

Regular Meeting of the
Board of Mayor and Council
City of McKenzie
McKenzie, TN 38201
October 15, 2020

- A. Call to Order — Mayor Holland
- B. Prayer — Councilperson Pruneau
- C. Pledge of Allegiance — Councilperson Pruneau

- D. Roll Call
 - Mayor Holland - Present
 - Councilperson Martin - Present
 - Councilperson Pruneau – Present
 - Councilperson Riley - Present
 - Vice Mayor Townes – Present
 - Councilperson Winston - Present
 - Councilperson Young - Absent

- E. Mayor’s Welcome:
Mayor Holland called the meeting to order at 6:00 p.m. Mayor Holland extended a warm welcome to all.

- F. Approval of Minutes
Motion made by Councilperson Riley, seconded by Vice Mayor Townes, to approve the minutes dated September 10, 2020.

Roll Call Vote:

Councilperson Martin	<u>Y</u>	Vice Mayor Townes	<u>Y</u>
Councilperson Pruneau	<u>Y</u>	Councilperson Riley	<u>Y</u>
Councilperson Winston	<u>Y</u>		

Motion carries

- G. Financial Matters
None

- H. Old Business:
 - 1. 3rd reading of 2020/2021 budget

Discussion: Mayor Holland informed the council that none of the budget figures had changed, only the certified tax rate. We had not received the certified tax rate from either Henry or Carroll before the July 2nd reading.

Action Taken: Motion made by Councilperson Pruneau, 2nd by Councilperson Martin to approve on 3rd reading the 2020/2021 budget.

Roll Call Vote:

Councilperson Martin Y
Councilperson Pruneau Y
Councilperson Riley Y

Vice Mayor Townes Y
Councilperson Winston Y

I New Business:

1. Cell Tower lease purchase.

Discussion:

Mayor Holland informed the council that we had an option to engage in a cell tower lease purchase for the water tank located at the airport. Mr. Dean Ofer who is with Landmark Dividend will be explaining this and will also give the council a chance to ask questions. Billy Wood, our water superintendent has some questions as well. Mr. Ofer started the conversation with saying the Landmark Dividends is a real estate investment company that primarily focuses on cellular billboard and renewable energy lease acquisitions throughout all 50 states, urban and secondary markets. The company specializes in monetizing these leases for landlords of all types throughout the country; municipalities, for profit corporations, individual landlords, partnerships who own the cellular billboard and the renewable energy infrastructure. They are publicly traded on the Nasdaq, ticker # LMARK. He stated he and the Mayor had been in touch for the City of McKenzie's cellular leases. They had put together a term lease last year for the City for \$ 260,000.00. Mr. Ofer stated that he had informed Mayor Holland even though we didn't move forward last year and the market had changed, he was still able to offer the original proposal/purchase price of \$ 260,000.00 for the Water cell tower. He stated he wanted to make sure we understood Landmark would not be purchasing property or the physical structures themselves, just the lease contracts and the assignments of rents. Only change is that the lessor would be Landmark Dividends who would be receiving the monthly rents from Verizon on the lease contract. There would be no impact on the water tower or the physical structures themselves and would not change the tenant's responsibility to maintain those sites the way they put in writing on the lease contracts they were responsible for.

Mayor Holland stated that she thought that Billy Wood the water supervisor was concerned that the cell companies who put their equipment on the tower could possibly compromise the integrity of the physical structure of the tower, which had happened before. Mayor Holland asked if that would be Landmark's responsibility or the company who leased it. Mr. Ofer said the tenant was responsible for maintaining the site and not to trash it under the terms of that lease agreement. They could reinforce that even more on behalf of the city, as they were one of the largest landlords of these leases throughout the nation.

Billy Wood asked if 35 years was a normal lease agreement with all the technology that might be coming along? Mr. Ofer said the lease could expire well before 35 years, the 35 years lease purchase is a bench-mark that states Landmark can still collect the rents. If they expire well

before then and Landmark cannot replace the carrier, then Landmark's assignment of the lease becomes null and void. They have already paid the City at closing, so it becomes non-recourse.

Mr. Wood mentioned a typical carrier getting on the tank would typically pay 1500-2000 per month. Mr. Ofer said it was dependent on the county, the cellular and broadband infrastructure in a region and the carriers needs. If underserved in a market in an area then they are more inclined to pay more per month per lease. Mr. Ofer said it varies on a number of factors. Since Landmark is the largest aggregator in the country, they hope to maintain positive cash flow no matter.

Billy then asked would Landmark have exclusive rights to put carriers on the tank and collect rent from them, is there a limit to how many? Mr. Ofer said there would be no additional carriers than the two that were on there at present.

Councilperson Winston asked what was the TBD that was \$ 6,000 annually on the contract? Mr. Ofer said that was the secondary lease that Landmark received, that is not a large-scale carrier. It is NTCH West, a local radio tower operator and is not a listed tenant. Councilperson Winston asked about the escalation rate, if it meant the rent goes up 15% every five (5) years? Mr. Ofer responded yes. Councilperson Winston asked how long had we had this Verizon contract in place? City Recorder Waldrup responded we had had it since 2007. Mayor Holland said we could continue to collect \$1322.00 per month, possibly with a rate increase for years and years and it would come out more than \$ 260,000.00. But with the lump sum of \$ 260,000.00 we could invest it in water, since that tank is water property. Councilperson Winston asked if we were in a position that we needed the lump sum money than the dedicated monthly income? Mayor Holland responded that the water department was not in need of the funds. She mentioned only that this was a good number compared to other leasing companies. Councilperson Winston stated that if we just continued with the monthly rate for 35 years, we would capture \$555,240.00, so he questioned if it was worthwhile without knowing all the ins and outs of the operation. The question was asked if another lease contract was put in place would it be the city's money. The answer was yes.

Mayor Holland asked if someone would make a motion as if the council wished to move forward or table it for next month. Vice-Mayor Townes commented he felt it would be in the best interest to table this decision in order to get together on it. Mayor Holland asked Vice Mayor Townes and Councilperson Winston to serve on the committee with Water Superintendent Wood, and asked for another volunteer. Councilperson Martin volunteered to be the 4th member of the committee to advise the council on what the council would like to do.

Action Taken: A motion was made by councilperson Pruneau to table the decision on cell tower lease purchase until November, 2nd by Vice-Mayor Townes.

Roll Call Vote:

Councilperson Martin	<u>Y</u>	Vice Mayor Townes	<u>Y</u>
Councilperson Pruneau	<u>Y</u>	Councilperson Riley	<u>Y</u>
Councilperson Winston	<u>Y</u>		

2. Report on Debt Obligation for Capital Outlay Note, Series 2020

Discussion: Mayor Holland reminded the council that the information was in their packet. She then asked City Recorder Waldrup to talk about the note. City Recorder noted that the low interest rate of 1.9% would save the City quite a bit of money. The note will be paid in 2026. There were no questions.

Action Taken: Due to just being an informative report, there was no need for a council vote

3. Amend on 1st reading Fireworks Ordinance 535.

Discussion: Mayor Holland said based on surveys and council suggestions, section 1 paragraph 7-502(6) of the McKenzie Municipal Code would allow fireworks to be sold on a seasonal basis from June 26 through July 5 and December 20 through January 1. Section 2 of paragraph 7-503 (3) of the McKenzie Municipal Code be changed to read that fireworks may be fired, set off, shot, discharged or exploded on a seasonal basis from June 26 through July 5, and from December 30 through January 1. Fireworks can be shot until 10 P.M. except for December 31st when they shall be allowed until 1:00 A.M.

Councilperson Martin asked if a person violated the ordinance, would they be cited into city court. Mayor Holland answered yes.

Action Taken: Motion made by Councilperson Riley, 2nd by Councilperson Winston to approve on first reading Ordinance 535 Fireworks amendment.

Roll Call Vote:

Councilperson Martin	<u>Y</u>	Vice Mayor Townes	<u>Y</u>
Councilperson Pruneau	<u>Y</u>	Councilperson Riley	<u>Y</u>
Councilperson Winston	<u>Y</u>		

4. 1st reading for Nuisance Ordinance 536.

Discussion:

Mayor Holland told the group that it was based on what is considered a public nuisance through the Tennessee Code Annotated Section 29-3-101et seq., occurring at a business or residential property, whether same is owner occupied or rental property. Attorney Keeton had done a great job on writing this. Councilperson Martin asked what would we actually determine to be a nuisance. Mayor Holland said that Tennessee Code Annotated had a list of what is actually considered a nuisance and read from that list.

Attorney Keeton stated that what it boiled down to is that any repeated breach of any superius act becomes a public nuisance. Councilperson Martin said so if they violate the TCA part of it, they can only do it once, if they violate the city three or more times it becomes a nuisance. Attorney Keeton said even under the TCA code, one-time event may or may not be considered a public nuisance, but generally to be a public nuisance, it will take more than one of anything to become a nuisance. TCA list the more serious type things we would take to state court. The types of crimes listed in our ordinances are the more minor types that we would issue a fine for. Mayor Holland said she used Bristol and Nashville as to what they had done. She stated she could not find other cities which actually had their own nuisance abatement ordinances except for noise or junk in the yard. Bristol and Nashville used the TCA code and then it went

to State Court, which takes longer. In order to avoid that happening, they probably sent them letters to let the owner know and allowed that owner to take action to abate that nuisance. That seems to work since the owners don't want to go to court. If we let the owner know that for example the police have been called three times for fighting at this property and this is how we could go ahead and call them into court or tell them to straighten it up or you are coming to court because now you are a public nuisance. Attorney Keeton reminded the council that the Police would charge the people who are actually fighting and the property owner would be warned that if it continues to happen, they could be cited into court because of the public nuisance. Attorney Keeton also stated that she had just tried to merge the State language and what involved our own city ordinances to capture the best of both worlds, since no one really had a public nuisance ordinance.

Action Taken: Motion made by Councilperson Martin, 2nd by Councilperson Pruneau to approve on first reading Nuisance Ordinance 536.

Roll Call Vote:

Councilperson Martin Y
Councilperson Pruneau Y
Councilperson Winston Y

Vice Mayor Townes Y
Councilperson Riley Y

K. Any Other Business: None

L. Citizens Input: None

M. Department Head Reports:

Police Chief Craig Moates was not in attendance, but Sgt. Ricky Sawyers gave the report for the month of September stating there had been a total of 1654 calls. Things to be getting back to normal for the department. He stated there had been 927 for security check-home, business & parks, 156 investigations 10-43, 153 vehicle stops, 42 medical, 40 for citizens assist and assist other agencies, 34 assist other agencies, 26 theft-shoplifting/drive off and various additional calls.

Fire Chief Tucker was not in attendance, but Ass't Chief Jason Arnold gave the report for the month of September. The Fire Department had responded to 38 incidents; 16 commercials alarms, 9 motor vehicle accidents and various other incidents. There were no house fires. The Fire Dept worked really hard to put on the ALS Bike Ride.

Mayor Holland said the ride was very successful and the Fire Department was to be commended.

Public Works Director Johnny Mercer reported they were making their transition from summer to fall. The leaf truck was ready to go. They had been bus trimming some trees that had been interfering with school buses and the garbage trucks. Started in Ward 1 and will proceeds through the wards. He let the council know that there was a new employee, Justin Wilkes in the solid waste department. He said Justin had picked up on learning the controls very quickly and would be going on Monday for his Class B CDL test.

Parks & Recreation Director Mike Beasley reported all three playground equipment locations had been finished. Mowing has finally slowed down, which had helped them get caught up on all the weeding. They would start mulching leaves and will soon start on fall clean up, repair of fences and such,

Mayor Holland also let the council know a new employee had been hired in the parks department, but he had been exposed to COVID so he is in quarantine. She stated there was also, someone in the waste water department with COVID. She reported that someone had come and done the HIC test for the two playgrounds that have the new engineered wood chips had passed with flying colors. We are now waiting for Gerald Parrish from the State to come and actually do the inspection of the playground and we will then do a ribbon cutting. We had yellow tape around the areas, but the public was too anxious to start using the new equipment it seems.

Water Superintendent Wood stated his department was doing their usual, fixing leaks, unstopping sewers.

N. Council Reports: There were no council reports. Mayor Holland reminded everyone that anyone who was interested, the neighborhood workshop in the theatre would happen right after this meeting. She told everyone we would be having scarecrows in the park, that thanks to Edward Jones we would be offering prizes and went through the amounts. She said since there was no Boo Bash this year, we would be offering the Monster Mash drive in movie and gave the details for this. Monetary prizes will be awarded thanks to Centennial Bank.

O. With no further business, a motion was made by Councilperson Martin seconded by Councilperson Riley to adjourn at 6:55 p.m.

Roll Call Vote:

Councilperson Martin Y
Councilperson Pruneau Y
Councilperson Riley Y

Vice Mayor Townes Y
Councilperson Winston Y

Motion carried.

APPROVED: _____
Jill Holland, Mayor

ATTEST: _____
Jennifer Waldrup, City Recorder-City Clerk