

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, June 3, 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
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 City Planning Director Alan Webb.
- II.B. **INVOCATION:** by Pastor Gary Bement of Bethel Presbyterian Church.
- III. **ROLL CALL:** By City Recorder Demming.
- IV. **RECOGNITIONS AND PRESENTATIONS.**
- V. **APPROVAL OF MINUTES.**
Motion/Second: Marsh/Shull, to approve minutes for the following meetings:
 - A. May 19, 2008 Regular Work Session, as amended
 - B. May 20, 2008 Regular Business MeetingApproved: All present voting "aye."
- VI. **COMMUNITY INTEREST ITEMS.**
 - AA. **PUBLIC HEARINGS.**
 1. **Public Hearing for Annexation Annual Plan of Services Report** (AF: 140-2008). City Planner Forrest Koder explained this action.

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

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2. Public Hearing and Consideration of an Ordinance to Adopt the FY08-09 Budget (AF: 166-2008). Alderman Joh commended City Manager Campbell for presenting a budget without a necessary tax increase. Alderman Marsh expressed his disappointment in the proposed budget, which he sees as obligating the City to spend more money in unsteady economic times by hiring additional personnel and incurring additional debt. He pointed out that he had supported the generous FY08 budget on the basis of aggressive annexation actions taking place, which now appear to have been premature and have resulted in expensive investment for necessary infrastructure, without receiving anticipated revenue to offset that expense. He would like to see the City hold the line on expenses and cannot support this budget, believing it would be irresponsible to do so.

Alderman Shull voiced his basic agreement with Mr. Marsh's points and stated he is voting against this budget because he believes the City can spend less money and still provide excellent services. He had proposed, in early budget discussions, ways to cut over \$400,000, some of which have been implemented by the City Manager, and he added he would like to see the City Manager's salary considered separately and froze at its current generous level. He expressed concern about the possible long term effects of personnel costs and future retirement implications and, without some type of analysis, cannot support increasing City personnel at this time at the level proposed in this budget.

Further Board discussion centered about the recent A-1 bond rating received from Moody's and Alderman Munsey reminded Board members that Moody's considered Kingsport's revenues and expenses in announcing this favorable rating. Vice-Mayor Mallicote also disagreed with the bleak economic picture painted by Aldermen Marsh and Shull and mentioned several economic development projects recently constructed, currently under construction, and those to be constructed in Kingsport.

Alderman Marsh asked to make four points: 1) the only sector growing is the public sector, which is not revenue-generating; 2) over last three years, City employment costs have increased 25% and adding more City positions will be exponentially unsustainable; 3) building permits are far less than last year; and 4) his proposed budget cuts would not impact capacity at all.

City Manager Campbell clarified, for the public's sake, that City employees have not received a 25% increase in pay over last three years and conceded that, while pay has increased, the increase has been about half of that amount.

Motion/Second: Joh/Munsey, to pass:

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE, ADOPTING A FINAL BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009, AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye," except Marsh and Shull voting "nay."

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

**3. Public Hearing and Consideration of an Ordinance to Adopt the
FY08-09 Water Fund Budget (AF: 167-2008)**

Motion/Second: Joh/Mallicote, to pass:

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE, ADOPTING A FINAL
WATER FUND BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009, AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

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

**4. Public Hearing and Consideration of an Ordinance to Adopt the
FY08-09 Sewer Fund Budget (AF: 168-2008)**

Motion/Second: Mallicote/Joh, to pass:

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE, ADOPTING A FINAL
SEWER BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009, AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

PUBLIC COMMENT ON ITEM VI.AA.4. 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.

B. BUSINESS MATTERS REQUIRING FIRST READING.

**1. Consideration of an Ordinance Amending the FY 2007-2008
General Purpose School Fund Budget and the General Project Fund Budgets
(AF: 149-2008)**

Motion/Second: Mallicote/Munsey, 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."

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**2. Consideration of an Ordinance to Amend Various Revenue and
Expenditure Accounts Within the School's Federal Projects Fund (AF: 150-2008)**

Motion/Second: Joh/Shupe, to pass:

AN ORDINANCE TO AMEND THE SCHOOL FEDERAL GRANT PROJECTS FUND
BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**3. Consideration of an Ordinance to Amend Various Revenue and
Expenditure Accounts Within the School's Special Projects Fund (AF: 151-2008)**

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO AMEND THE SCHOOL SPECIAL PROJECTS FUND BUDGET;
AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

[Alderman Joh left the meeting at this time - around 8:00 p.m.]

**4. Consideration of an Ordinance Providing for the FY09
Community Development Block Grant Budget (AF: 156-2008)**

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO APPROPRIATE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE
FISCAL YEAR ENDING JUNE 30, 2009; AND, TO FIX THE EFFECTIVE DATE OF THIS
ORDINANCE

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

**5. Consideration of an Ordinance Providing for the FY09
Emergency Shelter Grant Budget (AF: 157 -2008)**

Motion/Second: Mallicote/Shupe, to pass:

AN ORDINANCE TO APPROPRIATE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT EMERGENCY SHELTER GRANT FUNDS FOR THE FISCAL YEAR
ENDING JUNE 30, 2009; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**6. Consideration of an Ordinance to Amend the Meadowview
Conference Center's Budget by Appropriating Funds From the FF&E Sinking
Fund (AF: 159 -2008)**

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO AMEND THE MEADOWVIEW CONFERENCE CENTER FUND
BUDGET BY APPROPRIATING FUNDS FROM THE FF&E SINKING FUND FOR THE

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

7. Consideration of an Ordinance to Amend the Cattails Golf Course by Increasing the Revenue and Expenditures to Reflect Cattails Golf Course Operations (AF: 160 -2008)

Motion/Second: Munsey/Mallicote, to pass:

AN ORDINANCE TO AMEND THE CATTAILS GOLF COURSE FUND BUDGET BY APPROPRIATING FUNDS FROM CATTAILS OPERATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2008; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

8. Consideration of an Ordinance to Adopt the FY08-09 Metropolitan Planning Project Grant Budget (AF: 161 -2008)

Motion/Second: Mallicote/Shupe, to pass:

AN ORDINANCE TO APPROPRIATE METROPOLITAN PLANNING GRANT PROJECT FUNDS; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

9. Consideration of an Ordinance to Adopt the FY08-09 School Public Law 93-380 Grant Project Fund Budget (AF: 163 -2008)

Motion/Second: Shupe/Mallicote, to pass:

AN ORDINANCE TO ESTABLISH PL93-380 GRANT PROJECT FUND FOR THE PL93-380 GRANT, TO APPROPRIATE SUCH FUNDS AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

10. Consideration of an Ordinance to Adopt the FY08-09 Special Schools Projects Grant Fund Budget (AF: 164 -2008)

Motion/Second: Mallicote/Munsey, to pass:

AN ORDINANCE TO ESTABLISH SPECIAL SCHOOL GRANT PROJECT FUND 145 FOR SPECIAL SCHOOL PROJECTS GRANT, TO APPROPRIATE SUCH FUNDS AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

11. Consideration of an Ordinance to Amend the General Project Fund, Debt Service Fund, Water Project Fund and Water Fund by Appropriating the 2008 Bond Issue (AF: 158 -2008)

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Motion/Second: Mallicote/Munsey, to pass:

AN ORDINANCE TO AMEND THE DEBT SERVICE FUND, THE GENERAL PROJECT FUND, WATER FUND AND THE WATER PROJECT FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008; FOR THE FISCAL YEAR ENDING JUNE 30, 2008; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

12. Consideration of an Ordinance to Adopt the FY08-09 Urban Mass Transit Budget (AF: 162-2008)

Motion/Second: Mallicote/Munsey, to pass:

AN ORDINANCE TO APPROPRIATE URBAN MASS TRANSIT GRANT PROJECT FUNDS AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

~~13. Consideration of a Resolution Authorizing the Mayor to Execute all Document Necessary and Proper to Apply for and Receive a 319 Watershed Implementation Grant and Consideration of an Ordinance Appropriating Matching Funds from GP0605 (Minor Drainage Improvements) to Supplement the 319 Watershed Implementation Grant (AF: 175-2008). This item was pulled for consideration at the next meeting.~~

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Consideration of an Ordinance to Amend the Zoning Code, Text and Map, to Zone Property at 4320 West Stone Drive to B-3, General Business District (AF: 121 -2008)

Motion/Second: Shupe/Mallicote, to pass:

Ordinance No. 5688, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG WEST STONE DRIVE TO B-3 GENERAL BUSINESS DISTRICT, IN THE 7TH CIVIL DISTRICT OF HAWKINS 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: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

2. Consideration of Ordinances to Amend Zoning of Three (3) Parcels Located in the Old Island Development off Island Road (AF: 117 -2008)

Motion/Second: Marsh/Shull, to pass:

Ordinance No. 5689, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY WITHIN THE OLD ISLAND DEVELOPMENT OFF BRAEMERE DRIVE AND OLD ISLAND ROAD FROM PD, PLANNED DISTRICT,

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AND B-1, NEIGHBORHOOD COMMERCIAL TO R-1B, SINGLE FAMILY DISTRICT IN THE 7TH 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: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

3. Consideration of an Ordinance to Amend Zoning Code, Text and Map, to Zone Property along Virgil Avenue to R-3, Multi-Family Residential District (AF: 122 -2008)

Motion/Second: Marsh/Shupe, to pass:

Ordinance No. 5690, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG VIRGIL AVENUE TO R-3 MULTI-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: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

4. Consideration of Ordinances to Annex/Amend Zoning of the Owner Initiated Rock Springs South Annexations and Consideration of a Resolution Adopting the Plan of Services (AF: 131 -2008)

Motion/Second: Shupe/Mallicote, to pass:

Ordinance No. 5691, 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 OWNER PETITIONED AREAS OF ROCK SPRINGS SOUTH AREA 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: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

Motion/Second: Marsh/Mallicote, to pass:

Ordinance No. 5692, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROCK SPRINGS ROAD KNOWN AS THE OWNER INITIATED ANNEXATION AREAS OF ROCK SPRINGS SOUTH 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 second reading in a roll call vote: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

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D. OTHER BUSINESS.

1. Consideration of a Resolution Authorizing the Mayor to Execute a Concession Agreement With Holston Valley Futbol Club to Provide Concessions at Eastman Park (AF: 153-2008).

Motion/Second: Shupe/Shull, to pass:

Resolution No. 2008-219, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONCESSION LEASE AGREEMENT WITH HOLSTON VALLEY FUTBOL CLUB FOR THE SALE OF FOOD, REFRESHMENTS, CONFECTIONERY AND BEVERAGES AT THE EASTMAN PARK SOCCER FIELDS

Passed: All present voting "aye."

2. Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with Holston Valley Futbol Club to Provide a Recreational Youth Soccer Program at Sullivan Gardens (AF: 154-2008).

Motion/Second: Mallicote/Shupe, to pass:

Resolution No. 2008-220, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE HOLSTON VALLEY FUTBOL CLUB TO PROVIDE A RECREATIONAL YOUTH SOCCER PROGRAM AT EASTMAN PARK

Passed: All present voting "aye."

3. Consideration of a Resolution Authorizing the Mayor to Execute Agreements with Various Agencies and Organizations for Services in Fiscal Year 2008-2009 Benefiting the General Welfare of Kingsport Residents (AF: 152-2008).

Motion/Second: Shupe/Mallicote, to pass:

Resolution No. 2008-221, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS WITH VARIOUS AGENCIES AND ORGANIZATIONS FOR SERVICES IN FISCAL YEAR 2008-2009 BENEFITING THE GENERAL WELFARE OF KINGSFORT RESIDENTS

Passed: All present voting "aye."

4. Consideration of a Resolution Authorizing the Mayor to Execute a Concession Agreement with the Senior Center Athletic Club to Provide Concessions at Legion Pool (AF: 155-2008).

Motion/Second: Shupe/Munsey, to pass:

Resolution No. 2008-222, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONCESSION LEASE AGREEMENT WITH THE SENIOR CENTER ATHLETIC CLUB FOR THE SALE OF FOOD, REFRESHMENTS, CONFECTIONERY AND BEVERAGES AT LEGION POOL

Passed: All present voting "aye."

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**5. Consideration of a Resolution Setting Fees and Charges Provided
for in the City Code (AF: 170-2008).**

Motion/Second: Munsey/Shull, to pass:

Resolution No. 2008-218, A RESOLUTION SETTING THE RATES, FEES AND CHARGES AS PROVIDED BY THE CITY OF KINGSFORT CODE OF ORDINANCES

Passed: All present voting "aye."

**6. Consideration of a Resolution Awarding the Bid for 330 Pipe
Joints of Item Number 41864 8"X18" DI Pushon Pipe to H.D. Supply Wasteworks
for the Old Island Phase II Materials Agreement (AF: 172-2008).**

Motion/Second: Marsh/Munsey, to pass:

Resolution No. 2008-223, A RESOLUTION AWARDING THE BID FOR PURCHASE OF CERTAIN WATERLINE MAINTENANCE ITEMS TO H.D. SUPPLY WATERWORKS FOR THE OLD ISLAND PHASE II MATERIALS AGREEMENT

Passed: All present voting "aye."

~~**7. Consideration of a Resolution Authorizing the Mayor to Sign all
Documents Necessary to Enter into an Agreement With Embarq for Long
Distance Telephone Service for the City of Kingsport (AF: 176-2008).**~~ City
Manager Campbell deferred this item to allow for the opportunity to get competitive bids.

**8. Consideration of a Resolution Authorizing Application for
Annual MPO Grant Funds and Execution of Contract Between the Virginia
Department of Transportation and the City of Kingsport on Behalf of the
Kingsport MPO for Fiscal Year 2009 Federal Transit Administration Section 5303
Planning Funds (AF: 174-2008).**

Motion/Second: Munsey/Marsh, to pass:

Resolution No. 2008-224, A RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION FOR GRANTS OF FEDERAL FUNDS UNDER THE FEDERAL TRANSIT ADMINISTRATION SECTION 5303 PROGRAM AND STATE MATCHING FUNDS AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE THE FUNDS

Passed: All present voting "aye."

E. APPOINTMENTS.

**1. Consideration of Appointment and Reappointment to the
Kingsport Regional Planning Commission (AF: 173-2008).**

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Motion/Second: Munsey/Mallicote, to approve:

- APPOINT MR. ANDREW HALL TO FILL THE FOUR-YEAR TERM OF RETIRING MEMBER, MR. JOHN FAUST, ON THE KINGSFORT REGIONAL PLANNING COMMISSION, EFFECTIVE SEPTEMBER 1, 2008 AND EXPIRING AUGUST 30, 2012
- REAPPOINT MS. COLETTE GEORGE TO SERVE AN ADDITIONAL FOUR-YEAR TERM ON THE KINGSFORT REGIONAL PLANNING COMMISSION, EFFECTIVE JULY 1, 2008 AND EXPIRING JUNE 30, 2012

Passed: All present voting "aye."

VII. CONSENT AGENDA.

Consent Agenda items are considered under one motion.

Motion/Second: Mallicote/Munsey, to adopt:

1. Consideration of an Ordinance to Appropriate the Funds to Enter Into an Agreement for Grant Funds With the Cherokee Preservation Foundation (AF: 147-2008).

Adopt:

Ordinance No. 5693, AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BY APPROPRIATING FUNDS RECEIVED FROM THE CHEROKEE PRESERVATION FOUNDATION GRANT AND BY TRANSFERRING FUNDS FROM THE GENERAL FUND BUDGET TO ESTABLISH THE RIVERWALK PROJECT (NC0809) GRANT 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: Mallicote, Marsh, Munsey, Shull, Shupe and Phillips voting "aye."

VIII. COMMUNICATIONS.

A. CITY MANAGER. City Manager Campbell thanked City staff for all their hard work on FY09 budget over last five months.

B. MAYOR AND BOARD MEMBERS. Alderman Shupe commented on importance of the proposed Senior Center position included in this year's budget. The Center is very tight on space and experienced an amazing increase in membership last year so this new position will allow members to take part in activities at satellite locations.

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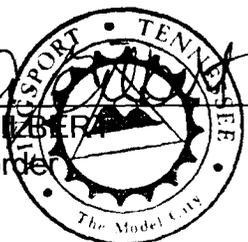
Alderman Shull stated that he and his family chose to return to Kingsport to live in his hometown after 17 moves in the military. His two children are currently in the City's public school system, which he has been impressed with. He added that both he and Mr. Marsh have invested significant amounts of money in Kingsport's businesses and he believes the private sector should be the economic driver, not the BMA who should only facilitate. It is his belief regarding the proposed budget, that the City can provide outstanding services and still save money.

Mayor Phillips thanked City Planner Alan Webb, who was born in England, for his positive comments after being asked to lead the pledge.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 8:30 p.m.


ELIZABETH A. GIZBERT
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor