

Minutes of the Regular Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Tuesday, November 18, 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 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 Mr. Jim Erwin.
- II.B. **INVOCATION:** By Pastor Mitch Whisnant of the First Baptist Church.
- III. **ROLL CALL:** By City Recorder Demming. Absent: Aldermen Charles K. Marsh, Jr. and Larry A. Munsey.
- IV. **RECOGNITIONS AND PRESENTATIONS.** Mayor Phillips recognized newly elected State Representative Tony Shipley in attendance. Also recognized was Dylan McCracken of Boy Scout Troop 240 who was attending in compliance with earning a merit badge.
- V. **APPROVAL OF MINUTES.**

Motion/Second: Joh/Shupe, to approve minutes, as amended, for the following meetings:

- A. November 3, 2008 Regular Work Session
- B. November 4, 2008 Regular Business Meeting

Approved: All present voting "aye."

**VI. COMMUNITY INTEREST ITEMS.**

**AA. PUBLIC HEARINGS.**

**A. PUBLIC COMMENT.** Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items.

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Ms. Barbara Brown of Lomax Street, Kingsport, asked Board members to pass the three bond resolutions discussed at last night's work session regarding future projects in the City. She is proud of the City and commended the Board on its decisions to move forward on past administrations' plans.

Mr. Jim Erwin, 1216 Jerry Lane, Kingsport, wanted to thank, as chair of the Kingsport Veterans Memorial Committee and on behalf of Kingsport Tomorrow and all area veterans, the BMA for its support, backing and encouragement of this project during last three and a half years.

Mr. Brian Haynes of 102 Monticello Place in Kingsport referenced the MeadowView quarter center tax in stating he would like to have the tax returned to citizens now that the goal for which it was imposed has been accomplished. He mentioned either the Board should determine to return it or give citizens a change of vote on the decision.

**B. BUSINESS MATTERS REQUIRING FIRST READING.**

**1. Consideration of an Ordinance Amending the FY 2008-2009 General Purpose School Fund Budget (AF: 350-2008).**

Motion/Second: Joh/Mallicote, 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 an Ordinance to Amend the Culture Arts Division Budget in the General Fund by Appropriating Funds Received From the Tennessee Arts Commission Arts Build Community Grant to Support the Art Night/City Lights Performing Arts Series (AF: 359-2008).**

Motion/Second: Shull/Mallicote, to pass:

AN ORDINANCE TO AMEND THE CULTURE ARTS DIVISION IN THE GENERAL FUND BUDGET BY APPROPRIATING FUNDS RECEIVED FROM THE TENNESSEE ARTS COMMISSION 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."

**3. Consideration of an Ordinance to Amend the General Project-Special Revenue Funds by Appropriating Grant Funds Received From The Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (AF: 360-2008).**

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Motion/Second: Shupe/Joh, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT AND GENERAL PROJECTS-SPECIAL REVENUE FUND BUDGETS BY APPROPRIATING FUNDS RECEIVED FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND BY TRANSFERRING FUNDS FROM THE FIRE DEPARTMENT EQUIPMENT BUDGET (GP0708) TO ESTABLISH THE FEMA FIRE EQUIPMENT PROJECT (NC 0904); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**4. Consideration of a Resolution to Authorize the Mayor to Execute all Documents Necessary for Amendments to the Kingsport Higher Education Center Architect's Agreement with McCarty Holsaple McCarty Architect's, Inc. and Consideration of a Budget Ordinance to Appropriate the Grant Funds Received from the Economic Development Administration and the Appalachian Regional Commission (AF: 357-2008).**

Motion/Second: Joh/Shupe, to pass:

**Resolution 2009-122**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 3 TO THE OCTOBER 7, 2007 AGREEMENT WITH MCCARTY HOLSAPLE MCARTY ARCHITECTS, INC. FOR DESIGN SERVICES RELATED TO THE KINGSFORT HIGHER EDUCATION CENTER AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

Motion/Second: Joh/Mallicote, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION AND FROM THE APPALACHIAN REGIONAL COMMISSION FOR CONSTRUCTION OF THE KINGSFORT CENTER FOR HIGHER EDUCATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**5. Consideration of an Ordinance to Update the City of Kingsport Travel Policy and Address Use of Travel Cards (AF: 366-2008).**

Motion/Second: Mallicote/Shupe, to pass:

AN ORDINANCE TO ADOPT A REVISED POLICY FOR TRAVEL BY CITY EMPLOYEES ENGAGED IN CITY BUSINESS; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**C. BUSINESS MATTERS REQUIRING FINAL ADOPTION. None.**

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**D. OTHER BUSINESS.**

**1. Consideration of a Resolution Authorizing the Mayor to Execute a Sub Recipient Agreement with the Greater Kingsport Alliance for Development for the Acquisition of Vacant Residential Property (AF: 356-2008).**

Motion/Second: Joh/Mallicote, to pass:

**RESOLUTION NO. 2009-123, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE GREATER KINGSPORT ALLIANCE FOR DEVELOPMENT FOR ACQUISITION OF VACANT RESIDENTIAL PROPERTY**

Passed: All present voting "aye."

**2. Consideration of a Resolution Authorizing the Mayor to Execute a Lease Agreement for Office and Storage Space for Quebecor World Inc. located at 335 Roller Street (AF: 355-2008).**

Motion/Second: Shupe/Mallicote, to pass:

**Resolution No. 2009-124, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF KINGSPORT AND QUEBECOR WORLD KINGSPORT, INC. FOR OFFICE SPACE IN THE BUILDING KNOWN AS THE QUEBECOR BUILDING LOCATED AT 335 ROLLER STREET IN THE CITY OF KINGSPORT, SULLIVAN COUNTY, TENNESSEE**

Passed: All present voting "aye."

**3. Consideration of a Resolution Adopting Search, Violence in the Workplace, and Weapons Policies (AF: 353-2008)**

Motion/Second: Shull/Joh, to pass:

**Resolution No. 2009-125, A RESOLUTION REPEALING SECTION 11, VIOLENCE IN THE WORKPLACE, OF THE CITY OF KINGSPORT POLICIES AND PROCEDURES MANUAL REVISED SEPTEMBER 1998; AND ADOPTING A SEARCH POLICY, A VIOLENCE IN THE WORKPLACE POLICY AND A WEAPONS POLICY FOR CITY EMPLOYEES**

Passed: All present voting "aye."

**4. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Bonds (V.O. Dobbins Renovation/Non-profit Center) in an Amount not to Exceed \$7,145,000 (AF: 363-2008).** Alderman Shull explained his opposition to this action although he supports the initial V.O. Dobbins Center renovation project. He expressed his disagreement with the nonprofit addition to the Center due to the issue of the City competing with the private sector for leasing property.

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Motion/Second: Mallicote/Joh, to pass:

**Resolution No. 2009-126**, AN INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$7,145,000 GENERAL OBLIGATION BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

Passed: All present voting "aye," except Shull voting "nay."

Motion/Second: Joh/Shupe, to pass:

**Resolution No. 2009-127**, A RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$7,145,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

Passed: All present voting "aye," except Shull voting "nay."

**5. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of Local Option Sales Tax Revenue and Tax Bonds in an Amount not to Exceed \$15,305,000 (AF: 364-2008).** City Manager Campbell explained how these bond funds would be used to finance the MeadowView Conference Center expansion project and what that project would encompass. Mayor Phillips added that, in response to earlier comments made by Mr. Haynes, the BMA looks carefully at studies on these projects, reviews recommendations from the MeadowView Advisory Board and examines the overall community benefit of an expansion such as this one. Vice-Mayor Mallicote reiterated the Mayor's comment that 60% of MeadowView's tax revenues are received from visitors from out of the area and clarified that the quarter center sales tax, if abolished, would return twenty-five cents on every \$100 spent by citizens.

Alderman Shull referred to a recent opinion article by Alderman Marsh in the paper and stated that he and Mr. Marsh believe the MeadowView tax revenue should be used for property tax relief and not favor certain special interest groups. Both he and Mr. Marsh support limited and responsible government and are concerned about the level of debt incurred by this Board. It is his understanding that most citizens are against this extensive conference center renovation. At the request of Vice-Mayor Mallicote to identify the special interest groups, Alderman Shull stated the BMA has provided tax breaks over a two-year period to 1) the Crown Point/Food City development, 2) the out-of-town owners of the Fort Henry/Kingsport Mall, and 3) Eastman Chemical Company was given a \$21 million tax break, which tax breaks are not available to small businesses. Mayor Phillips objected to the last statement, saying any and all businesses are able to apply for TIF (tax increment financing).

Vice-Mayor Mallicote replied by pointing out that the City will receive huge revenue benefits in return for the Eastman tax break and encourages the company to keep its headquarters in Kingsport.

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At this point, Alderman Shupe read from the Board rules that state that Board members and staff should respect the decision of the majority and refrain from introducing debate or discussion on issues already decided. He added that, if the majority of the Board had not moved forward on many of these projects, the City would likely not have the MeadowView Conference Center, the Higher Education Center, East Stone Commons or Food City. He pointed out that Kingsport is faring much better, on a national scale, than most places, largely because of healthy retail sales tax garnered from these decisions.

Motion/Second: Joh/Mallicote, to pass:

**Resolution No. 2009-128**, AN INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$15,305,000 LOCAL OPTION SALES TAX REVENUE AND TAX BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

Passed: All present voting "aye," except Shull voting "nay."

Motion/Second: Joh/Mallicote, to pass:

**Resolution No. 2009-129**, A RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$15,305,000 LOCAL OPTION SALES TAX REVENUE AND TAX BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

Passed: All present voting "aye," except Shull voting "nay."

**6. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Public Improvement Bonds in an Amount not to Exceed \$12,305,000 (AF: 365-2008).** City Manager Campbell described the projects that would be addressed with funding from these bond proceeds. At the request of Alderman Shupe, Mr. Campbell described the necessity and benefit of constructing a parking garage in the downtown area.

Motion/Second: Mallicote/Joh, to pass:

**Resolution No. 2009-130**, AN INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$12,305,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

Passed: All present voting "aye."

Motion/Second: Joh/Shupe, to pass:

**Resolution No. 2009-131**, A RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$12,305,000

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Passed: All present voting "aye."

**E. APPOINTMENTS.**

**1. Consideration of Reappointment to the Kingsport Beverage Board (AF: 352-2008).**

Motion/Second: Joh/Mallicote, to approve the following reappointment:

REAPPOINT MR. NATHAN D. BLYE TO SERVE AN ADDITIONAL THREE-YEAR TERM ON THE KINGSFORT BEVERAGE BOARD, EFFECTIVE JANUARY 1, 2009 AND EXPIRING DECEMBER 31, 2011 (AF: 352-2008)

Passed: All present voting "aye."

**VII. CONSENT AGENDA.**

Motion/Second: Mallicote/Shupe, to adopt:

**1. Consideration of an Ordinance Authorizing the Mayor to Execute a Quitclaim Deed to the Industrial Development Board of the City of Kingsport, Tennessee (AF: 348-2008).**

Adopt:

**Ordinance No. 5787**, AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE AND DELIVER A QUITCLAIM DEED TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT, TENNESSEE FOR THREE TRACTS OF LAND LOCATED ON AND NEAR WEST MAIN STREET; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**2. Consideration of an Ordinance to Appropriate Funds from the General Fund Balance for the Completion of the Construction of the Veterans Memorial (AF: 351-2008).**

Adopt:

**Ordinance No. 5788**, AN ORDINANCE AN ORDINANCE TO AMEND THE SPECIAL PROGRAMS DIVISION IN THE GENERAL FUND BUDGET BY APPROPRIATING FUNDS FROM THE GENERAL FUND UNDESIGNATED FUND BALANCE TO COMPLETE CONSTRUCTION FOR THE VETERAN'S MEMORIAL FOR THE FISCAL YEAR ENDING JUNE 30, 2009; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**3. Consideration of Approval of Offer for Easements and Rights-of-Way for the Stone Edge Drive Slope Improvements Project (AF: 367-2008).**

Approve:

OFFER FOR EASEMENTS AND RIGHTS-OF-WAY FOR THE STONE EDGE DRIVE SLOPE IMPROVEMENTS PROJECT

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

**4. Consideration of Approval of Offer for Easements and Rights-of-Way for the Chestnut Ridge Road Sewer Line Extension Project (AF: 368-2008).**

Approve:

OFFER FOR EASEMENTS AND RIGHTS-OF-WAY FOR THE CHESTNUT RIDGE ROAD SEWER LINE EXTENSION PROJECT

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

**VIII. COMMUNICATIONS.**

**A. CITY MANAGER.** Mr. Campbell announced that he had received a letter today from AT&T indicating the City had been awarded a \$50,000 grant to create a smart classroom in the Kingsport Higher Education building. He added that, although the official letter has not yet been received, the City is close to receiving good news about the *Safe Routes to Schools* grant regarding sidewalks at Kennedy School. He then asked Public Works Director Ryan McReynolds to explain the changes in garbage service pickup due to the Thanksgiving holiday.

**B. MAYOR AND BOARD MEMBERS.** Alderman Shupe wished all *Happy Thanksgiving* and thanked mentioned the pride the City has in the recently dedicated Veterans Memorial and the veterans honored there.

Alderman Joh shared she had went by the new Rock Springs school, which is looking great and expressed her appreciation again for the City's public art exhibits again after visiting other areas.

Vice-Mayor Mallicote commended the City's fire and police departments as a result of a vehicle accident that recently occurred at the home of a good friend. The friend was very complimentary of both departments in their response as being very polite and professional.

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Mayor Phillips mentioned that the Board will meet only one time in January, on January 12 and 13, 2009. He then thanked Chamber of Commerce president, Miles Burdine, and Bracken Paving for addressing the pothole located in the private road leading to Home Depot. Because the roadway was private and not public, as some citizens assumed, the City was kept from being able to repair the pothole.

The Mayor also mentioned that the Kingsport City Schools Board of Education was chosen the top School Board in the state and the City will be presenting them with a commendation from the BMA at the next meeting.

**C. VISITORS.** Ms. Barbara Brown emphasized that she would like to see candidates in the upcoming election to avoid smear tactics and campaign to win based on their own merits.

Ms. Catrina Estes, a Dobyns-Bennett High School student, thanked the Board for supporting the Veterans Memorial to be constructed near the high school. She and other students attended the dedication and, having a brother in the army, is appreciative of having something to honor area veterans.

Mr. Brian Hayes returned to the podium and asked Board members how much tax they believe is significant if the MeadowView tax is insignificant.

Vice-Mayor Mallicote responded that it's relevant to know that it's one quarter of one percent and it's absolutely pertinent to the discussion. City Manager Campbell added that, as one who has worked with City budgets for over 30 years, the City is working to ensure it has a sustainable future and there is a need for a viable future tax base which requires diversification. In comparing the top 25 taxpayers in Johnson City, those 25 together do not equal what Eastman pays the City of Kingsport in taxes and no other city in Tennessee has a taxpayer like that. Ultimately, assisting Eastman with the tax credit discussed earlier, will keep property taxes lower for the long term.

**IX. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 8:45 p.m.

  
ELIZABETH A. GILBERT  
Deputy City Recorder

  
DENNIS R. PHILLIPS  
Mayor