

**MINUTES OF  
CITY COMMISSION WORK SESSION  
TUESDAY, NOVEMBER 16, 2010, 4:30 P.M.  
CITY HALL, PIGEON FORGE, TENNESSEE**

Present were Mayor Whaley, Vice Mayor McClure, Commissioner Brackins, Commissioner Robinson, Commissioner Wear, City Manager Teaster, City Recorder Clabo, City Attorney Gass, and interested parties.

Items discussed were as follows.

1. **Review and discussion of the proposed new wastewater treatment plant** – Assistant City Manager Brackins began by stating that staff has been working on funding options that can be used once location and technology of wastewater treatment plant have been identified. Joe Ayres with Morgan Keegan discussed Build America Bonds (BABs) and explained how they were different from traditional bonds. He noted that they are taxable bonds and come with a 35 percent treasury rebate on the funds. However, the BABs are expected to expire in December 2010 so the opportunity to utilize this funding option will soon be gone. Mr. Ayres discussed the handouts and noted that with a \$50 million bond issue, water and sewer rates would have to be increased as shown on the schedule. Assistant City Manager Brackins stated that statistics obtained from the East Tennessee Development District in 2009 showed average water/sewer rates in Tennessee to be approximately \$52.28 per month based on 5,000 gallons per month.

Mayor Whaley asked about funding any of the project through the TDZ. Mr. Ayres stated that a portion of the borrowings could be identified as TDZ infrastructure. Mr. Ayres explained that the location and technology to be used do not have to be currently known in order to start the process. However, the amount requested will be needed in order to prepare a resolution that would have to be passed at an upcoming council meeting. Mr. Ayres said that the process would take at least 45 days so a decision to move toward a BAB would have to start soon. Mr. Ayres was asked if rates would be locked in as soon as direction was given to move forward like would happen with a personal mortgage loan. Mr. Ayres said that a rate would not be locked in until the request went out in the market. He did say that authorization to move forward would not lock the City into something that could look less attractive in December if rates were to change. Mayor Whaley asked if there were consequences with starting the process now. Mr. Ayres said that if the City is not ready to go to the market, the cost to carry may outweigh the benefit of a BAB. Mr. Ayres stated that there is also potential for an economic recovery bond that comes with a 45 percent treasury rebate but is more restrictive such as

having to comply with the Davis Bacon Act. Mr. Ayres said that he could prepare a resolution with language not to exceed a certain dollar amount and also include language for a BAB, super BAB, or other traditional bond.

Following lengthy discussion, council requested resolution be put on upcoming agenda.

- 2. **Review and discussion of a feasibility study for a county sports complex** – Assistant City Manager Brackins explained that the Sevier County Economic Development Council has been working on the development of a sports tournament park for Sevier County and has asked the three cities and county to help with the cost of a feasibility study. The City is being asked for up to \$10,000 for the study.

Following discussion, council agreed to have Allen Newton attend an upcoming meeting to discuss the request further for informational purposes only.

After general discussion, the meeting was duly adjourned at 5:40 p.m.

APPROVED: \_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_  
CITY RECORDER