



BOARD OF MAYOR AND ALDERMEN STRATEGIC PLANNING SESSION MINUTES

**Monday, March 20, 2023 at 10:00 AM
City Hall, 415 Broad Street, Boardroom**

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding
Vice Mayor Colette George
Alderman Betsy Cooper
Alderman Darrell Duncan

Alderman Paul W. Montgomery
Alderman Tommy Olterman
Alderman James Phillips

CALL TO ORDER: 10:00 a.m. by Mayor Patrick W. Shull.

ROLL CALL: City Recorder/Treasurer Winkle: All Present.

1. FINANCIAL UPDATE. Budget Director John Morris discussed quarters one and two for FY23 and pointing out the budget would be flat without the property tax. He also provided projections for the remainder of the year and the impacts from utilities and fuel. The city manager answered questions regarding vehicle replacement and sales tax. Alderman Duncan provided information on the state shared sales tax and the efforts of TML to restore one percent back to cities going back to 2002. He noted that would amount to just over one million dollars each year that could go to many of the projects the board has discussed but have not moved forward on. He mentioned there would be a resolution on the agenda tomorrow night to address this issue.

2. ECONOMIC DEVELOPMENT. Economic Development Director Rose gave a presentation on this item. He discussed retail and commercial developments to include the Pavilion, East Stone Commons, Greenacres and the Fort Henry Mall projects. He noted the significance of a Letter of Intent (LOI) for occupying space. Mr. Rose discussed outreach programs to distribute information and build relationships with realtors and developers. There was considerable discussion as Mr. Rose talked about business parks and their vacancies. He discussed residential projects Centennial Row Townhouses and Brickyard in downtown as well as the status of city-wide subdivisions with more than 2100 units in process. Mr. Rose gave details on redevelopment plans downtown to possibly include a hotel on city-surplused property and the renovation of the Dobyns-Taylor Warehouse. There was discussion throughout the presentation. The city manager added this is a great example of the city reaching out to increase the tax base and better the city. Regarding workforce development, Mr. Rose gave details on the TN National Guard Hiring initiative. He also pointed out city-wide projects adding to the quality of life such as Cement Hill and the Scott Adams Skate Park. Lastly Mr. Rose highlighted action items moving forward for economic development.

3. LUNCH.

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4. HR UPDATE. Human Resources Director Tyra Copas provided information on the current state of employment noting the pay implementations made after the salary study have had a huge impact. She pointed out the addition of voluntary benefits to our portfolio as well as benefits education sessions to employees which have also seen positive results. Other changes over the past year such as the longevity pay bonus, two added holidays and the move back to TCRS have greatly benefited the dynamic. She discussed the importance and significance of recruitment, retention and culture to ensure success. Ms. Copas focused on reasons employees are leaving and discussed the results of a comprehensive compensation study to address this issue. She highlighted a proposal on how the city should move forward that will include defining career paths, policy change and more communication to employees. She asked for continued support from the BMA. Some discussion followed.

5. SANITATION STUDY REVIEW. Deputy City Manager Ryan McReynolds gave a presentation on this item discussing services provided, the future picture of recycling, asset management and customer base. He provided details on the history and a financial review of this utility. Cynthia Mormile from MSW Consultants provided details on the Collection Operations System overview as a result of the benchmarking process. She noted there are 99 routes each week. She provided statistics on the route metrics regarding refuse containers versus bulk items and brush as well issues with the current fleet that should be addressed and possible alternatives. Mr. McReynolds concluded the presentation stating the goals for the program are customer service, improve the presentation of the city streetscape, code enforcement and to have a sustainable program. He presented a multi-phase recommendation beginning with ways to adjust volunteer revenue followed by steps to clean up asset management. Once that is completed, we will reassess the sustainable program and adjust as necessary.

6. BREAK.

7. FY-24 BUDGET. City Recorder/Treasurer Lisa Winkle discussed capital budget projects and debt strategy, stating the ratio of bonded debt to assessed value. She noted 38 million dollars is needed to fund large capital projects being the DB Dome, Justice Center, Fire Station #2 and additional funding for the library. She gave details on the advantages and disadvantages of 30-year bonds over 20 or 25 years and presented different funding scenarios. She pointed out the new debt wouldn't be added on until FY24 and after two years of roll off which would keep the City's debt at 6.06% which is well below the self-imposed limit of ten percent. Mr. McCartt provided further details regarding these projects and their timelines. Ms. Winkle listed future considerations for debt issues, pointing out the significance of upcoming property tax reappraisals and debt service requirements. Considerable discussion ensued. Mr. McCartt recommended staff working on an option to merge what was presented and more information will be forthcoming. He then gave an overview of the FY24 budget, listing priorities of work force, debt management and program growth as well as concerns for consideration such as inflation, uncertainty of economy revenues and the labor market. Budget Director John Morris talked about preliminary projections regarding revenues versus expenditure, noting priorities will be personnel and then debt. He stated many of the requests from city departments will have to be put off until later. Mr. McCartt asked for input from the board regarding direction for the staff after hearing the presentations today. Alderman Montgomery requested there not be a tax increase. Mr. McCartt replied that wasn't being considered and asked City Recorder Winkle to provide information on the requirements for debt refunding.

8. CLOSING COMMENTS. City Manager McCartt thanked the board for their attendance and input throughout the day. He also thanked city staff for all the work they put in. He reminded everyone the regularly scheduled 4:30 work session will begin soon after this meeting is adjourned.

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VI. ADJOURN

Seeing no other matters presented for discussion, Mayor Shull adjourned the meeting at 4:10 p.m.

ANGELA MARSHALL

Deputy City Recorder

PATRICK W. SHULL

Mayor