

**MINUTES OF THE MEETING
BOARD OF MAYOR & ALDERMEN
CITY OF NEWPORT, TENNESSEE
REGULAR SESSION
JANUARY 9, 2018**

January 9, 2018

The City of Newport Board of Mayor and Aldermen met in the Newport City Hall Council Chambers on Tuesday, January 9, 2018 at 5:45 p.m. in Regular Session.

Rev. Alvin Watts led the invocation. Alderman Mike Hansel led the Pledge to the Flag.

The following officials were present: Mayor Connie Ball, Vice Mayor Mike Proffitt, Alderman Jeff Fancher, Alderman Mike Hansel, Alderman Bobby Knight, Alderman Steve Smith, City Attorney Terry Hurst, and City Administrator James Finchum.

Mayor Ball declared a Quorum.

Minutes

December 12, 2017 Regular Session

Motion by Alderman Fancher and second by Vice Mayor Proffitt for minutes of the December 12, 2017 Regular Session to be approved as submitted.

All Ayes- Mayor Ball declared the motion passed and approved.

Proclamation and/or Recognition of Citizens by the Mayor

Mayor Ball recognized National Law Enforcement Day.

Communications from the City Administrator

City Administrator James Finchum reported the Home Grant public meeting for applications will be January 18th at 5:00 p.m. at the City Hall. This public meeting will give all information on the grant & each person will pick up their packet to apply.

Mr. Finchum stated the City of Newport received another good audit. Mr. Finchum handed out audit books to City Council. The auditors will be at next month's City Council meeting to review the audit.

Appointment of Boards, Commission & Committees

Mayor Ball announced the Fire Department has appointed Jayson Chrisman to serve on the Fire Civil Service Board. This appointment made by the Fire Department is for Author Styles replacement.

Consideration of appointment of Fire Civil Service Board – Willie Green.

Motion by Vice Mayor Proffitt and second by Alderman Hansel to re - appoint Willie Green to serve on the Fire Civil Service Board.

All Ayes- Mayor Ball declared the motion passed and approved.

New Business

Resolution #2018-01 Authorizing the Closing of Newport Police Department Bank Account from US Bank

Consideration of Resolution #2018-01 Authorizing the Closing of Newport Police Department Bank Account from US Bank. This account has zero monies in the account.

Motion was made by Alderman Knight and second by Vice Mayor Proffitt to approve Resolution #2018-01 Authorizing the Closing of Newport Police Department Bank Account from US Bank.

All Ayes- Mayor Ball declared the motion passed and approved.

Letter of Credit for USDA Loan for the Newport Utilities

Consideration of Letter of Credit for USDA Loan for the Newport Utilities. Newport Utilities Manager of Finance and Accounting Andrew Mize reported the USDA has a loan program called the Rural Economic Development Loan & Grant Program or REDLG. This program is ultimately a USDA loan to a local company, but uses the utility as an intermediary. Details of the loan, which included RGE having a letter of credit, were agreed upon, and then two loan agreements were executed- one between RGE and Newport Utilities and then another between Newport Utilities and the USDA-each for 1 million dollars.

The loan has now been in place for about a year and RGE has been informed by the bank which their letter of credit is with that it will not be renewed (their letter of credit has a one year term-expiring 2/17/2018). RGE has attempted to get a new letter of credit, but has been unable to thus far due to several factors- RGE ultimately is foreign owned in the UK, RGE has been ramping up capacity and production (largely due to an IKEA contract and opportunity) and related to that its tax returns and financials do not look ideal, and lastly it appears banks are not as eager to issue letters of credit as they once were. Without a letter of credit in place, the USDA will more than likely call the loan and make it due in full. Newport Utilities is already the ultimate guarantor of the loan and is intermediary, so per USDA regulations NU is able to obtain a letter of credit and keep the loan requirements in place. As part of NU obtaining a letter of credit, RGE has agreed to A) attempt to obtain its own letter of credit before the next renewal date (2/17/2019) B) pay the cost of the letter of credit (estimated at 1% of \$1M or \$10,000) C)

give NU a lien on the property, equipment, etc. at the RGE facility located in Newport, TN (estimated to be valued at around \$5M). Newport Utilities General Manager Glenn Ray will sign on behalf of Newport Utilities for this Letter of Credit.

Motion was made by Alderman Fancher and second by Vice Mayor Proffitt to approve Letter of Credit for USDA Loan for the Newport Utilities.

Roll Call

Alderman Fancher	AYE
Alderman Hansel	AYE
Alderman Knight	AYE
Alderman Smith	AYE
Vice Mayor Proffitt	AYE

All Ayes- Mayor Ball declared the motion passed and approved.

Adopting Newport Utilities Cable Franchise

Consideration of Adopting Newport Utilities Cable Franchise. Panning Director Gary Carver stated Newport Utilities Attorney Jim McSween is working on an ordinance to be presented at next month's meeting.

Bids

Fuel Cards for the City of Newport

Consideration of bids for fuel cards for the City of Newport. The only bid to be received was from Fuelman Network.

Motion was made by Alderman Hansel and second by Alderman Fancher to approve the bid from Fuelman Network for the fuel cards for the City of Newport

All Ayes- Mayor Ball declared the motion passed and approved.

Replacing Exterior Doors into the City Council Chambers

Consideration of bids for Replacing Exterior Doors into the City Council Chambers. The only bid to be received was from American 24 Hour Door in the amount of \$10,339.

Motion was made by Alderman Smith and second by Alderman Knight to approve the bid from American 24 Hour Door in the amount of \$10,339 for replacing exterior doors into the City Council chambers.

Roll Call

Alderman Fancher	AYE
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Alderman Hansel	AYE
Alderman Knight	AYE
Alderman Smith	AYE
Vice Mayor Proffitt	AYE

All Ayes- Mayor Ball declared the motion passed and approved.

Adjournment

There being no further business to come before the Board of Mayor & Alderman, **a motion was made by Alderman Hansel and second by Alderman Smith** to adjourn.

All Ayes- Mayor Ball declared the motion passed and approved.

Mayor Connie Ball

James Finchum, City Administrator

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