

City of Crossville

392 N. Main
Crossville, TN 38555



Minutes

Tuesday, March 26, 2013

4:00 PM

Council Chambers

Call for Special Meeting

The Crossville City Council met in special session on Tuesday, March 26, 2013, at Crossville City Hall. Mayor J. H. Graham, III was present and presiding. He called the meeting to order at 4:00 p.m.

Roll Call

Present 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza, and Council Member Jesse Kerley

Others present were City Manager Bruce Wyatt, City Attorney Kenneth Chadwell, City Clerk Sally Oglesby, Chief David Beaty, Ted Meadows, Virgil Ferguson, Retha Roberts, Thomas Williams, Mike Graham, Eric Shaver, Steve Hill, Jeremy DeRossett, Kyle Sherrill, Lee Lawson, John Turner, Tim Begley, Joe Miller, Fred Houston, Darlene Barnwell, Jim Young, Ashley Allen, Margie Buxbaum, Monte Garrett, Karli Threet, Billy Loggins, Lou Morrison, and Jerry Kerley.

1 Matters relative to Plateau Insurance

Matters relative to Plateau Insurance

Officers of The Plateau Group were at the meeting to discuss expansion plans for their business. Tommy Williams, Executive Vice President, introduced officers that were present at the meeting. He gave an overview of the company whose products consists of credit life, disability, property insurance, auto physical damage, vehicle service contracts and other ancillary products. The company started in 1981 and has 100 employees. They are now one of the larger credit insurance companies in the United States. In 2012, they issued \$2.5 billion in life insurance.

The Plateau Group is a holding company that is owned by 30 banks and Senior Management. The holding company owns 100% of Plateau Casualty Insurance Company and Plateau Insurance Company. Both companies are rated A- by A.M. Best. The capital requirements of the insurance companies are closely regulated and must remain at a certain level. Recent expansions have created a strain on the cash flow, creating the need for the loan.

The building needs about \$325,000 of renovation to accommodate up to 20 new work spaces for their continued growth. They requested a loan of \$200,000 to complete the \$325,000 renovation to the current office. In addition, they suggested a five year note with monthly payments at 1% per annum. They offered to pledge assets equal to or greater than \$200,000 and that the note could be called after January 1, 2015, if the city wishes.

Councilman Marlow commented that he would like to see a higher interest rate. Councilman Souza agreed with Councilman Marlow and suggested an interest rate of 1.5%. Councilman Kerley stated he was agreeable with the terms as the jobs were the most important consideration. Mayor Graham agreed that adding jobs was his main consideration. In addition, Mayor Graham reported that he formerly owned stock in the company; however, he sold them when he left their employment. In addition, he acknowledged that his sisters and several cousins were employees of the company. However, he believed that the merits of the request were high enough to override any potential conflicts of interest.

A motion was made by Mayor Pro-tem Danny Wyatt, seconded by Council Member Jesse Kerley, that the loan to Plateau Insurance be granted, under the requested terms, using UDAG money, pending approval and requirements of the Comptroller's Office and the City Attorney. The motion carried by the following vote:

Aye: 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza and Council Member Jesse Kerley

2 Consent Agenda

A motion was made by Mayor J.H. Graham III, seconded by Mayor Pro-tem Danny Wyatt, that items "a, b, d, e, f, g, h" on the Consent Agenda be approved as presented. The motion carried by the following vote:

Aye: 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza and Council Member Jesse Kerley

ORDINANCES ON THIRD READING

- a. Annexation of 10.9 acres on Satsuma Drive (Canary Drive to Camelia Drive)

This Ordinance was adopted on third reading

ORDINANCES ON SECOND READING

- b. Ordinance de-annexing 0.700 acres on Golf Club Lane

This Ordinance was approved on second reading.

- c. Ordinance amending the FY12-13 budget for Satsuma Drive improvements

A motion was made by Councilman Wyatt, seconded by Mayor Graham, that this Ordinance be approved on second reading.

Aye: 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza and Council Member Jesse Kerley

- d. Ordinance amending the FY12-13 budget for sidewalks on Myrtle/Fourth

This Ordinance was approved on second reading

ORDINANCES ON FIRST READING

- e. Ordinance annexing 0.77 acres on Lantana Road

Charles and Patricia McMahon requested that a portion of their property at 2633

Lantana Road be annexed into the City. A new home is planned for construction on the property and they requested connection to the city sewer line, which runs in front of the property.

This Ordinance was approved on first reading and connection to the sewer line approved.

OTHER CONSENT ITEMS

- f. Approval of Plan of Services for Satsuma Drive annexation

This Resolution was approved as recommended

- g. Approval of change orders on runway rehabilitation project in the deduct amount of \$163,242.02

Final change orders for the runway rehabilitation project were presented. The project was divided into two schedules to maximize the grant funding. The final two change orders are adjustments for actual quantities used in the project and total \$163,242.02 in deductions. In addition, the engineering contract was reduced by \$9,404 based on their actual time and services. The project came in \$172,646.02 under contract.

This Contract was approved as recommended

- h. Approval of addendum #1 for engineering services on the runway lighting project

In the design of the runway lighting project, it was determined that the electrical vault currently housing the runway and taxiway regulators was not up to code. Additional engineering services were required for the design. In addition, due to the lack of bidders, an additional pre-bid conference was scheduled. Atkins has requested an addendum to their contract in the amount of \$6,500 to cover the extra costs. This cost should be covered under the 95/5 grant from the State, leaving the City's cost at \$325.

This Contract was approved as recommended

3 Bids/Purchases

(Bid tabulations are attached and made a part of these minutes.)

- a. Sewer Lines

Bids were received on the replacement of sewer lines on Miller Ave. and on Hwy. 70E. The low bid of W & O Construction in the amount of \$235,000 was recommended. The engineer's estimate was \$236,000.

A motion was made by Council Member Pete Souza, seconded by Mayor J.H. Graham III, that the low bid of W & O Construction be accepted. The motion carried by the following vote:

Aye: 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza and Council Member Jesse Kerley

- b. Fireworks

A motion was made by Mayor Pro-tem Danny Wyatt, seconded by Mayor J.H. Graham III, that Pyro Shows be approved with the option to be decided at a later date. The motion carried by the following vote:

Aye: 5 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III, Council Member Pete Souza and Council Member Jesse Kerley

4 Marketing Report

March Marketing Report

Marketing Director Billy Loggins updated the Council on the following:

·Meadow Park Lake Dam.....Pictures and Plaques - A date will be set for the official unveiling.

·Website - The Community Calendar is being used by many groups.

·Generation Z Youth Program to tackle childhood obesity

·WCTE Crossville night

·Arts Round Meetings - The City includes their events on the website

·Today in America video - has had over 10,000 viewings on YouTube

·4th of July..... Centennial Park events - \$6,700 has been raised so far with an additional \$1500 expected to be committed

·Information requests from prospective residents locating to this area

·Economic Development - Mr. Loggins reported that almost daily the City is requested for information for prospective businesses to locate here and he and the City Manager are working together in their response.

·A request from the Senior Softball Association was presented to Council. They were asked to discuss it later with the City Manager and the matter discussed at the April meeting.

· Councilman Kerley offered to donate the \$300 he receives monthly as a City Councilman to the fireworks fund if other Council members will do the same and he also challenged the County Commissioners to do the same since it is for the entire county. He requested Mr. Loggins to present the proposal to the County Commission.

This Report was received and filed

5 Other Business

a. Matters relative to CCHS Race to the Plate

This request was deferred to the April meeting.

b. Matters relative to water/sewer rates

As required by the loans through the State Revolving Loan Fund, and previously

committed by the City Council, the final 5% rate increase is necessary to be effective April 1. A total rate increase of 20% was required to properly finance the bonds for several large water and sewer projects.

Councilman Kerley stated his opposition because he believes the cost of outsourcing the management of the sewer plant is a major cause for the need to raise the rates. He stated that the City pays the company \$1,300,000 to manage 11 employees.

Councilman Souza commented that he believes the increase is necessary due to debt, but he agreed about the need to look at the contract for sewer management.

Councilman Marlow pointed out the commitment made by the city as part of the loan agreement that needs to be honored. In response to a question by Mayor Pro-Tem Wyatt, City Manager Wyatt stated that he believed that the increase is necessary.

A motion was made by Mayor J.H. Graham III, seconded by Council Member Pete Souza, that the resolution on water/sewer rates be adopted. The motion carried by the following vote:

Aye: 4 - Council Member George Marlow, Mayor Pro-tem Danny Wyatt, Mayor J.H. Graham III and Council Member Pete Souza

Nay: 1 - Council Member Jesse Kerley

c.

Matters relative to full-time city attorney

Councilman Souza discussed problems within the city and the legal costs to solve some of the smaller issues. He reported that he has received two petitions with code enforcement issues and he believes that a full-time attorney is required to get more services. He acknowledged that there will probably be some lawsuits that may have to be sent out to other attorneys due to their specialties. He recommended a starting salary of \$70-80K/year plus benefits. Following questions by the Mayor, he recommended consulting with the City Manager and City Clerk on the availability of the Assistant City Clerk to provide secretarial assistance and determine what is available for office spaces. Mayor Graham also pointed out the need for a law library. Councilman Marlow reported that he had requested the City Manager and City Clerk to get information from MTAS on in-house legal departments and found that the cities in Tennessee with in-house legal departments were considerably larger in population and the cost was much more than currently being paid.

Councilman Kerley reported that, at a Council meeting several years ago, a motion was passed that required any information given to one Councilmember be given to all. City Manager Wyatt explained that the information on other cities was not provided to the others because of concerns that it might look like staff was trying to sway the decision-making process.

A motion was made by Council Member Pete Souza, seconded by Council Member Jesse Kerley, that the City Manager be requested to take resumes for full-time in-house counsel and present these resumes at a work session during the first week of May for review and that the terms and conditions of offer be subject to Council approval. The motion carried by the following vote:

Aye: 3 - Mayor Pro-tem Danny Wyatt, Council Member Pete Souza and Council Member Jesse Kerley

Nay: 2 - Council Member George Marlow and Mayor J.H. Graham III

With no further business, the meeting was adjourned at 5:05 p.m.

