical school, the impact of inflation and continuation of funding employee retirement.

Alderman Marsh opined that low interest rates were a poor basis to drive this monumental bond issue and he asked that this list of projects be broken down into logical increments so they could be considered individually more easily. He would like to see this \$41,835,000 amount whittled down to the \$10 to \$11 million range and consider the Mayor's suggestion of postponing funding of the aquatic center. Further, Meadowview's cash flow would probably cover the \$1 million needed to complete the conference center expansion project and the same would apply to the Water and

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Wastewater Systems projects. This would decrease the bond indebtedness substantially and allow the City to move forward in a reasonable, rational way, given the state of the current economy and the likely possibility of decreased revenue stream. If the City increases debt substantially, as proposed, and revenue streams decrease, as is the current trend, the City will have to levy a significant tax or fee increase, be unable to fund school needs, freeze or reduce pay or layoff employees, or a combination of some or all of the above. He stated he believes this Board will be addressing a \$5 million to \$6 million deficit next year.

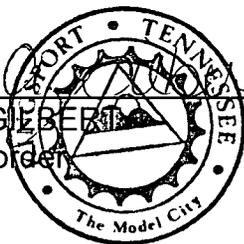
Regarding improvements to the Water and Wastewater Systems Mr. Marsh would like to see funded out of cash flow, City Manager Campbell explained that the proposed plan is to take advantage of the low rates and the City will recover those costs in the next four to five years while providing the best system at the lowest cost. He added that the City will still have cash in 2016 but must keep commitments made in annexation. He acknowledged that costs are particularly heavy in one particular area but increasing the customer base will make the system more affordable in the long run.

BOARD COMMENT. None.

PUBLIC COMMENT. None.

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 7:35 p.m.


ELIZABETH A. GILBERT
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor