

MINUTES OF REGULAR MEETING  
BOARD OF MAYOR AND COMMISSIONERS  
AUGUST 13, 2013

The Board of Mayor and Commissioners held its regular meeting on Tuesday, August 13, 2013, at 6:00 p.m., in the conference room at City Hall. Mayor Jane W. Dawkins called the meeting to order and asked Terry Case to give the invocation and Jimmy Wigfall to lead the pledge to the flag. Upon a roll call, the following members were present: Commissioner Ronnie Lancaster, Commissioner Jimmy Wigfall, Commissioner Jeff Powers, Commissioner Debbie Hughes and Mayor Jane W. Dawkins. Absent: none.

Before Mayor Dawkins called the meeting to order, a public hearing was held on the Community Development Block Grant (CDBG) program. Chuck Hammond with Southeast Development District discussed the possible projects that the City could apply for under the CDBG Imminent Threat Program due to recent flooding. He also stated that this was a matching grant.

Mayor Dawkins asked the Board to review the minutes of the July 9, 2013 board meeting. There being no revisions, a **Motion** to approve the minutes of previous board meeting was made by Commissioner Hughes, seconded by Commissioner Powers. Voting aye on the previous minutes were five, none opposed.

The Mayor asked if there were any comments from the citizens. Lajuan Blevins questioned why the Senior Activity Center was off limits and the dining room could no longer be used. Terry Case explained the renovations being done since the July 10, 2013 flood. The Activity Center is opened everyday from 8:00 a.m. to 4:00 p.m. The remodeling is still under progress but Case encouraged Mrs. Blevins to use the dining room unless it is being rented out.

Lisa Bradford, Parks and Recreation Director, explained that renovations are being made at the Chester Powell Apartments since the July flood. A smaller activity center is being added to the kitchen area there and some of the senior activities will be held there. This will alleviate the residents from walking across the alley to the Senior Activity Center. Both locations will be available.

Ruth Gibson, 189 Chance Road, South Pittsburg, Tennessee, questioned the property across the road from her residence. She stated that the property looks bad. City Administrator Sammy

Burrows explained that the dirt pile is only a temporary fix until a gate can be installed to prevent future dumping.

Mayor Dawkins had several items to discuss. She stated that the clock on Cedar Avenue is not working. This is probably due to an electrical malfunction from the recent flooding.

The Mayor also stated that the Tennessee Housing Development Agency has announced a \$300 thousand dollar grant that is being awarded to the City of South Pittsburg due to the July flood. This will be a matching grant of 50%. Mayor Dawkins said that she does not know the specifics or restrictions regarding this. She said that the city does not have the \$150 thousand dollar match. Dawkins stated this is the first and only monies from the government that have been offered to our city.

Mayor Dawkins announced that the Glidden Tour, also known as the Great Race, will be coming to South Pittsburg on Thursday, September 12, 2013. South Pittsburg is one of two cities this event will be hosted. This will consist of cars dated 1940 and before. She encouraged all to support this event.

The Police Department and Street Department had no comments.

Mayor Dawkins thanked Judge Billy Gouger for 'filling in' tonight at the City Meeting. She also stated that Judge Gouger helped with some legal issues during the July flood.

After a public hearing, a **Motion** to pass on third (3<sup>rd</sup>) and final reading **Ordinance #739** (An Ordinance to Adopt a Corrective Action Plan to Prevent the Illegal Use of Municipal Utility Revenues and to Reimburse Monies Illegally Transferred from the Marion Natural Gas Fund to the General Fund) was made by Commissioner Wigfall, seconded by Commissioner Hughes. Voting aye were five, none opposed. Citizen James Housley did question the amount of money being repaid. The Mayor stated an amount in excess of \$800 thousand.

A **Motion** to pass on second (2<sup>nd</sup>) Reading of **Ordinance #740** (An Ordinance of the City of South Pittsburg to Amend the Zoning Map for the City of South Pittsburg, Tennessee, to Rezone Property on Hamburg Road from the C-2 General Commercial District to the R-3 High Density Residential District) was made by Commissioner Hughes, seconded by Commissioner Wigfall. Voting aye were five, none opposed. The Mayor said that the residents of Hamburg were not aware of this rezoning. This is the reason for this property being changed back to its original zoning status.

Mayor Dawkins recommended Clarence Howard and Dennis Durham to be appointed to the Elderly Housing Board. Commissioner Powers made a motion to accept these appointments, seconded by Commissioner Wigfall. Voting aye were five, none opposed.

A **Motion** to pass **Resolution #930** (A Resolution Authorizing an Application for Fast Track Infrastructure Development Program Grant Funds for Project Splinter-Shaw Industries) was made by Commissioner Wigfall, seconded by Commissioner Hughes. Voting aye were five, none opposed.

A **Motion** to pass **Resolution #931** (A Resolution Determining and Requesting the Total Payment In Lieu of Tax to be paid by Marion Natural Gas System to the City of South Pittsburg, Tennessee, in accordance with the Provisions of the Municipal Gas System Tax Equivalent Law of 1987) was made by Commissioner Powers, seconded by Commissioner Wigfall. Voting aye were five, none opposed. City Administrator Burrows stated the amount was \$83,363.53. He said that the formula to determine the amount due was calculated by the State.

A **Motion** to pass on the first (1<sup>st</sup>) Reading of **Ordinance #741** (An Ordinance of the City of South Pittsburg, Tennessee, Adopting the Annual Budget and Tax Rate for the Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014) was made by Commissioner Powers, seconded by Commissioner Lancaster. Voting aye were five, none opposed.

A **Motion** to pass on the first (1<sup>st</sup>) Reading of **Ordinance #742** (An Ordinance of the City of South Pittsburg, Tennessee, Amending the Annual Budget and Capital Program and Tax Rate of South Pittsburg, Tennessee, for Fiscal Year 2013) was made by Commissioner Hughes, seconded by Commissioner Wigfall. Voting aye were five, none opposed. Mr. Burrows stated that this year's budget was amended by \$1,249.

A **Motion** to pass on the first (1<sup>st</sup>) Reading of **Ordinance #743** (An Ordinance to Amend Water and Sewer Rates and Charges for the City of South Pittsburg, Tennessee) was made by Commissioner Lancaster, seconded by Commissioner Wigfall. Voting aye were five, none opposed.

Mayor Dawkins thanked everyone for all their help during the recent flooding. She said that she was so grateful that no lives were lost during this tragic event.

City Administrator Burrows introduced Steve Lamb, who is with Marion County Emergency Management. Mr. Lamb was instrumental in helping South Pittsburg set up a command post after the flood. He followed all the advice Mr. Burrow's nephew, who is director of FEMA, had

advised. Mr. Lamb stated that South Pittsburg did not qualify for federal assistance, however Legislature is working on a rotating fund set up for future cities that fall in the same category not meeting the required amount of damage for funding.

Mr. Lamb also said that a 991 mass communication project is underway. Upon completion, this will contact residents of possible flooding areas via face book, twitter, and cell phone and warn them that they may be in possible targeted flooding areas. He said that South Pittsburg's Volunteer Fire Department and Police Department went above and beyond their call to duty during the recent flood.

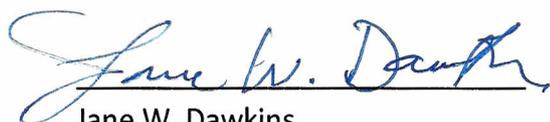
There being no further business, the Mayor adjourned the meeting.

Respectfully submitted,

A handwritten signature in blue ink that reads "Diane Beavers". The signature is written in a cursive style and is positioned above a horizontal line.

Diane Beavers  
City Recorder

Approved:

A handwritten signature in blue ink that reads "Jane W. Dawkins". The signature is written in a cursive style and is positioned above a horizontal line.

Jane W. Dawkins  
Mayor

**ORDINANCE NUMBER 739**

**AN ORDINANCE TO ADOPT A CORRECTIVE ACTION PLAN  
TO PREVENT THE ILLEGAL USE OF MUNICIPAL UTILITY REVENUES  
AND TO REIMBURSE MONIES ILLEGALLY TRANSFERRED  
FROM THE MARION NATURAL GAS FUND TO THE GENERAL FUND.**

**WHEREAS**, State statutes prohibit the use of a municipal utility's revenues for any purpose other than operating a utility on sound business principles as a self-sufficient entity; and

**WHEREAS**, a municipality violating State statutes by illegally transferring utility revenues is required to immediately repay any monies illegally transferred or submit to the comptroller of the treasury or the comptroller's designee for approval a corrective action plan to put into place policies and procedures to prevent future illegal transfers and to permit the repayment of illegally transferred monies in a period not to exceed five (5) years at the highest rate of interest foregone by the utility during the period of the illegal transfer; and

**WHEREAS**, the Office of the Comptroller of the Comptroller of the Treasury determined because of an investigation by the Division of Investigations and analysis by the Office of State and Local Finance that \$802,890 had been transferred illegally from the Marion Natural Gas Fund to the General Fund;

**WHEREAS**, the Board of Mayor and Commissioners have been notified of these illegal transfers and wishes to comply with State statutes by correcting these transfers and putting into place policies and procedures to prevent any future transfers;

**NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND COMMISSIONERS OF THE CITY OF SOUTH PITTSBURG, TENNESSEE, THAT:**

**SECTION 1.** The City shall adopt a Corrective Action Plan to prevent future illegal transfers of monies from its utility funds and to repay the Eight Hundred and Two Thousand Eight Hundred and Ninety Dollars (\$802,890) in illegally transferred monies from the Marion Natural Gas Fund to the General Fund. The Plan shall contain the items in the following sections.

**SECTION 2.** Repayment Schedule: The General Fund shall repay each fiscal year to the Marion Natural Gas Fund the amount of \$160,578 at an annual rate of interest of .05 beginning July 1, 2014, for a period of five years ending June 30, 2019. This repayment schedule does not preclude the City from prepaying the illegally transferred amount or repaying it in any other manner permitted by the Comptroller or the Comptroller's designee. A minimum of one-fifth (1/5<sup>th</sup>) of the amount outstanding at June 30, 2014, shall be repaid each fiscal year.

**SECTION 3.** Balanced Budget Requirement: The City commits to and shall maintain a balanced budget for all funds in accordance with the State Constitution and statutes and shall submit its adopted annual budget, budget ordinance, and the required supporting documents not later than July 15 each year, to the Office of State and Local Finance.

**SECTION 4.** Periodic Repayment Report to the Office of State and Local Finance: The City shall report annually its progress in repayment of the illegally transferred monies at the time of the submission of its adopted annual budget, budget ordinance, and the required supporting documents to the Office of State and Local Finance.

**SECTION 5. Risk Assessment:** The City shall conduct a risk assessment identifying compliance and internal control risks to determine the risks to be addressed in its financial management policies and procedures.

**SECTION 6. Written Enforceable Financial Management Policies and Procedures:** The City shall adopt written enforceable financial management policies and procedures for the accounting, budgeting, cash management, debt management, and purchasing functions thirteen (13) months from the approval of this Corrective Action Plan by the Comptroller or the Comptroller's designee. These financial management policies and procedures will meet the requirements of the letter from the Office of State and Local Finance dated April 10, 2013, that is attached as Attachment A and is made a part of this ordinance.

**SECTION 7. Separate Checking for Utility Funds:** The City shall maintain separate checking accounts for its utility fund in accordance with State statutes.

**SECTION 8. Monthly Reporting:** The Board of Mayor and Commissioners shall require the following reports at its regular monthly meeting to be used in maintaining a balanced budget in accordance with state law and best financial practices:

- a budget to actual report showing monthly year-to-date information, and projections for the current and future months;
- a cash flow statement showing monthly status, year-to-date information, and a projection for the current and future months; and
- any other financial information that may impact the City's financial condition.

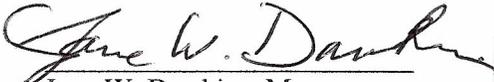
**SECTION 9.** That all ordinances or resolutions in conflict with this Ordinance are hereby repealed insofar as such conflicts exist and this Ordinance shall become effective immediately upon final passage.

Passed first reading JUNE 28<sup>TH</sup>, 2013

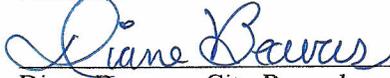
Passed second reading July 9, 2013

Passed third reading August 13, 2013

Duly passed and approved this 13<sup>th</sup> day of August, 2013

  
Jane W. Dawkins, Mayor

Attested:

  
Diane Beavers, City Recorder

**CITY OF SOUTH PITTSBURG  
RESOLUTION # 930**

**A RESOLUTION AUTHORIZING AN APPLICATION FOR FAST TRACK  
INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT FUNDS FOR  
PROJECT SPLINTER – SHAW INDUSTRIES**

**WHEREAS**, Shaw Industries intends to invest \$25 million in order to expand their existing manufacturing operations located in South Pittsburg, Tennessee; and

**WHEREAS**, Shaw Industries will create a minimum of 28 new jobs and retain 170 existing jobs; and

**WHEREAS**, engineers have estimated preliminary costs for utility relocations and drainage work in excess of \$400,000 which are necessary to accommodate this expansion; and

**WHEREAS**, local, state, and regional economic development partners want to ensure that Shaw Industries has all of the necessary infrastructure required to accommodate their growth and expansion; and

**WHEREAS**, the Tennessee Department of Economic and Community Development Department has Fast Track Infrastructure Development Program Grant funds set aside in the amount of \$337, 536 to assist the company and the City of South Pittsburg with the development of eligible project costs; and

**WHEREAS**, the City of South Pittsburg is supportive of Shaw Industries expansion project and the economic benefit that it will bring to South Pittsburg, Marion County, as well as the surrounding region; and

**WHEREAS**, the City of South Pittsburg is eligible to apply for up to 86% in FIDP grant funding for eligible project costs to be determined by the State of Tennessee; and

**WHEREAS**, the local matching funds or remaining 14% that will be required for the grant, will be paid by the company and/or other sources, contingent upon approval from the Tennessee Department of Economic & Community Development.

**NOW THEREFORE, BE IT HEREBY RESOLVED**, by the Mayor and the Commissioners of the City of South Pittsburg that the Mayor is hereby authorized to apply for the FIDP grant funds to assist with infrastructure improvements and administrative costs associated with this grant;

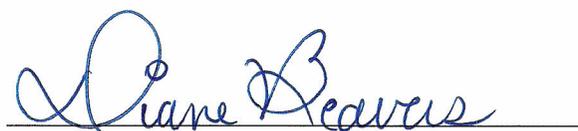
**BE IT FURTHER RESOLVED** that the Mayor is authorized to execute any and all documents necessary for the successful award of the grant, subject to its approval by the state;

**LASTLY, BE IT RESOLVED** by Mayor and the Commissioners of the City of South Pittsburg that this resolution shall take effect immediately from and after its passage, the public welfare requiring it.

Approved this the 13<sup>th</sup> day of August, 2013

  
Jane W. Dawkins, Mayor

Attest:

  
City Recorder

**RESOLUTION DETERMINING AND REQUESTING THE TOTAL  
PAYMENT IN LIEU OF TAX TO BE PAID BY MARION NATURAL GAS  
SYSTEM TO THE CITY OF SOUTH PITTSBURG, TENNESSEE, IN  
ACCORDANCE WITH THE PROVISIONS OF THE MUNICIPAL GAS  
SYSTEM TAX EQUIVALENT LAW OF 1987.**

WHEREAS, the Municipal Gas System Tax Equivalent law of 1987 set forth in T.C. A. Section 7-39-401 et seq. provides that Natural Gas Companies owned by Tennessee municipalities may make payments to these municipalities based on a payment in lieu of tax formula outlined in the statute or by a percentage of the total lump sum payment made to the respective municipalities in 1992, whichever is greater; and

WHEREAS, Marion Natural Gas System is a municipal utility which is wholly owned by the City of South Pittsburg, Tennessee; and

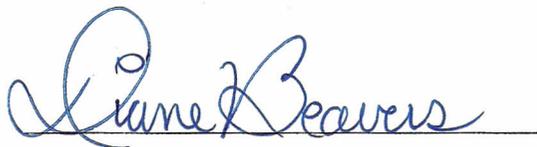
WHEREAS, the maximum amount of the payment for the fiscal year ended June 30, 2013 based on the statutory payment in lieu of tax formula as outlined in T.C.A. Section 7-39-404(1) to the City of South Pittsburg, Tennessee is Eighty Three Thousand Three Hundred Sixty Three Dollars and 53/100s (\$83,363.53); and

WHEREAS, the City of South Pittsburg, Tennessee wishes to request the above amount from Marion Natural Gas System as provided for by statute as a payment in lieu of tax for the benefit of its citizens.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND COMMISSIONERS OF THE CITY OF SOUTH PITTSBURG, TENNESSEE, that Marion Natural Gas System is hereby requested to remit to the City of South Pittsburg, Tennessee a payment in lieu of tax in the amount of Eighty Three Thousand Three Hundred Sixty Three Dollars and 53/100s (\$83,363.53) as payment in lieu of tax for the fiscal year ended June 30, 2013, said amount constituting a payment in lieu of tax by Marion Natural Gas System for the fiscal year ended June 30, 2013 to the City of South Pittsburg, Tennessee.

ATTEST:

APPROVED:



Diane Beavers, City Recorder



Jane Dawkins, Mayor

Date Adopted: 8.13.13