

**SPECIAL CALL
BOARD MEETING**

AUGUST 20, 2007

The Board of Mayor and Aldermen of the City of Tullahoma, Coffee and Franklin Counties, Tennessee met in a special call public session at the Municipal Building, in Tullahoma, on Monday, August 20, 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, James Eads, Jonathan James, Mike Norris, Sandy Lindeman, and Scott Shasteen.

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

Mrs. Rosemary Womack read the Special Call Notice.

The meeting was opened with an invocation delivered by Alderman Shasteen and the pledge of allegiance to the flag.

COMMENTS FROM CITIZENS - None

REPORTS FROM MEMBERS OF THE BOARD OF MAYOR AND ALDERMEN

ALDERMAN SHASTEEN – Mr. Shasteen reported that the Grundy Street Land Sale Review Committee will meet tomorrow night, Tuesday, August 21, 2007 at 4:30 p.m., at City Hall in the Lobby Conference Room.

MAYOR PRO TEM BOWLING- Mrs. Bowling reported that there will be a Policy Committee meeting on Wednesday, August 22, 2007 at 11:30 a.m., to discuss organization of the Fire Department and any other thing that might come before that committee and she said that it is an open meeting. Mrs. Bowling reported that she did attend Arnold Community Council (ACC) last week and discussed the clean up of Anderson Street and she has the tax maps to show who the private property owners are that they might could get in touch with along that area. Mrs. Bowling said that she will be meeting with Mr. Jody Baltz, Mr. Harry Brittain, President of ACC, and Mr. Jim Apple, the upcoming Vice-President of ACC, on site and will be looking at the different things that we can do and she will report back to this Board regarding what the City can do to improve the entry way from Arnold Community Development Center into our community.

Mrs. Bowling asked if we have ever received a contract regarding the health department building. Mr. Baltz said that at the last Board meeting on Monday August 13, 2007 they had not received one at that time and he didn't know if Mr. Hazard has sent one since then. Mr. Randall Morrison reported that he had

received a copy of a proposed deed from the County to the City. Mr. Morrison said that was all he had received. Mr. Baltz said that they had received one as of last Monday, but subsequent to that time apparently we have received one.

Mrs. Bowling thanked the Board Members on the Tullahoma Utility Board for the opportunity of serving on that Board indicating it was a pleasure.

REPORT FROM THE CITY ADMINISTRATOR

Mr. Baltz announced that due to the continued drought, the open burn ban has been reinstated by Chief Shasteen as of today.

Mr. Baltz reported that one of the garbage trucks caught fire today and it will need repair, but that they were able to get another truck running today.

REPORT FROM THE MAYOR

Mayor Bisby announced that at the last Board of Mayor and Aldermen meeting the motion was made to extend an invitation to the Tullahoma City School Board to have their meeting cooperatively have their meet in concert with our meeting, is what he believed was the intent. Mayor Bisby said that they were unable to accept and declined giving the following reasons: 1) The Chair and the Superintendent did not have an agenda package from which to compare. 2) Their agenda including the meeting time and place had previously been set including a key meeting with legal council regarding a county lawsuit and had no way to vote on the change in location. He said that about a year ago they had established a policy change that said if they were going to change a location or meeting time in a non-emergency situation that it had to occur in a Board meeting. The reason for the change was because they had received some criticism where they had changed a meeting dates and folks didn't know about the change because it was not done at a regular Board meeting. So, for them to have met with us they would have been violating their own policy and rules. Mayor Bisby said that he can certainly understand their inability to attend.

OLD BUSINESS

ORDINANCE NO. 1354 – AN ORDINANCE TO FALL UNDER THE PROVISIONS OF TITLE 5, FINANCE AND TAXATION, CHAPTER 1, SECTION 5-102, OF THE CODE OF ORDINANCES OF THE CITY OF TULLAHOMA, ADOPTED MAY 9, 2000 AND AN ORDINANCE TO AMEND ORDINANCE NO. 1340 OF THE CITY OF TULLAHOMA, TENNESSEE, ENTITLED “AN AMENDED ORDINANCE TO MAKE APPROPRIATIONS FOR THE ADMINISTRATION, OPERATION AND MAINTENANCE OF EACH DEPARTMENT AND AGENCY OF THE CITY GOVERNMENT OF THE CITY OF TULLAHOMA, TENNESSEE, FOR THE

PERIOD ENDING JUNE 30, 2007”, AND WHICH ORDINANCE AND APPROPRIATIONS ARE IN COMPLIANCE WITH SECTION 5-102, OF THE TULLAHOMA CODE, FORMERLY ORDINANCE NO. 315 OF THE CITY OF TULLAHOMA, TENNESSEE KNOWN AS “AN ORDINANCE TO ESTABLISH THE FISCAL YEAR AND A BUDGET SYSTEM FOR THE CITY OF TULLAHOMA AND TO PRESCRIBE THE MANNER AND METHOD OF ITS ADOPTION, USE AND OPERATION AND TO PRESCRIBE PURCHASING POLICIES AND TO REPEAL ALL LAWS IN CONFLICT THEREWITH”

Mayor Bisby read the caption of Ordinance No. 1354 or the first of three readings. A motion was made by Mrs. Lindeman and seconded by Mr. James to accept Ordinance No. 1354. Mr. James said that he had a question for Staff for clarification. He said that it appears that we initially budgeted for a certain amount of expenditures and a certain amount for total revenue. He said we were anticipating using \$1.6 million of reserves and as it turns out we used less than \$600,000 of reserves. Mr. James asked if someone could characterize for him the nature of the additional revenues and the nature of the expenditures that were less than intended. Mr. Baltz called on Mrs. Womack to provide that because she has the final detail on page 3 and can give an estimate of our current fund balance. Mrs. Womack indicated there is a summary on page three of the original budget, amended budget, and the differences. Mr. James asked for the balance of the reserve fund at the beginning of the year and the end of the year. Mr. Baltz responded to the question regarding the net difference and said that the total budgeted expenditures was \$21,044,929, with the total expenditures that actually occurred was \$20,834,832, so the difference for the general fund is (\$210,097) which is reflected on page 3 under the general fund. Mr. Shasteen said that page 22 shows the amount of reserves utilized and required to be \$589,000 and the initial budget was \$1.6 million. He said that he thinks what Mr. James is asking is has that \$1 difference since we didn't use it out of our reserves and is it still in our reserves so that what is the balance of our reserves. Mr. James affirmed. Mr. Baltz said that according to page 22 that is correct they would be about \$1 million to the good of what you would have been before. Mr. James asked Mr. Baltz what is the balance today of our City reserves. Mr. Baltz said that he did not know off the top of his head. Mrs. Womack said approximately between \$4 and \$5 million dollars and that she did not print that out. Mr. Baltz said that he believed it would be a bigger number than that because he thought they were projecting not to go below \$5 million going more towards \$6 million. Mrs. Womack said that she thought it was right around \$5 million. Mr. James said to the Chair that his opinion is that is important for them to know. Mr. Eads agreed. Mrs. Bowling thought that they were at \$7 million. Mayor Bisby said that if this was an issue, they could have asked Staff to look this up prior to the meeting. Mr. James said that there was no issue here it was just a question and the question does make a difference on their decisions potentially. He said that his view was that that this number is a readily know number to somebody who works with it day to day so that is why he asked he said that it was not meant to embarrass anybody. Mr.

Shasteen said that if they were considering a budget that uses reserves as they have seen this Board do year after year, they always knew how much reserves were available, so that if they were seeing a budget and amending a budget evidently is not using anticipated reserves he thinks it is completely fair to know how much is in there. He said the last thing we need is a big bank account building up and we don't know how much is in there and why we are considering budgets. Mayor Bisby said that there is no question on that, but if it is germane to whether or not you vote for this or not and it was a concern, unless it just popped into your head in the last few minutes that his assertion is that perhaps these are the types of things that could be address with Staff prior to the meeting such as that we could have them resolved when we come to the Board meeting. Mr. Norris said that the issue on the table now is last year's budget and that question would be more germane to the next issue on the agenda which would be this year's budget. Mayor Bisby said that if that is the case can the move to approve this current budget. Mayor Bisby called for a vote on the motion to approve Ordinance No. 1354. On roll call all members present voted aye and it was so ordered.

ORDINANCE NO. 1355 – AN ORDINANCE IN IMPLEMENTATION OF TITLE 5, FINANCE AND TAXATION, CHAPTER 1, IN GENERAL, OF THE CODE OF ORDINANCE OF THE CITY OF TULLAHOMA, TENNESSEE, AND AN ORDINANCE TO MAKE APPROPRIATIONS FOR THE ADMINISTRATION, OPERATION AND MAINTENANCE OF EACH DEPARTMENT AND AGENCY OF THE CITY GOVERNMENT OF THE CITY OF TULLAHOMA, TENNESSEE, FOR THE PERIOD ENDING JUNE 30, 2008, AND AN ORDINANCE TO SET THE TAX RATE FOR THE REAL ESTATE AND PERSONAL PROPERTY FOR THE TERM 2007, AND AN ORDINANCE TO FACILITATE OTHER FISCAL OPERATIONS OF THE CITY OF TULLAHOMA, TENNESSEE

Mayor Bisby read the caption of Ordinance No. 1355 for the first of three readings. A motion was made by Mrs. Bowling and seconded by Mr. James that the tax rate that they are setting for real estate and personal property for the term 2007 be set at \$2.44. Mrs. Bowling said that is the amount that they all determined during the budget process and she understands that we got this information from the State Equalization Board, so that it looks as though we are going to either cut the budget by 2-cents, finding 2-cents, 1-cent cut and 1-cent in expected in increase in revenue, whichever way they need to set about doing it as they go about looking at this budget. Mr. James said that for procedure dot they need to have an actual motion on the budget first before they go with the amendment or is that the right order. Mayor Bisby said that if someone made a motion to adopt the budget with the amendment in it then that would be a legitimate motion. Mr. Eads said that her motion was not to adopt the budget but to change the tax rate. Mrs. Bowling said that it was to set the tax rate at \$2.44 and then the budget would have to be modified to accommodate the \$2.44. Mrs. Lindeman asked if they have to do an amendment. Mayor Bisby said that it is

different than what they've done in the past and is there a purpose for doing it this direction. Mrs. Bowling said just to get the fact on the Board that they were setting the tax rate at \$2.44. She said that she felt there had been some concern by people that we were raising taxes and that they had stated from the very beginning that they were trying to cut taxes by 5-cents as they did. So now the budget they look at they did not anticipate the state sending the change so late in the day and so whether you accept the budget and amend it or accept the tax rate and then modify the budget its 6 to 1 half dozen to the other. Mayor Bisby said it is just different he doesn't have any problems with it. Mr. Baltz said that in year's past what they have done is this is to have a motion to approve the budget and then have the amendment to change the tax rate. Mr. Baltz said by having the second step in there it is consistent with what they have done in the past and then you may not have a problem in the future. Mrs. Bowling said that her point by stating the tax rate initially is that they will know the amount of money they are looking for. Mayor Bisby said for the public that he believes the intent is that if the Board votes for this tax rate then to adjust the budget after this vote with a tax rate other than the one voted on will require someone to ask for a reconsideration or a rescinding so in a way it is to guarantee that tax rate to happen. Mayor Bisby said that considering he doesn't know what other discussion might be entailed, he doesn't think he would be inclined to go above that tax rate or have a problem with it but he said that he thinks that is the intent of this particular motion. Mr. James said that he thinks it is important that they stick with \$2.44 tax rate for the citizens. Mr. James said he had a point of inquiry to Staff to clarify from staff, on page 154, line item Wholesale Liquor Tax and Business Tax they say \$168,000 and \$286,110 but at the same time if you go back to the actual numbers from last year not the budgeted numbers but the actual numbers from last year and they go back there to Wholesale Liquor Tax is \$202,000 of revenue and the Business Tax is \$315,000 of revenue it seems like our anticipated revenues on those two line items are not great enough. Mr. James asked Staff how much per penny for the property tax, how much does that equate to our budget. Mr. Baltz said it is \$33,000 even. Mrs. Bowling said so they are looking for \$66,000.

Mr. James said that he would move that the change line item 31720 Wholesale Liquor Tax and add \$33,000 to the \$168,000 for a total of \$201,000. Mr. Eads indicated a Point of Order that we have a motion on the floor and we would need an amendment. Mr. James said this is a move for an amendment. Mr. Shasteen seconded the motion. Mr. Eads indicated a Point of Order that the motion was not to approve the budget it was simply to state the tax rate and he's not sure we can amend that motion with what you want to do. Mayor Bisby said that Mr. Eads was absolutely right. Mr. James apologized and said that he thought Mrs. Bowling had restated her motion. Mrs. Bowling said no that they need to vote on that. Mayor Bisby called for a vote on the motion to set the tax rate for \$2.44 for Coffee and Franklin Counties. Mr. Eads asked if they set the tax rate by a vote, is that a resolution or does that require an ordinance. Mrs.

Bowling said this is an ordinance. Mr. Eads said that they are only approving a part of the ordinance, the part relating to the tax rate. Mrs. Bowling affirmed. Mayor Bisby said that he does see a potential issue if for some reason we find out that's not a good tax rate and if they don't reconsider or rescind it by the next meeting or the next business meeting by Roberts' Rules he thinks they are stuck with it. He said it is unusual to be doing it this way. Mayor Bisby called for a vote on the motion to set the tax rate. On roll call all members present voted aye and it was so ordered.

Mayor Bisby said that they need a motion to adopt Ordinance 1355 with the new tax rate. A motion was made by Mrs. Bowling and seconded by Mrs. Lindeman to adopt Ordinance No. 1355 with the new tax rate of \$2.44.

A motion was made by Mr. James and seconded by Mr. Shasteen to amend the budget to change line item 31720 Wholesale Liquor Tax by adding \$33,000 to the \$168,000 for a total of \$201,000. Mayor Bisby called for a vote on the motion. On roll call all members present voted aye and it was so ordered.

A motion was made by James and seconded by Mr. Shasteen to amend the budget to change line item 31800 Business Taxes by adding \$33,000 to the \$286,110 for a total of \$319,110. Mayor Bisby asked Staff if they were comfortable with these numbers. Mr. Baltz said that based on the previous years actual numbers that they appear to be in line. Mayor Bisby called for a vote on the motion. On roll call all members present voted aye and it was so ordered.

Mayor Bisby said that they now have a balanced budget and asked to vote on the primary budget with the amendments.

Mr. Shasteen said that he had an amendment to offer. A motion was made by Mr. Shasteen to strike Section 3 on page 152. Mrs. Bowling seconded the motion. Mayor Bisby read Section 3 from page 152. Mr. Shasteen said that all local revenues is extremely unclear and it implies that we are placing conditions on money that the school system receives and it is clear that state law prohibits that. Mayor Bisby asked Mr. Morrison his opinion on this. Mr. Morrison stated that an Attorney General's opinion that he has read says that you cannot appropriate specific funds for specific items, if you do that then it is a line item alteration which you are prohibited to do. Mayor Bisby asked if he was saying this is a line item alteration. Mr. Shasteen said the AG Opinion 06-118 dated July 27, 2006. Mr. Shasteen said the AG question was: May a governing body condition the allocation of funds to a school board or school system the AG opinion: no, a local governing body may refuse to adopt or may reduce a budget proposed but it may not make line item vetoes or place a condition on the appropriation to the school board's budget. Discussion followed regarding proper legal research and whether or not they want this Section 3 in the budget whether it is legal or not.

Mrs. Bowling discussed that Section 3 did not reflect what they had originally discussed. Mrs. Lindeman said that she would feel more comfortable if they look into this and then do it at the next meeting. Mayor Bisby agreed that would be more appropriate. Mr. Norris said they are making motions to strike this without any kind of replacement language to facilitate what they are trying to do. Mr. James reported to the Mayor the he would make that motion.

A motion was made by Mr. James to amend the budget with a new Section 3 that reads as follows:

The anticipated local level of effort consisting of sales and property taxes, solid waste collections, and direct appropriation to sustain school operations during FY 07/08 is \$11,977,876. In the event anticipated revenues exceed \$11,977,876, the City Finance Office will adjust the direct appropriation level to ensure the level of effort remains at \$11,977,876. In the case that a reduction in the direct appropriation line item is required to retain the local level of effort at \$11,977,876, the City shall place an equivalent dollar amount of local sales tax revenues previously allocated for City operations into the Sales Tax School Bond Sinking Fund.

Mr. Shasteen said that for the point of discussion that he would second the motion.

Much discussion followed regarding some Board members feeling that this should be reviewed because it appears to say the same thing but takes away the School's ability to replace reserves if they had to use reserves. Other Board members felt that it guarantees the school the amount appropriated and that any additional property tax revenues that come into the school, that the City would back that amount out of it's general fund allocations and for every dollar it backs out of the general fund allocations it will place a dollar into the sales tax sinking fund, above the amount allocated. The point was made by Mr. Shasteen that if their goal is to build East Lincoln that he has heard no better offer.

Mayor Bisby said that this is the first of three readings and we have until October to have this passed. He said he didn't see any problem with voting on this and then having it researched he didn't see a problem with it. Mrs. Lindeman asked if it will be researched. Mayor Bisby asked Staff and the City attorney to research this.

Mr. Norris asked what they are voting on. Mayor Bisby stated that they are voting on the amendment to remove Section 3 and add the amendment that Mr. James presented. Mr. Morrison asked the Mayor how Section 3 affects the line items of the School Board. Mr. James said it has no effect. Mr. Eads said that the Attorney General's Opinion stated that they can set an amount and that is what

they are setting is a guaranteed allocation amount. Mr. James commented about the local level of effort with no condition. Mr. Shasteen said that it is his opinion and he made the motion because the term “all local revenues” is way to broad and general because what they meant is that all local revenues earmarked for the school system. He said that was the intention and that was not the way it was worded. Mrs. Lindeman said that she would rather delete it than replace it the Mr. James’ amendment. Mr. Norris said that for the sake of discussion that he would rather amend the language as it is to say “school revenues” or local revenues for the school board. Discussion of legal opinions of what conditions can or can not be placed. Discussion followed of school reserves and the use of those reserves and requirements. More discussion followed regarding Section 3 as it is and the interpretation. Mr. Eads called for the question on the amendment as Mr. James stated. Mayor Bisby called for a vote on the amendment. On roll call the vote was as follows:

AYE: Bowling, Eads, James, Shasteen

NAY: Bisby, Lindeman, Norris

The vote being four (4) ayes and three (3) nays the motion was so ordered.

Mr. Morrison said that before they move on he wanted to ask the question one more time directed to Mr. James. He asked, “How do you see Section 3 being in violation of the law if you see it in violation of the law? Mr. James said that the one that they had passed on third reading prior, because in essence they are appropriating money to them and then if they don’t use it we are telling them what they have to do with it. He said that it is not consistent with the law. Mr. James said that Mr. Morrison’s answer would be found in TCA 493-352.

Mr. Shasteen reported to the Mayor that they need to vote on his amendment. Mr. Eads said the motion is to remove it with the amendment they approved as Mr. James stated. On roll call the vote was as follows:

AYE: Bowling, Eads, James, Shasteen

NAY: Bisby, Lindeman, Norris

The vote being four (4) ayes and three (3) nays the motion was so ordered.

Mr. James said that there is something else they need to take care of on this budget and that goes to the allocation of sales tax. Mr. James said that he proposes that they add a new section such as Section 4 and renumber subsequent to that. Mr. James said that he had these motions written out to make it easier on the recorders. A motion was made by Mr. James to add Section 4 as follows:

The 2.75% local option sales tax revenues shall be allocated as follows: 1.375% (1/2 of the revenues) to Tullahoma City Schools, .875% (7/22 of revenues) to general City operations, and .50% (4/22 of revenues) to the Sales Tax School Bond Sinking Fund.

Mr. Shasteen seconded the motion. Mayor Bisby asked Staff if they were comfortable with what is being done. Mr. Baltz said that between now and the next reading the Finance Staff will review the numbers and take those ratios and apply those to real dollars. Mr. Shasteen asked about assuring this is in compliance with Tullahoma City Ordinance 5-11 Allocation of City Revenues. Mr. James explained the process by which he came to get these figures. Mr. Norris asked the Mayor if these calculations are close or the same to figures we have now, why is this necessary. Mr. James explained that the anticipated revenues may or may not come in exactly and then what to they ask Staff to do, well he said it should be allocated by percentage and that is what this motion establishes. Mr. Eads indicated the thought that although they will approve the budget after three readings it can come back up later in the year for adjustment if necessary. More discussion followed from Board members of what the effect of this amendment may have. Mr. Eads called to question. On roll call all members present voted aye and it was so ordered.

A motion was made by Mr. James to add another section; the Section 5 would read as follows:

All revenues derived from general obligation bonds and notes shall be managed and dispersed from the City Finance Office. The City Finance Office shall disperse said funds, based on invoice, only for the purpose for which the general obligation bonds or notes were issued. In the event funds remain after project completion, the Board of Mayor and Aldermen shall provide direction as to the use of the funds, whether to pay down principal and interest or apply the funds to another project. In the case of a school related capital project, should funds remain after project completion, and then the School Board may recommend to the Board of Mayor and Aldermen that the said funds be used for another school capital project. With the concurrence of the Board of Mayor and Aldermen, those remaining funds may be applied to other school capital projects.

Mrs. Bowling seconded the motion. Much discussion followed regarding the legal aspect of this motion. Discussion followed regarding whether this process will be more efficient for the City Finance department, TCA Municipal code was discussed that all capital projects go through the BMA and discussion that Mr. Morrison needs time to review this. Discussion followed regarding instead of putting policy statements in their budget they could put invoicing in their policies.

Mr. James proposed that they vote on this and said that he tends to agree about putting statements in the budget ordinance regarding invoicing, however he said

they do not have this referenced in our policy anywhere. Mrs. Lindeman indicated that suggested that they are having a Policy Committee meeting this week and maybe that is something they can look into. Mrs. Bowling said that they certainly will add that to their agenda. Mayor Bisby called for a vote on the amendment to the motion as stated by Mr. James. On roll call the vote was as follows:

AYE: Bowling, Eads, James, Shasteen

NAY: Bisby, Lindeman, Norris

The vote being four (4) ayes and three (3) nays the motion was so ordered.

Mrs. Bowling asked Mr. Baltz to add that to the agenda for the scheduled Wednesday Policy Committee.

Mr. Shasteen referenced the line item in last year's budget on page 7 of line item 36739 Historic Caboose Donation and then referenced page 155 showing that there is no line item 36739 in this year's budget. Discussion followed regarding how the funds were reflected in last year's budget and how they will be reflected in this year's budget. Discussion of whether the donations in this budget year were reflected in the line item 36990. Mr. Baltz explained the workings of the various line items. The animal shelter line item was referenced in the discussion, also passive parks expense items. Discussion followed regarding creating a similar line item and incorporating in the next reading.

A motion was made by Mr. Shasteen and seconded by Mr. James to amend the budget to include (pg.155) under Other Revenues a line item 36739 Historic Caboose Donations as a revenue source and that it also include (pg.166) under Passive Parks line item 269 Historic Caboose as an expenditure. On roll call the all members present voted aye and it was so ordered.

Mrs. Bowling asked as a point of information was a plan presented to the Planning Commission with a budget and site plan and will they get a copy of that. Mr. Shasteen reported that a plan was submitted to the Planning Commission, no budget was presented, and a site plan was shown and the Planning Commission recommended to push that on to the BMA by 5/0 vote. Mayor Bisby said they didn't believe they voted to send it to the Board he thought that was the end of it and asked Mr. Hicks. Mr. Hicks stated that the voted for site plan approval. More discussion followed regarding what they voted on at the last board meeting and that at the next reading of the budget they will place the dollar amounts in the line items voted on.

Mr. James asked the Mayor his intention regarding capital improvements (he referenced page 242 of the agenda). Mayor Bisby said that without input from

the TCS board right now which they don't have at this point, that it would seem counterproductive to move forward. He also pointed out that tomorrow the County will be voting on their budget because if they don't have the numbers from the County the best they can do is guess and the entire assertion for moving this was the uncertainty in the budget and he would recommend that they wait for the opportunity to speak with the school board and have the meeting set up and have a number from the County. Mr. James said that he thinks that is a good recommendation but while they are in a public meeting that they throw out some ideas because otherwise it is a big surprise. Mr. James said that he thinks it is very important that they try to get East Lincoln fixed up if they have the capability without raising taxes. Mayor Bisby stated that there was not a motion on the floor so he will have to stop discussion. A motion was made by Mr. James and seconded by Mr. Eads to discuss the primary budget the whole budget. Mr. James said the budget includes capital improvements. Mr. James restated that his priority is East Lincoln and that the last he has heard from the school is that their number one project is East Lincoln. Mr. James discussed municipal building upgrades and what is the best route for City Hall. Mr. James expressed that it is important that they look forward to try to solve some of these problems. Mayor Bisby called for a vote on the main motion. Discussion followed that it would be premature to make amendments regarding capital improvements without the knowledge of Coffee County budget and without the input of the School. Discussion followed regarding the Planning Commission recommendation of capital improvements to the Board of Mayor and Aldermen.

Mayor Bisby called for a vote on the motion to accept Ordinance 1355 with the amendments. On roll call all members present voted aye and it was so ordered.

AGENDA ITEM 07-102 – SET A SPECIAL CALL MEETING OF THE BOARD OF MAYOR AND ALDERMEN

Mayor Bisby discussed the urgency of the special call meeting for the third reading for last year's budget ordinance. Discussion followed regarding coming up with dates available to meet with the school board. Discussion followed regarding adequate notice and that they will have both second readings for both ordinances. Mr. Eads made a motion to defer the second reading of this year's budget ordinance 1355 until having a study session with the School Board. Discussion of the school board having an initial budget and that they will have plenty of time to review, but the urgency is with ordinance 1354. A motion was made to set a special call meeting for Tuesday August 28, 2007, at 4:30 p.m., in the City Board Room for the third and final reading of the FY2006-07 Budget Ordinance No. 1354. On roll call all members present voted aye and it was so ordered.

There being no further business to come before the Board of Mayor and Aldermen at this time, the Board Meeting adjourned at 7:17 p.m.

CITY RECORDER

MAYOR