

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, July 15, 2008, 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 Patrick W. Shull
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
Lisa Winkle, Deputy 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 Kingsport Police Department Corporal Sean Chambers.
- II.B. **INVOCATION:** by Associate Minister Mitch Whisnant of the First Baptist Church.
- III. **ROLL CALL:** By Deputy City Recorder Winkle.
- IV. **RECOGNITIONS AND PRESENTATIONS**

A. KEEP KINGSFORT BEAUTIFUL BEAUTIFICATION AWARD. Ms. Betty Payne, a volunteer member of Keep Kingsport Beautiful, presented and narrated a pictorial slide presentation of landscapes showing several residences, a business, and a church selected to receive Keep Kingsport Beautiful Award honors sponsored by Blue Ridge Properties for July 2008. Alderman Marsh commended the award winners on their contributions to the attractive surroundings of Kingsport and presented award certificates to those honorees in attendance.

B. PROCLAMATION HONORING PIERCE FAMILY. Mayor Phillips mentioned that one of Kingsport's leading citizens, Mr. Jack Pierce, will be presented a proclamation on Sunday, July 27, 2008, at 3:00 p.m. during the Pierce-Bond Family Reunion at the Central Baptist Church, in observance of the Pierce family patriarch, Jerome Pierce, who was born a slave some between 1848 and 1850 and had two sons, Patton and Albert, who were also citizens of Kingsport. Alderman Marsh added that one of the many contributions from the Pierce family was the recent donation of a piece of property on the steep slopes of Bays Mountain to the City Parks and Recreation Department.

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V. APPROVAL OF MINUTES.

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

- A. June 16 and 30, 2008 Regular Work Sessions
- B. July 1, 2008 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

AA. PUBLIC HEARINGS.

1. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the Remaining Portion of the Rock Springs South #7 Annexation Area and Consideration of a Resolution Adopting the Plan of Services (AF: 193-2008).

Vice-Mayor Mallicote moved, and Alderman Joh seconded, a motion to amend the ordinance as *PREFILED* to delete and replace Section II with current Section III, renumbering Section III to be Section II. The motion to amend passed with all present voting "aye."

Motion/Second: Munsey/Marsh, to pass, as amended:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE ROCK SPRINGS SOUTH AREA #7 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, Shull, Shupe and Phillips voting "aye."

Motion/Second: Marsh/Joh, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROCK SPRINGS ROAD KNOWN AS THE REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION TO R-1B SINGLE FAMILY RESIDENTIAL DISTRICT, IN THE 13TH 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: Marsh/Shull, to pass:

Resolution No. 2009-023, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION AREA OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

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

2. Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the Remaining Portion of the Rock Springs South #8 Annexation Area and Consideration of a Resolution Adopting the Plan of Services (AF: 194-2008).

Vice-Mayor Mallicote moved, and Alderman Shupe seconded, a motion to amend the ordinance as *PREFILED* to delete and replace Section II with current Section III, renumbering Section III to be Section II. The motion to amend passed with all present voting "aye."

Motion/Second: Marsh/Shull, to pass, as amended:

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE ROCK SPRINGS SOUTH AREA #8 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, Shull, Shupe and Phillips voting "aye."

Motion/Second: Marsh/Joh, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROCK SPRINGS ROAD KNOWN AS THE ROCK SPRINGS SOUTH AREA #8 ANNEXATION TO R-1B SINGLE FAMILY RESIDENTIAL DISTRICT, IN THE 13TH 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: Marsh/Joh, to pass:

Resolution No. 2009-024, A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE REMAINING ROCK SPRINGS SOUTH AREA #8 ANNEXATION AREA OF THE CITY OF KINGSPORT, TENNESSEE

Passed: All present voting "aye."

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

A. PUBLIC COMMENT. Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

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B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Consideration of an Ordinance Amending the FY2009 General Purpose School Fund Budget (AF: 218-2008). City Manager Campbell explained that this action would allow the Kingsport City Schools (KCS) to purchase real property located at 1308 and 1312 Summer Street which are currently rental property located in front of Lincoln School. Alderman Marsh requested that KCS officials be notified that the BMA would like to see these properties either actively rented or, in the alternative, torn down to provide additional parking for the school, but not left vacant.

Motion/Second: Mallicote/Joh, to pass:

AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND AND THE GENERAL PROJECT FUND BUDGETS; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Rob McLean Related to Anchor Pointe Subdivision and an Ordinance to Appropriate Funds (AF: 226-2008).

Motion/Second: Joh/Shupe, to pass:

Resolution 2009-025, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH ROB MCLEAN FOR THE PROVISION OF CERTAIN WATER AND SEWER MATERIALS BY THE CITY FOR ANCHOR POINTE SUBDIVISION

Passed: All present voting "aye."

Motion/Second: Joh/Mallicote, to pass:

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO ESTABLISH THE ANCHOR POINTE DEVELOPMENT MATERIALS AGREEMENT PROJECTS (SW0857 AND WA0857); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Ken Bates Related to Chase Meadows Subdivision – Phase I and an Ordinance to Appropriate Funds (AF: 227-2008).

Motion/Second: Joh/Munsey, to pass:

Resolution 2009-026, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH KEN BATES FOR THE PROVISION OF CERTAIN WATER AND SEWER MATERIALS BY THE CITY FOR CHASE MEADOWS SUBDIVISION – PHASE I

Passed: All present voting "aye."

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Motion/Second: Joh/Mallicote, to pass:

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO ESTABLISH THE CHASE MEADOWS SUBDIVISION PHASE I MATERIALS AGREEMENT PROJECTS (SW0862 AND WA0862); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

At this time, Alderman Marsh asked to verbalize two points: First, concerning approval of the two materials agreements passed earlier, he shared that City Manager Campbell had pointed out to him in a discussion after last night's work session that infrastructure is always the least expensive to install in bare, undeveloped land and Mr. Marsh expressed his new appreciation of material agreements as a result of that discussion.

Second, Mr. Marsh pointed out that the two annexation areas approved on first reading tonight will add over 500 citizens to the City's population, bringing its total back to just over its 2000 census figure of 44,905, and the entire Rock Springs annexation areas, once settled, will be, collectively, over 1,100.

4. ~~Consideration of an Ordinance to Amend the General Fund, General Project Fund, Federal Transit Fund and Sewer Project Fund Budgets (AF: 228-2008).~~ This agenda item was pulled to be considered at a later date.

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Stapleton Drive to R-1B, Single Family Residential District (AF: 178-2008).

Motion/Second: Mallicote/Shupe, to pass:

ORDINANCE NO. 5711, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG STAPLETON DRIVE TO R-1B, SINGLE FAMILY RESIDENTIAL DISTRICT, IN THE 12TH 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, Shull, Shupe and Phillips voting "aye."

2. Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Eastman Road to P-1, Professional Office District (AF: 179-2008).

Motion/Second: Marsh/Shupe, to pass:

ORDINANCE NO. 5712, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG EASTMAN ROAD TO P-1, PROFESSIONAL OFFICE DISTRICT, IN THE 11TH CIVIL DISTRICT OF SULLIVAN

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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, Marsh, Mallicote, Munsey, Shull,
Shupe and Phillips voting "aye."

D. OTHER BUSINESS.

1. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a Community Grant Through the Smithsonian Institution (AF: 165 -2008).

Motion/Second: Marsh/Joh, to pass:

Resolution No. 2009-027, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE COMMUNITY GRANT FUNDS THROUGH THE SMITHSONIAN INSTITUTION FOR A TRAVELING EXHIBITION SERVICE ENTITLED "EARTH FROM SPACE"

Passed: All present voting "aye."

2. Consideration of a Resolution Establishing a Lease Agreement with Northeast State Regarding the Regional Center for Health Professions (AF: 222 -2008).

Motion/Second: Munsey/Joh, to pass:

Resolution No. 2009-028, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF KINGSPORT AND THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE FOR CERTAIN PROPERTY KNOWN AS THE REGIONAL CENTER FOR HEALTH PROFESSIONS LOCATED AT 300 WEST MAIN STREET IN THE CITY OF KINGSPORT, SULLIVAN COUNTY, TENNESSEE

Passed: All present voting "aye."

3. Consideration of a Resolution Awarding the Bid for Electrical Package to National Electric Company Through Camp Dresser and McKee on Behalf of the City for Phase II of the Wastewater Treatment Plant Improvements (AF: 220 -2008).

Motion/Second: Marsh/Mallicote, to pass:

Resolution No. 2009-029, RESOLUTION AUTHORIZING THE AWARD OF BID FOR AN ELECTRICAL INSTALLATION PACKAGE TO NATIONAL ELECTRIC COMPANY THROUGH CAMP DRESSER AND MCKEE FOR PHASE II OF THE WASTEWATER TREATMENT PLANT IMPROVEMENTS

Passed: All present voting "aye."

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4. Consideration of a Resolution Authorizing the Mayor to Sign all Applicable Documents to Enter into a Performance Contract Agreement with Johnson Controls, Inc. for Automated Meter Readers Services, a Lease Purchase Agreement with all American Investment Group, LLC (Lessor), and an Escrow Agreement with the Lessor and U.S. Bank National Association (Escrow Agent) (AF: 225 -2008). Public Works Director Ryan McReynolds provided background on this action item and explained the many benefits of installation of automated meters. Alderman Marsh summed up the overall project by stating 1) there is no capital outlay required on behalf of the City; 2) there will be no rate increase; and 3) new water meters will be installed that are guaranteed to perform by Johnson Controls for 17 years with a company warranty of 20 years. Mr. McReynolds indicated that details of the contracts are still being worked out between the parties and City Manager Campbell added that some patrons may see an increase in their water bills due to the increased performance of older, slower meters, but the overall result is increased efficiency to all water users.

Motion/Second: Joh/Shupe, to pass:

Resolution No. 2009-030, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICABLE DOCUMENTS TO ENTER INTO A PERFORMANCE CONTRACT AGREEMENT WITH JOHNSON CONTROLS, INC. FOR AUTOMATED METER READERS SERVICES; AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH ALL AMERICAN INVESTMENT GROUP, LLC; AND AN ESCROW AGREEMENT WITH ALL AMERICAN INVESTMENT GROUP, LLC AND U.S. BANK NATIONAL ASSOCIATION

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing Industrial Development Board of Kingsport (KEDB) to Grant an Option until December 31, 2008 and Negotiate towards the Purchase of a Portion of the Newest Section of the Quebecor/Kingsport Press Site Adjoining Sullivan and Clinchfield Streets (AF: 232 -2008).

Motion/Second: Joh/Munsey, to pass:

Resolution No. 2009-031, A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT, TENNESSEE (KEDB) TO GRANT AN OPTION UNTIL DECEMBER 31, 2008 AND NEGOTIATE TOWARD THE PURCHASE OF A PORTION OF THE NEWEST SECTION OF THE QUEBECOR / KINGSFORT PRESS SITE ADJOINING SULLIVAN AND CLINCHFIELD STREETS AND AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICABLE DOCUMENTS

Passed: All present voting "aye."

6. Consideration of a Resolution to Authorize the Mayor to Execute a Contract for a Guaranteed Maximum Price with J.A. Street & Associates for the Early Construction Phase of the Higher Education Center (AF: 230 -2008).

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Motion/Second: Munsey/Shupe, to pass:

Resolution No. 2009-032, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR A GUARANTEED MAXIMUM PRICE WITH J.A.STREET & ASSOCIATES FOR THE EARLY CONSTRUCTION PHASE OF THE HIGHER EDUCATION CENTER

Passed: All present voting "aye."

7. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a State of Tennessee Economic and Community Development FastTrack Infrastructure Development Program Grant and Ratify a "Request to Incur Costs Documentation's Signed by the Mayor (AF: 231 -2008).

Motion/Second: Munsey/Shull, to pass:

Resolution No. 2009-033, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A STATE OF TENNESSEE ECONOMIC AND COMMUNITY DEVELOPMENT FAST TRACK INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT AND RATIFYING EXECUTION OF A REQUEST TO INCUR COSTS DOCUMENTATION

Passed: All present voting "aye."

8. Consideration of a Resolution Authorizing the Mayor to Approve a Lease Agreement Between the City of Kingsport and the American Legion for the Use of Space at the Civic Auditorium (AF: 233-2008).

Motion/Second: Shupe/Joh, to pass:

Resolution No. 2009-034, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF KINGSPORT AND THE AMERICAN LEGION FOR CERTAIN SPACE KNOWN AS THE WEST ROOM LOCATED IN THE CIVIC AUDITORIUM

Passed: All present voting "aye."

9. Consideration of a Resolution Authorizing Staff to Enter into Deliberations with Representatives of the Greater Kingsport YMCA to Outline Components of a Contract Proposal for the Management of the Kingsport Aquatic Facilities (AF: 229-2008). Leisure Services Director Tom Bowman described the process of selecting a candidate organization to negotiate and develop a proposed contractual agreement for the operation and management of Kingsport's aquatic facilities.

Vice-Mayor Mallicote expressed concern that the issue of co-locating facilities is a premature component and he was unsure of the purpose of this action item in that City staff negotiates with outside entities in other circumstances without Board approval.

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City Manager Campbell explained the reason for requesting the Board's approval of these negotiations was to include the Board in going forward to determine the specifics of operating an aquatic center year-round and operating expense involved with an outside source familiar with this type of operation, not to discuss co-location, although that discussion may take place in the future, depending on the site chosen.

Vice-Mayor Mallicote suggested a vote on this item be postponed for 45 days to allow the citizens committee appointed to determine and announce the best location. He then moved, and Alderman Shull seconded, a motion to postpone a vote on this action until the BMA receives a report from the appointed citizens committee. The motion to postpone failed in a roll call vote with Joh, Munsey, Shupe and Phillips voting "nay" and Mallicote, Marsh and Shull voting "aye."

Considerable Board discussion determined that all Board members were essentially in favor of the aquatic center but disagreed whether this action item was premature or necessary to move ahead with the center.

Motion/Second: Munsey/Joh, to pass:

Resolution No. 2009-035, A RESOLUTION APPROVING NEGOTIATION WITH REPRESENTATIVES OF THE GREATER KINGSPORT YMCA PURSUANT TO MANAGEMENT OF THE CITY'S PROPOSED AQUATIC FACILITIES

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

E. APPOINTMENTS.

1. Consideration of Reappointment of Mr. Peter N. Lodal and Appointment of Mr. John Gregory to the Parks and Recreation Advisory Committee (AF: 221-2008).

Motion/Second: Munsey/Shull, to approve the following:

- REAPPOINTMENT OF MR. PETER N. LODAL TO SERVE AN ADDITIONAL THREE-YEAR TERM ON THE PARKS AND RECREATION ADVISORY COMMITTEE, EFFECTIVE JULY 1, 2008 AND EXPIRING JUNE 30, 2011
- APPOINTMENT OF MR. JOHN GREGORY TO SERVE A THREE-YEAR TERM ON THE PARKS AND RECREATION ADVISORY COMMITTEE, EFFECTIVE JULY 1, 2008 AND EXPIRING JUNE 30, 2011

Passed: All present voting "aye."

VII. CONSENT AGENDA.

Consent Agenda items are considered under one motion. Alderman Marsh requested that Items VII.2 and VII.3 be pulled for further discussion.

Item VII.7 was shown as "*Pulled*" on the agenda but was included for consideration after City Attorney Billingsley explained that the revision made to

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the TDOT contract amendment involved would result in a lesser match amount required by the City.

Motion/Second: Mallicote/Shupe, to adopt:

1. Consideration of an Ordinance to Continue the Interlocal Agreement with the Town of Mount Carmel for Land-Use Planning Services and Amend the General Fund Development Services Budget for FY09 (AF: 198 -2008).

Adopt:

Ordinance No. 5713, AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY APPROPRIATING FUNDS RECEIVED FROM THE TOWN OF MOUNT CARMEL FOR PLANNING ASSISTANCE FOR FISCAL YEAR ENDING JUNE 30, 2009; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

[Consent Agenda Items VII.2 and VII.3 were pulled for separate and individual consideration below Items VII.4 through VII.7 at the request of Alderman Marsh.]

4. Consideration of an Ordinance to Amend the General Project-Special Revenue Fund Budget by Appropriating Funds Received From U.S. Chamber of Commerce – Economic Development Administration for the Kingsport Center for Higher Education (AF: 199-2008).

Adopt:

Ordinance No. 5716, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION GRANT FOR CONSTRUCTION OF THE KINGSFORT HIGHER EDUCATION CENTER; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

5. Consideration of an Ordinance to Appropriate Funds for the City's Portion of the Project with Sullivan County for the Bloomingdale Trunkline Extension Project (AF: 206-2008).

Adopt:

Ordinance No. 5717, AN ORDINANCE TO AMEND THE SEWER PROJECT FUND BUDGET BY TRANSFERRING FUNDS FROM THE COUNTY COLLECTORS PROJECT (SW0413) TO ESTABLISH THE BLOOMINDALE SEWER LINE EXTENSION PROJECT (SW0900); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

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6. Consideration of an Ordinance to Amend the General Fund, General Project Fund, Debt Service Fund, Eastman Annex Fund, Water Fund, Water Fund Project, and Visitor Enhancement Fund Budgets (AF: 200-2008).

Adopt:

Ordinance No. 5718, AN ORDINANCE TO AMEND THE GENERAL FUND, GENERAL PROJECT FUND, DEBT SERVICE FUND, EASTMAN ANNEX FUND, WATER FUND AND WATER PROJECT FUND AND THE VISITOR ENHANCEMENT FUND BUDGETS FOR THE FISCAL YEAR ENDING JUNE 30, 2008; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

7. Consideration of an Ordinance Authorizing a Contract Amendment Between the City of Kingsport and the Tennessee Department of Transportation for Installation of a Traffic Signal and Associated Geometric Improvements at the Intersection of State Route 93 (North John B Dennis Highway) and Pavilion Drive (AF: 181-2008).

Adopt:

Ordinance No. 5719, AN ORDINANCE TO AMEND THE GENERAL FUND AND THE GENERAL PROJECT FUND BUDGETS BY APPROPRIATING FUNDS TO FUND THE LOCAL MATCH FOR THE AMENDED CONTRACT WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION AND TO ESTABLISH THE STATE ROUTE 93 AND PAVILION DRIVE PROJECT (GP0820); AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

Consent Agenda Items VII.2 and VII.3 were pulled for separate and individual consideration at the request of Alderman Marsh, as follows:

2. Consideration of an Ordinance Appropriating Matching Funds for the Mad Branch Phase II Watershed Plan Implementation Project (AF: 203-2008). Alderman Marsh wanted a correction made to the name "Madd" Branch to show the proper spelling of "Mad" Branch.

Motion/Second: Marsh/Shull, to adopt:

Ordinance No. 5714, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING FUNDS RECEIVED FROM THE TENNESSEE DEPARTMENT OF AGRICULTURE FOR THE 319 WATERSHED GRANT FOR THE FISCAL YEAR ENDING JUNE 30, 2009; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

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3. Consideration of an Ordinance to Condemn in Fee Property for the Site of the Future Fire Station #7 (AF: 205-2008). Alderman Marsh expressed his disagreement with the need to acquire this particular property through condemnation by stating that the City is agreeing to pay approximately \$100,000 more than any reasonable appraised value and he doesn't believe in forcing citizens to sell their property if not absolutely essential, and believes this action will send a terrible message to the public. He asked that the minutes reflect that the City's appraised value of the property was \$240,000, and the City offered, and the owner signed a contract agreeing to a purchase price of \$330,000., but the owner's appraised value was \$440,000 and the owner now wants to increase the purchase price to \$450,000.

In response to Mr. Marsh's concern whether this particular site was "essential," Mr. Campbell provided additional information regarding the selection and preference for acquisition of this site, in order to provide the best fire coverage to certain areas.

Mayor Phillips further explained that the City and owner had entered into a contract for the purchase of this property and the property owner has stalled closing for over a year. City Attorney Billingsley explained the court's process for determining the fair market value and the requirement of the City to pay that amount in a condemnation proceeding. Another issue is a \$450,000 lien on the property which will require naming the lien holder as a party in any condemnation lawsuit. City Attorney Billingsley further advised that the contract previously signed is no longer a valid one.

Motion/Second: Mallicote/Joh, to adopt:

Ordinance No. 5715, AN ORDINANCE TO AUTHORIZE AND DIRECT THE CITY ATTORNEY TO INITIATE CONDEMNATION PROCEEDINGS TO ACQUIRE PROPERTY, REAL OR PERSONAL, OR ANY EASEMENT, INTEREST, ESTATE OR USE THEREIN, FROM AFFECTED PROPERTY OWNERS ALONG THE ROUTE OF CERTAIN PUBLIC WORKS PROJECTS; TO FIX THE PROCEDURE FOR DIRECTING THE INITIATION OF SUCH LITIGATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

VIII. COMMUNICATIONS.

A. CITY MANAGER. City Manager Campbell stated that Mr. Olan Jones, Chair of this year's FunFEST, was pleased with the outstanding response of City employees and Mr. Campbell also shared that Jeff Fleming, Director of Development Services and Assistant City Manager for Economic Development, won best "Muscular Legs" and Mike Freeman, Building Manager, won best "Chicken Legs" in the FunFEST Crazy Legs Contest.

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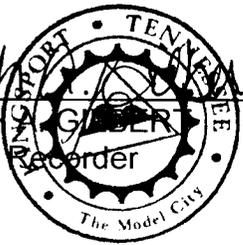
B. MAYOR AND BOARD MEMBERS. Alderman Marsh indicated he would like, and the Mayor agreed to provide, a list of the Aquatics Committee members appointed by the Mayor. Mr. Marsh also requested a status report of the capital project on Harbor Chapel Road, and, lastly, inquired about the announcement of Volkswagen America choosing the State of Tennessee for one of its plants.

Mr. Campbell announced that Volkswagen America is coming to Chattanooga which will benefit the Tri-Cities area in, hopefully, attracting possible parts suppliers.

C. VISITORS. None.

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


ELIZABETH A. GABLER
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor