

BOARD OF MAYOR AND ALDERMEN

REGULAR MEETING

JANUARY 11, 2016

The Board of Mayor and Aldermen (BMA) met in Regular Session on Monday, January 11, 2016, at 7:00 p.m., at Town Hall, 123 Boone Street, Jonesborough, TN.

Mayor Kelly Wolfe called the meeting to order and led the group in an opening Prayer. Virginia Causey led the pledge to the Flag.

Upon call of the roll those present were: Mayor Kelly Wolfe, Alderman Terry Countermine, Alderman Adam Dickson, Alderman David Sell, and Alderman Chuck Vest. Also present were: Town Administrator Bob Browning, Town Recorder Abbey Miller, Operations Manager Craig Ford, and Town Attorney Jim Wheeler.

Mayor Wolfe read a thank you note from Sergeant Chad Reece, who was in the audience, thanking the Town for allowing him to start his law enforcement career in Jonesborough. He said the Town's people have always showed him a great hospitality and he will always be indebted for the wisdom he has gained here. He thanked the Board for taking a chance with him. Mayor Wolfe responded that the Town appreciates Sergeant Reece's dedication to the Town and wishes him the best in his new endeavor, and added that no matter where he goes and what he does, Jonesborough will always be his home.

The next item was the Consent Agenda. Mayor Wolfe asked if there were any items that the Aldermen wished to have pulled from the Consent Agenda. There were none. Alderman Countermine made the motion, seconded by Alderman Dickson and duly passed to approve the following items:

1. The minutes of the December 11, 2014, BMA meeting will be available at the next meeting.
2. Approve the following December bills for payment:

<u>VENDOR</u>	<u>AMOUNT</u>
A-Z Office Resources	1663.72
Administrative Office	95.00
Advance Auto Parts	112.24
Aggregates USA, LLC	23230.08
Alicia Phelps	45.60
Allan Dearstone	32.80
Alliance Refuse Trucks	1125.00
Alsco	90.15
Amber Crumley	30.47
American Tire Distributing	1344.02
AmericInn	335.96
Anderson Fire, LLC	2217.70
Andy Oxy Company, Inc.	196.47
Angie Sheek	17.60
Appalachian Gypsum	3236.07
Applied Concepts	108.10
Archer Brothers Garage	125.00
Archer Electric Service	6949.00
Auto Zone #2087	155.92
B & H Photo-Video	4868.92
Banc of America P&I	3073.83
Bank of Tennessee	2697.07

Barbara L. Bogart	144.00
Barnes Exterminating Co.	240.00
<u>VENDOR</u>	<u>AMOUNT</u>
Batteries Plus-551	48.95
Ben Caldwell	155.00
Beverly Hoovens	36.00
BKT Uniforms	281.89
Blue Cross-Blue Shield	72146.34
Bob Phillips	11.20
Bobcat	815.73
Branham Corporation	9.84
Brenntag Midsouth, Inc.	5789.27
Britt Landscaping	456.00
Business Health	2824.20
B4 Logistics, Inc	7700.00
California Contractors	98.70
Carus Phosphates, Inc.	3338.70
Celebrate Rentals	92.50
Central Paper & Supply	960.70
CenturyLink	13.20
CenturyLink	283.50
Chappell's Pest Control	45.00
Christopher D. Alley	225.00
Cindy Lees	8.00
Cintas Corporation #202	544.67
Citizens Security	4406.98
City Electric Supply	41.11
Clarke Power Services	539.80
Consolidated Pipe & Supply	1918.53
Daniel Richardson	21.56
Darrell W. Brinson	135.00
Dash Medical Gloves	70.90
David Murphy	45.00
Dearborn National	570.00
Dennis Wayne Brooks	875.00
Diamond Ticketing System	1225.25
Diane Thompson	20.00
Diesel Sales & Service	520.18
Dry Hill Mfg., LLC	2437.10
East TN Sprinkler Co.	13500.00
East TN Rent-Alls	153.72
Economy Printing, Inc.	203.00
Ecosafe Landfill VA	6557.51
Employee Security	475.00
Equinox Environmental	880.00
Erwin Utilities/Wtr Test	575.00
Esc Lab Science	1212.00
Esc Lab Sciences	472.50
Fenco Supply of J.C.	62.18
Ferguson Enterprises #5	13937.39
First Tennessee Bank	6938.80
First Tennessee Bank	4793.70
First Tennessee Bank	6792.73
Fleenor Security System	138.00
Food City	64.94
Foster Signs	891.90
G & C Supply Company, Inc.	3586.00
G & W Diesel	4950.18
Gall's, LLC	400.50
Gary Varner	11.96

General Shale MSC 30523	4653.55
Goodpasture Motor Co.	268.39
GovDeals, Inc.	3337.57
<u>VENDOR</u>	<u>AMOUNT</u>
Grand Rental Station	88.40
Greenway Products Inc.	5464.00
GRP	1857.12
H & S Clutch Rebuilders	313.50
Hampton Textile Printing	800.00
Harbor Freight Tools	93.81
Harold Cochran	500.00
Hayes Pipe & Supply	7078.74
HD Supply Waterworks	17518.63
Heissee Johnson Hand Up	177.00
Henry Schein, Inc.	71.98
Highwater Clays	141.85
Hunter, Curtis	215.00
IDEXX Distribution, Inc.	987.54
Imaging Technology	1745.00
Ingles #4205	3336.49
Inspire Business	13863.31
International Storytelling	29.50
Jacob Anderson	930.00
Janette Gaines	57.35
Jason Greenlee	25.00
Jeri Jones	27.20
Johnson City Press	158.40
Jonesborough HRA	8010.00
Jonesborough Senior Ctr	332.70
Jonesborough Storytelle	24.00
Jonesborough Water Dept.	551.07
Jonesborough/Washington	4735.00
Joshua David Heltzel	85.00
Judy O'Hara	8.00
Jules Corriere	2.72
K & S Property Service	1270.00
Kanas State Bank	8962.25
Karen Gentry	19.50
Ken Smith Auto Parts #4	145.70
Kenneth Rawls	28.00
Kingsport Times News	213.50
Liberty National	1986.92
Lowe's	5684.10
Madelyn Rohrer	12.00
Mahoney's Sportsman's	779.89
Meade Tractor	2836.65
Meade Tractor	623.96
Mes-Carolinas	3870.80
MHC Kenworth-Kingsport	4961.85
Modern Supply Co.	31.61
Napa Auto Parts	1442.85
NC Discount Furniture	399.00
News and Neighbor	228.75
Office of the University	254.44
Olde Towne Hardware	964.34
Olde Towne Small Engine	488.31
Oriental Trading Co., Inc.	175.84
Otto Environmental	4000.00
Pardue Photographics	540.00
Party Central Inc.	289.33

Pocket Press, Inc.	359.60
Poorboy Lawn Care	195.00
Print Distribution Services	923.17
Probuild East LLC	747.00
<u>VENDOR</u>	<u>AMOUNT</u>
Quality Trophy & Engraving	12.50
Qwik Pack and Ship	25.73
R.B. Webb Insulation Co.	2070.00
Rachel Conger	400.00
Rad Systems	150.00
Red Wing Shoe Store	125.00
Redo Homes LLC	900.00
Refuse Parts Depot	445.94
Remco, LLC	4300.00
Ricoh USA, Inc.	4271.17
Riverdale Nursery, LLC	64.00
Rose Bowling	125.00
Saratoga	4227.61
Saratoga Financial	5829.50
Shred It	25.30
Shirley Butler	13.56
Sir Speedy	76.00
Snap-On Tools	162.20
Snapp's Lawncare	185.00
Southeast Tourism Society	485.00
Southern Living	1623.00
Sprint	26.00
SSCI	74.00
Stafford Custom Graphic	38.88
State of Tennessee	821.25
Stopstick, LTD	451.00
Stowers	65.60
Summers Hardware	79.66
Supplyworks	1488.68
Tami Moore	8.00
Taylor Battery East Whs	1190.16
TBI-Fiscal Services	58.00
Teledyne Isco, Inc.	769.78
Tennessee One-Call	2333.20
Terminix Processing Center	105.00
The Dycho Company	170.78
The MT Pit	25.00
The Stock Pot	108.38
Thomson Reuters-West	156.45
TML Risk Management Pool	863.70
TN Local Dev. Authority	3183.61
TN Safety & Health Council	55.00
Town of Jonesborough	135.00
Tri-City Beverage Corp.	216.00
Trimble Company	180.00
Triplett Farms	712.50
Truck Toys & More	1303.90
Truckers Lighthouse	457.23
Truckpro LLC	1781.82
Tysinger, Hampton & Partners	605.00
United Art & Education	149.84
United Parcel Service	264.29
United Utilities Inc.	12817.71
United Way	379.00
USA Blue Book	876.11

V-Academy	69.00
Valley Trailer Repair	136.50
Verizon Wireless	102.06
Volunteer Flag & Safety	235.50
VWR International	2193.11
<u>VENDOR</u>	<u>AMOUNT</u>
Wal-Mart Store/GEMB	1806.30
Walters State College	250.00
Washington County Hwy Dept.	38983.26
Washington Farmers Co-op	266.55
Washington Farmers Co-op	17400.57
Waste Management	1353.46
Wells Fargo Equipment	3451.00
West Carolina	239.90
West Hills Ford Tractor	244.30
Wheeler & Seeley	5797.00
White's Auto Parts	1210.22
Whitney S W Creative	30.00
Whitt Company, Inc.	14400.00
Williams Electric	9403.37
WM. S. Trimble Company	2988.85
WNCW Accounts Receivable	150.00
Worldwide – Johnson City	<u>238.98</u>

\$503,062.43

<u>VENDOR</u>	<u>GENERAL</u>	<u>WATER</u>	<u>SANITATION</u>
80336-80487 AP	248,882.17		
80488-80496 AP	17,502.14		
80497-Dance Equipment	14,000.00		
80498-80509 AP	25,195.83		
80510-80514 AP	20,509.76		
80515-80529 AP	38,855.89		
80530-80546 AP	15,461.45		
80547-80548 AP	6,350.00		
80549-80590 AP	30,850.82		
80594-80599 AP	10,308.31		
	\$422,916.37		
53814-53899 AP		282,823.21	
53900-53904 AP		4,805.71	
53905-53909 AP		2,841.66	
53910-53915 AP		40,898.94	
53916-53917 AP		1741,167.93	
53918-53929AP		65,013.12	
		\$567,550.57	
Sanitation			
6923-6947 AP			22,844.28
6948-6950 AP			333.66
6951-Nationwide Retirement			115.00
6952-Nationwide Retirement			115.00
			\$23,407.94

3. Approve the following Town Administrator Report:

Wastewater Improvements

The Wastewater Treatment Plant continues to operate extremely well despite the high level of infiltration/inflow (I&I) into the Town's sewer collection line due to heavy and frequent rain events. We have continued to have problems with the

influent pump station coming into the treatment plant, and Cobern Rasnick has been working with GRW Engineering to get those issues resolved. The electrical issues with that pump station have essentially been corrected, and the concerns now are centered around the recent high levels of I&I.

I have provided you with some recent correspondence on the steps being taken to address the I&I issue. The Wastewater staff has been out in the rain events looking for sources of storm and ground water flows into our sewer system. Cobern Rasnick estimates that his crew has repaired lines within our system that were allowing a projected 250,000 gallons per day into our system. This is a major reduction of flow, however, we have been getting about 2.5 million gallons per day through the WWTP during really heavy rain events recently, so we still have a lot of work to do to bring the I&I levels down to an acceptable amount. To do this, the Wastewater crew will be installing new water tight seals in manhole lids, and using a special agent to seal in cracks in manholes. In some cases, we will replace some sections of sewer collection line that are too deteriorated to repair. We will continue to have major problems with I&I until we reduce non-sewer flow into our system or the weather warms up and soils dry up. The Wastewater Crew will also continue to camera lines in an effort to find sources of incoming storm water flows. This issue is the primary focus of our current wastewater activities, and this is the time of year to find leaks.

Crockett H.S. Sewer – This is in design. We met with County and School officials to determine the best location on the school property for the new pump station. The best location is on the backside of the school property where all current facilities and any future improvements can be served by the station. This location on the school property is on the opposite side of the school from where the pump station was originally placed, and results in a significant increase in the amount of gravity sewer line needed to be constructed. We will continue to work with GRW to develop a good design plan then see what participation, if any, might be appropriate for the Town. It will likely be a couple of months before the surveying is complete and a more detailed design plan developed.

Wastewater Complex – Not much additional work has occurred on the facility improvements needed within the wastewater complex. The bad weather has eliminated our ability to continue grading. Staff has worked on a transition plan from the current Town garage, and moving wastewater out of the Pliny Fisk building is a key component to freeing up space for Water Distribution and Streets.

Ashley Meadows Sewer – We are still waiting on the legal work needed to revise the condemnation action initiated by the Town in order to obtain the easement necessary construct the final section of the sewer collection line needed to connect the N. 81 area to our sewer system.

Water

Everything at the Water Treatment Plant and Rock House Road booster station is working well. We have been pumping about 2.8 million gallons per day which is well below our production capacity of 4.2 million gpd. I have asked GRW to try to move along with a design plan to get a third pump with a variable drive installed in the Rock House Road pump station.

Jonathan Lucas is exploring the possibility of moving to a little different version of the MIOX disinfectant product that we use in our water treatment process. The product is as safe as MIOX, is less problematic in its delivery system, and could potentially be used in a manner that would eliminate the need to have chlorine gas as a back-up. We currently have chlorine gas as a back-up disinfecting agent, and because it is so dangerous it would be nice to eliminate the need for it all together. This is just exploring the possibility of improving our operation.

Note: I mentioned last month that we were running our by-products sampling again, and we did stay under the levels necessary not to have to send out letters to all of our customers again. That is a good thing!

Water Loss – I have provided you previously with some information on the results of improvements to Zone 3 in our water system. The results of the improvements have been excellent, and we had no leaks in our entire system over the Thanksgiving, Christmas and New Year's holiday weekends. We are extremely pleased with the dramatic reduction in leaks in Zones 1-3.

Mike McCracken and Ben Grizzle are meeting with GRW Engineers to discuss priority activities associated with our CDBG Water Loss Reduction Project. Our focus will be on replacement of galvanized line, and our own search for existing leaks that we cannot see on the surface in our water system.

E. Main Street – As I pointed out last month, we have completely re-laid our water transmission line and water service lines up E. Main Street by the Baptist Church. Water Distribution will help get electric and phone service lines to individual houses when CenturyLink gets through with the line upgrades they are currently undertaking.

Transportation

W. Main - Persimmon Ridge Road – No additional information.

Persimmon Ridge Road and Jackson Blvd – No additional information.

Intersection of Jackson Blvd & SR-354 – No additional information.

W. Jackson Medians – The BMA has approved the Town partnering with Mark Ferguson to develop a left turn lane into the Family Dollar site. Correspondence was sent out to Mark Ferguson the week of January 4th, 2016 related to the action taken by the Town Board. This is a project that would be undertaken by the Street Department, and we will not be able to implement it most likely until the weather improves in the spring and after they finish the E. Main Street improvements.

Woodrow Ave/2nd Ave – Have not been able to schedule these improvements.

North Cherokee Street / Smith Lane – The Traffic Advisory Committee in December has reviewed a possible connecting drive that would move traffic on N. Cherokee Street beyond the Justice Center over to Smith Lane. This can become an important component to obtaining a much needed traffic signal at Smith Lane that will greatly improve traffic safety along Jackson Blvd in this area. I will be providing TDOT with some information on the improvements recommended by the Traffic Advisory Committee before bringing any specific recommendation to the BMA for consideration.

SR-354 Corridor – The Corridor Committee met the week of January 4th and discussed some additional modifications to the possible overlay zone being discussed for the SR-354 (Boones Creek Road) corridor. As I have pointed out previously, the committee is made up of Johnson City and Washington County planners and property owners along SR-354, and there is a great deal of attention being given to the details of any potential overlay zone. The next meeting is set up for early February.

Grants

T-21 Walkway Grant – TDOT has authorized us to award the bid to King General Contracting, and a pre-construction conference has been set up at Town Hall on January 8th.

LPRF Application- We will be working diligently this month on the LPRF application due in early April. As I pointed out previously, the application process now for this funding requires a lot more “homework” including public meetings.

TDOT 5310 Vehicle Grant – The grant application for 90% of the cost for a new Senior Center van was submitted to TDOT. We do not know what the review schedule will be; I feel we submitted as strong an application as possible based on our understanding of the program.

CDBG Façade Grant: Jackson Theatre – ECD has not announced any recipients of the State’s CDBG Façade Grant program. We submitted a \$100,000 application for the Jackson Theatre front façade which will include the marquee and signage. Only Main Street Programs are eligible, and word is they are going to announce awards in the next couple of weeks.

Jackson Theatre

Still in the design process. We can get a little more aggressive with the process when the Rural Development Community Facilities Loan is closed and funding is available.

Senior Center

We had a big December. Craig Ford and the inmates are working to complete the downstairs, and we hope to be complete in the next three weeks.

Chuckey Depot

The metal shingles have been installed on the roof and they look great. We will try to move the inmates back to the Depot when they finish their work at the Senior Center.

Committee Meetings

I have continued preparing agenda presentations for the BMA meetings, the Planning Commission, Tree & Townscape Board, Traffic Advisory Committee, JRT Board of Directors, Jonesborough Community Chest, and minutes for most.

4. Approve the following Operations Manager Report:

We continued to focus on the downstairs section of the Senior Center for the month of December. At this point, I feel like we can be complete, or nearly complete by the end of January. All of the doors have been installed and most of the hardware has been installed. All of the sidewalks have been poured and most of the topsoil has been hauled in place.

All of the flooring is installed with the exception of the Exercise Room. The toilet petitions have been delivered and we will be installing these next week. All the fitness equipment has been delivered and is set up. The pool tables are scheduled to be delivered tomorrow as well.

The water fountains, mop sink, restroom sinks and water closets, and all water clinic fixtures have been installed and are operable. All the lighting is completed. We will move the clinic equipment the week of January 11. We have also begun cleaning floors and windows and are beginning the process of waxing the tile.

The kitchen is complete upstairs and is awaiting inspection by the Health Department.

The underground project was put on hold due to a breakdown in the underground boring machine. It had to be delivered to Knoxville for repairs. Also, we had Herman Archer tied up on completing the Senior Center and the Radio Communications Building at Maple Lawn. Those projects are substantially complete at this point, so we will begin the process soon of making the utility connections from the street to the property owners' homes.

The roofing contractor began putting the metal roof on the Train Depot. I believe he is either complete or nearing completion of this project. We should be able to complete this project in short order once we are finished with the Senior Center.

If at all possible, I will try to submit a projects calendar next month in order that you may see the projects we have planned for the year. It may also give the Board of Mayor and Alderman an opportunity to change and or discuss priorities.

5. Approve the following Committee Reports: Jonesborough Planning Commission and JRT Board of Directors.
6. Approve the following Supervisor Reports: Visitor Center Manager, Director of Tourism & Marketing, Water Distribution, Building Inspector, Street Department, Animal Control, Solid Waste and Recycle, Fire Department, Senior Center, McKinney Center, Environmental Service Director, JRT Artistic Director, Police Department, Water Plant, Water Park, Park and Recreation, Fleet Management, and Event Coordinator.
7. Accept the resignation of Emily Rogers, Dispatch, Chad Reece, Police Sergeant and Nathan Spears, Wellness Coordinator at the Senior Center, with regrets. Also accept the retirement of Billy Watts from the Wastewater Department and wish him well with his retirement.
8. Approve the hiring of Leslie Snapp as the Senior Center Program Coordinator at Grade 2 Step 1 (\$22,381), subject to all pre-employment conditions including the background check.
9. Approve the hiring of Deborah Naron as the Senior Center part-time Wellness Coordinator at Grade 1 Step 1 (\$10.25 per hour), subject to all pre-employment conditions including the background check.
10. Approve four water-based fire extinguishers in the Jonesborough Fire Department as surplus and transfer their ownership to the Gray Fire Department at no cost.
11. Approve the 700 foot water line extension request from David Myers for Quaker Run Phase 3, subject to the terms of the Town's Water Line Extension Policy.

The next item on the agenda was the Financial Report. Town Recorder Abbey Miller said tax collections are going well and the fund balances are in line for this time of year. Alderman Vest made the motion, seconded by Alderman Sell and duly passed to approve the Financial Report as presented.

Communications from the Mayor was the next item on the agenda. The first item was a thank you note from the family of Alfred Greenlee who recently passed away.

The second item under Mayor Communications was a note from Ed Wolfe. He thanked the Board and Police Department for their protection during the United Religious Prayer Vigil for Muslims and Refugees. He said they were concerned about safety and the Jonesborough Police Department Chief Hawkins and Major Rice were very helpful. He said they told him no one would know they were there unless it was necessary. He said the Police were very professional and thanked them for their assistance.

Mayor Wolfe said the Town received a note from Jodeen Baldwin at the Tennessee Municipal League Pool stating that there was a vehicle renewal policy application recently received from Abbey Miller and that Ms. Miller's applications are "beautiful", and that she appreciates the time and effort Ms. Miller puts into the insurance applications she submits.

Mayor Wolfe congratulated Cobern Rasnick and Rick Duvall who both passed their test for Wastewater Collection System Operator II Certification.

Mayor Wolfe read the following prayer list: Jim Boyd, Kaylea Perkins, Wally Sparks, Lorena Craddock, Misty Odom, and Sandy Maul (Charlie Mauk's wife). Kathleen Cook's brother-in-law passed away; Jim Martin passed away. He asked that we keep these families in our prayers.

Employee of the Month was the next item on the agenda. Mayor Wolfe asked Rick Duvall to come forward and read the following:

Rick Duvall recently passed his Grade II Collections System Operator Certification. He consistently performs his assigned duties with a manner of professionalism and expertise well beyond that expected of him. His attention to detail, positive attitude, and optimism are an inspiration for those working alongside him. Rick is a key player within the Environmental Services Department. These, and many other reasons, are why I feel Duvall is a prime candidate for Employee of the Month. Submitted by Cobern Rasnick, Environmental Services Director

Mayor Wolfe thanked Mr. Duvall for his hard work and dedication to the Town. Rick thanked the Board for giving him an opportunity to work for the Town.

Mayor Wolfe said he was blessed to have a week off to vacation with his family in Mexico. He said there is no place like Jonesborough, and it is always great to come home to this wonderful place that we sometimes take for granted.

Town Attorney Comments was the next item on the agenda. Attorney Wheeler said the Town had been served with a Federal law suit from Rainey Construction. He said their complaint is that the Town delayed construction. Mr. Wheeler suggested the Board go into Executive session if they want to discuss the suit. Mayor Wolfe said if the Board had not taken the action it did, we still would not be in the Senior Center.

Citizen Comments was the next item on the agenda. There were none.

The only item on the regular agenda was the discussion and possible action concerning approval of the Initial Resolution and Bond Resolution associated with a \$3,294,000 Community Facilities Loan from Rural Development – USDA. Mayor Wolfe said this is a discussion that has been ongoing for several years about renovations to the Jackson Theatre, which the Town acquired a couple of years ago. He said the funding was in the State budget at one time and was pulled; the theatre building was purchased with a Capital Outlay Note and an Appalachian Regional Commission (ARC) grant. He said the theatre is part of the continued economic development of Jonesborough. Mayor Wolfe said when the Governor was Mayor of Knoxville he invested personally in a theatre project in downtown Knoxville because he felt it would make a difference to the revitalization of Knoxville. Mayor Wolfe said seldom is there one single item that makes a city thrive. He said he recently looked at census charts reflecting the growth in Jonesborough and he feels Jonesborough has grown because of the quality of life Jonesborough offers; there is not a large employer in Jonesborough; Jonesborough is a community where people want to belong. He said this theatre by itself will not cause Jonesborough to go to the next level of economic growth; however, the theatre combined with downtown revitalization, a vibrant Farmers Market, a Historic District that was the first in the state, and the McKinney Center for the Arts, will produce economic growth. He said all of this requires maintenance, attention, investment, and it

requires the Board to place a value on projects such as the theatre as a means to further the progress that has already been made.

Mayor Wolfe said we have just opened a new Senior Center. He said the community is very proud of this accomplishment as evidenced by all the smiles at the Open House; the years it took to complete the project were well worth the effort. He added that this shows that the Town is on the right track with a good vision.

Mayor Wolfe said the question is will this theatre by itself mean a complete day and night difference in Jonesborough's economic prospects and the answer is no; however, it continues the Town on the path that we have been on to develop Jonesborough as an arts community and gives yet another venue that we can showcase when people choose to live or visit our Town. He said we can worry about budgets and deliberate the details, but he feels this theatre project represents an extremely important piece of the economic puzzle in Jonesborough. He said there were over 4,000 people at the Christmas parade and a large crowd for the Jonesborough Days parade which just goes to show that Jonesborough is a destination for visitors.

Mayor Wolfe then asked Mr. Browning to briefly discuss the different components of this loan package and the cash flow and budgets of the various projects.

Mr. Browning said there are four components to this project. He said the budget for the Jackson Theatre renovations was prepared by Ken Ross Architects and there is a \$450,000 ARC Grant that is tied in with the Rural Development loan for the match on this project. He said we have approval from ARC and Rural Development to use inmate labor for this project. He said there is a \$2,000,000 budget on this project, and he does not foresee any problem in renovating this building within the funds budgeted.

Mr. Browning said the McKinney Center is involved in this project because we have a \$500,000 Capital Outlay note for renovations to the McKinney Center that the Town has been making payments on as well as \$150,000 that was tied into that note for the downtown streetscape improvements. The \$650,000 note will be paid off with this RD loan.

Mr. Browning said there is also a \$285,000 Capital Outlay note that was used to pay for one-half of the purchase price of the Jackson Theatre building that will also be paid off with the RD loan. He said both of these note payments that are already in the Town's budget will cover about two-thirds of the RD loan payment.

Mr. Browning said approximately \$400,000 of the RD loan funds will go back into the General Fund to reimburse it for cost overruns on the McKinney Center renovation project and the downtown streetscape project which will have an immediate effect on cash flow. Mayor Wolfe interjected that we try to estimate the sales tax revenues very conservatively and that last fiscal year over \$70,000 more in sales tax was collected than was budgeted. Mayor Wolfe added that we are trending very positively in sales tax collections.

Alderman Vest said one thing that concerns him is when we talk about reimbursing ourselves for past expenditures in order to improve cash flow. He said he feels these funds should be set aside, and it is unsettling to him to think we need these funds to improve cash flow.

Alderman Sell said he agrees with Alderman Vest. He said he understands how all this comes together for economic development but his concern is whether it is sustainable down the road. He asked if the entire \$3.2 million in loan funds is going to be used or is there a surplus built in. Mr. Browning said two-thirds of the loan funds are designated for projects including the parking lot at the McKinney Center, improvements on East Main Street, completion of the Chuckey Depot project, and the Jackson Theatre renovations. He said the biggest expense will be the Jackson Theatre project. He added that there are also funds for some JRT improvements but those will not be done until after the Jackson Theatre project is completed and only if funds are available. He

said all of these projects have been started in some form and it is true that we used our fund balance to go ahead and get started on several of these projects including the Jackson Theatre on the basis that we would eventually reimburse the fund balance. He said the BMA approval on the loan was several months ago and this is the last step in the process to free the loan funds up. He said his biggest concern is that we operate within the budgeted funds and is confident that we will do that.

Alderman Vest said he is concerned because all of these projects are to be done with the Carter County Work Crew. He said he is in favor of the Jackson Theatre and feels it will be the single best thing downtown to increase revenue in Jonesborough but added that the amount projected to renovate the building seems high to him.

Alderman Sell asked if there is a reason that all of these projects came at once. The Senior Center, McKinney Center, Jackson Theatre, JRT, and downtown improvements. Mayor Wolfe said we started working on the McKinney Center in 2008 and opened for operation in May, 2013. He said the Town purchased the Jackson Theatre in 2012, and it took a couple of years to find the funding to purchase it. He said the opportunity to complete these projects is due to economic circumstances, interest rates being at historic low levels, and the RD-USDA willing to help refinance some of the projects and complete others. Bob Browning said with the Rural Development loan the money does not come to the Town in a lump sum but is drawn down as the projects progress. The Town will pay interest only on what is drawn down until all the projects are completed; after all the loan funds are drawn down, then there will be a final closing on the loan and principal and interest payments will begin. He said it will probably take six to eight months to get design approval on the Jackson Theatre, and we need to get the inmates in the Jackson Theatre to do some structural corrections that have been recommended by Mayor Wolfe.

Mayor Wolfe said the Chucky Depot will be completed first before the crew begins work on the Jackson Theatre. Mr. Browning said the parking lot and landscaping at the McKinney Center will probably be a late spring project. He said the sound and electrical equipment for the McKinney Center is being reviewed because it may be over-budgeted. He added that if loan funds are not needed for a project, they will not be used. Mr. Browning said we already know the pay-off amounts on the capital outlay notes will not be what is in the Rural Development budget because there have been several payments made on the notes. He added that there is probably two to three hundred thousand dollars of contingency built into this budget. Ms. Miller said to pay off the notes and reimburse the General Fund will be about \$1.2 million with the balance of the funds to be used on projects.

Mr. Browning said the inmate help with the parking lot at the McKinney Center will be minimal, but they may be used with the landscaping portion of the project. He added that the asphalt and gravel portion will probably be contracted out.

Mayor Wolfe said that throughout the planning process we were assured that we could build the Senior Center for the budgeted amount, and then the lowest bid came in at about double that amount. Mayor Wolfe said it is legitimate to look at the Senior Center cost-estimates that were given to the Board, and no one has expressed more frustration with the estimates given by Ken Ross Architects than he has. Mayor Wolfe said the budget at the McKinney Center was initially \$900,000 but we ended up spending about \$700,000. He said that is the model we will use for the Jackson Theatre. He added that where you get in trouble is when you are expecting a \$2.3 million bid and the low bid comes in at \$4,000,000 which is what happened with the Senior Center. He said then you are forced to make major revisions to the project. Mayor Wolfe said in using the McKinney Center model, we provided 65% - 70% of the labor on the project by using both the Town crew and the Carter County Work Camp crew.

Alderman Countermine asked if we are making payments on those Capital Outlay notes presently and if they are going to be paid off with this loan. Ms. Miller said two capital outlay notes will be paid off. Mayor Wolfe said the amount of the current

note payments is about 2/3rds of the projected RD loan payment. Ms. Miller said the RD note payment will be about \$5,000 more per month over what is being paid out now. Mr. Browning added that in 2020 long term bonds will be paid off in the General Fund.

Mayor Wolfe said it is always a big decision to borrow money, but he feels this loan is an economic investment. He said the projects being funded will bring business downtown and to the bypass. He said Jonesborough will continue to prosper and be a place people want to visit and live.

Alderman Countermine said he went to the McKinney Center last weekend and there were a number of people there signing up for classes. He added that there are over 200 new members at the Senior Center since the new Center opened. He said he is confident that there will be more people moving to Jonesborough because Jonesborough has what they are looking for.

Alderman Vest asked how the McKinney Center landscaping and parking lot plan with a cost of over \$200,000 will benefit the McKinney Center and the Town and asked if these improvements will lead to an increase in revenue. Mayor Wolfe said there is a gymnasium at the McKinney Center that seats about three hundred people but there is parking available for only about fifty cars. He said when the building is full there are cars parked on Spring Street, Franklin Avenue, up and down Main Street, at Broyles Florist, etc. He said we cannot fully utilize the potential for renting that building with inadequate parking. Mr. Browning said that part of the \$200,000 estimate includes lighting and a sound system that are being reconsidered. He said anything done on these projects will be brought back to the BMA for approval before moving forward, including cost estimates. Mr. Browning said there is an estimate of \$65,000 on the parking expansion plan which will probably be spent because of the asphalt and gravel involved. Alderman Vest asked if it is possible that some of the projects will cost less than the projected amounts. He said he is concerned that if we borrow more money than is needed for the projects that we always find something to spend the money on rather than paying it back to the lending agency. Mr. Browning said these are only projected costs and we will not know the actual costs until we get in to the projects, but added that he feels Town staff is very conservative.

Alderman Sell asked if once the projects are completed will they be self-supporting as far as revenues covering expenditures so that tax payers are not burdened with supporting the facilities. Mayor Wolfe said he feels the facilities will be self-supporting. He said we will have a theatre under Town management and can work with the Main Street program and Parks and Recreation to market the theatre.

Alderman Dickson said he agrees that the long term economic impact potential of the theatre is there. He said we have already seen good results from the McKinney Center, Brews and Tunes, and Music on the Square. We have seen good results from those events and with a theatre in the center of Town, the impact should be substantial. He said the Board will have to make sure the money that is already budgeted for loan payments is earmarked and set aside for future loan payments on the new loan.

Mayor Wolfe said this is a great opportunity for the Town, and although this is a significant amount of money we are borrowing, debt is not necessarily bad. He said debt used to spur economic growth over and above the funds needed to service that debt is a good thing. He said he feels we have a wonderful synergy and a perfect environment, with the theatre and other projects, to continue growth in Jonesborough.

Alderman Sell said he hopes that we will not have the fiasco with these projects that we had with the Senior Center. Mayor Wolfe said we are going to be our own contractor so we will be able to closely monitor and control costs.

Alderman Vest said he supports all of these projects. He said he feels the cost estimated for the Jackson Theatre is above what we need which concerns him. He said \$340,000 for an HVAC system is too high. He asked if we are over estimating the

budget so we can make sure and come in under budget. He added that the HVAC system for the McKinney Center was \$85,000 and it is a one level building. Mr. Browning said the HVAC cost at the Senior Center was higher; the cost for the HVAC system for the basement level alone was \$85,000. Mr. Browning added that we are not going to use the same mechanical engineer that was used for the Senior Center which should help a lot.

Ms. Miller said if we do not draw the money down on the loan, we do not have to pay it back. Alderman Countermine said he trusts the staff to do a quality job at a reasonable cost.

Alderman Vest reminded the Board that property taxes had to be raised to service the debt on the Senior Center. Mayor Wolfe said two-thirds of this new debt service is already covered in the budget. Alderman Vest said he has a problem with that because extending the terms of loans and paying off loans while borrowing more money is what we are doing, and he's not sure that is the way to do things. Alderman Sell said regardless of the interest rate on the loan, we still have to pay it back.

Mayor Wolfe said Town Hall was built using Rural Development money in 1978. He said he would love to see what value the Visitor Center and Town Hall have provided to this Town since 1978. He said we cannot wait and pay cash for things in government. He said the sewer plant is another project that will provide value to the Town for the next thirty years. Alderman Vest said the way the Board approaches borrowing money is much better than in the past, but added that we need to be careful about over extending ourselves.

Attorney Wheeler read the following Resolution caption: "Initial Resolution authorizing the issuance of General Obligation Bonds by the Town of Jonesborough, Tennessee, in a par amount not to exceed \$3,294,000 to finance downtown improvements and related cost". Alderman Countermine made the motion, seconded by Alderman Vest and duly passed, to approve the Resolution as presented.

INSERT RESOLUTION

Attorney Wheeler read the following Resolution caption: "A Resolution authorizing the issuance, sale and payment of \$3,294,000 of bonds by the Town of Jonesborough, Tennessee; authorizing the issuance of bond anticipation notes prior to the issuance of the bonds; and authorizing the levy of taxes to pay the bonds and notes". Alderman Countermine made the motion, seconded by Alderman Vest and duly passed to approve the Resolution as presented

INSERT RESOLUTION

There being no further business, the meeting was duly adjourned.

ABBEY MILLER, RECORDER

KELLY WOLFE, MAYOR