

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, January 12, 2009, 4:30 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips

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:** 4:32 p.m., by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Gilbert. Absent: Alderman Valerie Joh.
3. **WORK SESSION TICKLER.** Regarding the dog park restroom being constructed, Mayor Phillips had learned that a local paint contractor had offered to furnish paint and paint the restroom at no charge to the City. Alderman Shull shared that he has visited the park several times recently, finds it is a wonderful facility for dogs and owners, and would like to see more citizens take advantage of the park.
4. **UPDATE FROM DR. LOCKE ON HIGHER EDUCATION IN KINGSPORT.** Dr. Bill Locke, President of Northeast State Technical Community College (NSTCC), presented each Board member with a plaque from NSTCC in recognition of the City of Kingsport's support in construction and promotion of the Academic Village in downtown Kingsport. Dr. Locke provided enrollment figures for the various educational facilities already operating. He opined it is not unrealistic, looking at next fall, to have 1600-1800 students in downtown Kingsport and stated an announcement would be made at the end of January regarding addition of another technical program building, bringing the total to five campus buildings in the Academic Village.

Alderman Marsh inquired about NSTCC's budgeting expectations for the upcoming year in light of the difficult economic times. Dr. Locke responded that NSTCC received less money per student because the college has grown more than any other Tennessee university but he believes they have everything covered by budgeting tightly.

Alderman Shull inquired whether any of these downtown educational construction projects would qualify for stimulus money being made available for "shovel ready"

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projects and Dr. Locke said the new addition might qualify but most of the others are already or nearly completed.

Mayor Phillips, on behalf of the Board, thanked Dr. Locke for the partnership NSTCC has developed with the City of Kingsport in further educational opportunities to the area.

5. REVIEW OF AGENDA ITEMS ON JANUARY 13, 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:

Mayor Phillips asked to take the following agenda item out of order to accommodate Dr. David Johnson, who had left work, and needed to return, to attend the work session for this agenda item.

VI.B.4 Consideration of an Ordinance Authorizing the Designated Alderman to Dispose of City-Owned Real Property Located off Roller Street (AF: 15-2009). City Manager Campbell explained that Dr. Johnson of Kingsport Veterinary Hospital requested to purchase a portion of the Quebecor parking lot off Roller Street from the City to allow expansion of his business. The City would retain the Roller Street section of the parking lot, along with a right-of-way to access adjacent Greenbelt property.

Alderman Marsh asked which fund would be credited with the proceeds from this sale and Mr. Campbell responded that he would recommend it be deposited into the Quebecor account due to necessary demolition still to be done on that site but, ultimately, that decision would be made by the BMA.

VI.B.3 Consideration of an Ordinance to Appropriate Funding for the Demolition of Portions of the Existing V.O. Dobbins Community Center (AF: 5-2009). Assistant to City Manager Chris McCartt provided background and a status report on this project and said demolition will begin around the beginning of February 2009. Construction should go out to bid by March or April.

Alderman Marsh asked why money allotted for the higher education (Kingsport Higher Education Center-KHEC) building construction was being transferred to this project and City Manager explained that any excess money allocated to the KHEC project was slated for this project and the KHEC project is coming in under budget. Leaving an excess of about \$1.1 million.

Alderman Munsey expressed concern about ensuring that, as portions of this project such as demolition are completed, the City has the funds to complete the entire project.

6. REVIEW OF FY08 AUDIT. Alderman Munsey, Chair of the City's Audit Committee, provided an overview of the financial reporting results for the fiscal year ending June 30, 2008. He explained the findings noted by the independent auditors from the firm of Blackburn, Childers and Steagall and the City's management

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responses to each. Mr. Munsey asked City Recorder Demming to explain one that related to the Industrial Development Board of Kingsport (IDBK/KEDB) and the need for City overview throughout the year of the IDBK's general accounting principals conforming to and satisfying those required by the auditors.

Mr. Munsey pointed out the City's achievement of the *Certificate of Achievement for Excellence in Financial Reporting*. He also mentioned that the City's undesignated fund balance at the end of FY08 was \$14.8 million, down about \$2.6 million from the end of FY07; the reason being that the City used \$2 million of those fund toward construction of the KHEC structure, rather than incurring additional debt, and also advanced another \$1 million to the HOPE VI project which will be repaid in the future.

In response to an inquiry from Alderman Shupe asked the proceeds from the sale of the AEP building, City Recorder Demming answered that the \$800,000 is included in the \$14.8 million undesignated fund balance figure.

This item will be on tomorrow night's business meeting agenda as a consent agenda item for approval. Alderman Shull and Vice-Mayor Mallicote, also BMA members of the Audit Committee, said the auditors were very complimentary of the City staff in the work done preparing the FY08 financial statement.

7. SELECTION OF ART WORK FOR RCHP (Regional Center for Health Professionals) AND KHEC (Kingsport Higher Education Center). City Cultural Arts Director Bonnie Macdonald presented this information while addressing Agenda Item VI.B.1 under Section 5 above.

8. PROPOSED NEW GRANT POLICY AND GRANT STATUS REVIEW. Tim Whaley, Community and Government Relations Director, went over the proposed policy changes and various situations which would require grant approval from the BMA, eliminating the need to include several of the smaller grant amounts.

In response to an inquiry from Alderman Marsh about why certain, smaller amount, grant applications would be eliminated from necessary BMA approval, City Manager Campbell said an alderman made the request at a previous board meeting that the process be streamlined because of agenda containing several grant applications items involving nominal amounts. Mr. Marsh sees this streamlining at losing the detail of what the entire organization is doing and stressed the importance of knowing what City departments are doing, how they're doing it and why they're doing it.

Mr. Campbell suggested a reporting system regarding the smaller grants be included in the tickler system. Vice-Mayor Mallicote indicated his agreement with Mr. Marsh in keeping track of grants applied for, no matter the amount, but reminded Board members that this policy change will only permit City staff to apply for grants and the Board would still have to approve receipt and appropriation of any grant monies awarded.

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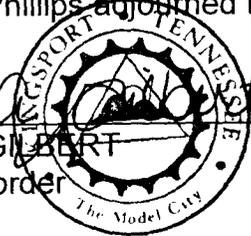
BOARD COMMENT. Alderman Marsh passed out a *Wall Street Journal* newspaper article reflecting on the nation's current economic hardships which paralleled Ayn Rand's classic novel, *Atlas Shrugged*, about "economic carnage caused by big government run amok."

Kingsport citizen, Bill Hudson, spoke from the gallery stating he would like to see Kingsport develop better communication with national leaders in Washington, D.C., similar to the one City leaders have with the Tennessee Municipal League (TML). Board members responded that the National League of Cities (NLC) is a similar, national entity and, recently, Alderman Shupe and Mayor Phillips attended a conference in New Orleans.

Alderman Marsh complimented Public Works on its efficient leaf collection process this year and hopes Public Works will direct its attention to street repair and maintenance in the eastern part of Kingsport where the roadways appear to be the worst.

9. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:35 p.m.


ELIZABETH A. GILBERT
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor