

## LOUDON COUNTY COMMISSION

STATE OF TENNESSEE

COUNTY OF LOUDON

April 1, 2013

6:00 PM

### REGULAR MEETING

- (1)  
**Opening of Meeting**
- BE IT REMEMBERED** that the Board of Commissioners of Loudon County convened in regular session in Loudon, Tennessee on the 1st day of April, 2013. The **Honorable Roy Bledsoe** called the meeting to order.
- Commissioner Meers** opened the County Commission Meeting, led the Pledge of Allegiance to the Flag of the United States of America and gave the invocation.
- (2)  
**Roll Call**
- Present were the following Commissioners: **Meers, Maples, Quillen, Franke, Bledsoe, Duff, Yarbrough, Harrelson, and Miller: (9)**  
The following Commissioner was **Absent: Jenkins: (1)**  
Thereupon **Chairman Bledsoe** announced the presence of a quorum. Present was the **Honorable Mayor Estelle Herron**.
- (3)  
**Agenda Adopted**
- Chairman Bledsoe** requested that the April 1, 2013 Agenda be adopted. A **motion** was made by **Commissioner Quillen** with a second by **Commissioner Franke** to adopt the Agenda. Upon voice vote the motion **Passed** unanimously.
- (4)  
**Minutes for March 4, 2013 Comm Mtg Approved**
- Chairman Bledsoe** requested that the March 4, 2013 County Commission Meeting Minutes be approved and accepted. A **motion** was made by **Commissioner Miller** with a second by **Commissioner Meers** to approve these minutes. Upon voice vote the motion **Passed** unanimously.
- (5)  
**Comments: Agenda Items**
- Chairman Bledsoe** asked that any visitor wishing to address the Commission regarding items on the planned Agenda come forward. **Wayne Schnell** commented on the \$2M being requested by the School Board to complete Phase 1A of the School Building Program and asking where these funds are coming from. **Richard Truitt** said the School Board has \$6M in reserves and questioned why they were asking the County Commission to approve an additional \$2M.

**Estelle Herron, Loudon County Mayor**, requested consideration and possible action on the following items:

**(6)**  
**Solid Waste**  
**Commission**  
**Appointments**  
**Approved**

1. Request Consideration of Approval of the Following Board/Committee Appointments:

a. Loudon County Solid Waste Commission

A **motion** was made by **Commissioner Harrelson** with a second by **Commissioner Meers** to approve this request.

Upon voice vote the motion **Passed** unanimously.

**Resolution 040113-A**

**(7)**  
**Joan Lovelace**  
**Appointed New**  
**County**  
**Purchasing**  
**Director**

2. Request Consideration of Approval of the Appointment of Joan Lovelace as the new Loudon County Purchasing Director.

A **motion** was made by **Commissioner Meers** with a second by **Commissioner Maples** to approve this appointment.

Upon voice vote the motion **Passed** unanimously.

**(8)**  
**Stormwater**  
**Management**  
**Regulations**  
**In Urbanized**  
**Areas of County**  
**Approved**

**Russ Newman, Loudon County Planning and Codes Director**, Requested Consideration of Approval of a Resolution Adopting Stormwater Management Regulations in the Urbanized Area of Loudon County Pursuant to Tennessee Code Annotated §68-221-1105.

A **motion** was made by **Commissioner Yarbrough** with a second by **Commissioner Quillen** to approve this request.

Upon voice vote the motion **Passed** unanimously.

**Resolution 040113-B**

**(9)**  
**Declaration**  
**of Loudon County**  
**Public Library**  
**Day Approved**

**Don Miller, Loudon County Commissioner**, Requested Consideration of the Following:

1. A Declaration Designating April 20, 2013 as Loudon County Public Library Day to Commemorate the Dedication of the New Tellico Village Public Library.

A **motion** was made by **Commissioner Miller** with a second by **Commissioner Franke** to approve this request.

Upon voice vote the motion **Passed** unanimously.

**Exhibit 040113-C**

**(10)**  
**Fund Balances**  
**in Fund 141**  
**Need**  
**Clarification**

2. Reported Fund Balances in Fund 141 – General Purpose School Fund. **Commissioner Miller** presented information regarding a difference in the balances in the General Purpose School Fund between the June 30, 2012 balance of \$6.7M, according to the Audit Report, and the recent balance as of February 28, 2013 showing \$4M. He noted that there have been some discrepancies in fund balances for several years - but in much smaller amounts. He questioned if these figures are accurate and, if so, this represents a balance of \$2.7M more in the fund than currently thought. He commented that he was not complaining that there's more money there than thought but his concern is that this brings into question the accuracy of the financial reports that they've been receiving for, at least, over the past eight months. He emphasized that accuracy in these reports is important because financial decisions are made based on these numbers. He requested that School Representatives attend the next Commission Workshop Meeting to discuss the differences and how to fix the discrepancy.

**Loudon County Budget Director, Tracy Blair**, requested consideration and possible action on the following items:

**(11)**  
**Pettway**  
**Foundation**  
**Grant**  
**Application**  
**Approved**

1. Request Consideration of a Recommendation to Approve the Jane L. Pettway Foundation Grant Application for the Lenoir City Library; no matching funds.

A **motion** was made by **Commissioner Maples** with a second by **Commissioner Meers** to approve this request.

Upon roll call vote the following Commissioners voted **Aye: Meers, Maples, Quillen, Franke, Bledsoe, Duff, Yarbrough, Harrelson, and Miller: (9)**

The following Commissioners voted **Nay: (0)**

The following Commissioner was **Absent: Jenkins: (1)**

Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**

**(12)**  
**Accept \$2,500.**  
**Donation From**  
**BC/BS of TN**  
**Contribution**  
**To L.C. Gov't**  
**Wellness**  
**Incentive**  
**Program**  
**Approved**

2. Request Consideration of a Recommendation to Approve a Resolution to Accept a \$2,500.00 Donation from Blue Cross/Blue Shield of Tennessee to Contribute to the Loudon County Government Wellness Incentive.

A **motion** was made by **Commissioner Quillen** with a second by **Commissioner Maples** to approve this request.

Upon roll call vote the following Commissioners voted **Aye: Maples, Quillen, Franke, Bledsoe, Duff, Yarbrough, Harrelson, Miller, and Meers: (9)**

The following Commissioners voted **Nay: (0)**

The following Commissioner was **Absent: Jenkins: (1)**

Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**

**Resolution 040113-D**

**(13)**  
**Issuance of**  
**NTE \$2M Of Rural**  
**School Bonds**  
**Approved**

3. Request Consideration of a Recommendation to Approve a Resolution Authorizing the Issuance, in One or More Series, of Rural School Bonds of Loudon County, Tennessee, in the Aggregate Principal Amount of Not to Exceed Two Million Dollars (\$2,000,000); Making Provision for the Issuance, Sale and Payment of Said Bonds; Establishing the Terms Thereof and the Disposition of Proceeds Therefrom; and Providing for the Levy of Taxes for the Payment of Principal of, Premium, if Any, and Interest on the Bonds.

A **motion** was made by **Commissioner Meers** with a second by **Commissioner Duff** to approve this request as presented.

Lengthy discussion began with **Commissioner Miller** commenting that there was some possibility that it may not be necessary to borrow this money since funds may be available from other sources. He said that it was the recommendation of the Budget Committee to authorize the Mayor to issue this debt but to request that she not borrow the money until it became clear that they were going to need it. He noted that they need to approve the Funding Resolution now so that they can proceed with the work during the summer vacation months when the schools are out.

**Commissioner Franke** supported these comments and said that they needed to move ahead and get this started.

**Commissioner Yarbrough** asked what constitutes when and whether we would borrow this money. **Commissioner Miller** responded pointing out several circumstances that would impact this decision including funding available from other sources.

**Chairman Bledsoe** asked **Commissioner Miller** if he wanted to add an amendment to the motion regarding holding off on borrowing until necessary.

**Mayor Herron** commented that they had to have the \$9.5M to complete Phase I available by June 1, 2013 and therefore she needed approval of a plan to go forward as quickly as possible.

**Commissioner Miller** responded that he would be happy to **amend the motion** to include not borrowing the money until determined to be necessary.

**Commissioner Meers seconded his amendment.**

**Commissioner Franke** said that he would like the Mayor to come back to the Budget Committee when, and if, the time came to make a decision on issuing this debt.

**Financial Advisor Joe Ayres**, of Cumberland Securities, recommended authorizing the Bond Resolution as presented and take separate action to add the restriction to only borrow the money when determined to be necessary. He stated that they need a “clean” authorizing resolution in order to go forward. He then proceeded to explain several options for how the County could fund this project as shown in the April 1, 2013 Preliminary School Funding Analysis document prepared by his Organization.

**Exhibit 040113-e**

**Option #1** – They need to move to the Bond Market with the \$9.5M in the next few weeks and this mechanism offers an opportunity to include the additional \$2M (piggyback) which would enable paying off the \$2M in 13 months which would save money on interest.

**Commissioner Miller** asked if this would interfere with maintaining the fund balances required for Phase II of the Program - he’s concerned about the \$9M needed for Phase II. **Mr. Ayres** explained how this would work and would not be a problem.

**Commissioner Miller** then asked about **Option #1** and whether or not they could come along later and borrow another \$9M for Phase II - agreed to several weeks ago - under the same terms without exceeding the “blue line”. **Mr. Ayres** responded affirmatively and explained how this would not be a problem.

**Commissioner Miller** then asked if they should choose **Option #2** rather than commit to borrowing now and **Mr. Ayres** responded that this was a Commission decision but that borrowing \$2M later would cost a lot more than it would to borrow it now.

**Commissioner Yarbrough** asked with either option can the County still pay off the \$2M early. **Mr. Ayres** response was that it wouldn’t be worth it for the savings.

**Chairman Bledsoe** commented that if the County can save money borrowing the \$2M now, when they can save on the interest, and use it for Phase II if it was determined that it’s not needed now, that would be a good thing.

**Mr. Ayres** agreed that this is a good way to borrow \$2M with less than \$10,000 interest and also keep the fund balances lower – both goals for the Commission. He added that any money left over could be put into the Debt Service Fund and used to pay the debt faster. He said it’s a win/win situation – Commission should adopt the Bond Resolution tonight and place any restrictions on the Mayor via a separate action if they desire.

**Chairman Bledsoe** asked **Vice Chairwoman Maples** to please take the Chair so that he could participate in the discussion.

**Commissioner Bledsoe** said that the County should go ahead and get the \$2M now, with this opportunity, and use it later if needed for Phase II.

**Mr. Ayres** responded that it doesn’t matter to the funding which Phase of the Program the money is used for – the funding isn’t committed to any individual building phase.

**Commissioner Meers** asked if the Commission could hold off on a decision on this issue for another 30 days.

**Commissioner Yarbrough** asked why they couldn't approve the project tonight and said that telling her constituents that the Commission was borrowing money they don't really need made her uncomfortable.

**Commissioner Franke** recommended approving the project tonight and then study the funding options in the next few weeks.

**Mayor Herron** reminded everyone that the \$9.5M was needed by June 1<sup>st</sup> in order to move forward.

**Commissioner Miller** said this was a timing issue – the \$9.5M was needed by June 1<sup>st</sup> and the \$2M for Phase IA needs approving in time to get the work done over the summer. He stressed that the Commission needs to make a decision on both tonight. He also pointed out that he believes that in order to approve a resolution authorizing accruing debt they must also authorize a plan for financing repayment of that debt. He said that this plan could be changed later but the funds need to be committed now.

**Mr. Ayres** explained that the \$9.5M is the last piece of funding that's already approved and this is not on the table tonight. He stressed that they were getting ready to go to the tax exempt Bond Market by June 1<sup>st</sup> and that this was an opportunity to add the \$2M to the \$9.5M and save money on fees. If the County doesn't choose this option then they would have to finance the \$2M in the next calendar year or borrow it later this year. He again recommended authorizing the \$2M Bond Resolution tonight and then enacting a separate qualifier resolution on when the Mayor can borrow the money and deciding on which funding recommendation to go with in the next few weeks. He stressed that these were two separate issues.

**Commissioner Miller** asked if he was saying that they could delay a decision on the funding mechanism for 30 days and still not affect the June 1<sup>st</sup> deadline.

**Mr. Ayres** responded that if they authorized the \$2M tonight and they continue to prepare to enter the Bond Market for the \$9.5 they could probably delay deciding on the piggyback issue.

**Commissioner Yarbrough** asked about using residual balances and whether or not this would set them up for arbitrage and **Mr. Ayres** responded that it would not since these are taxable bonds.

**Commissioner Quillen** asked **Budget Director Blair** what her opinion on these issues was and her response was that either Option 1 or Option 2 would work as far as the fund balances are concerned and that the decision is whether or not the County wants to take advantage of the savings by combining the \$2M with the \$9.5M.

**Commissioner Bledsoe** asked **Mr. Ayres** what it would cost to borrow the \$2M separately and his response was probably about **\$25,000**. with a traditional fixed rate \$2M Bond Issue.

**Commissioner Miller** suggested that the Tennessee Bond Pool might be the way to go if they decided to get the \$2M separately since the rates there are about 1% or less.

**Commissioner Bledsoe** agreed that this would probably be a better way to go.

**Commissioner Bledsoe** asked if there was agreement to have a Special Called Meeting following the Commission Workshop Meeting on April 15<sup>th</sup> to decide on a funding mechanism and **Mr. Ayres** agreed that this would be OK so long as they approved the \$2M Bond Resolution tonight. There was general agreement to this.

**Commissioner Yarbrough** asked **Director of Schools Jason Vance** how he felt about the plan and he stated that he was comfortable with the plan. He said that he needs funds soon to get started on the engineering and architectural work for combining of the two schools this summer but that he has enough funds on hand for this to get started.

**Commissioner Meers** asked him if the old architectural drawings were going to be used and just revisited to combine these with new revised plans and the response was that they were.

**Commissioner Bledsoe** commented that in this case the project can still go ahead with the plans using the approach now being discussed by the Commission.

**Mr. Ayres** agreed to the Commission adopting the Bond Resolution tonight and having a Special Called Meeting in two weeks to decide on a funding plan.

**Commissioner Miller** then **withdrew his amendment to the original motion** and **Commissioner Meers withdrew his second.**

A vote was then taken on the **Original Motion by Commissioner Meers with a second by Commissioner Duff to approve the \$2M Bond Resolution as presented.** Upon roll call vote the following Commissioners voted **Aye: Quillen, Franke, Bledsoe, Duff, Yarbrough, Harrelson, Miller, Meers, and Maples: (9)**

The following Commissioners voted **Nay: (0)**

The following Commissioner was **Absent: Jenkins: (1)**

Thereupon the Chairwoman declared the motion **Passed: (9, 0, 1)**

**Resolution 040113-E**

**Commissioner Bledsoe** then resumed the **Chair.**

**Commissioner Miller** made a **motion** with a second by **Commissioner Quillen** to approve the \$2M, as has been requested, to combine the Fort Loudoun Elementary School and the Fort Loudoun Middle School.

Upon roll call vote the following Commissioners voted **Aye: Franke, Bledsoe, Duff, Yarbrough, Harrelson, Miller, Meers, Maples, and Quillen: (9)**

The following Commissioners voted **Nay: (0)**

The following Commissioner was **Absent: Jenkins: (1)**

Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**

**Chairman Bledsoe** stated that if there were no objections there would be a **Special Called Meeting at 7 p.m. on Monday, April 15<sup>th</sup>** following the **Commission Workshop Meeting at 6 p.m.** to decide on a funding mechanism. **Commissioner Duff** said he objected to the Special Called Meeting since he wasn't going to be able to be there. **Commissioner Miller** asked **Joe Ayres** if he could attend the Budget Committee Meeting at 3 p.m. and he agreed to be there.

**Commissioner Franke** made a motion with a second by **Commissioner Meers** to schedule a Special Called Meeting for 7 p.m. on Monday, April 15, 2013 following the Commission Workshop Meeting.

Upon voice vote the motion **Passed** with **one dissenting vote.**

4. Request Consideration of Approval of Amendments to the Following Funds:

(14)

Fund 101  
Approved

a. County General Fund 101

A **motion** was made by **Commissioner Franke** with a second by **Commissioner Miller** to approve this recommendation.

Upon roll call vote the following Commissioners voted **Aye: Bledsoe, Duff, Yarbrough, Harrelson, Miller, Meers, Maples, Quillen, and Franke: (9)**

The following Commissioners voted **Nay: (0)**

The following Commissioners were **Absent: Jenkins: (1)**

Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**

**Exhibit 040113-F**

- (15)**  
**Fund 115**  
**Approved**
- b. Public Library Fund 115
- A **motion** was made by **Commissioner Meers** with a second by **Commissioner Yarbrough** to approve this recommendation.
- Upon roll call vote on the Amendment the following Commissioners voted  
**Aye: Duff, Yarbrough, Harrelson, Miller, Jenkins, Meers, Maples, Quillen, Franke, and Bledsoe: (9)**
- The following Commissioners voted **Nay: (0)**
- The following Commissioners were **Absent: Jenkins: (1)**
- Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**
- Exhibit 040113-G**
- (16)**  
**Fund 131**  
**Approved**
- c. Highway Department Fund 131
- A **motion** was made by **Commissioner Maples** with a second by **Commissioner Miller** to approve this recommendation.
- Upon roll call vote the following Commissioners voted **Aye: Yarbrough, Harrelson, Miller, Meers, Maples, Quillen, Franke, Bledsoe, and Duff: (9)**
- The following Commissioners voted **Nay: (0)**
- The following Commissioners were **Absent: Jenkins: (1)**
- Thereupon the Chairman declared the motion **Passed: (9, 0, 1)**
- Exhibit 040113-H**
- (17)**  
**Summary**  
**Financial**  
**Statements**  
**Distributed**
- Budget Director, Tracy Blair**, requested that records reflect that the Summary Financial Statements for March 2013 and Approved Minutes for the February 19, 2013 Budget Committee Meeting have been distributed. She also distributed a General Capital Projects Financial Report for the Period Ending January 31, 2013 for Fiscal Year 2012/2013.
- Exhibits 040113-I, J, K**
- (18)**  
**Notaries**  
**Approved**
- Loudon County Commissioner, David Meers**, made a **motion** with a second by **Commissioner Maples** to approve the following Notaries: ***Debbie Jean Daub; Robert G. Hinton; Patricia Rogers; Kimberlee A. Waterhouse; and Kimberly Wilks.***
- Upon voice vote the motion **Passed** unanimously.
- Exhibit 040113-L**
- (19)**  
**Comments:**  
**Non-Agenda**  
**Items**
- Chairman Bledsoe** asked that any visitor wishing to address the Commission regarding items not on the Agenda come forward.
- Commissioner Meers** asked **Mayor Herron** to look into the possibility of getting people from the County employed at the new Ceco Industry coming to the County and she responded that Pat Phillips was working on this and had already met with them.
- Commissioner Yarbrough** said that they had received by mail a Report for the Solid Waste Commission – Qualitative Review – and asked the **Mayor** if the Commission was going to receive a verbal report and she responded that they will be providing one but she doesn't know exactly when at this time.
- Commissioner Miller** said that the Solid Waste Commission had embarked on a contract with a consultant to look over their reserves to see whether or not they were adequate when they have to close down the facility. He said that the Commission would like to see the results of this study when it's completed.
- Mayor Herron** agreed.

**Loudon County Property Assessor, Mike Campbell**, reported to the Commission that the new property assessments were being mailed out on Friday, April 5<sup>th</sup> and that next Monday would begin informal hearings. **Commissioner Meers** asked about industrial appeals and the response was that they had two industrial appeals on the billet and that hearings with the Administrative Judge in Nashville on these were scheduled for mid-August (13/14). He said that he believes his office is in a good position regarding reappraisals. **Commissioner Maples** asked how the appraisals were running – are they up or down? **Mr. Campbell's** response was that most of them went down – 7,425 went up; 22,479 went down; and 2,937 remained the same. **Commissioner Miller** asked what the general percentage for the County as a whole was and the response was that they hadn't made that determination at this point so he doesn't know how this will affect the overall County tax rate. **Commissioner Duff** asked who does the reappraisals because every time these reappraisal notices go out he gets phone calls saying that the Property Assessor's Office said that the County Commission raised property taxes. **Mr. Campbell's** response was that his office continues to work with everyone to smooth out the reappraisal process. **Commissioner Maples** said that in the past, prior to **Mr. Campbell's** term, she witnessed people who came in to the Assessor's office to complain being berated, made fun of, and intimidated and made to feel like they were talking to a brick wall. **Mr. Campbell** responded that his office wants to hear everyone's story and they're trying to help everyone understand how they arrive at the values but that they're under time constraints and have to keep on schedule. **Commissioner Maples** reiterated that she hopes that people will be treated like human beings when they come in and that she's witnessed people being treated badly in the past. **Mr. Campbell** responded that he doesn't know anyone who had this experience. He said his goal was not to make anyone more mad than they were when they came in the door. **Commissioner Duff** asked if it was possible that the two industries can settle out of court and **Mr. Campbell** responded that there was a process whereby all parties could come together to discuss any discrepancies and that he will work with each of them in this process. **Commissioner Meers** asked if they had provided any documents to his office at this point and his response was that they have not and that they've refused to do so.

**Richard Truitt** came forward to speak about the Open Meetings Act and that he has attended every School Board meeting and he questioned why the recent School Board retreat at Pigeon Forge was never discussed in any of the meetings. He said that this should have been discussed publicly and not done in private. **Director of Schools, Jason Vance**, responded that School Policy states that they can take a retreat to discuss school issues.

**Chairman Bledsoe** asked if there were any further comments and, upon receiving none, he asked for a motion to adjourn.



**(20)**  
**Adjournment**

There being no further business, a **motion** being duly made and seconded, the April 1, 2013 County Commission Meeting stood adjourned at 8:00 p.m.

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**CHAIRMAN**

**ATTEST:**

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**COUNTY CLERK**

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**COUNTY MAYOR**