

City of Crossville

99 Municipal Avenue
Crossville, TN 38555



Minutes

Tuesday, July 31, 2012

11:00 AM

Call for Special Meeting

Roll Call

Present 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt, and Mayor J.H. Graham III

Others present were City Manager Bruce Wyatt, City Attorney Kenneth Chadwell, City Clerk Sally Oglesby, Larry Kidwell, Derrick Clemow, David Beaty, James Perry, Ashley Allen, John Lee Smith, Mike Turner, Tim Begley, Jerry Garrison, Darlene Barnwell, Fred Houston, Joe Miller, Steve Powell, Jim Young, Pete Souza, Donnie Moody, and Janie Burgess.

Mayor J. H. Graham, III was present and presiding. He called the meeting to order at 11:00 a.m.

1)

Consideration of the adoption of a resolution awarding the Series 2012 Bonds (the "Bonds") to the bidder submitting the lowest true interest cost in association with the respective Series A, B, and C

Bonds are being issued for the following purposes:

1 - The refinancing of current debt in the water/sewer fund from variable rates to a fixed rate

2 - The refinancing of current debt in the water/sewer fund from fixed rates to a lower fixed rate

3 - The refinancing of two current short-term notes in the general fund to a longer term at a low fixed rate

4 - To finance the purchase of the new City Hall building and replenish the cash reserves

5 - To finance the renovation and furnishing of the new City Hall building.

Bids were received one hour prior to the meeting. (A copy of the bid tabulations are attached and made a part of these minutes.) Larry Kidwell, Financial Advisor, reported the following low bids:

Series A - UBS Financial Services - True Interest Cost of 3.189287%

Series B - Morgan Keegan & Co., Inc. - True Interest Cost of 2.675407%

Series C - UBS Financial Services - True Interest Cost of 2.933834%

Mr. Kidwell noted that it was a very strong showing in the market. He complimented the Council on their forethought and strong efforts to be a community with a solid financial standing. Mayor Pro-Tem Danny Wyatt commended the City Manager for his work on this as well as all the other issues he has dealt with during his short tenure.

A motion was made by Mayor J.H. Graham III, seconded by Council Member Boyd Wyatt, that this Resolution be adopted. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

- 2) Consideration and approval of such other business associated with the Series 2012 Bonds including the discussion and possible approval of any and all documents necessary or convenient to the proper transaction and consummation of the issuance, sale, and closing of the Bonds

A motion was made by Mayor J.H. Graham III, seconded by Mayor Pro-tem Danny Wyatt, that the Mayor and appropriate staff be empowered to execute such documents as may be presented, subject to any rules, regulations, and policies of the State Comptroller's Office, or any other federal and state local agencies, necessary and incidental to the approval of the bonds. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

3) **Consent Agenda**

A motion was made by Council Member Boyd Wyatt, seconded by Mayor J.H. Graham III, that all items on the Consent Agenda be approved. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

- a) 3rd Reading of Ordinance annexing lots on Orange Circle

The annexation area was revised to only include the three requested lots and the road right-of-way.

This Ordinance was adopted on third reading

- b) Plan of Services for annexation of Orange Circle

This Resolution was adopted

- c) Ordinance amending the budget for police drug dog

This Ordinance was approved on first reading

- d) Approval of FY13 Airport Maintenance Contract in the amount of \$25,740

The Tennessee Department of Transportation, Aeronautic Division, offered a maintenance contract to cover 50% of the costs for maintenance work and materials at the airport, up to \$25,740 for total work of \$51,480.

This Resolution was adopted

e) Approval of disposal of surplus police weapons

The items have been awarded to the Police Department by the court system or have been declared abandoned property. Funds from the sale of these items it to be deposited into the Drug Fund. (List attached and made a part of these minutes.)

This Report was adopted

OTHER BUSINESS

4) Matters relative to new City Hall

a) Furniture - Bids were received on new furnishings for the building. It was recommended that the alternate low bid of Plateau Office Supplies be accepted. (A copy of the bid tabulation is attached and made a part of these minutes.)

b) Change Orders - The contract with Mid-State Construction contained a contingency of \$10,000 for change orders. At this time, there is \$7,174.74 remaining in the contingency. However, a number of change orders were requested for approval by Council. (Attached and made a part of these minutes.) The total amount requested, as this time, was \$24,640.34. Derrick Clemow was present to explain the items and answer questions. The patching of the chipped exterior precast panels will be held for approval until it can be determined if the City's forces could provide the work.

A motion was made by Mayor Pro-tem Danny Wyatt, seconded by Council Member Earl Dean, that change order items #1-7 plus 15 days be approved. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

A motion was made by Council Member Boyd Wyatt, seconded by Council Member Earl Dean, that the alternate bid of Plateau Office Supply for furniture be accepted. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

5) Matters relative to Tenth Street Improvements

The Obed Watershed Community Association has received grant money for stream improvements including stormwater management, in stream or out of stream. The Tenth Street project consists of removing soil to a level just above the invert elevation of the storm sewer crossing Tenth Street. This project is the perfect example of teamwork for water quality improvements. The project permitting and excavation work will be performed by the City of Crossville as in-kind contributions utilizing City personnel and City equipment. The Obed Watershed Community Association will ensure proper vegetative cover and stabilization. This excavation and stabilization will increase the floodplain area on the Cumberland County Rescue Squad property. This increase in storage area will help reduce the flooding on Tenth Street and areas downstream. Additional benefits will be reduction of infiltration into the sanitary sewer system and deposition of sediment and gravel from the City to Town Branch. The project should take about two weeks, dependent on weather. Tim Begley recommended that any easements be acquired by OWCA. The City Manager was

requested to work on a contract for a partnership with the Obed Watershed Community Association on this project and the matter brought back before Council.

This Contract was deferred

6) Matters relative to Dorton Way

The section of Dorton Way between Old Lantana Road and Lantana Road is an unimproved right-of-way located inside the City limits. The roadway is basically a rutted gravel road and is not an "Official City Street". The length of this section of road is approximately 310' long and the right-of-way is approximately 44' wide. Property owners adjacent to this right-of-way have agreed to pay \$6,000 toward constructing the street to meet City street standards. City forces can build the road at an estimated \$10,000 material cost, utilizing contract bid prices, existing City equipment, and City crews. City Manager Wyatt recommended approval, subject to receipt of the money. Mayor Pro-Tem Danny Wyatt recommended the project as the area property owners have been hurt with the new Lantana Road construction.

A motion was made by Council Member Boyd Wyatt, seconded by Mayor J.H. Graham III, that this project be approved, subject to receipt of the money from the property owners. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

7) Matters relative to Industrial Development

Mayor Graham stated that an unnamed company has requested a site in the Woodlawn Road Industrial Park. The site development will require approximately 31,000 cubic yards of fill, which would come from the other side of the draw (and included in the property to be offered) to level the building site. The company is offering 40 new jobs and assurance of retaining 800 jobs in the county. He pointed out that the \$100,000 invested by the City in the property would be back on the tax rolls if purchased for the company. He recommended pledging the City's full cooperation in the project which would include a 220,000 sf building on 21.4 acres, more or less with a 60 day option be in effect. The terms would be to guarantee 40 new jobs and retain their jobs for a period not less than 15 years from the date they entered the new building (2027). If the option is exercised, they must build the building within one year of the date of the deed. No PILOT has been requested and is not being considered under the terms of the option. The property is fully developed and no new infrastructure requirements will be needed. City Attorney Chadwell indicated his agreement and understanding of the terms.

Pete Souza spoke in favor of keeping the current jobs. However, he pointed out that he does not believe the company would purchase the land as they traditionally only lease property. He is concerned that the money be received from the buyer up front. City Attorney Chadwell assured the Council that any requirements of the Company contained in the agreement on the sale of the project could be enforced.

A motion was made by Mayor J.H. Graham III, seconded by Council Member Boyd Wyatt, that a 60 day option be offered to an unnamed company, as of this date, to include: the sale of approximately 21.4 acres on Wyatt Court for \$1.00 and other good and valuable considerations as follows; (1) a commitment toward an addition of 150,000-210,000 square feet of warehouse space during the next 12 months and after the expansion is approved by their Board; (2) the company will immediately convert 40 contract jobs to full-time and grow total

employment by 25 by the end of 2013, provided there are no surprises in the industrial market they serve. Further, it is understood that at the end of May 2012, the Company employed 769 people (532 fulltime/237 contract) and it is the intention of the Company to retain the current jobs for a period not less than 15 years from the date they enter into the new building (estimated at 2027) and that, if the option is exercised, they must begin construction of their building within one year of the date of the deed. The motion carried by the following vote:

Aye: 5 - Council Member Earl Dean, Council Member George Marlow, Council Member Boyd Wyatt, Mayor Pro-tem Danny Wyatt and Mayor J.H. Graham III

With no further business, the meeting was adjourned at 12:13 p.m.