

Minutes of the Regular Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Tuesday, October 20, 2009, 7:00 PM  
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

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

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Led by Vice-Mayor Mallicote.
- II.B. **INVOCATION:** by Alderman Munsey.
- III. **ROLL CALL:** By City Recorder Jim Demming.
- IV. **RECOGNITIONS AND PRESENTATIONS.**

A. **KEEP KINGSFORT BEAUTIFUL BEAUTIFICATION AWARD.** Ms. Carolyn Phillips of Blue Ridge Properties presented and narrated a pictorial slide presentation of landscapes showing several residences, a business, a redevelopment area and a church selected to receive Keep Kingsport Beautiful Award honors sponsored by Blue Ridge Properties for October 2009. Alderman Parham commended the award winners on their contributions to the attractive surroundings of Kingsport and presented award certificates to those honorees in attendance.

V. **APPROVAL OF MINUTES.**

Motion/Second: Munsey/Mallicote, to approve minutes for the following meetings:

A. October 5, 2009 Regular Work Session

B. October 6, 2009 Regular Business Meeting

Approved: All present voting "aye."

VI. **COMMUNITY INTEREST ITEMS.**

AA. **PUBLIC HEARINGS.**

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**1. Public Hearing and Consideration of Ordinances to Amend Zoning of the Airport Parkway Property Located on Airport Parkway from TA Zoning to B-3 Zoning (AF: 319-2009).** City Planner Forrest Koder provided background on this proposed rezoning action.

Motion/Second: Munsey/Shupe, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG FT. HENRY DRIVE KNOWN AS THE NORTH AIRPORT PARKWAY REZONING TO B-3, GENERAL BUSINESS DISTRICT, IN THE 7<sup>TH</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**PUBLIC COMMENT ON ITEM VI.AA.1.** None.

**2. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the "Stonetree A" Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 333-2009).** City Planner Alan Webb presented information on this and the following three Stonetree annexations.

Motion/Second: Munsey/Joh, to pass:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE STONETREE A ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Motion/Second: Munsey/Joh, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG OAK HAVEN DRIVE TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Motion/Second: Parham/Munsey, to pass:

**Resolution No. 2010-083**, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE STONETREE A ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

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**PUBLIC COMMENT ON ITEM VI.AA.2. None.**

**3. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the "Stonetree B" Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 334-2009).**

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>th</sup> AND 15<sup>th</sup> CIVIL DISTRICTS OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE STONETREE B ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG VALLEY DRIVE, GUSTAVIS COURT, AND MONTSWEAG COURT TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> AND 15<sup>th</sup> CIVIL DISTRICTS OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

Motion/Second: Parham/Joh, to pass:

**Resolution No. 2010-084**, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE STONETREE B ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

**PUBLIC COMMENT ON ITEM VI.AA.3. None.**

**4. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the "Stonetree C" Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 335-2009).**

Motion/Second: Munsey/Joh, to pass:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>th</sup> AND 15<sup>th</sup> CIVIL DISTRICTS OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE STONETREE C ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

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Motion/Second: Parham/Munsey, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG SASANOVA COURT TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> AND 15<sup>th</sup> CIVIL DISTRICTS OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

Motion/Second: Joh/Shupe, to pass:

**Resolution No. 2010-085**, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE STONETREE C ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

**PUBLIC COMMENT ON ITEM VI.AA.4.** None.

**5. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the "Stonetree D" Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 336-2009).**

Motion/Second: Joh/Parham, to pass:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE STONETREE D ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Motion/Second: Mallicote/Joh, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROYAL CIRCLE, ARROW CIRCLE, ROCK VALLEY DRIVE, GUSTAVIS AVENUE, AND GUSTAVIS COURT TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

Motion/Second: Mallicote/Shupe, to pass:

**Resolution No. 2010-086**, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE STONETREE D ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

**PUBLIC COMMENT ON ITEM VI.AA.5.** None.

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**6. Public Hearing and Consideration of an Ordinance to Amend the Zoning Code, Text and Map to Zone Property along Peach Orchard Drive to R-3, Multi-Family Residential District (AF: 323-2009).** City Planner Karen Combs explained this rezoning request.

Motion/Second: Joh/Shupe, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG PEACH ORCHARD DRIVE TO R-3, MULTI-FAMILY RESIDENTIAL DISTRICT, IN THE 12<sup>TH</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**PUBLIC COMMENT ON ITEM VI.AA.6.** None.

**A. PUBLIC COMMENT.** Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items.

**Mr. Lewis A. Carson**, 2228 Hermitage Drive, Kingsport, has lived in the Greenacres area for 49 years and his real property taxes have increased around \$3.00 per year for the last 12 years. He stated that, given that inflation has increased around 40% over the same period of time, he believes the BMA is doing a good job maintaining the area's cost of living while continuing to improve the quality of life. He encouraged the Board to consider a property tax increase, as well as increasing traffic fines for violators, to fund various projects that citizens desire in the future.

There being no one further coming forward to speak, the Mayor closed the public comment segment at this time.

**B. BUSINESS MATTERS REQUIRING FIRST READING.** None.

**C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.**

**1. Consideration of Ordinances to Annex/Amend Zoning of the RS7 Annexation (AF: 309-2009).**

Motion/Second: Joh/Parham, to pass:

**ORDINANCE NO. 5894**, AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSFORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>TH</sup> CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE RS7 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSFORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

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Motion/Second: Parham/Joh, to pass:

**ORDINANCE NO. 5895**, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG HIDDEN ACRES ROAD TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**2. Consideration of Ordinances to Annex/Amend Zoning of the RS8 Annexation (AF: 310-2009).**

Motion/Second: Joh/Mallicote, to pass:

**ORDINANCE NO. 5896**, AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE RS8 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Motion/Second: Parham/Joh, to pass:

**ORDINANCE NO. 5897**, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG MORNINGDALE DRIVE, HIDDEN PINES DRIVE, VALLEYDALE DRIVE, AND SUMPTER ROAD TO R-1B, RESIDENTIAL DISTRICT IN THE 13<sup>th</sup> CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

Alderman Marsh stated that, with these annexation items which he has supported, along with those Stonetree annexations in Items VI.AA.2 through VI.AA.5, the Rock Springs area annexation will be complete. Having invested approximately \$30 million in this annexation area, he would now suggest the BMA take stock and get finances under control before going forward with any additional substantial annexations such as in the Colonial Heights or Cooks Valley areas, as previously discussed.

**D. OTHER BUSINESS.**

**1. Consideration of Resolutions Designating the Authorized Official Signatures Approved to Execute Transactions at the Approved Depositories/Broker Dealer on Behalf of the City of Kingsport (AF: 345-2009).**

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Motion/Second: Munsey/Mallicote, to pass the following resolutions (No. 2010-087 through 2010-099) under one motion:

**Resolution No. 2010-087**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH REGIONS BANK

Passed: All present voting "aye."

**Resolution No. 2010-088**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH BB&T BANK

**Resolution No. 2010-089**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH THE BANK OF TENNESSEE

**Resolution No. 2010-090**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH CITIZENS BANK

**Resolution No. 2010-091**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH THE STATE OF TENNESSEE LOCAL GOVERNMENT INVESTMENT POOL

**Resolution No. 2010-092**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH STATE OF FRANKLIN SAVINGS BANK

**Resolution No. 2010-093**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH BANK OF AMERICA

**Resolution No. 2010-094**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH FIRST TENNESSEE BANK NATIONAL ASSOCIATION

**Resolution No. 2010-095**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH SUNTRUST BANK

**Resolution No. 2010-096**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH GREENE BANK

**Resolution No. 2010-097**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH FIRST COMMUNITY BANK

**Resolution No. 2010-098**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH FIRST TENNESSEE BANK NATIONAL ASSOCIATION

**Resolution No. 2010-099**, A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR ACCOUNTS ON DEPOSIT WITH TRISUMMIT BANK

Passed Resolutions No. 2010-279 through 2010-099: All present voting "aye."

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**2. Consideration of a Resolution for Annual Renewal of the Public Library Maintenance of Effort Agreement with the Tennessee State Library and Archives for Services Via Watauga Regional Library (AF: 348-2009).**

Motion/Second: Joh/Shupe, to pass:

**Resolution No. 2010-100**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PUBLIC LIBRARY MAINTENANCE OF EFFORT AGREEMENT AND A PUBLIC LIBRARY SERVICE AGREEMENT WITH THE TENNESSEE STATE LIBRARY AND ARCHIVES TO RECEIVE FUNDING FOR BOOKS AND TRAINING AND FOR SERVICES THROUGH THE WATAUGA REGIONAL LIBRARY SYSTEM FOR FISCAL YEAR 2009/2010

Passed: All present voting "aye."

**3. Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply for and Receive a Tennessee Department of Transportation Enhancement Grant – Greenbelt Pedestrian Bridge Connection Project (AF: 347-2009).** MPO staffer, Chris Campbell, provided an illustration and explanation of the scope of this project.

Motion/Second: Mallicote/Joh, to pass:

**Resolution No. 2010-101**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A TENNESSEE DEPARTMENT OF TRANSPORTATION ENHANCEMENT GRANT FOR THE GREENBELT PEDESTRIAN BRIDGE CONNECTION PROJECT

Passed: All present voting "aye."

**4. Consideration of a Resolution Authorizing the Mayor to Execute a Right-of-Way Easement with Kingsport Power Company (AF: 350-2009).**

Motion/Second: Parham/Munsey, to pass:

**Resolution No. 2010-102**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RIGHT-OF-WAY EASEMENT WITH KINGSFORT POWER COMPANY

Passed: All present voting "aye."

**5. Consideration of a Resolution Awarding the Bid for the Purchase of One (1) Cab/Chassis Automated Truck Mounted Debris Collection System to Smoky Mountain Truck Center, LLC (AF: 353-2009).**

Motion/Second: Joh/Parham, to pass:

**Resolution No. 2010-103**, A RESOLUTION AWARDED THE BID FOR PURCHASE OF ONE (1) CAB/CHASSIS AUTOMATED TRUCK MOUNTED DEBRIS COLLECTION SYSTEM TO SMOKY MOUNTAIN TRUCK CENTER, LLC

Passed: All present voting "aye."

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**6. 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).**

Motion/Second: Parham/Mallicote, to pass:

**Resolution No. 2010-104**, A RESOLUTION APPROVING RENEWAL OF THE 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 AND PROPER TO EFFECTUATE RENEWAL OF THE AGREEMENT

Passed: All present voting "aye."

**7. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary to Enter into an Agreement with Camp, Dresser and McKee, Inc. for the Stormwater Master Plan (AF: 354-2009).**

Motion/Second: Joh/Munsey, to pass:

**Resolution No. 2010-105**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH CAMP, DRESSER AND MCKEE, INC. FOR THE STORMWATER MASTER PLAN

Passed: All present voting "aye."

**8. Consideration of a Resolution Authorizing the Mayor to Execute a Memorandum of Understanding with the Kingsport City School System for the Kingsport/Sullivan County GED Program for Funding of GED Testing Scholarships for City Residents (AF: 352-2009).** Mayor Phillips gave details about the need for this funding and City Attorney Billingsley pointed out that the amount contained in the proposed resolution (\$10,000.00) was not consistent with the recommended amount included on the action form (\$13,000.00) and would need to be amended.

Alderman Shupe made a motion, seconded by Alderman Joh, to amend the proposed resolution to revise the language from "not more than \$10,000.00" to "not more than \$13,000.00."

Motion/Second: Parham/Shupe, to pass, as amended:

**Resolution No. 2010-106**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE KINGSPOINT CITY SCHOOL SYSTEM FOR THE KINGSPOINT/SULLIVAN COUNTY GED PROGRAM TO IMPLEMENT A SCHOLARSHIP PROGRAM FOR KINGSPOINT RESIDENTS FOR THE GED EXAMINATION FEE

Passed: All present voting "aye."

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**9. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Bonds (Aquatic Center) in an Amount Not to Exceed \$15,000,000 (AF: 338-2009).** City Attorney Billingsley explained the need to vote separately on this \$15,000,000 amount of the total bond of \$41,835,000 being considered in the following agenda item because this project includes private activity in the working relationship with the YMCA and BABs (Build American Bonds) cannot be used for anything not defined as public activity. Mr. Billingsley stated that details are still being worked out with bond counsel to determine the amount of this project that can be funded with BABS, which have a lower interest rate, versus private activity bonds.

Alderman Marsh commented that he continues to be opposed to this borrowing because 1) this project competes with local, private enterprise; 2) it will raise costs significantly; and 3) the aquatic center is being built in the wrong place and built for the elite of Kingsport rather than for general citizenry.

Motion/Second: Joh/Munsey, to pass:

**Resolution No. 2010-107**, INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$15,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

Passed: All present voting "aye" except Marsh voting "nay."

Motion/Second: Munsey/Joh, to pass:

**Resolution No. 2010-108**, RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$15,000,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

Passed: All present voting "aye" except Marsh voting "nay."

**10. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Public Improvement Bonds in an Amount Not to Exceed \$41,835,000 (AF: 339-2009).** City Manager Campbell provided an updated list of *Projects Funded through Proposed Bond Proceeds* which Board members debated on how to vote, individually, on which to include for funding in this bond issue. City Attorney Billingsley recommended that the Board vote to approve both resolutions, as presented, and then review the specific projects to decide which will be included in this bond sale. The \$41,835,000 amount is a maximum amount allowable and can be reduced as the Board deems appropriate.

Motion/Second: Parham/Joh, to pass:

**Resolution No. 2010-109**, INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$41,835,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE CITY

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OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

Passed: All present voting "aye" except Marsh voting "nay."

Motion/Second: Joh/Munsey, to pass:

**Resolution No. 2010-110**, RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$41,835,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF.

Passed: All present voting "aye" except Marsh voting "nay."

In response to Mayor Phillips asking if any Board members wanted to pull out any projects, other than the Aquatic Center which was voted on in Item No. VI.D.9, to further discuss and vote on separately, Alderman Marsh requested that the *Meadowview Conference Center Expansion* project, the *Wastewater and Water Systems Projects* and the *General Fund Projects Road Improvements* be pulled.

**Meadowview Conference Center Expansion.** City Manager Campbell provided details of the need for this funding to meet certain issues that have arisen with the overall expansion project and this amount will allow completion of the project.

Alderman Marsh explained that, while he is not opposed to completion of this project, he sees no need to borrow money when this amount can be paid out of the City's cash flow.

Motion/Second: Joh/Munsey, to include:

**FUNDING OF MEADOWVIEW CONFERENCE CENTER EXPANSION IN THE AMOUNT OF \$1,000,000**

Passed: All present voting "aye" except Marsh voting "nay."

**Wastewater Systems Projects** and **Water Systems Projects.** City Manager Campbell provided background information on the need to include these expansions and improvements. Public Works Director Ryan McReynolds explained the timeline for moving ahead with these projects in an efficient and the least disruptive manner to residents. Mayor Phillips said many of these projects are required to be completed within the next five years and, by funding through this bond issue, will allow water and sewer rates to remain reasonable.

Alderman Marsh pointed out that Kingsport has higher rates than comparative cities. He went on to point out that, before this bond issue, 41% of the total Wastewater budget and 22% of the Water budget is debt. These percentages are down from the nearly 75% of debt in these budgets when Aldermen Marsh and Munsey joined this Board. Further, these two services will generate around \$4.25 million in cash this year and,

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given the five-year period in which these projects are required to be completed, there will be ample cash to do so within the next two years.

Mr. McReynolds further clarified that the City of Kingsport has the lowest water bill for in-city service, averaging \$14.85 per month, and the highest sewer bill, but when averaged together—although, historically higher—the trend of rate increases over the last five, increases have only averaged 1% and staff continues to try to keep increases as low as possible. The City Manager added that cash generated by these two services is needed for ongoing maintenance and operating expense.

Alderman Munsey pointed out, and the City Manager confirmed, that borrowing this money will not increase the water and sewer rates for this year. Alderman Parham added that construction rates are currently very low and may not continue to be if these projects are delayed for two years.

Motion/Second: Mallicote/Joh, to include:

FUNDING OF WASTEWATER SYSTEM PROJECTS IN THE TOTAL AMOUNT OF \$6,000,000 AND WATER SYSTEM PROJECTS IN THE TOTAL AMOUNT OF \$4,000,000

Passed: All present voting “aye” except Marsh voting “nay.”

Motion/Second: Joh/Mallicote, to include:

FUNDING OF GENERAL FUND PROJECTS - ROAD IMPROVEMENTS IN THE TOTAL AMOUNT OF \$6,000,000

Passed: All present voting “aye” except Marsh voting “nay.”

**General Fund Projects.** Alderman Marsh questioned why the *Renaissance Center Roof Repairs* were being included with capital projects and not funded with regular maintenance expense. He further commented that he sees all of these listed projects, except one that will reflect some financial return, as “quality of life” and “operational” items.

Motion/Second: Joh/Parham, to include:

FUNDING OF GENERAL FUND PROJECTS IN THE TOTAL AMOUNT OF \$6,266,000

Passed: All present voting “aye” except Marsh voting “nay.”

E. APPOINTMENTS. None.

**VII. CONSENT AGENDA.**

**Consent Agenda items are considered under one motion.**

Motion/Second: Mallicote/Munsey, to adopt:

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, October 20, 2009**

**1. Consideration of an Ordinance Adopting an Equal Employment Opportunity Statement and a Resolution Establishing a Complaint Procedure (AF: 315-2009).**

Adopt:

**Ordinance No. 5898**, AN ORDINANCE ADOPTING A POLICY OF NON-DISCRIMINATION IN CITY PROGRAMS AND ACTIVITIES; ESTABLISHING A GRIEVANCE PROCEDURE TO RESOLVE COMPLAINTS RELATED THERETO; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**2. Consideration of an Ordinance to Appropriate Grant Funds Approved by the Department of Justice, Justice Assistance Grant Program (JAG) (AF: 325-2009).**

Adopt:

**Ordinance No. 5899**, AN ORDINANCE TO AMEND THE JUSTICE ASSISTANCE GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE AND TO ESTABLISH THE JUSTICE ASSISTANCE GRANT PROJECT (JG1002); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**3. Consideration of an Ordinance to Amend the Sewer Project Fund by Appropriating Funds Received from Sullivan County through the City-County Sewer Agreement for an Addition to the Bloomingdale Sewer Line Extension (AF: 328-2009).**

Adopt:

**Ordinance No. 5900**, AN ORDINANCE TO AMEND THE SEWER PROJECT FUND BUDGET BY APPROPRIATING ADDITIONAL FUNDS RECEIVED FROM SULLIVAN COUNTY THROUGH THE CITY-COUNTY SEWER AGREEMENT TO THE BLOOMINDALE SEWER LINE EXTENSION PROJECT (SW0900); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**4. Consideration of an Ordinance to Establish the Model City Motors Parking Lot Budget by Transferring Funds from the Street Resurfacing Project (AF: 337-2009).**

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Adopt:

**Ordinance No. 5901**, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND AND GENERAL PROJECT-SPECIAL REVENUE FUND BUDGETS BY TRANSFERRING FUNDS FROM THE STREET RESURFACING PROJECT (NC0706) TO ESTABLISH THE MODEL CITY MOTORS PARKING LOT BUDGET (GP1012); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**5. Consideration of an Ordinance to Appropriate Unallocated Water and Sewer Bonds (AF: 329-2009).**

Adopt:

**Ordinance No. 5902**, AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUND BUDGETS BY APPROPRIATING FUNDS FROM THE WATER AND SEWER BOND FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2010; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**6. Consideration of Approval of Offers for Additional Easements and Right-of-Ways for Phase I of the Rock Springs Road Project (AF: 330-2009).**

Approve:

OFFERS FOR ADDITIONAL EASEMENTS AND RIGHT-OF-WAYS FOR PHASE I OF THE ROCK SPRINGS ROAD PROJECT

Passed in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**7. Consideration of Approval of Offer for Additional Right-of-Way for the Cleek Road and New Beason Well Road Improvement Project (AF: 344-2009).**

Approve:

APPROVAL OF OFFER FOR ADDITIONAL RIGHT-OF-WAY FOR THE CLEEK ROAD AND NEW BEASON WELL ROAD IMPROVEMENT PROJECT

Passed in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

**8. Consideration of Approval of Offer for Easement and Right-of-Way for the Hemlock Park Improvements Project (AF: 346-2009).**

Approve:

APPROVAL OF OFFER FOR EASEMENT AND RIGHT-OF-WAY FOR THE HEMLOCK PARK IMPROVEMENTS PROJECT

Passed in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

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**VIII. COMMUNICATIONS.**

**A. CITY MANAGER.** City Manager Campbell shared that, last week, the City received a Tech Star award from Northeast State Technology Council for both the green construction and technology included in the new higher education center.

Mr. Campbell recognized and commended City staff members who have been involved in bringing various conferences to the Kingsport area. He mentioned Parks and Recreation Manager Kitty Frazier for her involvement in attracting the Tennessee Recreation and Parks Conference; Fire Chief Craig Dye and others who work, annually, to bring the Fall Conference of Fire Chiefs; and Streets and Sanitation Manager Ronnie Hammonds, who is not only on the Board for the Tennessee Public Works Association, but was instrumental in bringing this conference to Meadowview, for the first time ever, this weekend.

**B. MAYOR AND BOARD MEMBERS.** Alderman Shupe thanked and commended City staff for the tremendous amount of time and effort behind each of these agenda items and for making the City of Kingsport a great place.

Alderman Marsh said, in light of actions taken tonight to increase the City's indebtedness to a record level of \$218 million, he will be interested to hear, in the budgeting exercise this coming spring, how the City will cover \$3 million to \$5 million in additional expenses without raising taxes, freezing pay, cutting service, starving the schools or, maybe, some combination of all these actions.

Alderman Parham said he has heard good comments about the newly completed dock on the South Holston River dock. Mr. Parham mentioned his appreciation for the thoroughness of City staff, the diverse Board opinions and the time invested looking at this obligation and debt, along with the Mayor allowing everyone to voice their opinion. He personally sees these bond projects as an opportunity to complete previously planned projects over the next five to ten years and allows the City to take advantage of low interest rates and great construction costs—possibly saving \$6 million to \$7 million by moving ahead in an aggressive manner at this time.

**C. VISITORS.** *Mr. Bill Testerman*, 2205 Sunningdale Road, Kingsport, spoke on behalf of the Downtown Kingsport Association (DKA) and read a letter regarding the agreement to merge the DKA and the Downtown Business Alliance (DBA). The letter covered the events leading up to and including the October 6, 2009 BMA meeting, at which DKA members felt comments and an amendment made by Vice-Mayor Mallicote derailed and violated the agreement reached at the BMA work session the night before. The letter requested a public apology from Vice-Mayor Mallicote in order to re-establish trust in moving forward to fulfill the charge made by the City to the DKA.

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Alderman Joh stated that meeting policy does not include naming individual Board members and added that discussion taking place at work sessions is not necessarily what the Board will vote upon during its regular meeting.

Alderman Marsh asked the audience if anyone further from DKA or DBA wished to speak and no one came forward.

Vice-Mayor Mallicote responded, for the record and for the public watching, with a summary of his proposed amendment at the last BMA meeting, which amendment was adopted by all Board members. Mr. Mallicote stated that DKA will not get a public apology.

Essentially, after reaching a tentative agreement during the October 5, 2009 BMA work session and reporting that agreement to BMA members, the BMA planned to provide DKA with FY10 funding in the amount of \$48,000 once the changes and conditions agreed upon were met. In order to unify the two organizations, the main criteria involved DKA revising its current bylaws, together with allowing DBA members to be part of the DKA nominating committee and filling six positions on the DKA Board. As soon as these changes were implemented, the City would provide the funding to DKA.

Vice-Mayor Mallicote pointed out that, under DKA's current bylaws, a two-thirds vote of its Board could not only ratify the agreement reached but could also ratify the required bylaws changes and accomplish, immediately, what was agreed upon. He further pointed out that the letter read by Mr. Testerman contained the signatures of 15 DKA Board members, which number is a quorum and could have been put to better use by written ratification of its consent to the agreement and bylaw revisions, allowing the City to issue the monies under the agreement.

Mayor Phillips indicated that, given no indication that this matter has been settled between the two organizations, the BMA has to move ahead to ensure upcoming holiday events are funded and organized. He stated that the BMA will hold a special called meeting next week to discuss disbursement of the available funding.

**Mr. John Vachon** of 255 Broad Street, Kingsport, spoke on behalf of the DBA and believes everyone has the same goal of promoting and enhancing downtown Kingsport which is vital to downtown merchants during the holiday season, especially in these economic times, to get them through the winter. He said that DBA is willing to move ahead in whatever manner the BMA directs. He mentioned that, as a member of DKA's nominating committee, he submitted DBA names to be appointed to the DKA Board last Tuesday as requested by DKA.

**Mr. Mark Freeman**, a Kingsport citizen and member of the DKA Board, indicated that DKA has had several key members ill and have been unable to meet. Regarding the bylaw changes, Mr. Freeman indicated that he has already rewritten all necessary modifications which have been provided, for review, to the DKA membership so

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ratification can take place at the November 12, 2009 annual meeting. He added that the confusion regarding the bylaw changes is that these changes must be approved at a board meeting and ratified by the membership during the annual meeting. He stated that DKA members took offense at statements made during the last BMA meeting, interpreting them as issues of mistrust by Vice-Mayor Mallicote, making it difficult for DKA and DBA to move forward positively. He mentioned he has conferred with City Attorney Billingsley regarding the scope of the new language added to the annual agreement with the City and was told Mr. Billingsley had questions about the amendment and was still trying to clarify. Mr. Freeman indicated that DKA was basing what the changes were from Alderman Munsey's resolution document.

Vice-Mayor Mallicote countered by stating that DKA's own bylaws allows them to start the process now but its Board has not done so.

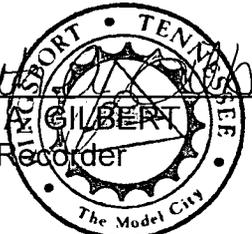
Alderman Parham suggested to DKA Board members in attendance to hold a Board meeting as soon as possible to vote to approve what been agreed upon, followed up by a letter to Mayor Phillips stating the action the Board has taken, subject to ratification by DKA members at the November 12<sup>th</sup> annual meeting. This action would free up the money to be disbursed to DKA.

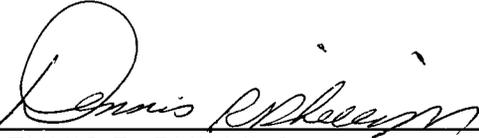
**Ms. Lesa Phillips** of 4818 Silver Court in Kingsport requested that BMA members allow the DKA time to meet with an attorney to further clarify the process for revising its bylaws, hold a meeting with DBA members, possibly tomorrow, to discuss marketing options for the holiday season and report back to the Mayor and Aldermen.

Further Board discussion readdressed the issues discussed above and the need for this funding debate to come to an end. Mayor Phillips expressed regret that this issue has been very divisive among long-time friends and disruptive to the community as a whole and assured the public that the City funding policy will be settled in the near future.

**IX. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 9:40 p.m.

  
ELIZABETH A. GILBERT  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor