

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, April 20, 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 Patrick W. Shull

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:34 p.m., by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Gilbert.
3. **WORK SESSION TICKLER.** Alderman Munsey indicated that he did not see the addition he had requested that the status of red lights camera intersection improvements be added to the Work Session tickler.

Mayor Phillips asked about updating or reporting on the status of those tickler items that show no change month after month and the need to either decide whether or not to proceed with the project.

Alderman Marsh inquired about the status of bidding for the capital road improvement projects, although not on the tickler, and Public Works Director Ryan McReynolds responded with the timeframe for advertising for those bids.

4. **UPDATE ON REQUEST OF TBI (TENNESSEE BUREAU OF INVESTIGATION) REPORT.** City Attorney Mike Billingsley, at the Mayor's request, explained the reason for denying a recent request to the City for release of TBI records. Mr. Billingsley quoted state law on the confidentiality of TBI investigative records and the City's responsibility to protect that privacy. He stated that, after deliberative consultation with TBI's general counsel and Ms. Elisha Hodge, Open Records Specialist for the State's Office of Open Records Counsel, all were in agreement that the TBI records requested are confidential and the City would be in violation of the law if it were to release those records. Therefore, based upon his research and discussions, his advice to City Clerk Gilbert was to deny the request in order to protect the interests of the City.

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[At 4:50 p.m., the Mayor requested the Board consider Agenda Item No. 5 out of order to allow Kingsport City Schools Board of Education and staff to present its FY2010 School Budget Report.]

PRESENTATION BY KINGSPORT CITY SCHOOLS (KCS) BOARD OF EDUCATION (BOE) FOR FY2010 SCHOOL BUDGET. Board members were provided with a handout reflecting the School's projected FY2010 budget of \$68,452,790 and KCS Superintendent Dr. Kitzmiller, along with BOE Chair Susan Lodal, proceeded through the written information which began by detailing changes and/or specifics applicable to this budget cycle, such as 1) the new elementary school opening in August 2009; 2) no discretionary raises; 3) staff reductions; and 4) resources needed to fulfill new high school graduation requirements.

The basics of the FY2010 budget totals were as follows:

General Purpose Fund	\$59,071,350
Food Services Fund	2,961,850
Federal Projects Fund	5,026,157
Special Projects Fund	<u>1,393,433</u>
TOTAL	\$68,452,790

Further revenue assumption information, covered by Dr. Kitzmiller, included those received from State BEP, County property tax, local option sales tax and from student enrollment. Dr. Kitzmiller pointed out that the current budget includes \$3.3 million of debt service that won't be there next year and the BOE is requesting a one-time transfer of funds from the City in the amount of \$710,000, which would cover:

• Telephone system replacement	\$200,000
• Network switch replacement	350,000
• Buses (2 @ \$80,000)	<u>160,000</u>
TOTAL	\$710,000

Board discussion followed regarding confirmation that any salary increase was mandatory and not discretionary, additional funding demands to staff the new John Adams elementary school, the enrollment of approximately 240 students in the new school; specific uses of ARRA (American Recovery and Reinvestment Act) funds; and the need to relocate the Central offices and other staff members into a central location.

Alderman Munsey asked about the *Eastman Plan of Services* amount of \$355,600 on page 15 of the handout and questioned whether it should be included on a year-to-year basis which he opined was not the original intention when set up in association with the City's Long Island annexation. City Manager Campbell will check further into this funding situation.

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At this point, Mayor Phillips asked for any public comments.

Michael Bennett, a young man residing at 4821 Preston Park in Kingsport, spoke in support of keeping the Spanish program in the Kingsport elementary school he attends and requested the BMA continue to provide the necessary funding to do so.

Ms. Mary McNabb stated her agreement with Alderman Shupe in his comments that teachers are a wonderful asset to the City and should not lose any of their raises or benefits.

Mayor Phillips attempted to finalize discussion on the KSC budget presentation by stating that no agreement will be reached at tonight's meeting but will provide the City Manager and School Fiscal Officer David Frye with information going forward in further meetings to work out final details of the KCS's budget.

[The Board then addressed meeting agenda budget items related to school business.]

Regarding BMA Agenda Item **VI.B.1**, Alderman Munsey opined that the Eastman funds being appropriated for upgrading school telephone systems were never intended for capital improvement for schools, just new programs. Mr. Frye responded that "new and innovative programs" have been interpreted as equipment for purposes of using these funds. Alderman Marsh questioned the need for such an expensive and extensive telephone system.

Alderman Marsh mentioned that he has over 50 friends and acquaintances that have lost jobs this year and is reluctant to support any tax increase, making the amount requested by the school system very difficult to provide. Regarding relocating the Central Office, he would like the BOE to consider use of an existing, vacant City-owned building in order to contain the cost of that project.

Mr. Marsh asked that Mr. Frye and/or Dr. Kitzmiller provide totals for payroll costs, broken into the percentage of teachers only and percentage of support (any non-teaching position). He is interested in these figures because he believes it would be helpful to see how labor intensive the school system is and he believes that staff reduction could be addressed more aggressively in the KCS budget.

In response to a statement made by Vice-Mayor Mallicote about funding operating costs necessary to run the John Adams Elementary School and discussion held at the time of discussing the construction, Alderman Marsh read from the November 6, 2006 BMA Work Session meeting minutes: "*Alderman Marsh also asked if KCS is able to finance operating costs for the initial years of the new Rock Springs school, until student population supports those costs. Dr. Kitzmiller again answered affirmatively, but qualified his response, indicating that trends in state funding could be a factor.*"

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Alderman Munsey mentioned he remembered the BMA agreeing to pay for construction of the school and BMA members interpreting Dr. Kitzmiller's response to mean that the school system would be able to cover the operating costs.

Alderman Shull said that, as the only alderman with children in school system, he is impressed with the professionalism of the staff, believes the product is good and challenges the school district to continue to do the most at the least cost possible. He would like to see the rest of the City's budget to determine what it would entail to accommodate a \$1.7 million increase for schools and said he is committed to maintaining a high level of education.

[Aldermen Marsh and Shupe left the meeting around 6:20 p.m.]

5. REVIEW OF AGENDA ITEMS ON APRIL 21, 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:

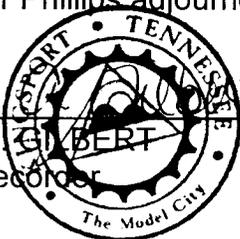
VI.B.10 Consideration of a Resolution Authorizing the Mayor to Execute a Contract with CareSpark and an Amendment to the Contract with United Healthcare (AF: 104-2009). Ms. Leisa Jenkins, Executive Director of CareSpark provided Board members with a handout and described the reasoning and background behind requesting the City participate in this electronic method of medical recordkeeping services.

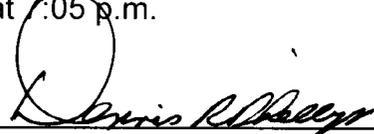
[Alderman Munsey left the meeting at 6:47 p.m. during Ryan's explanation of VI.D.5.]

6. PRESENTATION ON CLINCHFIELD/EAST CENTER STREETS INTERSECTION. Public Works Director Ryan McReynolds gave a brief update and Mayor Phillips requested the City staff work with Domtar on this improvement.

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 7:05 p.m.


ELIZABETH A. GILBERT
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor