

**MINUTES OF
CITY COMMISSION MEETING
MONDAY, APRIL 25 2011, 5:30 P.M.
CITY HALL, PIGEON FORGE, TENNESSEE**

Mayor Whaley called the meeting to order with the following in attendance: Vice Mayor McClure, Commissioner Brackins, Commissioner Robinson, Commissioner Wear, City Manager Teaster, City Recorder Clabo, City Attorney Gass, members of the press and interested citizens.

Mayor Whaley opened the meeting and Vice Mayor McClure led in the pledge of allegiance.

REGULAR MEETING

The minutes were unanimously approved following motion by Vice Mayor McClure and second to motion by Commissioner Brackins.

Mayor Whaley asked if there were any comments from citizens.

No comments were received.

The authorization for the payment of bills was presented for approval. On a motion by Commissioner Brackins, second by Vice Mayor McClure, it was approved to accept the bills as noted. Commissioner Robinson noted that he was for the normal bills but opposed items in question that are not bid.

Old Business

There was no old business.

New Business

Resolution No. 782 to (1) authorize one or more loans under one or more loan agreements between the City of Pigeon Forge, Tennessee and the Public Building Authority of Sevier County, Tennessee in an aggregate principal amount of not to exceed twenty-nine million eight hundred thousand dollars (\$29,800,000) to refinance the municipality's outstanding series V-H-1 loan agreement; (2) authorize a bank agreement in connection with the foregoing and other documents relating to said borrowings; (3) provide for the application of the proceeds of said borrowings and the payment of the municipality's obligations under the loan agreements; and (4) consenting to the assignment of the municipality's obligations under the loan agreements was presented for approval. Joe Ayres with Morgan Keegan discussed how the City had got to this point with the interim financing a few years prior due to economic conditions. Mr. Ayres said that the City basically had three options: 1) Do nothing and pay bond off in June 2011; 2)

terminate the hedge on the bond at a cost of approximately \$2,000,000; or 3) refinance with variable debt. There was discussion about refinancing with a fixed rate and also about when principal payments would begin to be paid on the debt. Mr. Ayres stated that it made good sense to have some variable debt to balance fixed rate debt the City currently has on the books. He further stated that principal would be paid starting annually. On a motion by Commissioner Wear, second by Vice Mayor McClure and with all voting "aye" the motion was approved.

Discussion and consideration to resolve the current water agreement with Sevier County Government by agreeing to pay the County \$481,646 was presented for approval. Mayor Whaley discussed what the City owes and stated that these numbers had been compiled from previous audits. Mayor Whaley asked Assistant County Mayor Greg Patterson if this was in line with what the county was expecting the City to take action on to resolve the dispute. Mr. Patterson stated yes. City Manager Teaster added that it was her understanding that the intent from the county was not to expect a check immediately but to acknowledge that the City does owe the County money. This is because negotiations are underway to sell water customers to the county as will be discussed next on this agenda. On a motion by Commissioner Wear, second by Vice Mayor McClure, it was unanimously approved to accept the request as presented.

Discussion and consideration to sale 260 water customers located in the Caton's Chapel area to Sevier County Government was presented for approval. Commissioner Robinson asked how much money was generated from these customers last year. City Recorder Clabo stated he didn't have the information in front of him but he thought it was approximately \$127,000 for one year. Mayor Whaley asked who put these lines in. City Manager Teaster stated that both the City and the County put in part of the lines. Commissioner Robinson asked if this was something that had to be decided right now. Mayor Whaley stated that he thought that this request was closely tied to the agreement discussed in the above agenda item. Commissioner Robinson asked if we knew definitely how much we would receive from the county for these customers. City Manager Teaster said that if council was in favor of selling customers, negotiations would occur to determine exactly how much would be owed factoring in cost per customer and amount agreed to in above agenda item. It was noted that this would come back before the commission once a firm amount was known. On a motion by Commissioner Brackins, second by Commissioner Wear, it was unanimously approved to accept the request as presented.

Discussion and consideration to allow the Sevier County Water Department to connect to the City's water system at both ends of Dixon Branch was presented for approval. Water Superintendent with Sevier County Roger Sims explained that water service will not be affected on Dixon Branch and the valves will not be turned on and cause a cross connection. On a motion by Commissioner Wear, second by Vice Mayor McClure, it was unanimously approved to accept the request as presented.

Discussion and consideration of an addendum of the Wear Farm City Park agreement with Barge, Waggoner, Sumner & Cannon for the preparation of wetland

impact permits and related services was presented for approval. Parks and Recreation Director Wilbanks briefly discussed the addendum noting that it was in the amount of \$13,667 with the possibility of offsite mitigation if needed in an additional amount of \$3,100. On a motion by Vice Mayor McClure, second by Commissioner Wear, it was unanimously approved to accept the request as presented.

Discussion and consideration of an agreement with Pugh & Company for an audit of the City's financial statements ending June 30, 2011 was presented for approval. City Manager briefly discussed the agreement. On a motion by Commissioner Brackins, second by Vice Mayor McClure, it was unanimously approved to accept the request as presented.

Discussion and consideration of a maintenance contract with TDOT for State Highways was presented for approval. City Manager Teaster explained that this was an annual agreement with the State for reimbursement for work done on the medians and certain roads in the City. The contract is the amount of \$89,481. On a motion by Vice Mayor McClure, second by Commissioner Wear, it was unanimously approved to accept the request as presented.

Discussion and consideration to authorize payment of architectural and site preparation services for the LeConte Center at Pigeon Forge for an amount not to exceed \$474,785 which will be reimbursed to the city once the bonds are issued was presented for approval. Mike Smelcer with SRA presented and stated that it was his understanding that bonds would be issued on the event center sometime by the end of July 2011. Therefore a list of contracts is being presented that would include work to be completed up to the point where bonds are issued. The cost breakdown is as follows: 1) SRA for architectural and engineering fees are based on estimated building construction costs of \$32,000,000 with the fee based on the State fee schedule of 4.66%. Costs through July 15, 2011 will be approximately \$403,160; 2) Michael Versen & Associates for landscape architect design with site budget of \$86,630 and costs through July 15, 2011 will be approximately \$33,600; 3) Brennon Garrett for site survey and topo and also wetland survey at north end of parking area with a budget of \$4,525 and costs through July 15, 2011 will be approximately \$4,525; 4) Engineering & Testing Solutions, LLC for subsurface exploration with a budget of \$3,200 and costs through July 15, 2011 will be approximately \$3,200; 5) S&ME for environmental concerns with a budget of \$5,000 and costs through July 15, 2011 will be approximately \$5,000; 6) and Comprehensive LEED Facilitation for LEEDS consulting with a budget of \$59,800 and costs through July 15, 2011 will be approximately \$25,300 for a total by July 15, 2011 not to exceed \$474,785. Mr. Smelcer stated that this had been presented and approved last week by the Industrial Development Board. Mayor Whaley asked if this would be paid out of the general fund until bonds are issued. City Recorder Clabo said yes. On a motion by Commissioner Wear, second by Vice Mayor McClure, it was unanimously approved to accept the request as presented.

Discussion and consideration to reject all bids related to the AED/Cardiac monitors and rebid was presented for approval. On a motion by Commissioner Wear, second by Vice Mayor McClure, it was unanimously approved to reject bids and rebid.

Manager's report included the following:

1. There will be a Planning Commission meeting on April 26, 2011 at 3:00 p.m. in the council room of city hall.
2. The Dolly Parade will be held on May 6, 2011 at 6:00 p.m.
3. There will be a ground breaking ceremony for the Pigeon Forge Fire Department Station No. 2 on May 6, 2011 at 12:00 p.m.
4. The Pigeon Forge Primary will dedicate a new outdoor classroom called Pigeon Forge's Primary Appalachian Control Day Project on May 5, 2011 at 2:00 p.m.
5. Chairman of the Beer Board Dan Conner has recently retired. His position needs to be filled so any suggestions would be appreciated.

Mayor Whaley asked for comments from the board.

Having no comments received, the meeting was duly adjourned at 6:25 p.m.

APPROVED: _____
MAYOR

ATTEST: _____
CITY RECORDER