

Minutes of the Regular Work Session of the  
Board of Mayor and Aldermen, City of Kingsport, Tennessee  
Monday, January 11, 2010, 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:** Mayor Phillips called the meeting to order at 4:34 p.m. and recognized two Boy Scouts in attendance, Chris Steadman and Marshall Welch, both of Troop 255 at Waverly Road Presbyterian Church.
2. **ROLL CALL:** By Deputy City Recorder Gilbert.

*Mayor Phillips requested the agenda order be modified to accommodate those individuals in attendance to address Agenda Items VI.D.17 and VII.7 – which discussion is set out under Paragraph 4 – and then returned to the Work Session Tickler before completing review of agenda items under Paragraph 4.*

3. **WORK SESSION TICKLER.** Mayor Phillips mentioned that work on the swinging bridge repair has been delayed because of inclement weather and design plans for the parking garage project should be received soon.

Deputy Fire Chief Scott Boyd reported on the progress of the new fire station, also held up by the recent severe weather.

Public Works Director Ryan McReynolds explained the delay in completion of the lighting on the Netherland Inn Road Bridge project, attributed to the local electrical contractor. Mr. McReynolds indicated he would be in contact with the contractor, who has not yet been paid, in the near future to determine what remedies the City has for the portion of the project not completed.

4. **REVIEW OF AGENDA ITEMS ON JANUARY 12, 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:

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**VI.D.17 Consideration of a Resolution Urging the Tennessee Department of Transportation to Extend HELP Truck Service on a Permanent Basis to the Tri-Cities Region (AF: 23-2010).** Mr. Jerry Fleenor, Director of the Sullivan County Emergency Management Agency, spoke about the need and importance of having this HELP truck available when needed and explained what services are provided.

**VII.7 Consideration of Acceptance of FY2009 Comprehensive Annual Financial Report (CAFR) (AF: 19-2010).** Alderman Munsey, chair of the Audit Committee, reported on the recent completion of the City's FY09 CAFR and the December 22, 2009 committee meeting with City staff and the auditors. He went over the report in two sections; first, the auditor's report and then the financial portion.

He was pleased to notify Board members and the public that the auditors found no deficiencies or material weaknesses, resulting in an excellent audit report. He added that, the auditors' four findings were addressed by City comptroller, Lisa Winkle, as set out in a letter included in the CAFR.

Mr. Munsey mentioned that the City, has for the 10<sup>th</sup> year in a row, been awarded the Certificate of Achievement for Excellence in Financial Reporting given out by the Government Finance Officers Association. He credited the efforts of City Recorder/Chief Financial Officer Jim Demming and Ms. Winkle, along with City staff overall, for both the outstanding audit and the award. Mr. Demming pointed out that this award was especially notable because it reflected the first year City staff, overseen by Ms. Winkle, did the audit in-house.

Alderman Munsey proceeded to review debt activity, debt limits and the City's compliance in staying within its own self-imposed limits. He mentioned that the unreserved amount in the general fund is \$12,900,000, including the City's self-imposed limit of \$11,400,000 in reserve funds (which amount is approximately four months of operating capital).

**VI.B.2 Consideration of an Ordinance to Amend the FY2010 VEP (Visitors Enhancement Project) Budget and Plan of Work (AF: 10-2010).** Tim Whaley, Community and Government Relations Director, provided background on these VEP funds are generated by the two percent (2%) increase in the hotel/motel tax, which he estimates to be around \$300,000, annually, and which funds are managed by several high profile local businesspeople on the VEP Advisory Board. He described the Bays Mountain project involved and stated that the planetarium is funded through this fund.

City Manager Campbell added that the wayfinding signage program is also being funded through VEP funds.

**VI.B.3 Consideration of an Ordinance to Amend the FY2010 VEP (Visitors Enhancement Project) Budget and Plan of Work (AF: 22-2010).** Mr. Whaley explained that these funds would allow the City to assist in the relocation of a non-profit Science Center and Prehistoric Museum to the downtown Kingsport area.

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**VI.B.7 Consideration of an Ordinance to Amend the Water Project Fund Budget (WA0901) by Reallocating from other Water Projects (AF: 29-2010).** Public Works Director McReynolds explained that the amount involved in this budget amendment was not in addition to the original amount of the Johnson Controls contract but is part of a final component for the project. Alderman Marsh asked about the consequences of not funding this additional component and was told the City is under contract for the work done and is obligated to perform. He added that the amount should have been included, along with the construction portion which came in under budget, in the TML (Tennessee Municipal League) loan and there had been a miscommunication between the public works and finance departments when taking setting out the amounts in the original loan.

**VI.D.1 Consideration of a Resolution Approving the Purchase of Real Property located at 829 West Industry Drive Approving a Lease Agreement for Property located at 840 West Industry Drive and Authorizing the Mayor to Execute all to Accomplish the Same (AF: 3-2010).**

***[Alderman Marsh left the meeting during this discussion at 5:55 p.m.]***

After City Attorney Billingsley confirmed that the property the City will be leasing in this action is not necessary for the proposed roundabout construction, Public Works Director McReynolds addressed a request by Alderman Marsh to include "slip lanes" in the roundabout project.

Mr. McReynolds explained what slip lanes from Netherland Inn Road to Industry Drive could be incorporated and, while a great idea, he does not see the efficiency to include at this time based on the amount of traffic and impact versus cost.

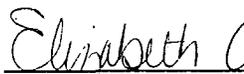
***[Vice-Mayor Mallicote left the meeting prior to discussion on Item VI.D.8 at 6:15 p.m.]***

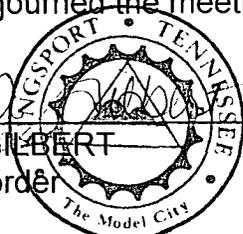
**5. MARCH 15, 2010 WORK SESSION UPDATE.** Mayor Phillips did not address this agenda item.

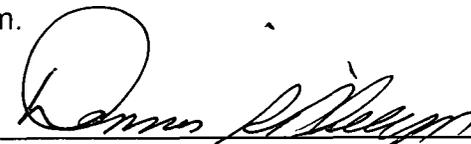
City Recorder Demming introduced Mr. Sid Cox, a newly hired senior accountant in the Finance department who was in attendance with Ms. Winkle.

Chris McCartt, Assistant to the City Manager and Interim Leisure Services Director, provided an update on the escaped wolves from Bays Mountain Park and efforts being taken to recapture both to allow the park to reopen.

**6. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:40 p.m.

  
ELIZABETH A. GILBERT  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor