

**MINUTES OF AGENDA WORK SESSION
May 14, 2015 – 6:00 pm**

**To Set the Agenda For The
May 28, 2015 Council Meeting**

The East Ridge City Council met pursuant to notice on May 14, 2015, 6:00 pm at East Ridge City Hall to set the agenda for the May 28, 2015 Council Meeting and other items. Mayor Lambert called the meeting to order.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, Councilmember Sewell, City Manager Hyatt, City Attorney North and City Recorder Middleton.

Letter from Director of State and Local Finance – Mr. Jablonski stated this letter is regarding the BAN refunding. The letter states that balloon indebtedness is not something the Comptroller encourages, but cities are allowed to do that. He stated the PFM, our financial advisor, is not concerned, that the amount is manageable over the next 30 years. This is just standard operating procedure and is just for informational purposes.

Old Business:

ORDINANCE NO. 988 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, TO AMEND ORDINANCE NO. 971 ENTITLED “AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE FOR THE FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015 APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT...” BY CHANGING REVENUES OF THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND AND CHANGING THE EXPENDITURES FOR THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND (2nd and final reading) – Mr. Jablonski stated this will be second and final reading of the budget amendment. City Treasurer Jablonski stated this is probably the end of the fiscal year budget amendment. Revenues and expenditures will need to be amended because some will come in above the budgeted amount and some will be less.

New Business Discussion:

ORDINANCE NO. _____ – AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE, FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016 AND APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION OF ALL TAXABLE PROPERTY IN THE CITY; THE TIME TAXES ARE DUE; HOW THEY SHOULD BE PAID; WHEN THEY WILL BECOME DELINQUENT; AND PROVIDING FOR THE INTEREST AND PENALTIES ON DELINQUENT TAXES AND PRIVILEGES (1st reading) - City Manager Hyatt stated this will be on tonight’s regular meeting agenda tonight. Mr. Jablonski will go over the budget in more detail at that time.

RESOLUTION NO. _____ - APPROVAL TO NAME THE LIBRARY THE SUSAN MILLSAPS MACRELLIS MEMORIAL LIBRARY - Mr. Hyatt stated the Susan Macrellis, the Head Librarian, recently passed away. He has been approached by some citizens that feel it would be appropriate to name the library after her.

RESOLUTION NO. _____ - APPROVAL TO CONTRACT WITH HENDERSON, HUTCHERSON AND McCULLOUGH FOR AUDITING SERVICES – Mr. Hyatt stated this is the same group that has done our audit for the past two years. He would like to continue with them because they do an excellent job.

RESOLUTION NO. _____ - APPROVAL OF PROPOSAL FOR TIMECLOCKS – Mr. Hyatt stated this item was in this year’s budget. He stated that if time is not recorded correctly, fines could be levied due to the Affordable Care Act.

RESOLUTION NO. _____ - APPROVAL OF BID FOR PAVINGS COSTS – Mr. Hyatt stated he would like to bid this out to get prices per square yard on milling, paving, and striping for budget purposes.

Reporting on Form CT-0253 regarding BAN Refinancing Loan – Mr. Jablonski stated this form confirms the indebtedness for the BAN refinancing. The letter discussed earlier from the Director of State and Local Finance was to inform Council that this form has to be provided.

Variance for Beer Permit – José Melendez – 5326 Ringgold Road – Mr. Hyatt stated this variance would be for the old Ryan’s building on Ringgold Road. The request to the Beer Board was denied; therefore it will have to go before Council for a variance to the distance requirement. There is a church within 15 feet of the building.

Border Region District Amendment of Boundaries – Mr. Hyatt stated that recently the state passed an amendment for cities in the Border Region District to have a one-time exemption to the border region map. We can take out some of the businesses that, if they had to be replaced, we could not make up the revenue, for example the Camping World Maintenance Shop. Mr. Jablonski stated that Mr. Gravitt sponsored the legislation at the State level and he thanked him for his support. The deadline is June 30, 2015.

Discussion of Ridgeside Contract – Mr. Hyatt stated the Mayor of Ridgeside is in the audience tonight. He stated this issue came up when Ridgeside asked for Codes Enforcement services as well as Fire and Police, which East Ridge provides to them now. Mr. Cagle would like a copy of the contract.

Councilmember Manning expressed his condolences to former Mayor Tom Shaver’s family in his passing.

Councilmember Sewell thanked Don Seagle, the City's WWTA representative, for checking on a business that had a complaint with WWTA. Mr. Seagle researched the matter and was able to resolve it.

Councilmember Cagle thanked the Shaver family for asking the Council to be honorary pallbearers at former Mayor Shaver's funeral.

Vice Mayor Gravitt thanked Mr. Jablonski for his kind words about sponsoring the Border Region legislation. Mr. Gravitt also thanked Senator Gardenhire for his help with this legislation.

Mayor Lambert stated he is not feeling well, but will try to make it through the Council meeting.

Mayor Lambert adjourned the meeting.

**REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF EAST RIDGE**

**May 14, 2015
6:30 p.m.**

The East Ridge City Council met pursuant to notice on May 14, 2015, 6:30 pm at East Ridge City Hall. Mayor Lambert called the meeting to order.

Councilmember Manning gave the invocation. All joined in the Pledge of Allegiance to the Flag.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, Councilmember Sewell, City Manager Hyatt, City Attorney North and City Recorder Middleton.

Special Presentation: This item was removed from the agenda.

Mayor Lambert announced that Resolution No. 2478 would also be removed from the agenda.

Consent Agenda:

- A. Approval of Minutes April 23, 2015 Agenda Work Session
- B. Approval of Minutes April 23, 2015 Council Meeting

Councilmember Sewell made a motion, seconded by Councilmember Manning, to approve the Consent Agenda. The vote was unanimous. Motion approved.

Communication from Citizens:

Renado Mizutani, 5330 Marion Avenue, a teacher and tennis coach at East Ridge High School, came forward to ask the Council for help with the tennis court, such as painting lines, clearing brush, etc. He stated the courts need new nets and later possibly resurfacing. The Mayor stated Council will look at this, and possibly contact Commissioner Boyd about the County also helping with the expenses.

Matthew DeGlopper, 706 Pyron Lane, stated there is some confusion about where money is being spent in the Parks and Recreation Department. He suggested that Parks and Recreation needs to have its own fund.

Councilmember Manning stated that Camp Jordan is great and getting better. It is not a “black hole money pit.” He stated that kids love it and it is something we need in this City and something of which to be proud.

Mimi Lowery, 819 Mt. Belvoir Drive, would like council to consider putting badminton, croquet, corn hole and shuffleboard at the Community Center area. She has checked and all this would cost less than \$3,000.

Communication from Councilmembers:

Councilmember Cagle asked if there was a problem with the title to the old Fire Station 2 property. Mayor Lambert stated the City is attempting to finish the paperwork with the TDOT Excess Land Committee. The Mayor stated we bought the land in 1999 and paid 29% of the appraised value. There was a restriction in the deed that the land was only to be used for a fire station. After the development was in progress, TDOT contacted the Mayor to get the restriction lifted. The City has to go back through the Excess Land Committee to release the restriction. TDOT says they have no problem lifting the restriction, but the City would have to pay 71% of the new appraisal which came in at \$600,000. The Mayor talked to TDOT today to see what had to be done. The City will have to submit a check to TDOT for the 71% of the \$600,000. This would be an eligible expense under the Border Region Act that could be reimbursed to the City. Attorney North suggested the City pay the amount under protest. Vice Mayor Gravitt stated the developers are aware of this and it does not jeopardize the development.

Mr. Cagle asked Mr. Hyatt if he and the City Treasurer were going to Las Vegas for the RECON show. Mr. Hyatt stated that he is not going but Mr. Jablonski is. Mr. Hyatt is trying to get a refund for his registration. Mr. Hyatt also stated that Retail Strategies has lined up at least a dozen meetings for Mr. Jablonski to meet with developers.

Vice Mayor Gravitt had nothing at this time.

Councilmember Manning would like for the attorney to check into the deed for the McBrien School property.

Councilmember Sewell had nothing at this time.

Mayor Lambert announced that former Mayor Tom Shaver passed away. Visitation will be the following day and the funeral will be Saturday at 10 a.m. He also stated that the Council will be honorary pallbearers.

The Mayor stated there would be a Run to Feed 5K on Saturday at Camp Jordan and East Ridge High School Graduation would be Saturday at 2 p.m. There will also be a concert at the Camp Jordan Amphitheater on May 23rd, East Ridge Braves Day on May 24th and a Memorial Day Service on Monday, May 25th.

Mayor Lambert commended the Traffic Control Department for painting the islands at McBrien and South Terrace.

The Mayor also stated he received a complaint about a house in his neighborhood that Codes Enforcement needs to check out. He will provide the address to the City Manager.

Councilmember Manning stated there is a house near McDonald's that Codes needs to check on.

Communication from City Manager:

City Manager Hyatt stated he has been approached by several citizens about renaming the library after Susan Macrellis. Ms. Macrellis had been the Head Librarian for years before her recent passing.

Mr. Hyatt provided the Council with a copy of the political sign ordinance for their review. He stated that clarification was needed for changes to the ordinance.

Mr. Hyatt also announced the Memorial Day service at 1:00 pm on Monday, May 25th. He also stated there is a Dizzy Dean tournament beginning May 24th at Camp Jordan.

Mr. Manning invited everyone to the Memorial Day service.

Old Business:

Discussion/Take Action on Employee Insurance for FY16 – Mr. Hyatt introduced Tim White with Benefits, Inc., the City's insurance broker, to discuss the employee insurance plan. Mr. White stated that highlights of the plan are:

- Medical Insurance will continue to be offered through Blue Cross and Blue Shield of Tennessee.
- Currently the City offers two networks. The new proposed plan would be a P Network plan, at the same cost as the current S Network. Employees with the S Network would have the P Network with no rate increase. Employees with the P Network would have less coming out of their check.
- Currently the employees have a \$250 deductible, to which copays for office visits and prescriptions do not apply. The new plan is \$400 out of pocket (\$800 family) to which copays and prescriptions do apply.
- Office visits are 10% of the total discounted rate from Blue Cross Blue Shield of Tennessee.
- The pharmacy copay structure remains the same at \$10/\$35/\$50, but these amounts would be applied to the employee's out of pocket expense.
- Dental Insurance - No cost to the employee, including dependents. The annual benefit is increased to \$1,500. The lifetime orthodontic benefit is increased to \$1,500. Previously, both were \$1,000.
- Vision Insurance - No cost increase to the employee. Benefits have been improved to include frames every 12 months. Currently, it is every 24 months.

- Life Insurance - Same level of benefits as last year with no cost to the employee. \$20,000 for employees/\$5,000 for spouse/ \$2,000 for children. Employees can also purchase \$150,000 of additional coverage with guaranteed issue.
- Long Term Disability – This is a new coverage. It pays 60% of income until normal Social Security retirement age. There is no cost to the employee.
- Short Term Disability – The employee pays the premium. The plan pays 60% of the employee’s income up to 13 weeks and then transitions to the long term disability plan. The plan is guaranteed issue with no pre-existing provisions.

Mr. Hyatt stated the cost of the plan to the City for medical insurance will be \$1,388,752.92, which is a savings of \$85,401.40 over our current premium. When you consider that under the old plan, the City would have had a premium increase, the actual savings for medical insurance are \$300,129.52. For all insurance combined, the total proposed annual savings will be \$376,115.40, plus the employees get better benefits. Councilmember Manning made a motion, seconded by Mayor Lambert, to wait until the next meeting to consider this matter. Both would like to get employee input. Councilmember Sewell stated the plan looks good as far as the savings for the City. Mr. Cagle suggested putting this out for bid, because this company is not local. Mr. White stated they are a regional agency and are in the top five agencies for Blue Cross. Councilmember Gravitt’s issue is who decides what criteria will be bid out. Now that Mr. White’s numbers are public information, we would have to bid out exactly what was quoted from him. Roll call vote on Mr. Manning’s motion to defer action until next meeting: Vice Mayor Gravitt – pass; Councilmember Cagle – no; Councilmember Manning – yes; Councilmember Sewell – no; Mayor Lambert – yes; Vice Mayor Gravitt – yes. Motion approved.

New Business:

ORDINANCE NO. 988 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, TO AMEND ORDINANCE NO. 971 ENTITLED “AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE FOR THE FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015 APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT...” BY CHANGING REVENUES OF THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND AND CHANGING THE EXPENDITURES FOR THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND (1st reading) – City Attorney North read on caption. Mr. Jablonski stated this has been discussed in the work session. He stated we still have to pay 1 million as the incentive for the Bass Pro development. From the \$3.5 million bond issue, he is asking to apply one million of the bond into the general fund for the incentive payment, and \$2.5 million into the Capital Improvement Fund. Mr. Gravitt asked if this is the last payment. Mr. Jablonski stated it was and it would be paid five days after certification that Bass Pro has taken over the site.

Councilmember Manning made a motion that the City not pay the developers the last one million in incentives until they finish moving the dirt at Camp Jordan. Mr. Lambert stated that would be breaking the contract. The Mayor stated that as far as the pavilion, the developers

have been waiting on the City to give their approval of the plans. Mr. Manning withdrew his motion. Councilmember Sewell made a motion, seconded by Vice Mayor Gravitt, to approve Ordinance No. 988 on first reading. Mr. Gravitt stated he would like to see more progress at Camp Jordan. The vote was unanimous. Motion approved.

RESOLUTION NO. 2475 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO PURCHASE PORTABLE RADIOS FOR THE EAST RIDGE FIRE RESCUE DEPARTMENT THROUGH THE TENNESSEE DEPARTMENT OF GENERAL SERVICES STATE-WIDE CONTRACT LISTING, PURSUANT TO TENNESSEE CODE ANNOTATED 12-3-1001 – City Attorney North read on caption. Councilmember Manning made a motion, seconded by Councilmember Cagle, to approve Resolution No. 2475. The funds will come from the Homeland Security Grant. The vote was unanimous. Motion approved.

RESOLUTION NO. 2476 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO PURCHASE PORTABLE RADIOS FOR THE POLICE DEPARTMENT THROUGH THE TENNESSEE DEPARTMENT OF GENERAL SERVICES STATE-WIDE CONTRACT LISTING, PURSUANT TO TENNESSEE CODE ANNOTATED 12-3-100 – City Attorney North read on caption. Vice Mayor Gravitt made a motion, seconded by Councilmember Manning, to approve Resolution No. 2476. The vote was unanimous. Motion approved.

RESOLUTION NO. 2477 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE THE ATTACHED CONTRACT WITH THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, FOR THE CITY OF EAST RIDGE TO PROVIDE MOWING SERVICES AT THE I-75, EXIT 1 INTERCHANGE, FOR FY 15/16, ON A REIMBURSEMENT BASIS – City Attorney North read on caption. Mr. Hyatt stated this is the standard contract with TDOT. The amount TDOT will be paying the city is about \$8,000 less than in the past; it has dropped down to \$5,895.00. Councilmember Cagle made a motion, seconded by Councilmember Sewell, to deny Resolution No. 2477 and not renew the contract. The Vice Mayor asked Mr. Hyatt to elaborate on this matter. Mr. Hyatt stated TDOT will only cut the exit five times a year. The City bid out mowing services but only received one bid. Mr. Sewell stated mowing the exit causes damage to the mowers. Mayor Lambert stated it is an expense, but it would be disappointing to lose control of the exit; it would not get mowed regularly and would not look nice. Mr. Sewell withdrew his second, and Mr. Cagle withdrew his motion as long as we put it back out for bid. Councilmember Cagle made a motion, seconded by Councilmember Sewell, to approve Resolution No. 2477 and to also obtain bids for mowing services. Mr. Hyatt stated that only TDOT can terminate the contract. The vote was unanimous. Motion approved.

FY 16 Budget Presentation – Mr. Jablonski asked if Council would consider having a budget workshop on May 26th. He stated that fiscal year 2015 was an investment year, as far as the

Facade Program and purchasing new police cars and City Services equipment. He stated that 2016 will be a rebuilding year; we are starting with a bare bones budget. He anticipates more local taxes in the amount of \$216,000 and an increase in licenses and permits of \$70,000. He is anticipating general fund revenues will go up \$282,000 more than this year. Mr. Jablonski stated we have cut back in administration by \$64,000 by reducing the number of employees. He stated that \$1.5 million for the Bass Pro incentive was to come out of the fund balance. There is an anticipated \$1.75 million decrease in reserves but he does not anticipate that much. The number could be \$100,000 less than that. The Mayor scheduled a budget workshop at 5:30 pm on May 26, 2015. Mr. Jablonski stated the Council could call him at any time about the budget; he would like to have their input. Mr. Cagle asked how much raises would be. Mr. Jablonski stated there are no proposed raises; it will be up to Council to propose the raises.

Mayor Lambert adjourned the meeting.

**CALLED MEETING OF THE CITY COUNCIL
OF THE CITY OF EAST RIDGE**

May 26, 2015 –5:30 pm

The East Ridge City Council met pursuant to notice on May 26, 2015, 5:30 pm at East Ridge City Hall for the purpose of:

- Discussion/Take Action on the FY 2016 Budget

Mayor Lambert called the meeting and all Councilmembers were given notice of the call.

Mayor Lambert called the meeting to order. Councilmember Manning gave the invocation and all joined in the Pledge of Allegiance to the flag.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, Councilmember Sewell, City Manager Hyatt, and City Recorder Middleton. City Attorney North was not present.

Discussion/Take Action on FY 2016 Budget

City Manager Hyatt had City Treasurer Jablonski go over highlights of the budget. Mr. Jablonski discussed the following changes:

- Local sales taxes were down in 2014 but are anticipated to increase.
- Incremental Sales Tax – we had two payments in the first quarter. The amount could exceed \$413,000.
- Business Tax from the State is likely to increase.
- Licenses and Permit fees have increased.

Mayor Lambert suggested that Mr. Jablonski give an overview and then Council can come back and ask questions.

Mr. Jablonski continued with the overview of the budget as follows:

- Intergovernmental revenues and miscellaneous revenues have increased.
- Created a separate fund for Parks and Recreation.

Mr. Cagle asked why nothing was budgeted for the intergovernmental state law enforcement education grant. Mr. Jablonski stated we do anticipate \$22,800 from the grant.

Mr. Cagle had questions or comments about the following items:

- Ridgeside Contract – This will automatically renew. Mayor Lambert stated Ridgeside would like to add Code Enforcement services but the amount of the contract would have to be changed.

- Exit 1 Mowing – Mr. Jablonski stated TDOT has cut the amount they pay the City from \$15,000 + to \$5,000+.
- General Government – Mr. Jablonski stated this is for timeclocks and other professional services.
- Christmas bonuses – Mr. Jablonski stated that will be up to Council to determine.
- Employee Relations – this is for Employee of the Month, Christmas lunches, etc.
- City Hall - Zero budgeted for building repairs. All expenditures for building repairs go to Building Maintenance.
- Special Projects - \$2,000 education support, \$5,000 World Changers, and \$10,000 for school art program. Mr. Jablonski stated Council determines if these amounts stay in the budget. Mr. Sewell would like to put in funds for the tennis courts at the high School. Mayor Lambert suggested renaming this line item to School Support or School Projects.
- Police Administration – Chief Reed stated this is for 911.
- Part Time Police Employees – Chief Reed stated he has part-time school patrol, one part time police officer and seven reserves. Reserves are paid when they work. He stated two people are budgeted in Traffic Division.
- Building and Codes – Mr. Cagle asked if Kenny Custer’s payroll comes out of the Fire Department or the Codes Department. Chief Williams stated his pay is budgeted in the Fire Department.
- Building and Codes – Contract Services – Mr. Jablonski stated this is for electrical inspections, etc.
- Traffic Control – Supplies were cut, but Mr. Jablonski stated the budget could be amended if necessary.
- Economic Development Contract Service – This is for the contract with Retail Strategies. We have already paid half and the full amount is reimbursable under the Border Region Act.
- Legal fees – Mayor Lambert stated this pertains to fees for Mark Mamantov for the Border Region Act. This is also reimbursable under the Border Region Act.
- Transportation Multi-modal grant – Mr. Cagle asked why we were budgeting a match for this grant when we haven’t received it yet. Mr. Jablonski is hopeful that we will receive it and if we do not, the City doesn’t have to spend the money.
- Deficit in Forfeitures – Mr. Jablonski stated revenues did not come in as anticipated.
- Police Machinery and Equipment – They are asking for the remainder of radios not covered by a grant that was received. Chief Reed stated some could be replaced on a yearly basis.
- Cost of new fire engine – Chief Williams stated it would be anywhere from \$580,000 - \$600,000. We have also budgeted 10 radios for \$50,950 and 8 airpacks for \$48,040.
- City Services – they have requested a paint machine for Traffic Control and a Bobcat for the Street Department.
- McBrien School – This building needs a restroom, plus water and sewer line repairs.

Councilmember Manning asked about police equipment. Chief Reed stated the City needed to purchase licensing from 911 for software for car computers, possibly 15 licenses.

He stated that laptops in cars would increase efficiency, with officers not having to come back to the station to do their reports. They could also run tag numbers on the car computers. It will cost approximately \$3,000 to fully equip each car with a total of 34 cars. Vice Mayor Gravitt made a motion, seconded by Councilmember Sewell, to apply all money from the sale of police cars and forfeitures to the purchase of in-car computers and software. The vote was unanimous. Motion approved.

Mayor Lambert asked about the \$63,000 budgeted for City Services equipment. Mr. Jablonski stated this is for insulation for the brush pit and a center line striper. Mr. Hyatt stated we could contract with Red Bank or other cities to do their striping and our insurance would cover our employees.

Some of the Council will not be available for some of the regular or budget meetings.

There was a discussion of when to have first reading of the budget. Mr. Sewell and Mr. Gravitt will be out of town for meetings.

Mr. Jablonski discussed the Debt Service fund. He stated the City made the last payment on fund 211 and had approximately \$9,000 left over. He suggested transferring this amount to the 212 debt fund and close out the 211 debt fund, leaving only one debt service fund.

Vice Mayor Gravitt asked if we were going to do another RFP for employee insurance. The Mayor stated we could defer a decision on insurance until the following Thursday.

Mr. Sewell discussed the fact that operating supplies were cut by \$8,000 for Traffic Control. He stated he has spoken with the Traffic Control supervisor who stated there is a federal mandate that all signs have to be redone in certain sizes and have to be reflective, which will cost more money.

Mr. Jablonski provided the Council with packets containing salary information for 1%, 2% and 3% raises.

Councilmember Gravitt discussed the leave buyback program. He stated it is not fair for some employees to have this benefit and others not. This could be a potential fair labor law conflict. Councilmember Cagle stated he was an employee when this program was initiated and he lost sick leave and vacation time to get the leave buyback. Mr. Gravitt stated employees should either use their vacation or lose it. He also stated that the City could be penalized for offering employees such a good insurance plan. Mr. Manning stated that we have good employees and they deserve good benefits. Mr. Manning also proposed a raise for the City Attorney.

The meeting was adjourned.

**REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF EAST RIDGE**

**May 28, 2015
6:30 p.m.**

The East Ridge City Council met pursuant to notice on May 28, 2015, 6:30 pm at East Ridge City Hall. Mayor Lambert called the meeting to order.

Councilmember Manning gave the invocation. All joined in the Pledge of Allegiance to the Flag.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, City Manager Hyatt, City Attorney North and City Recorder Middleton. Councilmember Sewell was not present.

Mayor Lambert stated that certain items may need the entire council in attendance. He suggested recessing this meeting to either Friday night or Saturday. He will check with Mr. Sewell to see if that time is good for him.

Special Presentation: Mayor Lambert introduced Keith Bruner, Master Building Inspector for the City of Kingsport and current President of the Tennessee Building Officials Association and Tim Earles, Building Commissioner for Sullivan County and former President of Tennessee Building Officials Association. Mr. Bruner and Mr. Earles presented a Tennessee Building Officials Association Honorary Lifetime Member Award to Mary Baier, the interim Building Official for the City of East Ridge. City Manager Hyatt stated today is Ms. Baier's last day with the City. He also stated she has done an excellent job and he has had many positive comments about her.

Consent Agenda:

- A. Approval of Minutes May 14, 2015 Agenda Work Session
- B. Approval of Minutes May 14, 2015 Council Meeting
- C. Approval of April 2015 Financial Statement

Councilmember Cagle made a motion to approve the consent agenda for discussion purposes. He asked how many more payments Ridgeside has to make to the City this year for fire and police services. Mr. Jablonski stated they have three more payments, plus we just began invoicing Ridgeside for the first time this year, after it was noted by their auditors. Mr. Cagle also stated that the proceeds from the sale of the pool property were never voted on to transfer to the Capital Improvement Fund. Mr. Hyatt will check the minutes on this matter. Mayor Lambert removed Item C, Approval of April 2015 Financial Statement, from the Consent Agenda. This item will be brought back before Council. Mr. Cagle made a motion, seconded by

Councilmember Manning to approve the minutes listed under the Consent Agenda. The vote was unanimous. Motion approved.

Communication from Citizens:

Frances Pope, 1913 Close Road, discussed the fact that citizens have to sign in to speak and stated it could conflict with the recent charter change that allows citizens to speak at regular and called meetings. The Mayor does not believe having citizens sign in would deny them from speaking at meetings. Ms. Pope also discussed the restrictions on the old Fire Station property at Exit 1.

Matthew DeGlopper, Pyron Lane, stated there was a lack of transparency regarding the restriction on the Fire Station property, which should have been disclosed to taxpayers. He thanked Mr. Hyatt and Mr. Jablonski for always providing him with the information he needs.

John Britt III, 5305 Marion Avenue, asked if the Council has looked into bus service for East Ridge. Mr. Hyatt stated we are talking to CARTA about plans to have service in the City with no cost to the City. Mr. Gravitt stated that one reason CARTA stopped coming to East Ridge was that the City did not want to pay the huge franchise fee, which was close to \$400,000. Mr. Britt also discussed potential migration of population and stated the City needs to consider how it will affect East Ridge.

Communication from Councilmembers:

Councilmember Cagle asked Mr. Jablonski to give Council an update on the RECON conference he attended in Las Vegas. Mr. Jablonski stated he was there for three days and was overwhelmed by the size of the conference. He met with contacts from various businesses that Retail Strategies had scheduled for him and also made contacts on his own. Mayor Lambert asked if Council could have access to the marketing materials just in case they make contact with potential developers.

Mr. Hyatt stated that he met today with Forrest Preston with Life Care. Mr. Preston told him that the process of tearing down the Life Care buildings should start next week. Mr. Hyatt also stated that he and Mr. Preston are discussing other things that could benefit the City, but he cannot discuss them at this time.

Councilmember Manning announced that he will be running for the State Representative seat that Mr. Gravitt currently holds.

Councilmember Manning asked about the construction fence at Life Care. Mr. Gravitt stated the fence is there because they are moving equipment and are going to level the buildings. He stated it would look like the facility at Ooltewah.

Mayor Lambert thanked Mary Baier for her dedicated service to the City as the Interim Building Official. He stated she stepped in when we needed her and has done an excellent job. He also

stated there are a lot of positive things going on such as the remodeling of the hotel that will become the LaQuinta, the new grocery store and the new Life Care Center.

Communication from City Manager:

City Manager Hyatt stated the City received the Business of the Month from the East Ridge chapter of the Chattanooga Chamber of Commerce.

Mr. Hyatt called on Mr. Jablonski to speak. He stated that we received a press release stating we have maintained the AA3 bond rating after issuance of the \$3.5 million bond. He stated management got high marks, and he thanked staff for their good work.

Mayor Lambert announced that the Discussion of the City Manager Control will be added to the agenda as Item G.

Mayor Lambert stated Mr. Sewell responded and Saturday will work for him. We will recess this meeting until Saturday, May 30th at 9:00 am. to discuss and take action on items for which the entire council should be present.

Old Business:

ORDINANCE NO. 988 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, TO AMEND ORDINANCE NO. 971 ENTITLED “AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE FOR THE FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015 APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT...” BY CHANGING REVENUES OF THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND AND CHANGING THE EXPENDITURES FOR THE GENERAL FUND AND CAPITAL IMPROVEMENT FUND (2nd and final reading) – City Attorney North read on caption. Mr. Jablonski stated he expects the bond proceeds no later than the middle of June. Councilmember Cagle made a motion, seconded by Councilmember Manning, to approve Ordinance No. 988 on second and final reading. The vote was unanimous. Motion approved.

Letter from Director of State and Local Finance - Reporting on Form CT-0253 regarding BAN Refinancing Loan – Mr. Jablonski stated the purpose of the letter and Form CT-0253 is for the Comptroller’s office to approve the debt and advise that this is a balloon indebtedness. We have very good rate and if that changes, or increases, we could convert to a long term fixed note.

Discussion/Take Action on Employee Insurance for FY16 – This item will be moved to the recessed meeting on Saturday, May 30th.

New Business:

ORDINANCE NO. 989 – AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE, FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016 AND APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION OF ALL TAXABLE PROPERTY IN THE CITY; THE TIME TAXES ARE DUE; HOW THEY SHOULD BE PAID; WHEN THEY WILL BECOME DELINQUENT; AND PROVIDING FOR THE INTEREST AND PENALTIES ON DELINQUENT TAXES AND PRIVILEGES (1st reading) – This item will be moved to the recessed meeting on Saturday, May 30th.

RESOLUTION NO 2480 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, NAMING THE EAST RIDGE LIBRARY THE SUSAN MILLSAPS MACRELLIS MEMORIAL LIBRARY – City Attorney North read on caption. Mr. Gravitt stated he did not know Ms. Macrellis and that if the Library is renamed it should be after Ann Pruett. Mayor Lambert suggested naming the Children’s Reading Room after Ms. Macrellis. Councilmember Gravitt made a motion, seconded by Councilmember Manning, to name the Children’s Reading Room the Susan Millsaps Macrellis Children’s Reading Room. The vote was unanimous. Motion approved.

RESOLUTION NO. 2481 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT WITH HENDERSON, HUTCHERSON, AND MCCULLOUGH, PLLC FOR AUDITING SERVICES AS REQUIRED BY THE STATE OF TENNESSEE AND OTHER REGULATORY AGENCIES – City Attorney North read on caption. Councilmember Cagle made a motion, seconded by Councilmember Cagle Manning to approve Resolution No. 2481. Roll call vote: Vice Mayor Gravitt – pass; Councilmember Cagle – yes; Councilmember Manning – yes; Councilmember Sewell – yes; Mayor Lambert – yes; Vice Mayor Gravitt – abstain. Mr. Gravitt stated he abstained because he does appraisals for Henderson, Hutcherson and McCullough. Motion approved.

Variance for Beer Permit – José Melendez – 5326 Ringgold Road – Mayor Lambert stated this is the old Ryan’s Buffet building which is within 14 feet of a church. The Mayor stated he would like to speak to the pastor of the church before making any decisions on the beer permit. Mr. and Mrs. Melendez were present to speak. Mrs. Melendez stated she contacted a neighbor whose home is also within the 250 feet required distance and they have no problem with issuing a beer permit. She also stated that Rite Aid was approved and it was within the 250 foot required distance. Mr. Gravitt suggested council put this off until the recessed meeting on Saturday and in the meantime someone should try to contact the pastor of the church. If no one from the church shows up for the Saturday meeting, then Council would go ahead and act on this issue. The applicant is under a time constraint and must know by June 15th if the permit will be approved.

Border Region District Amendment of Boundaries – Mayor Lambert stated that under the Amendment of Boundaries for the Border Region District, the City will be allowed to take out properties that would pose a significant risk to the City if they shut down. Since the City must

have this list of businesses to the State by June 30th, City Attorney North prepared a caption for an ordinance to have on first reading tonight. Mr. Gravitt also discussed Camping World, which is located partially in Tennessee and partially in Georgia. He believes their sales tax should come to East Ridge and not Georgia, since they do not have access to their business from Georgia and they also advertise they are located in East Ridge. Mr. North will check on this. At this time, City Attorney North read Ordinance No. 990 on caption. Councilmember Gravitt made a motion, seconded by Councilmember Cagle, to approve Ordinance No. 990 on caption on first reading. The vote was unanimous. Motion approved.

Discussion of Ridgeside Contract – Mr. North stated the City of Ridgeside wants East Ridge to add Codes Enforcement to the contract in which we already provide Fire and Police services. Chief Williams stated this will be more work, but there are no commercial businesses in Ridgeside. Yard maintenance will not be an issue and there is not much new construction. Mr. North stated that by June 1st, the City Manager has to provide Ridgeside with a cost for services. Chief Williams stated he would not be opposed to trying this for the first year and see how it works out. This item was moved to the recessed meeting on Saturday, May 30th.

City Manager Contract – Mr. Hyatt asked that this be tabled until the June 15th meeting. Councilmember Gravitt made a motion, seconded by Councilmember Cagle, to table this item until the June 16th meeting. Roll call vote: Vice Mayor Gravitt – yes; Councilmember Cagle - yes; Councilmember Manning – abstain; Councilmember Sewell – yes; Mayor Lambert – yes. Motion approved.

The Mayor scheduled a called meeting on June 10, 2015 at 11 am to discuss the budget and to consider a beer variance for Jose Melendez.

Mayor Lambert recessed this meeting until Saturday, May 30th at 9 am.

**EAST RIDGE CITY COUNCIL MEETING
AGENDA**

**May 30, 2015
9:00 a.m.**

Recessed from May 28, 2015

Mayor Lambert stated there were five issues that rolled over from the May 28th meeting.

Mayor Lambert stated the meeting would proceed at the point at which it was recessed.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, Councilmember Sewell, City Manager Hyatt, City Attorney North, and City Recorder Middleton.

Discussion of Ridgeside Contract – Mr. Jablonski stated that whatever changes were made today would not take effect for six months according to the contract. The difference in the contract would be an additional \$2,470 for Fire and Police services. If you added Codes Enforcement, the amount would increase \$8,131, added to the regular amount. Mayor Lambert stated that based on discussion in the Thursday meeting, they do not expect a lot of activity for Codes Enforcement. He suggested we add the \$2,470 for Fire and Police and add Code Enforcement at no extra charge for the first year and reevaluate after one year. Mr. North stated the City Manager is obligated in writing to give Ridgeside an amount they will be charged on June 1st of each year. Vice Mayor Gravitt stated Judge Helton stated he has no jurisdiction over Ridgeside residents; that they much go to Hamilton County. Mayor Jobe of Ridgeside stated they were told by General Sessions Court that the cases must go to East Ridge because our officers handled the arrest. East Ridge officers are deputized in East Ridge. Councilmember Cagle made a motion, to put this item on hold for six months until all the details are worked out, but go ahead and provide Fire, Police and Codes Enforcement services to Ridgeside. Councilmember Sewell seconded the motion. The vote was unanimous. Motion approved.

Discussion/Take Action on Employee Insurance for FY 2016 – Councilmember Cagle made a motion, seconded by Councilmember Gravitt, to put this out for bids for other brokers and other insurance companies. Mr. North discussed the time frame and how close this would be until renewal time on July 1st. Mayor Lambert suggested having a called meeting to consider this item. The vote was unanimous. Motion approved.

ORDINANCE NO. 989 - AN ORDINANCE TO PROVIDE REVENUE FOR THE CITY OF EAST RIDGE, TENNESSEE, FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016 AND APPROPRIATING THE SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION OF ALL TAXABLE PROPERTY IN THE CITY; THE TIME TAXES ARE DUE; HOW THEY SHOULD BE PAID; WHEN THEY WILL BECOME DELINQUENT; AND PROVIDING FOR THE INTEREST AND PENALTIES ON DELINQUENT TAXES AND PRIVILEGES – City Attorney North read on caption. Vice Mayor Gravitt made a motion,

seconded by Councilmember Sewell, to approve Ordinance No. 989 on first reading. Mayor Lambert suggested having called budget meetings to discuss further before second reading. Vice Mayor Gravitt suggested that council email staff if they have questions regarding the budget, if that is allowed. The vote was unanimous. Motion approved.

There was discussion of scheduling budget workshops. Mr. Sewell will be out of town the week of the second council meeting. Mr. Gravitt stated he will also be out town on June 25th. Mr. Cagle would like for the City Attorney to bring a proposal in writing for his proposed raise. Councilmember Sewell made a motion, seconded by Councilmember Manning, to move the June 11th agenda work session and council meeting to June 16th and the June 25th meeting to June 30th.

Beer Variance for Jose Melendez - Mr. Hyatt stated he has not been able to contact the church which sits directly behind the old Ryans' building where the proposed restaurant wants to sell beer. Mayor Lambert stated he would not have a problem with this, if the church and the neighbors were agreeable. Councilmember Sewell made a motion, seconded by Vice Mayor Gravitt, to table this item until we have made contact with the church. Mayor Lambert stated we could add this item to one of the called meetings we will have. The vote was unanimous. Motion approved.

City Manager Contract – Mr. Hyatt would like to table this until the June 16th meeting in order for him to provide council his interpretation of what he expects and what council expects. Vice Mayor Gravitt made a motion, seconded by Councilmember Cagle, to table this item until June 16th. Roll call vote: Vice Mayor Gravitt – yes; Councilmember Cagle – yes; Councilmember Manning – abstain; Councilmember Sewell – yes; Mayor Lambert – yes. Motion approved.

Council discussed various days to hold called meetings for the budget and the beer variance. A meeting was schedule for June 10, 2015 at 11 am.

The meeting was adjourned.

**CALLED MEETING OF THE CITY COUNCIL
OF THE CITY OF EAST RIDGE**

May 31, 2015 –1:30 pm

The East Ridge City Council met pursuant to notice on May 31, 2015, 1:30 pm. at East Ridge City Hall for the purpose of:

- Discussion/take action on Resolution No. 2482 to amend Resolution No. 2209 to change the minimum fund balance

Mayor Lambert called the meeting and all Councilmembers were given notice of the call.

Mayor Lambert called the meeting to order. Councilmember Manning gave the invocation and all joined in the Pledge of Allegiance to the flag.

Present were: Mayor Lambert, Vice Mayor Gravitt, Councilmember Cagle, Councilmember Manning, Councilmember Sewell, City Manager Hyatt, City Attorney North and City Recorder Middleton.

RESOLUTION NO. 2482 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST RIDGE, TENNESSEE, TO AMEND RESOLUTION NO. 2209 TO CHANGE THE MINIMUM FUND BALANCE FOR THE UNASSIGNED FUND BALANCE IN THE GENERAL FUND TO AN AMOUNT EQUIVALENT TO NOT LESS THAN TWO (2) MONTHS OF THE GENERAL OPERATING EXPENSES OF THE GENERAL FUND – City Attorney North read on caption.

Mayor Lambert stated currently the amount for the unassigned fund is 3 months of annual operating expenses which exceeds the recommendations of the Municipal Technical Advisory Service. Notice has been given by the Jordan Crossing developers for the final million dollar payment. Council had anticipated paying the final one million out of the \$3.5 million bond issued. We have since learned that cannot be done so we are considering taking the one million from the reserves. There is approximately \$3.6 million in reserves. If \$1 million is taken from reserves it would leave \$2.6 million which still exceeds MTAS recommendation. As a last resort, we could ask the developers to loan the City the \$1 million, but the Mayor believes we can take this money from reserves without putting the City in jeopardy.

Councilmember Cagle suggested not purchasing a fire engine and not building a new fire station this year in order to pay the \$1 million to the developers.

Mark Mamantov, the attorney for the Industrial Development Board was present to answer any questions from Council. Mr. Gravitt asked Mr. Mamantov if the developers have met all the conditions to receive the final payment. Mr. Mamantov stated the developers have certified that they have met all the conditions. He also stated he is concerned that if the city pulls 1 million out of the fund balance, it could affect our interest rate just before the latest bonds go to market.

Mr. Gravitt stated it is also in the agreement, that the City could do a bridge loan for the last \$1 million. He believes this would be the best option since we have to pay TDOT approximately \$600,000 for the fire station land.

City Attorney North stated, in his opinion, pulling \$1 million out of the fund balance would jeopardize the City's bond rating this close to bond market. Mr. Mamantov stated the City would not be borrowing the money, the Industrial Development Board would.

Councilmember Gravitt made a motion for the City to do a bridge loan for the \$1 million. Motion died for lack of a second.

Councilmember Sewell made a motion to approve Resolution No. 2482, but then withdrew his motion in order for John Healey, one of the developers to speak.

Mr. Healey stated that he has a signed letter from Bass Pro stating they have a lease, so they are definitely coming. There will be pre-submittal meetings on June 10th and 11th. He believes his company has done what they said they would do in order to be paid the final \$1 million. He stated he was told that a bridge loan would not be necessary. Mayor Lambert stated that was when everyone thought we could use the General Obligation bond money for the last payment, but now we have found out that we cannot.

Councilmember Sewell made a motion, seconded by Councilmember Cagle, to approve Resolution No. 2482. Mr. Gravitt reiterated that he believes a bridge loan would be the best option for the City. He would also like to do an amendment to move the pool property proceeds back into the reserves. We cannot do that tonight but could in the June 16th meeting.

Chief Williams came forward to discuss Mr. Cagle's comments about the postponing purchasing the fire engine and building the new fire station. He stated that our ISO rating could possibly be affected the longer we wait. Our response times are already up.

Being no further discussion on Resolution No. 2482, the Mayor asked for roll call. The vote was unanimous. Motion approved.

At this time, Mayor Lambert asked if there were any citizens who wished to comment.

Jim Bethune, 710 Haven Hill Drive, stated the Council did the right thing by approving this resolution.

Mr. Hyatt asked the Council to let him know who is going to the TML Conference and also asked if any of the Council had objections to him attending. There were no objections.

The meeting was adjourned.