FARRAGUT BOARD OF MAYOR AND ALDERMEN
AGENDA
March 26, 2015

WORKSHOP
CIP Workshop
6:00 PM

BMA MEETING
7:00 PM

I. Silent Prayer, Pledge of Allegiance, Roll Call

II. Approval of Agenda

III. Mayor's Report

IV. Citizens Forum

V. Approval of Minutes

A. March 12, 2015

VI. Ordinances

A. Public Hearing & Second Reading

1. Ordinance 15-02, an Ordinance to amend the text of the Farragut Zoning Ordinance, Ordinance 86-16, as amended, pursuant to authority granted by section 13-4-201, Tennessee Code Annotated, by amending Chapter 3. Specific District Regulations, Section XII. General Commercial District (C-1), F., Mixed Use Town Center, Subsection 2. B., by providing for a drive through under certain conditions

B. First Reading

VII. Business Items

A. Approval of bids and award of Contract 2015-05, Street Resurfacing
B. Approval of Contract 2015-12, Auditing Services
C. Appeal of access determination for the Hodges property, Parcels 1.00, 1.01 and 1.02, Tax Map 152-C, located at the southwest corner of Kingston Pike and Chaho Road, 1.37 Acres

VIII. Town Administrator's Report

IX. Town Attorney's Report

It is the policy of the Town of Farragut not to discriminate on the basis of race, color, national origin, age, sex, or disability pursuant to Title VI of the Civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs. To request accommodations due to disabilities, please call 865-966-7057 in advance of the meeting.

FARRAGUT BOARD OF MAYOR AND ALDERMEN
MINUTES
March 12, 2015

WORKSHOP
General Fund Revenue/Expenditures Projections
Program Changes
6:00 PM

BEER BOARD MEETING
6:55 PM

BMA MEETING
7:00 PM

I. Silent Prayer, Pledge of Allegiance, Roll Call

II. Approval of Agenda

III. Mayor's Report

IV. Citizens Forum

V. Approval of Minutes

A. February 26, 2015

VI. Ordinances

A. Public Hearing & Second Reading

1. Ordinance 15-03, to amend the Farragut Municipal Code by adding Title 14, Chapter 6., Farragut Architectural Design Standards, and authorizing the Farragut Municipal Planning Commission to be the Design Review Commission

B. First Reading

1. Ordinance 15-02, an Ordinance to amend the text of the Farragut Zoning Ordinance, Ordinance 86-16, as amended, pursuant to authority granted by section 13-4-201, Tennessee Code Annotated, by amending Chapter 3. Specific District Regulations, Section XII. General Commercial District (C-1), F., Mixed Use Town Center, Subsection 2. B., by providing for a drive through under certain conditions

VII. Business Items

A. Rejection of previously approved bids for a new Two-Wheel Drive Half-Ton Pick-up Truck

B. Approval of Bids for new Half-Ton Pick-up Truck

C. Approval of Bids for Contract 2015-10, Installation of Underdrains on Grigsby Chapel Road
D. Approval of Settlement Agreement with Cove Properties regarding road deficiencies in the Cove at Turkey Creek Subdivision

VIII. Town Administrator's Report

IX. Town Attorney's Report

It is the policy of the Town of Farragut not to discriminate on the basis of race, color, national origin, age, sex, or disability pursuant to Title VI of the Civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs. To request accommodations due to disabilities, please call 865-966-7057 in advance of the meeting.

The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, March 12, 2015 at 7:00 p.m. Members present were Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok.

Approval of Agenda

Motion was made to approve the agenda as presented. Moved by Alderman Honken, seconded by Alderman LaMarche; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Mayor's Report

Mayor McGill reported that he and Vice-Mayor LaMarche attended the National League of Cities Conference in Washington, D.C. Vice-Mayor LaMarche thanked the Town for the opportunity to attend the conference.

Citizens Forum

Patrick Mullen, 404 Moser Lane, expressed his gratitude for the Town and especially the Public Works department for the outstanding job of clearing the streets and down trees during the ice/snow events.

Approval of Minutes

Motion was made to approve the minutes of February 26, 2015 with a correction of the arrival time of Alderman Markli. Moved by Alderman Markli, seconded by Alderman Honken; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Ordinances
Public Hearing & Second Reading
Ordinance 15-03, to amend the Farragut Municipal Code by adding Title 14, Chapter 6., Farragut Architectural Design Standards, and authorizing the Farragut Municipal Planning Commission to be the Design Review Commission

Motion was made to approve Ordinance 15-03 on second and final reading. Moved by Alderman Honken, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

First Reading
Ordinance 15-02, an Ordinance to amend the text of the Farragut Zoning Ordinance, Ordinance 86-16, as amended, pursuant to authority granted by section 13-4-201, Tennessee Code Annotated, by amending Chapter 3. Specific District Regulations, Section XII. General Commercial District (C-1), F., Mixed Use Town Center, Subsection 2. B., by providing for a drive through under certain conditions

Motion was made to approve Ordinance 15-02 on first reading. Moved by Alderman Honken. Ian Moffett, Mr. Zip representative, requested that the Board reconsider the requirement of the lot size being at least 2 acres. The Mr. Zip property is approximately 1.25 acres.

After some discussion Alderman Honken withdrew his motion and made an alternate motion to approve Ordinance 15-02 with an amendment to remove the criteria that the property be a minimum of two (2) acres. Motion was seconded by Alderman Markli. Roll call vote: Alderman Honken, yes; Alderman LaMarche, yes; Alderman Markli, yes; Alderman Pinchok, yes; Mayor McGill, no; motion passes 4-1.

Business Items

Rejection of previously approved bids for a new Two-Wheel Drive Half-Ton Pick-up Truck

Motion was made to reject the two-wheel drive truck bid, previously approved August 14, 2014. Moved by Alderman Honken, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Approval of Bids for new Half-Ton Pick-up Truck

Motion was made to approve the bid for purchase of a 2014 Ford F-150 4-wheel drive pick-up truck from Ted Russell Ford in the amount of $24,190. Moved by Alderman Markli, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Approval of Bids for Contract 2015-10, Installation of Underdrains on Grigsby Chapel Road

Motion was made to approve bids and award Contract 2015-10, Installation of Underdrains on Grigsby Chapel Road, to J&D Excavating & Construction, Inc. in the amount of $59,702. Moved by Alderman LaMarche, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Approval of Settlement Agreement with Cove Properties regarding road deficiencies in the Cove at Turkey Creek Subdivision

Motion was made to approve the Settlement Agreement and Release between the Town of Farragut and Cove Properties, the developers of the Cove at Turkey Creek subdivision. Moved by Alderman LaMarche, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen Honken, LaMarche, Markli and Pinchok; no nays; motion passed.

Town Administrator's Report

David Smoak, Town Administrator, thanked Sue and the parks staff for a great Shamrock Ball Event. Approximately 350 were in attendance.

Meeting adjourned at 7:45 PM

____
Ralph McGill, Mayor

____
Allison Myers, Town Recorder

AGENDA NUMBER VI. A MEETING DATE **March 26, 2015**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Mark Shipley, Community Development Director

SUBJECT: Ordinance 15-02, on second reading, to amend the text of the Farragut Zoning Ordinance, Chapter 3. Section XII., General Commercial District (C-1), Subsection F., Mixed Use Town Center, as it relates to drive-throughs

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BACKGROUND AND DISCUSSION: At the January 22, 2015 meeting, the Farragut Board of Mayor and Alderman approved four ordinances related to the Mixed Use Town Center (MUTC) in order to help implement Strategy 1 of the Comprehensive Land Use Plan – Bringing About a Downtown. Some of these ordinances were developed during multiple planning commission meetings and involved a significant amount of discussion and input. One aspect of the amendments that were made to the C-1 Zoning District for those properties within the MUTC that received a significant amount of discussion was whether a drive through should be permitted. The commission looked at some parameters that could apply if drive throughs were permitted but in the end felt that the simplest approach would be to not permit them in the MUTC at this time.

At the second reading of Ordinance 14-21, the ordinance that amended the C-1 wording as it relates to properties within the MUTC, some individuals interested in developing a couple of parcels within the MUTC expressed a desire to have the drive through item revisited. Though Ordinance 14-21 was approved on second reading, the board asked the staff to create some language for the planning commission to consider as it would relate to permitting a drive through in the MUTC.

Ordinance 15-02 includes some language that would provide for a drive through for certain uses provided a number of parameters could be satisfied.

RECOMMENDATION BY: The staffs' position concerning drive throughs in the MUTC is that they are a vehicular oriented element of site design and not fully compatible with the character and intent of a pedestrian oriented mixed use town center.

The wording the staff has provided in Ordinance 15-02 provides a number of limitations on drive throughs in an effort to lessen adverse impacts to the character and intent of the MUTC. At their meeting on February 19, 2015, the planning commission unanimously approved Ordinance 15-02. The commission added a stipulation that in order to qualify for a drive through, the lot must be at least two (2) acres. This provision was included because the commission felt that the additional acreage would provide the space necessary to satisfy the other provisions of Ordinance 15-02, especially since restaurants have such high parking space demands.

At the first reading of Ordinance 15-02, an individual interested in developing the old Phillips 66 property, which is less than two (2) acres, asked that the two (2) acre stipulation added by the planning commission be reconsidered. The board felt that this was a reasonable request since an applicant would still have to satisfy all of the other parameters in this ordinance. With the two (2) acre stipulation removed, the board unanimously approved Ordinance 15-02 on first reading.

PROPOSED MOTION:

To approve Ordinance 15-02, on second reading, to amend the text of the Farragut Zoning Ordinance, Chapter 3. Section XII., General Commercial District (C-1), Subsection F., Mixed Use Town Center, as it relates to drive-throughs.

BOARD ACTION:

MOTION BY:____________________________ **SECONDED BY:**____________________________

VOTE/TOTAL	MCGILL	PINCHOK	HONKEN	LAMARCHE	MARKLI
YES					
NO					
ABSTAIN					

ORDINANCE:	**15-02**
PREPARED BY:	**Shipley**
REQUESTED BY:	**Staff**
CERTIFIED BY FMPC:	**February 19, 2015**
PUBLIC HEARING:	____________________
PUBLISHED IN:	____________________
DATE:	____________________
1ST READING:	____________________
2ND READING:	____________________
PUBLISHED IN:	____________________
DATE:	____________________

AN ORDINANCE TO AMEND THE TEXT OF THE FARRAGUT ZONING ORDINANCE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-201, <u>TENNESSEE CODE ANNOTATED</u>, BY AMENDING CHAPTER 3. SPECIFIC DISTRICT REGULATIONS, SECTION XII. GENERAL COMMERCIAL DISTRICT (C-1), F., MIXED USE TOWN CENTER, SUBSECTION 2. b., BY PROVIDING FOR A DRIVE THROUGH UNDER CERTAIN CONDITIONS

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to amend Chapter 3, Section XII. General Commercial District (C-1), of the Farragut Zoning Ordinance, Ordinance 86-16,

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Zoning Ordinance is hereby amended as follows:

SECTION 1.

The Farragut Zoning Ordinance, Chapter 3, Specific District Regulations, Section XII., General Commercial District (C-1), F., Mixed Use Town Center, Subsection 2. b., is amended by deleting it in its entirety and substituting in lieu thereof the following:

SECTION 2.

Chapter 3, Specific District Regulations, Section XII., General Commercial District (C-1), F., Mixed Use Town Center, Subsection 2. b., is amended by deleting it in its entirety and substituting in lieu thereof the following:

b. Restaurants, tea rooms, cafes, coffee houses, bistros, or other similar establishments serving food or beverage that is primarily consumed within the principal building or in designated outdoor seating areas associated with the principal building.

   A drive-through lane may be permitted provided the following criteria are satisfied:

1. The property is a lot of record that has existing frontage on a street classified as a major arterial on the Major Road Plan;
2. The drive-through is limited to one (1) lane;
3. The drive-through is located to the rear of the building or behind the building so that it is not visible from any abutting public rights of ways;
4. The drive-through is limited to one (1) menu board not to exceed fifteen (15) square feet in size and six (6) feet in height. The menu board shall be either mounted on the principal building or a screen wall that is architecturally compatible with the predominant building material on the principal building and/or is screened by Town approved evergreen plant material so that it is not visible from abutting public rights of ways;
5. The entrance and exit to the drive-through leads to a parking area or service drive. The drive-through lane shall not be directly connected to a public street; and
6. The design shall minimize vehicle/pedestrian conflicts. The drive-through lane shall not separate parking lots from rear building pedestrian access doors or other pedestrian access ways.

SECTION 3.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

____

Dr. Ralph McGill, Mayor

____

Allison Myers, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of ___________, 2015, with approval recommended.

____

Rita Holladay, Chairman

____

Edwin K. Whiting, Secretary

FARRAGUT MUNICIPAL PLANNING COMMISSION

AGENDA NUMBER VII . A MEETING DATE March 26, 2015

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE

SUBJECT: Approval of Bids for Contract 2015-05, Street Resurfacing

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INTRODUCTION: The purpose of this agenda item is to consider bids and award a contract for resurfacing of selected streets within the Town.

BACKGROUND: This year, staff has determined our need to resurface Grigsby Chapel Road, from East Fox Den Drive to Campbell Station Road. The project requires replacement of binder and surface courses on the two through lanes of Grigsby Chapel Road, while replacing only the surface course of the center turn lane. Other major expenses associated with this work include traffic control and pavement markings. Our contract also includes Channing Lane in Wyndham Hall Subdivision.

On March 17, we received two bids for Contract 2015-05:

Greenback Asphalt Company, Inc. -	$387,477.40
APAC-Atlantic, Inc. -	507,265.10

We have attached bid tabulations for your review.

FINANCIAL SECTION:

Project: Contract 2015-05, Resurfacing

Project Budget	Requested Amount	Expenditures to Date	Available Amount
$976,402	$387,477.40	$539,969	$48,955.60

Approved By: ____________

RECOMMENDATION BY: Darryl Smith, Town Engineer

PROPOSED MOTION: Approval of bids and award of Contract 2015-05 to Greenback Asphalt Company, Inc. for their low bid of **$387,477.40.**

BOARD ACTION:

MOTION BY: ____________ **SECONDED BY:** ____________

VOTE/TOTAL	MCGILL	LAMARCHE	HONKEN	MARKLI	PINCHOK
YES					
NO					
ABSTAIN					

Town of Farragut Contract 2015-05
(Annual Resurfacing Contract)
Bid Tabulations

				Greenback Asphalt		APAC-Atlantic	
ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
307-01.08	Asphalt Concrete Mix (PG64-22) GR B-M2 complete in place	2,364	Tons	$57.00	$134,748.00	$68.00	$160,752.00
403-02.01	Trackless Tack Coat, TTT-1	2,053	Gallons	$4.00	$8,212.00	$3.00	$6,159.00
411-01.10	ACS Mix (PG64-22) GR D complete in place	1,890	Tons	$78.50	$148,365.00	$86.50	$163,485.00
411-01.11	ACS Mix (PG64-22) GR E complete in place	135	Tons	$72.00	$9,720.00	$89.50	$12,082.50
415-01-01	Cold Planning of Bituminous Pavement	4,504	Tons	$9.75	$43,914.00	$23.40	$105,393.60
712-01	Traffic control	1	LS	$10,500.00	$10,500.00	$30,000.00	$30,000.00
712-04-01	Flexible Drums	36	EA	$8.40	$302.40	$9.00	$324.00
713-16.01	Changeable Message Sign Unit	2	EA	$577.50	$1,155.00	$550.00	$1,100.00
716-01.11	Raised Pvmt Markers (bi-direct) 1 color lens	240	EA	$8.50	$2,040.00	$7.75	$1,860.00
716-02.03	Plastic Pavement Marking (Crosswalk)	300	LF	$8.50	$2,550.00	$7.75	$2,325.00
716-02.05	Plastic Pavement Marking (Stop Line)	104	LF	$9.00	$936.00	$8.50	$884.00
716-02.06	Plastic Pavement Markings (Turn Lane Arrow)	21	EA	$105.00	$2,205.00	$100.00	$2,100.00
716-02.04	Plastic Pavement Markings (Channelization Striping)	70	SY	$15.50	$1,085.00	$15.00	$1,050.00
716-05.01	Painted Pavement Marking (4" Line)	10	LM	$500.00	$5,000.00	$475.00	$4,750.00
716-13.01	Spray Thermo Pvmt Marking (60 Mil) (4" Line)	5	LM	$1,900.00	$9,500.00	$1,800.00	$9,000.00
717-01	Mobilization	1	LS	$7,245.00	$7,245.00	$6,000.00	$6,000.00
	TOTAL				$387,477.40		$507,265.10

F:\Contracts\FY2015\2015-05 Resurfacing\2015 Resurfacing Bid Tabs

AGENDA NUMBER VII.B MEETING DATE March 26, 2015

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of Contract 2015-12, Auditing Services

BACKGROUND:

Ingram, Overholt & Bean have been the auditors for the Town since 1996. During this time the Town has earned the Certificate of Achievement for Excellence in Financial Reporting (CAFR) every year. The CAFR was established in 1945 by the Government Finance Officers Association (GFOA) to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles. Local governments are to prepare comprehensive annual financial reports that promote the spirit of transparency and full disclosure; and then to recognize individual governments that succeed in achieving that goal.

DISCUSSION:

In March, 2011, the Board requested that the Town issue a Request for Proposal for auditing services. A request for proposals was advertised and proposals were submitted from Ingram, Overholt & Bean and Rodefer Moss & Co. According to Tennessee Code Annotated §12-3-1209, *Any person providing fiscal agent, financial advisor or advisory services to any county, city, metropolitan government, town, utility district or other municipal or public corporation shall perform such services only pursuant to a written contract, specifying the services to be rendered, the costs therefore, and the expenses to be covered under such contract.* Since the contract falls under this provision an RFP is not required for the approval of this contract.

The contract is for auditing services to take place in Fiscal Year 2016. The contract will not effect the current budget because work will begin following the year end. In FY2015 $13,200 was budgeted for all audit related expenditures.

RECOMMENDATION BY:

Allison Myers, Town Recorder

PROPOSED MOTION:

Moiton to award Contract 2015-12, Auditing Services-Professional Services Contract, to Ingram, Overholt and Bean in the amount, not to exceed, $13,600.

BOARD ACTION:

MOTION BY: ______________________ **SECONDED BY:** ______________________

VOTE/TOTAL	LAMARCHE	HONKEN	MARKLI	PINCHOK	MCGILL
YES	____	____	____	____	____
NO	____	____	____	____	____
ABSTAIN	____	____	____	____	____

CONTRACT TO AUDIT ACCOUNTS
OF
Town of Farragut

FROM July 01, 2014 TO June 30, 2015

This agreement made this **12th** day of **March 2015**, by and between **Ingram, Overholt and Bean, PC**, **428 Marilyn Lane, Alcoa, TN 37701**, hereinafter referred to as the "auditor" and **Town of Farragut**, of **11408 Municipal Center Drive, Farragut, TN 37922**, hereinafter referred to as the "organization", as follows:

1. In accordance with the requirements of the laws and/or regulations of the State of Tennessee, the auditor shall perform a financial and compliance audit of the organization for the period beginning **July 01, 2014**, and ending **June 30, 2015** with the **exceptions listed below:**

2. The auditor shall conduct the audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the *Audit Manual*. Additional information and procedures necessary to comply with requirements of governments other than the State of Tennessee are permissible provided they do not conflict with or undermine the requirements previously referenced. If applicable, the audit is to be conducted in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget (OMB) *Circular A-133*. The audit is also to be conducted in accordance with any other applicable federal management circulars. It is agreed that this audit will conform to standards, procedures, and reporting requirements established by the Comptroller of the Treasury. It is further agreed that any deviation from these standards and procedures will be approved in writing by the Comptroller of the Treasury prior to the execution of the contract. The interpretation of this contract shall be governed by the above-mentioned publications and the laws of the State of Tennessee.

3. The auditor shall, as part of the written audit report, submit to the organization's management and those charged with governance:

   a) a report containing an expression of an unqualified or modified opinion on the financial statements, as prescribed by the *Audit Manual*. This report shall state the audit was performed in accordance with *Government Auditing Standards*, except when a disclaimer of opinion is issued. If the organization is a component unit or fund of another entity, it is agreed that: (a) the financial statements may be included in the financial statements of the other entity; (b) the principal auditor for the other entity may rely upon the contracted auditor's report; and (c) any additional information required by the principal auditor of the other entity will be provided in a timely manner.

   b) a report on the internal control and on compliance with applicable laws and regulations and other matters. This report shall be issued regardless of whether the organization received any federal funding. Audit reports of entities which are subject to the provisions of the Single Audit Act and OMB *Circular A-133* shall include the additional report required by that circular. The reports will set forth findings, recommendations for improvement, concurrence or nonconcurrence of appropriate officials with the audit findings, comments on corrective action taken or planned, and comments on the disposition of prior year findings.

4. If a management letter or any other reports or correspondence relating to other matters involving internal controls or noncompliance are issued in connection with this audit, a copy shall be filed with the Comptroller of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no reportable matters or significant deficiencies not also disclosed in the findings found in the published audit report).

5. The auditor shall file **one (1)** electronic copy of said report with the Comptroller of the Treasury, State of Tennessee. The auditor shall furnish **20** printed copies and/or an electronic copy of the report to the organization's management and those charged with governance. It is anticipated that the auditor's report shall be filed prior to **December 31, 2015**, **but in no case, shall be filed later than six (6) months following the period to be audited, without explanation to the Comptroller of the Treasury, State of Tennessee and the organization.** Requirements for additional copies, including those to be filed with the appropriate officials of granting agencies, are listed below:

6. The auditor agrees to retain working papers for no less than five (5) years from the date the report is received by the Department of Audit. In addition, the auditor agrees that all audit working papers shall, upon request, be made available in the manner requested by the Comptroller for review by the Comptroller of the Treasury or the Comptroller's representatives, agents, and legal counsel, while the audit is in progress and/or subsequent to the completion of the report. Furthermore, at the Comptroller's discretion, it is agreed that the working papers will be reviewed at the office of the auditor, the entity, or the Comptroller and that copies of the working papers can be made by the Comptroller's representatives or may be requested to be made by the firm and may be retained by the Comptroller's representatives.

7. Any reasonable suspicion of fraud, (regardless of materiality) or other unlawful acts including, but not limited to theft, forgery, credit/debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in *Tennessee Code Annotated,* § 39-16-402, involving public money, property, or services shall, upon discovery, be promptly reported in writing by the auditor to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances have the authority, at the discretion of the Comptroller, to directly investigate such matters. Notwithstanding anything herein to the contrary, the Comptroller of the Treasury, State of Tennessee, acknowledges that the auditor's responsibility hereunder is to design its audit to obtain reasonable, but not absolute, assurance of detecting fraud that would have a material effect on the financial statements, as well as other illegal acts or violations of provisions of contracts or grant agreements having a direct and material effect on financial statement amounts. If the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the organization's management and those in charge of governance in writing of the need for such additional investigation and the additional compensation required therefor. Upon approval by the Comptroller of the treasury, an amendment to this contract may be made by the organization's management and those charged with governance and the auditor for such additional investigation.

8. **Group Audits**. The provisions of Section 8, relate exclusively to contracts to audit components of a group under SAS 122, Section AU-C 600. (See definitions in AU-C 600, Paragraph 11.) Section 8 is only applicable to an auditor that audits a component (e.g. a fund, component unit, or other component) **of a county government that is audited by the Division of Local Government Audit (LGA)**. Section 8 is intended to satisfy the communication requirements for the group auditor (LGA) to the component auditor under AU-C 600.

a) The Division of Local Government Audit (LGA) shall be considered the "group auditor" for any contract to audit a component of an applicable county government. LGA shall present the county's financial statements in compliance with U.S. Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). LGA shall conduct the audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

b) The contracting auditor shall be considered the "component auditor" for purposes of this section.

c) The financial statements audited by the component auditor should be presented in accordance with GAAP as promulgated by GASB. If the financial reporting framework for any component does not conform to this basis, the financial reporting framework should be disclosed in Section 9 (Special Provisions). (Component financial statements that are not presented using the same financial reporting framework as the county's financial statements may cause this contract to be rejected.)

d) The component auditor shall conduct the component audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

e) The component auditor shall cooperate with LGA to accomplish the group audit. It is anticipated that LGA will make reference to the component auditor's report in the group audit report. Should LGA find it necessary to assume responsibility for the component auditor's work, the terms, if any, shall be negotiated under a separate addendum to this contract.

f) The component auditor shall follow the ethical requirements of *Government Auditing Standards* and affirms that the component auditor is independent to perform the audit and will remain independent throughout the course of the component audit engagement.

g) The component auditor affirms that the component auditor is professionally competent to perform the audit. LGA may confirm certain aspects of the component auditor's competence through the Tennessee State Board of Accountancy.

h) The component auditor will be contacted via email by the LGA's Audit Review Manager with the estimated date of the conclusion of LGA's audit of the county government. The component auditor agrees to **update subsequent events** between the date of the component auditor's report and the date of the conclusion of LGA's audit of the county government. Additional subsequent events should be communicated via email to LGA's Audit Review Manager.

i) The component auditor shall read LGA's audited financial statements for the county government for the previous fiscal year noting in particular **related parties** in the notes to the financial statements, and **material misstatement** findings in the Findings and Questioned Costs Section. The previous year audited financial statements can be obtained from the Comptroller's website at www.comptroller.tn.gov. As required by generally accepted auditing standards, we have identified Management Override of Controls and Improper Revenue Recognition as presumptive fraud risks. The component auditor shall communicate to LGA (i.e. group management) on a timely basis **related parties** not previously identified by the group management in LGA's prior year audited financial statements. Related parties should be communicated via email to LGA's Audit Review Manager.

j) The component auditor's report should not be restricted as to use in accordance with AU-C, 25 (b) and AU-C, 905.

k) Sections 1-7 and Sections 9-13 of this contract are also applicable to the component auditor during the performance of the component audit.

9. (Special Provisions)

10. In consideration of the satisfactory performance of the provisions of this contract, the organization shall pay to the auditor a fee of (Fees may be fixed amounts or estimated.) (Fixed Amount: **13,600.00**) or (Estimated gross fee:)

(If not fixed amount, an estimated gross fee should be furnished to the governing unit for budgetary purposes. A schedule of fees and/or rates should be set forth below. Interim billings may be arranged with consent of both parties to this contract.) Provision for the payment of fees under this agreement has been or will be made by appropriation of management and those charged with governance.

SCHEDULE OF FEES AND/OR RATES:

11. As the authorized representative of the firm, I do hereby affirm that:

- our firm and all individuals participating in the audit are in compliance with all requirements of the Tennessee State Board of Accountancy and;
- our firm has participated in an external quality control review at least once every three (3) years, conducted by an organization not affiliated with our firm, and that a copy of our most recent external quality control review report has been provided to the organization, and the office of the Tennessee Comptroller of the Treasury approving this contract;
- all members of the staff assigned to this audit have obtained the necessary hours of continuing professional education required by *Government Auditing Standards*.
- all auditors participating in the engagement are independent under the requirements of the American Institute of Certified Public Accountants and *Government Auditing Standards*.

12. This writing, including any amendments or special provisions, contains all terms of this contract. There are no other agreements between the parties hereto and no other agreements relative hereto shall be enforceable, unless entered into in accordance with the procedures set out herein and approved by the Comptroller of the Treasury, State of Tennessee. In the event of a conflict or inconsistency between this contract and the special provisions contained in paragraph 9 of this contract, the special provision(s) are deemed to be void. Any changes to this contract must be agreed to in writing by the parties hereto and must be approved by the Comptroller of the Treasury, State of Tennessee. All parties agree that the digital signatures, that is, the electronic signatures applied by submitting the contract, are acceptable as provided for in the Uniform Electronic Transaction Act. Any paper documents submitted related to this contract will be converted to an electronic format and such electronic document(s) will be treated as the official document(s).

13. If any term of this contract is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms will not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

Ingram, Overholt and Bean, PC	
Audit firms	Governmental Unit or Organization
By Karen Edwards	By
Signature	Signature
Title/Position: **Partner**	Title/Position:
E-mail address: **karen@iobcpas.com**	E-mail address:
Date: **March 12, 2015**	Date:

Approved by the Comptroller of the Treasury, State of Tennessee

For the Comptroller:

By

Date:

Agenda Item: VII. C

March 26, 2015

MEMORANDUM

TO: Farragut Board of Mayor and Aldermen

FROM: Thomas M. Hale, Town Attorney

DATE: February 5, 2015

RE: Appeal of Access Determination by Hodges

This appeal submitted by Bill Hodges results from the submission of a site plan (see Exhibit A). The site plan relates to three adjacent parcels of land, each of which is approximately 100 feet by 200 feet. These three parcels of property were the subject of an agreement between the owners and the Town that was executed in 1983 (the "Agreement"). The agreement provided for the creation of a 20 foot drainage easement which traverses the three parcels of land as shown on the attached drawing which is an attachment to the Agreement (Exhibit B).

The proposed site plan contemplates the relocation and reestablishment of the drainage easement and provides for the construction of a drainage way paralleling the rear property lines of the parcels with the flow from the drainage easement being piped in a south to north direction from the rear of the westernmost parcel along the west property line to an existing manhole. The relocation of the drainage easement is the only construction provided for in connection with this site plan.

The site plan submitted by the applicant proposes a construction access to the property from Chaho Drive in relation to completing the drainage improvement. It also shows an access to the property from Kingston Pike immediately adjacent to the existing access way that is shared by the building that houses Urban Engineering and First Tennessee Bank.

The action of the Planning Commission was approval of the site plan with the conditions set out on the attached excerpt from the minutes of the November 18, 2014 meeting of the Farragut Municipal Planning Commission (Exhibit C). At issue is condition #3 which notes that consideration of and access to Kingston Pike is premature in that the details of any development planned for the property are unspecified and unknown as evidenced by the site plan itself. Otherwise, the access from Chaho Drive to complete the proposed work is adequate for the purposes that the site plan was filed to accomplish (i.e. relocation of the drainage easement).

The applicant has appealed by submission of the letter of Attorney Edward Pratt, dated December 29, 2014 and attached as Exhibit D. The appeal states it is based upon § 16-411 of the Farragut Municipal Code ("FMC") which provides "An appeal from adverse determinations on an application for an access permit shall be to the Board of Mayor and Aldermen." The "adverse determination" referenced by the appeal is that the Planning Commission did not approve the requested access directly to Kingston Pike.

The attached letter also requests that the Board approve variances of the permanent access distance requirements set forth in FMC § 16-406 as related to the Kingston Pike access. The authority for this request is set forth in FMC § 16-408 which provides "Notwithstanding anything contained herein to the contrary, the Board of Mayor and Aldermen may grant approval for access and/or frontage roads other than as specifically herein permitted, provided such an access is reviewed with a recommendation by the Town Engineer or his/her designee and the Planning Commission."

The Farragut Municipal Code § 16-405(1). Permit Approval, provides "The Planning Commission and the Board of Mayor and Aldermen shall review applications for access for all developments requiring the submittal of a site plan and residential drives onto non-local streets." Subsection (2) of 16-405 provides that "The Planning Commission, the Board of Mayor and Aldermen, and the Town staff shall review applications for access *for compliance with the requirements of this chapter*. The Planning Commission, the Board of Mayor and Aldermen or the Town staff *may require such revisions, corrections and additions to the plans of access and such additional supporting documentation of the plan of access as may be reasonable considering the locations of proposed and existing access*, the traffic impact study if required, *and considerations of public safety and welfare*. All revisions, corrections, and additions required shall be recorded on a final copy of a subdivision plat, site plan, or "drawing or sketch" of the access requested for approval before issuance of a permit." (emphasis added).

Other than containing the drainage way pursuant to the agreement with the Town of Farragut, the three parcels in question have not been used for any purpose since the formation of the Town. The three parcels were originally part of a larger tract owned by Bill Hodges and wife, Elsie Hodges. By a series of three quitclaim deeds dated in early 1980 by and among Bill A. Hodges, David A. Dill and wife, Gail Hodges Dill, and Elsie Hodges, title to 100 foot by 200 foot tracts were vested respectively in each of Elsie Hodges, Gail Hodges Dill and Bill A. Hodges, such that each of them own a single tract. No recorded subdivision plat approving establishment of the three tracts has been found.

