

MINUTES
CITY COUNCIL MEETING

June 24, 2008

PRESENT: **Charles Rollins**
 Dean Lay
 Bud Knott
 Marilyn Nixon
 Lexie Orr

The regular monthly meeting of the Monteagle City Council was called to order at 6:00 PM by Mayor Charles Rollins.

Following the prayer and pledge of allegiance the Minutes of the meetings of May 27, June 2, June 9, and June 16, 2008, were approved on a motion by Ald. Orr which was seconded by Ald. Knott and carried 5/0.

OLD BUSINESS

- 1. NATURAL GAS SYSTEM BIDS – There were four bids for the sale of the natural gas system: a.) SVEC and Marion Natural Gas bidding together on the system – \$300,000.00 b.) Middle Tennessee Natural Gas System – \$680,000.00 c.) Marion Natural Gas – price to be determined at a later date the amount of the highest bid d.) ERPUD – \$110,000.00 No decision was made at this time. The council will review this at the next meeting.**

NEW BUSINESS

- 1. BUSINESS LICENSE APPLICATIONS – a.) Alvin Jones for a video store b.) Dean Lay for the new building of Cumberland Funeral Home c.) Kim Simpson for the sale of flowers d.) Ken Klonoris for A-1 Quick Cash e.) Mike Gifford for a liquor store f.) the Asian Health Spa The council decided**

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to deal with each application individually. For A-1 Quick in Gene Nixon's building on Main Street: Cash Ald. Orr made a motion to approve this application. Ald. Lay seconded the motion and it passed 5/0. For the Asian Health Spa on Dixie Lee Avenue : There was a discussion in which Jerry Bible, attorney for the owner, addressed the council concerning the problems the city has had with this business. It was noted that the state license of the woman applying for a license to give massages expired in January, 2008. After a lengthy discussion Ald. Lay made a motion to approve the licenses. Ald. Nixon seconded the motion which failed 2/2 on roll call vote with Ald. Nixon and Mayor Rollins voting yes, Ald. Knott and Ald. Orr voting no, and Ald. Lay abstaining. For Ken Simpson - selling flowers on Gene Nixon's lot on Main Street: Ald. Orr made a motion to approve the application. Ald. Nixon seconded the motion and it passed 5/0. For Mike Gifford - liquor store at the building where Mountain Outfitters is located: Ald. Orr made a motion to approve the application subject to his approval by the Alcoholic Beverage Commission. Ald. Knott seconded the motion and it passed 5/0. For Dean Lay – the new location for Cumberland Funeral Home on Mabee Avenue: Ald. Orr made a motion to approve the application. Ald. Knott seconded the motion which passed 4/0 with Ald. Lay abstaining. For Alvin Jones – a video store on College Street in the building where his cabinet shop is located: Ald. Nixon made a motion to approve the application subject to the business being in the proper zone. Ald. Knott seconded the motion and it passed 5/0.

2. **BUSINESS LICENSE PROCEDURES** – Ald. Nixon asked the council to review our procedures for issuing business licenses. This was tabled until another meeting.
3. **ORDINANCE 4-G – AMENDMENT TO THE BEER ORDINANCE** – This ordinance would amend the distance requirements for selling alcohol. Ald. Orr made a motion to approve the ordinance on first reading. Ald. Knott seconded the motion and it passed 5/0. Ald. Lay asked if we have any businesses that comply with the current regulations and was told that we probably do not.

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- 4. RESOLUTION TO EXTEND OUR 2007-08 BUDGET – This is called a “carry over appropriation” resolution and is for the purpose of extending the 2007-08 budget until the 2008-09 budget is passed. Ald. Lay made a motion to approve the resolution. Ald. Orr seconded the motion and it passed 5/0.**

- 5. FINDINGS OF 2007 AUDIT – A copy of answers to each of the findings in the audit for the 2007 fiscal year which was done by Johnson, Murphey, & Wright was distributed to the council members. The council was in agreement with these answers. Ald. Orr made a motion to retain Todd Moore, an attorney with MTAS, as independent counsel, to look into each of the items in the findings of this audit. Ald. Nixon seconded the motion. The motion passed 4/0 on roll call vote with the mayor passing.**

- 6. FINDINGS IN THE STATE AUDIT – Ald. Lay made a motion that the audit report be made a part of the Minutes and that the council discuss and deal with each item individually. Ald. Orr seconded the motion and it passed 5/0.**

Item 1: This item deals with money reimbursed to the city recorder for her expenses in a case with the city from 1997. In 2003 the city council voted to refund the city recorder for all of these expenses. The city attorney said the \$1250.00 restitution and the \$425.50 court costs were the only items that should not have been reimbursed and these should be repaid by the city recorder. The city recorder made a statement concerning this case stating that she had proved to the satisfaction of the city council at that time that the money the comptroller’s office had classified as stolen was actually items where no money had been received by the city, but credits had been given to accounts. The items included previous balances for which no payment was received, leaks, meter reading errors, and deposits applied to accounts. The city recorder said, if the council had erred in refunding the \$1250.00, she would agree to repay that amount provided the council does an investigation to see if there is anyone who owes the city any

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money and requires payment for those funds. Ald. Orr asked about the \$425.50 in court costs and the city recorder said she felt that was part of the legal expenses she paid and declined to repay that amount. Ald. Lay made a motion to have the city attorney notify the city recorder within thirty days that the council is seeking reimbursement of \$1675.50. Ald. Orr seconded the motion. The motion carried 5/0 on roll call vote.

Item 2: This item deals with vacation leave. It was reported to the comptroller's office that the city recorder had accrued 320 hours of vacation and the maximum allowed is 160 hours. The city recorder made a statement in which she noted several employees who had accrued more than 160 hours, including one who had 444 hours, and stated that this was allowed under the provisions of the personnel policy. Ald. Lay noted that each member of the council gets a copy of everyone's vacation and sick leave hours each month and that he didn't feel the employees had done anything wrong since the council took no action to prevent them from accumulating the additional hours. Ald. Lay made a motion to have a document prepared showing all of the vacation hours for all employees from July 1, 2005, through June 30, 2008. Ald. Nixon seconded the motion and it passed 5/0.

At this time there was a change in the agenda to allow Anthony Pelham from Hailey Engineering to speak to the council. He needed the mayor to sign plans that have to be sent to the state. Ald. Orr made a motion to authorize the mayor to sign the documents for the pump station at Cooley's Rift. Ald. Knott seconded the motion and it passed 5/0 on roll call vote.

Item 3: This item concerned the amount of sick leave taken by the city recorder during her recent illness. The audit report states that the city recorder missed more than three months of work. The city recorder made a statement contradicting this. She itemized the time she was off during her illness and it totaled 34 days. She also noted two other employees who had taken off 85 days and 71 days without this being reported to the comptroller's

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office. Ald. Lay made a motion for the record to show that MTAS is currently working on drawing up a new personnel policy for the city council to review. Ald. Orr seconded the motion and it passed 5/0/

Items 4 and 5: These items dealt with documenting sick leave and vacation. Ald. Nixon made a motion for the record to show that the city is working with MTAS on this. Ald. Orr seconded the motion and it carried 5/0.

Item 6: This item deals with failure to retain adequate supporting documentation for reimbursements to the mayor for items such as mileage and food. Ald. Lay made a motion to ask Todd Moore to check with the comptroller's office to see if there is a dollar amount involved and report back to the council. Ald. Orr seconded the motion and it passed 5/0.

Item 7: This item deals with cell phones. It noted excessive over-plan expenditures and stated that the town paid the expenses of two cell phones for the mayor in addition to paying for a phone line at his residence. The mayor stated that at one time he did have a hands free cell phone installed in his truck and carried the other one with him. He stated that the phone at his residence was used for long distance calls for the city. Ald. Nixon made a motion to have Todd Moore review the cell phone records and report to the city council. Ald. Orr Seconded the motion and it passed 5/0.

Item 8: This item deals with inadequate control over the city's fixed assets and movable property. There was a discussion on doing an inventory and Ald. Nixon made a motion to have all city department heads be responsible for getting a complete inventory to the city recorder within 30 days and that we work with Don Darden to create an inventroy for the city. Ald. Orr seconded the motion and it passed 5/0.

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PUBLIC UTILITY BOARD MEETING

- 1. ORDINANCE NO. 08-21 – This ordinance deals with utility improvement assessments and categories. Ald. Orr made a motion to approve the ordinance on first reading. Ald. Knott seconded the motion and it passed 4/1 with the mayor voting no.**

REPORTS OF COMMITTEES AND OFFICERS

- 1. POLICE DEPARTMENT – Copy attached**

Chief McNeece thanked the public for all of their help with the situation on June 5th where a county officer was killed and one of our officers was wounded. He reported that the city will give a Medal of Valor to Officer Brian Malhoit at 6:00 pm on July 11th at a ceremony in the pavilion.

- 2. FIRE DEPARTMENT – Copy attached**

Chief Layne told the council of the department's need for new turnout gear. He reported that each set is about \$1200.00. Ald. Orr made a motion that he be authorized to review the fire department's budget to see if there are funds to cover any new sets of turnout gear. Ald. Nixon seconded the motion and it carried 5/0. Ald. Lay read a letter from Michael Gautier about dry hydrants. He asked the council to review this information. It was also reported that the starter is going out on unit 262. The fire department needs to take the truck to Chattanooga to have them look at it. It will cost about \$514.00 for a new starter. Ald. Orr made a motion to authorize the chief to take 262 to Chattanooga to have it fixed. Ald. Knott seconded the motion and it passed 5/0.

- 3. PLANNING COMMISSION – None**

- 4. MAYOR – None**

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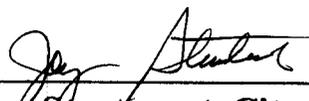
- 5. ALDERMEN – None**
- 6. CITY RECORDER – The city recorder read a thank you letter from Boy Scout Troop 12.**
- 7. FINANCIAL REPORT – The mayor read a list of the city’s bank account balances at Mountain Valley Bank. The city recorder gave each council member a copy of the proposed 2008-09 budget.**

CITIZENS HEARING

Michelle Russell asked about the audit report and wanted to know if the council was going to address accountability and take actions with “teeth.” Ald. Nixon said the council would take responsibility for implementing the solutions to those items in the report. Andy Baggenstoss stated that the D. A.’s office would be the “teeth.”

There being no further business the meeting adjourned at 10:33 PM.

Respectfully submitted,



Joy Sturtevant, City Recorder