

**SPECIAL CALL
BOARD MEETING**

MAY 7, 2007

The Board of Mayor and Aldermen of the City of Tullahoma, Coffee and Franklin Counties, Tennessee met in a public session at the Municipal Building, in Tullahoma, on Monday, May 7, 2007, at 5:30 p.m., with Mayor Troy Bisby presiding and the following named members of the Board of Mayor and Aldermen: Janice Bowling, Jonathan James, Lane Curlee, Sandy Lindeman, Scott Shasteen, and Phil Trimble.

Louis J. Baltz III, City Administrator; Randall Morrison, City Attorney; and Rosemary Womack, City Recorder, were also present at the meeting.

Mayor Bisby read the background information as follows:

As you may recall from our last board meeting, a resolution to authorize the City of Tullahoma to issue \$17.1M in bonds for Fiber to the Premises was adopted by this board. Unfortunately the adopted resolution contains errors that make it unsuitable for the purpose intended. Specifically:

- The adopted resolution specifies the use of General Obligation bonds “payable from ad valorem taxes levied upon all taxable property in the corporate limits of the City of Tullahoma.” This requirement is contrary to the business plan submitted to and proved by the State Comptroller – which specifies revenue and tax bonds.
- The currently adopted resolution is technically deficient in that the maximum interest rate should have been set at 5.75% to accommodate the financial requirements regarding the coupon rate.
- It did not include a notice clause to give the public 20 days to protest the issuance.
- Finally our bond counsel has indicated that a separate and independent motion is required for appropriate documentation and reference.

In the interest of fairness to our support personnel, I must make it perfectly clear that the bond resolution adopted last week was not prepared by our City Staff. It was not included in the agenda package nor was a prior copy made available to our City Staff or bond counsel. I personally did not know of its existence until it was presented at the meeting. That is why, among other reasons that I voted against it.

Brian Skelton and Dwight Miller from the Tullahoma Utility Board requested that I hold a special call meeting to allow this board to make necessary corrections. Although, I am still not satisfied that there has been adequate public discussion

and I firmly believe this is a decision better placed in the hands of the citizens, I felt it only appropriate to honor TUB's request and allow the board to continue moving forward rapidly if so desired.

Mrs. Rosemary Womack read the Special Call Notice. All Board Members signed the Special Call Notice.

Mr. Curlee asked a point of order question. He said that he did not understand the motion that Mr. James presented at the last meeting that they approve the agenda as presented, and there was a document on their table, it was a resolution. Mr. Curlee said that the resolution was not on the agenda so when they approved the agenda, how did they later pick up the resolution to vote on?

Mayor Bisby said that though it was not on the agenda, the subject matter was, not a resolution per se, but the subject fiber to the premises was. Mayor Bisby said he did not believe it would be a direct violation of Roberts Rules of Order.

Mr. Curlee said that Mayor Bisby mentioned bond council and he wanted to know who the bond council is.

Mayor Bisby said currently it is Karen Neil with Bass, Berry& Sims out of Nashville. Mr. Curlee asked if they had seen the document presented tonight. Mayor Bisby responded that the document presented tonight was drafted by them and has gone through their review and Staff review as well.

NEW BUSINESS

RESOLUTION NO. 1340 - INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,110,000 IN AGGREGATE PRINCIPAL AMOUNT OF BROADBAND TELECOMMUNICATIONS NETWORK REVENUE AND TAX BONDS OF THE CITY OF TULLAHOMA, TENNESSEE

A motion was made by Mrs. Bowling and seconded by Mr. James to repeal point number 3 of the Initial Motion to Provide Services that was approved by the Board of Mayor and Alderman on the meeting of Monday, April 23, 2007. On roll call all the vote was as follows:

AYE: Bisby, Bowling, James, Lindeman, Shasteen, Trimble

NAY: Curlee

The vote being six (6) ayes and one (1) nay, the motion was so ordered.

A motion was made by Mrs. Bowling and seconded by Mrs. Lindeman to

adopt Resolution No. 1340 Initial Resolution authorizing the issuance of not to exceed \$17,110,000 in aggregate principal amount of broadband telecommunications network revenue and tax bonds of the City of Tullahoma, Tennessee. Mayor Bisby stated that he still feels that this is something that should be brought before the people for a vote. Mr. Curlee asked for the Mayor to be clear to the people, who is ultimately responsible for payment should something go wrong. Mayor Bisby said that with the current resolution as long as there is revenue the Tullahoma Utility Board would be making the payment if there is not sufficient revenue then this Board would make up the difference.

Mr. Shasteen said that his comment would be, a little related to what Mr. Curlee was saying, in addressing the issue of the resolution and how it came about and the fact that Staff and our legal council had not seen it in advance and in fact it proved to not be legal. He strongly recommended that they not do that practice because they can see where it can lead to and ultimately their legal council is responsible for insuring that the things in their agenda are legal. If he does not have an opportunity to review then he can not be held responsible. Mr. Shasteen encouraged all to run things through the proper channels and perhaps they could avoid a situation as this in the future.

Mayor Bisby called for a vote on the motion. On roll call all the vote was as follows:

AYE: Bowling, James, Lindeman, Shasteen, Trimble

NAY: Bisby, Curlee

The vote being five (5) ayes and two (2) nays, the motion was so ordered.

Mrs. Bowling requested that the Mayor and Mrs. Womack sign the resolution as was stated on page 5 of the agenda. Mayor Bisby and Mrs. Womack signed Resolution No. 1340.

SEE ATTACHED COPY RESOLUTION NO. 1340

There being no further business to come before the Board of Mayor and Aldermen at this time, the Board Meeting adjourned.

CITY RECORDER

MAYOR