

MINUTES

October 14, 2014

The Winchester City Council met in a regular session on Tuesday, October 14, 2014, beginning at 6:00 p.m.

Present and participating were: Mayor Terry Harrell, presiding; Beth Rhoton, City Administrator; Judy Baker, City Recorder; Greg O'Neal, City Attorney; various Department Heads; news media; and the following Council members:

Present: Councilman Snead
Councilwoman McDowell
Councilman Hart
Councilman Spencer
Councilman Womack

Absent: None

Mayor Harrell called the meeting to order, with a prayer by Councilman Snead, and Councilwoman McDowell led the audience in the Pledge of Allegiance.

Under requests, addresses or presentations, Airport Chairman Carey Wofford informed the Council that he was here because of a request made to him by Mr. Robert Schulte who has High Tech and Baxter Industries. They have upgraded from a Beech jet to a Hawker jet that they are interested in having hangar space for it. They have been able to put their Beech jet in our existing hangar in the past but the Hawker is quite a bit more airplane and the tail is too tall to go into the existing hangar. Mr. Wofford said he approached Tennessee Aeronautics about the possibility of the Airport getting a grant to build a larger hangar and, to his surprise, the Tennessee Aeronautics Commission approved the grant. He stated that this is a 95/5% local city matching grant. The primary interest in Mr. Wofford wanting to make this grant happen is that they employ up to 400 people and he thinks we need to make every effort to please them. Mr. Wofford said he is here to request a capital improvement budget amendment of thirty thousand dollars (\$30,000) to build this hangar. He stated that he anticipates that they will pay one year of rent (\$10,000) which could possible offset approximately one third of what he is requesting. Mayor Harrell stated that Mr. Wofford was requesting to increase his capital budget by \$30,000 with a possibility and likely hood of \$10,000 of that lease payment being paid up front, and a \$10,000 annual lease, and the worst case is that it would be paid off in three years. Motion for approval was made by Councilman Hart, seconded by Councilwoman McDowell. Mayor Harrell stated that this motion needs to include a budget amendment and Capital Hart agreed to the addition of the budget amendment, with all voting in favor of said motion.

Next, the Council heard quarterly reports from Airport Manager Zackary Colescott and from Winchester Utilities Manager Roger Caldwell.

In the first order of unfinished business, the reading of the minutes from the September 9, 2014 regular Council meeting was dispensed and approved on a motion by Councilman Womack, seconded by Councilman Snead, and all voted in favor of said motion.

Last under unfinished business was the second reading of Ordinance #971, amending Zoning Ordinance #506, to delete and replace text to Article IV, Section 4.080.C concerning the allowable signage in commercial districts. Motion for approval was made by Councilman Hart, seconded by Councilwoman McDowell, and the motion passed by the following roll call vote:

Ayes: Councilman Snead
Councilwoman McDowell
Councilman Hart
Councilman Spencer
Councilman Womack

Nays: None

In the first order of new business, City Administrator Beth Rhoton presented the Council with an interlocal agreement between the City of Winchester and Franklin County for a joint cooperation of recycling efforts. Mrs. Rhoton explained that this agreement is needed to help with a grant that Franklin County is applying to replace recycling equipment. She further stated that Andrea Smith, Franklin County Finance Director, was present to answer any questions. Motion for approval was made by Councilman Spencer, seconded by Councilman Hart, and all voted in favor of said motion.

Next, Mayor Harrell stated that Special Projects Coordinator Yvonne Stewart was requesting the appointments of Jessica Nunley and Kimberly Martin to the Miss Dogwood Board of Directors. Motion for approval was made by Councilwoman McDowell, seconded by Councilman Womack, and all voted in favor of said motion.

Next, City Administrator Rhoton presented the below list of bids for a used Skid Steer Loader for the Recreation Department:

Larry Stephens	\$10,000.00 - 2001 New Holland Bobcat
Bobcat of Chattanooga	\$11,500.00 - did not meet specs
Dickson Farm Sales	\$14,000.00 - 2000 Case SR175

Mrs. Rhoton stated that Park Manager Darrell Jolley had reviewed the bids and the bid by Bobcat of Chattanooga did not meet the specifications. Mr. Jolley did try out the New Holland Bobcat owned by Larry Stephens, an individual located in Sewanee, and recommended that his low bid of \$10,000 be accepted. Motion to approve the low bid by Larry Stephens was made by Councilman Spencer, seconded by Councilwoman McDowell, and all voted in favor of said motion.

Next, City Administrator Beth Rhoton requested approval for a Christmas bonus in the amount of \$250.00 for permanent full time employees. She stated that this bonus is already in the budget and will be given out the first pay period of December. Motion for approval was made by Councilman Spencer, seconded by Councilman Womack, and all voted in favor of said motion.

Next, was the first reading of Ordinance #972, amending Zoning Ordinance #506, to rezone a parcel of property located behind the Herald Chronicle to C-2A, highway service alternative district from the current dual class of R-2 medium-density residential and C-2, highway service districts. Motion for approval was made by Councilman Womack, seconded by Councilman Snead, and the motion passed unanimously by the following roll call vote:

Ayes: Councilman Snead
Councilwoman McDowell
Councilman Hart
Councilman Spencer
Councilman Womack

Nays: None

Next on the agenda was the purchase of property for a future fire hall. Mayor Harrell stated that a couple of years ago the Council started planning for a new Fire Hall and relocating the fire hall from its current location downtown to the new location and that the Council started putting one hundred thousand dollars (\$100,000) back each year for that purpose. During that period of time, the City purchased a piece of property on South College Street that the Council felt was adequate for the new fire hall. In the past few months another piece of property has come up for sale that has piqued the curiosity of some of the Council who asked to put this item on the agenda for further discussion. Mayor Harrell opened the floor for those who wanted to speak for or against this item. Councilman Hart told Mayor Harrell he would first like to hear Fire Chief Gary Greeson give his points of view about this property. Chief Greeson said that the property in question is the old Don Hall Ford building located on Cowan Highway/South College Street, currently owned and operated by Glen Glasner. Mr. Greeson said that a couple of things stood out to him immediately. This location is situated on a corner lot, which is already level, whereas the lot that we have now will require a lot of money to fill in before the fire hall could be built. The size of the Glasner property is so large that it will meet the City's needs now and will meet the needs well into future years. Chief Greeson said that estimated cost just to construct the building alone on the lot would be roughly 1.2 million dollars, plus however much money it would cost to fill in and build up the lot and the time it would take for the construction of approximately 8,000 square feet building. The building

and lot owned by Mr. Glasner is closer to 18,000 square feet and, with the ideas told to us by a commercial contractor, would cost less than a million dollars. Chief Greeson said that for three times the building, and at a better location, this property would cost several hundred to half a million dollars less than building a new fire hall on the unlevelled lot. Chief Greeson continued that being on the corner lot means more safety for pulling the fire trucks in and out of traffic. This location also gets the firemen approximately two and one-half minutes closer to what they identify as "large loss of life and properties" such as being nearer to the hospital, high school, industrial park, airport, etc. The quicker the firemen can get to a fire, makes the possibility of more lives being saved in that length of time. Chief Greeson ended his remarks by stating that he feels like part of his job is the future of the fire department, not just what he does while he is here now, and he wants to ensure that the fire department will have what is needed in the future when his service time is done. Councilman Hart asked Chief Greeson about room for the fireman to have a gym at the new location as they currently have to leave the fire hall and take the fire equipment with them when they go to exercise. Chief Greeson explained that they would have room at this facility and would be able to stay at the fire hall when they exercise, as well as doing away with the yearly cost of \$2,600 for the gym membership. There is also enough room at this facility for the fire department to host State offered training classes.

Mayor Harrell stated that the purchase price of this property is \$535,000 and Mr. Glasner is willing to take the lot that we have currently and allow us \$70,000 toward that purchase price, which is a couple thousand dollars more than what we paid for it, and we have \$200,000 that we have set aside. The balance of that is \$265,000 and Mr. Glasner had agreed to finance that money for us for three years. Mayor Harrell stated, if we decide to go in that direction, he hopes that the Council will continue to in our current setting aside of \$100,000 each year for that payment to get that building paid off before we look at entertaining new improvements to the building and get the debt paid first. The proximity between the two properties is not really a factor as they are only one block apart. Mayor Harrell stated that two years ago the Council was very proactive in setting money aside and buying a lot as they had recognized the need for a new fire hall. He also stated that the Glasner property is a great location with lots of possibilities, and that we just have to figure out if this is the right thing to do, and if we can afford it, and if it is a fair price for the building.

Mayor Harrell asked for the Council's comments. Councilman Spencer stated that Chief Greeson made a lot of good comments and points

and so had the Mayor. Councilman Spencer further stated he has no problem with the location of the Glasner property, but feels that the one thing that has not been addressed is the fair market price for that property. He stated that we all want to save money for the City but, in our due diligence for the City of Winchester and the tax payers, for some unknown reason we can't get a commercial appraiser to go out there and appraise this property. Councilman Spencer stated that as officials, Mayor, Councilmembers and City Administrator, if we are buying a property to make sure of what that property is worth. Back two years ago the plan was not to go into debt at all, that it was for the future and that the Council sitting here at that time was very proactive into not going into any debt and not taking any chance on the future of dipping into a fund balance and doing an amendment to a budget that we've experienced tonight. Councilman Spencer reiterated that he thinks that we should be able to get an appraisal on the property and he doesn't understand the need to rush into this. He reported that while talking at the work session, all of a sudden this building has come up and here we are not even wanting to push for an appraisal on the property but are willing to write a check, basically in time for over one half a million dollars, and not knowing if we're paying more than what we should be for the tax payers and that we should not rush it. Councilman Spencer says that the points that he stated are valid points and should be taken into consideration. Councilman Spencer further stated the building is fine, the location is fine, all those aspects are fine - except for going into debt, and we might not rehab this building until we've paid off this note so that could be two years that it can't be used as a fire hall. He asked if we are we planning on using a half million dollar building as storage and that he hopes not as the City is not desperate for a fire hall today. He thinks we want to do it without going into debt to do it. He further stated that he does not believe that the proposed purchase of the property without knowing the real market value is in the best interest of the city.

Councilwoman McDowell questioned the expense it would take to move the personnel to the new location and she wondered how much expense was cost to move the personnel to the second fire hall that was built by the park area, which she agrees was a good idea. She understands what Mayor Harrell said about letting the building just sit there until we are have money to rehab it but, unless we put parking meters on it, we won't be making any money on it and she questioned if that was a wise thing. After giving it more thought, she thinks maybe we need to wait a little bit and see, as other property may come to our attention that we could use. Mrs. McDowell said if we indebt ourselves to this, does it put us

in a position that we cannot go out and do something else that might come up, such as something at the Marina or something else that we think could be a good idea for us to spend our money on but now we can't. Councilwoman McDowell stated she's not entirely negative about the purchase but wants us to take a little more time and be a little more cautious before we jump in and do it.

Councilman Womack said talking about the debt, that Mr. Glasner is offering to finance the money for this purchase at zero percent (0%) to the City. We need a place to do a ladder check and this property is a three acre site and the City uses this property for several other things, such as parades. Councilman Womack continued to say that, as far as the value of the property, a lot down the street recently sold for \$175,000 for one and one half acres. The Glasner property is three acres on a corner lot, which would be \$350,000. There is \$100,000 worth of gravel and asphalt already down that we won't have to go out and buy. If you figured ten dollars per foot and the building was stripped down to the hull and sitting on a concrete slab, that would be another \$180,000, which would make the property worth over \$630,000. Councilman Womack explained that Mr. Glasner made us his offer through October 15th, which is the reason why we want to jump on it now.

Councilman Snead stated that he wanted to comment on the issue of the debt. He said there was already a decision to set aside \$100,000 per annum. The no financing loan offer is for three (3) years, which is less than the \$300,000 we would be setting aside for the next three years. Mayor Harrell remarked that Mr. Snead was exactly right, that in three years we would have that debt paid.

Councilman Snead then made a motion to purchase the Glasner property for the fire hall with the specifications set that has been outlined here. Mayor Harrell stated that if the motion passes there will be a binding contract to purchase the property, and asked Councilman Snead if he would consider to put in his motion subject to an appraisal.

Mayor Harrell asked if he thought it was important to be able to show the citizens in black and white the value of the property. Councilman Snead said that it was his understanding that time is a big factor and the alternative to this property to build new is far more expensive as several people have pointed out. He continued to say that he believes the value of the property, based on what Councilman Womack has said, as far as the lot that recently sold and the improvements that are already on the Glasner property. Councilman Snead says that Mr. Glasner wants to disposition his property and he has plans to do so whether the City buys it or not. Councilman Snead said apparently we have been trying to get a commercial appraisal done for the past three weeks and have been unable

to get that scheduled and he doesn't see that happening in the near future. Councilman Spencer begged Councilman Snead's pardon on the time frame and asked City Administrator Rhoton to address this. Mrs. Rhoton stated it was two weeks, and Mr. Spencer said it wasn't quite two weeks as they decided to do it at the last work session. Mrs. Rhoton stated that they talked with eight (8) different commercial appraisers and it would take a minimum of thirty (30) days. They didn't say they couldn't do it, they just couldn't do it in the time frame given to them. Councilman Spencer calls it a safe guard for the City, but Councilman Snead thinks by not moving and if the property is lost to another purchaser, we lose the opportunity that we have now. Councilman Spencer said he is willing to take that chance and Councilman Snead replied that he wasn't willing and that is for the City as well.

Mayor Harrell stated that there is not a commercial appraiser in this county and to find qualified commercial appraisers is difficult and those appraisals take a lot of work and a lot of time and that it probably would take a month and doesn't think we could get a commercial appraiser to do it any sooner than thirty days. Mayor Harrell said that what we was asking Councilman Snead was, if the motion passed tonight and we would be willing to buy the property and to enter into a contract, contingent upon that appraisal. Councilman Snead replied that, if you have two or three potential purchasers for a piece of property and one of is contingent and one isn't, the seller is going to go with the buyer without the contingency. Mayor Harrell replied that he was right and that would be the seller's option.

Councilman Hart remarked that the no interest owner financing is justified to offset the rest of it. He asked where are you going to get a loan for that amount of money at zero interest and Mayor Harrell replied that you're not. Even if the property appraises a little more or a little less, the interest you're going to save is going to offset what you justified in paying anyway. Councilman Hart stated that he agrees with Councilman Snead that we need to make a motion to go ahead and buy the property without the contingency. Councilman Spencer remarked that the contingency is just going to protect the buyer and Councilman Hart replied that you have no buyer if you put in the contingency as the seller is not going to do that. Councilman Hart stated that Mr. Glasner has already told us what he would and wouldn't do for us. Councilman Spencer replied that the City of Winchester is not desperate to buy a half million dollar piece of property today and that's not saying anything about the rehab cost. We have a verbal figure from an engineer of \$250,000 and that's not a definitive, it's basically just a walk through verbal estimate, which is what he was asked to do. Councilman

Spencer said in his opinion that maybe we didn't do our due diligence to get a better concrete estimate of what it's going to cost as, before we get to the end of this, we could be spending well over a million dollars. Councilman Hart replied that after talking to Mr. Glasner about purchasing his property, he was then asked to let an engineer do a walk through and he was kind enough to let us, and that he hoped that that was all he needed to close the deal. Councilman Hart stated that he thinks Mr. Glasner has been very patient with us. City Administrator Rhoton clarified that it was a commercial contractor instead of an engineer who did the walk through.

Mayor Harrell stated that all of the governing body's interest is in the City of Winchester and the interest for the betterment of the community and the citizens. This is one of those times when we have some difference of opinions on what we should or shouldn't do. Mayor Harrell said that it just hit him that if we were buying, for example a skid loader, we would put it out to bid and get three bids to get the best price. We can't put this property out to bid but he would like us to be able to be sure that this is the best price.

Councilman Snead says that what we have is a very unique situation. This building suits the fire department's needs, as our chief pointed out for now and on into the future, the location is good and we talked about the entrance and exiting being on a corner, and all the benefits of this particular spot. In the area that we need to put a fire hall to reduce response times, if there is another piece of property improved or not, if it was available doesn't exist that could house what this building can house. Councilman Snead said that in his opinion, the benefits of (1) all the things the fire chief pointed out, (2) the cost of a new station and the limitations of the current lot, he believes makes the benefits far outweigh gambling an opportunity away by getting a commercial appraisal, which can't be done in the time that the seller wants it done. He added that the seller has offered us a three year no interest loan, and offered to take a lot that we have that all of us have remarked how much work it needs to put anything on it, and take the cost of that lot off the purchase price. Councilman Snead said that this is a very, very unique situation, and under normal circumstances he too would get an appraisal for a piece of property that we were buying, as it makes sense. However, he added again that this is a very unique situation. This building is the only building of its kind in the area where it's needed and it's a fantastic opportunity for the City of Winchester. Councilman Snead said that's the way I see it and I have a motion on the floor.

Councilman Hart said he thinks that the citizens and Council

that were here prior to us knows the old fire hall made the same transition that we're doing now to move into this fire hall and he thinks they made a very good choice at that time and that was a big decision for them. He went on to say that he thinks it is time for the Council and the City to move forward to do this as Chief Greeson has said nothing but positive about the location for now plus the future.

Councilman Spencer then replied that in the future hypothetically, that location may not be the ideal situation to have a fire hall, that we may want it closer to the industrial park and that everybody's got their opinion. Councilman Spencer went on to say that we certainly need to use some common sense and be responsible and not irresponsible and make sure that the value of this property is worth one half million dollars.

Councilman Snead stated that he objected to Councilman Snead insinuating that his idea is irresponsible. Councilman Spencer replied that it was the action that was irresponsible. Action or whatever, Councilman Snead stated that I'm the one who made the motion. Councilman Spencer said that he wasn't talking about Councilman Snead's motion, he was talking about purchasing the property.

Mayor Harrell stepped in to say that we have a motion on the floor and he was looking for a second to that motion. Councilman Hart then seconded the motion made by Councilman Snead.

Mayor Harrell stated that we need to conduct this meeting the way we always have and to try to contain our emotions the best we can. He then asked if there was any further discussion. Mayor Harrell had one more question and asked if we knew if Mr. Glasner would take a contract to purchase the property with the contingency of subject to an appraisal. Councilman Hart replied that he had asked him about it and he said that he wouldn't and that's the only reason he had given us to October 15th. City Administrator Rhoton stated that she could call Mr. Glasner and Councilman Spencer said he thought she should, and Councilman Hart said he didn't think she needed too.

Mayor Harrell stated we have a motion on the floor and called for a roll call vote on the issue of the purchase of property for a future fire hall and the motion passed with three (3) ayes) and two (2) nays by the following roll call vote:

Ayes: Councilman Snead
Councilman Hart
Councilman Womack

Nays: Councilwoman McDowell
Councilman Spencer

Mayor Harrell reiterated that Councilman Snead's motion was to enter into an agreement or contract to purchase the Glasner property under the

conditions that we laid out earlier: \$535,000, with \$70,000 given for our current lot, paying \$200,000 down and \$265,000 zero interest financing for three years. Mayor Harrell said in that motion I am assuming that we are going to direct Mrs. Rhoton to enter into that agreement contract and Councilman Snead replied yes.

In the last order of new business, City Administrator Rhoton explained that, once the motion passed to purchase the property for a future fire hall, a capital outlay note resolution is required. The resolution then has to be presented to the State of Tennessee's Comptroller office for their permission and approval that we are staying within our policy. Councilman Spencer had more questions concerning how and why a resolution is required. Ms. Rhoton then read Resolution #853, a resolution of the governing body of Winchester, Tennessee, authorizing the issuance, sale, and payment of land purchase capital outlay notes not to exceed \$265,000 for the future fire hall. Councilman Womack made a motion for approval, seconded by Councilman Snead, and the motion passed by a vote of four (4) ayes to one (1) nay cast by Councilman Spencer.

Under Mayoral communications, Mayor Harrell reminded everyone of the "Taste of Autumn" event on the square on October 18th with a chili contest and a car show cruise in and invited everyone to attend. Mayor Harrell reported that he is going to cook his own chile, as well as the City Council having their own entry, and then Chief Greeson added that the Fire Department is also entering the chili contest.

Mayor Harrell wanted to say that he is honored to serve in the capacity that he serves and that it is a pleasure every time we have a meeting. We have interesting meetings, interesting discussions and dialogues and lots of times we are in agreement with whatever the discussion may be and occasionally we are not. Mayor Harrell added that he thought it was healthy that we're not always in agreement and he appreciates that. He thinks that's what we're here for is to look at and to consider and point out the pros and cons of the actions that this governing body takes in regards to the City of Winchester and its citizens. He added that we demonstrated that tonight and he knew that we had some people that were passionate about this and he appreciates everyone's comments. Mayor Harrell said that, when we adjourn, we'll get up as we always have and we'll be friends and we'll conduct our business going forward like we always have. Mayor Harrell stated that he appreciates all of you for doing what you do and especially Mrs. McDowell for coming into this and that you never know, they may be more things coming. Councilwoman McDowell said she was happy to be a part of the Council.

There were no City Administrator, Council and Department Head communications, updates, and reports.

With no further business to be brought before the Council, the meeting adjourned on a motion by Councilman Womack, seconded by Councilman Spencer, and all voted in favor of said motion.

City of Winchester's website is:
www.winchester-tn.com

and the

International Dogwood Festival website is:
www.winchesterdogwoodfestival.com

Terry Harrell, Mayor
City of Winchester

Attest:

Beth Rhoton, City Administrator

Minutes taken & typed by: Judy Baker

Date of Meeting: October 14, 2014