Staff's position on these issues is as follows:

1. The Chaho Road access shown on the site plan is adequate for the work to be performed in relocating the drainage facilities. The Kingston Pike access shown on the proposed site plan is unnecessary to the accomplishment of the work proposed by the site plan.

2. The proposed Kingston Pike access does not comply with the distance requirements of FMC 16-406. Of particular concern is the fact that the west edge of the proposed access would be only a few feet from the east edge of the existing access serving First Tennessee Bank.

3. As has been the case for at least the past 35 years, there are no buildings on or ongoing use of the property requiring access from Kingston Pike.

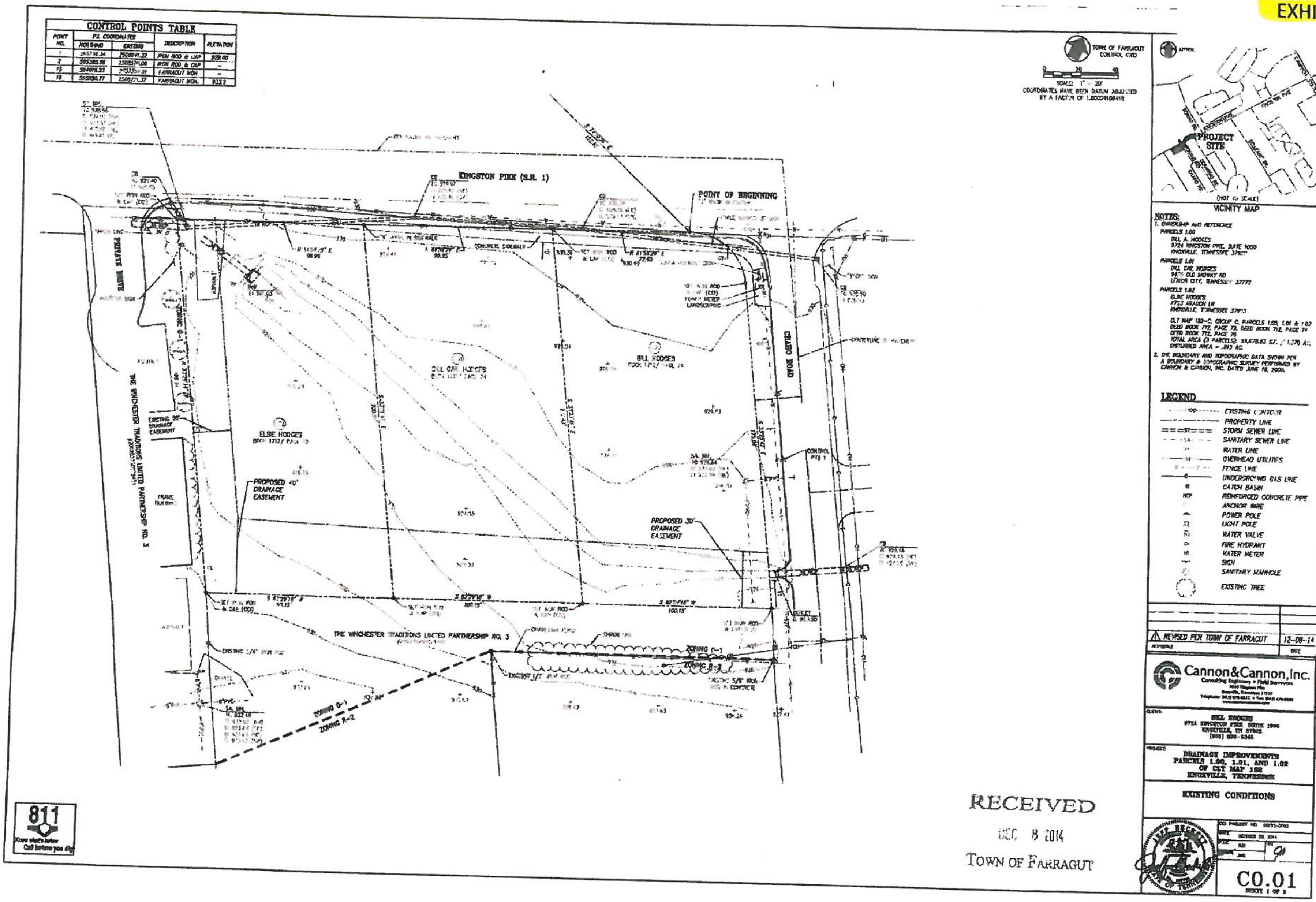
4. Without having an understanding of the nature and details of the development that will go on the property, if any, it is premature and unwise to make judgments about the most

appropriate access from Kingston Pike to the property considering the health, safety and welfare of the citizens and the other requirements of the Town's regulations.

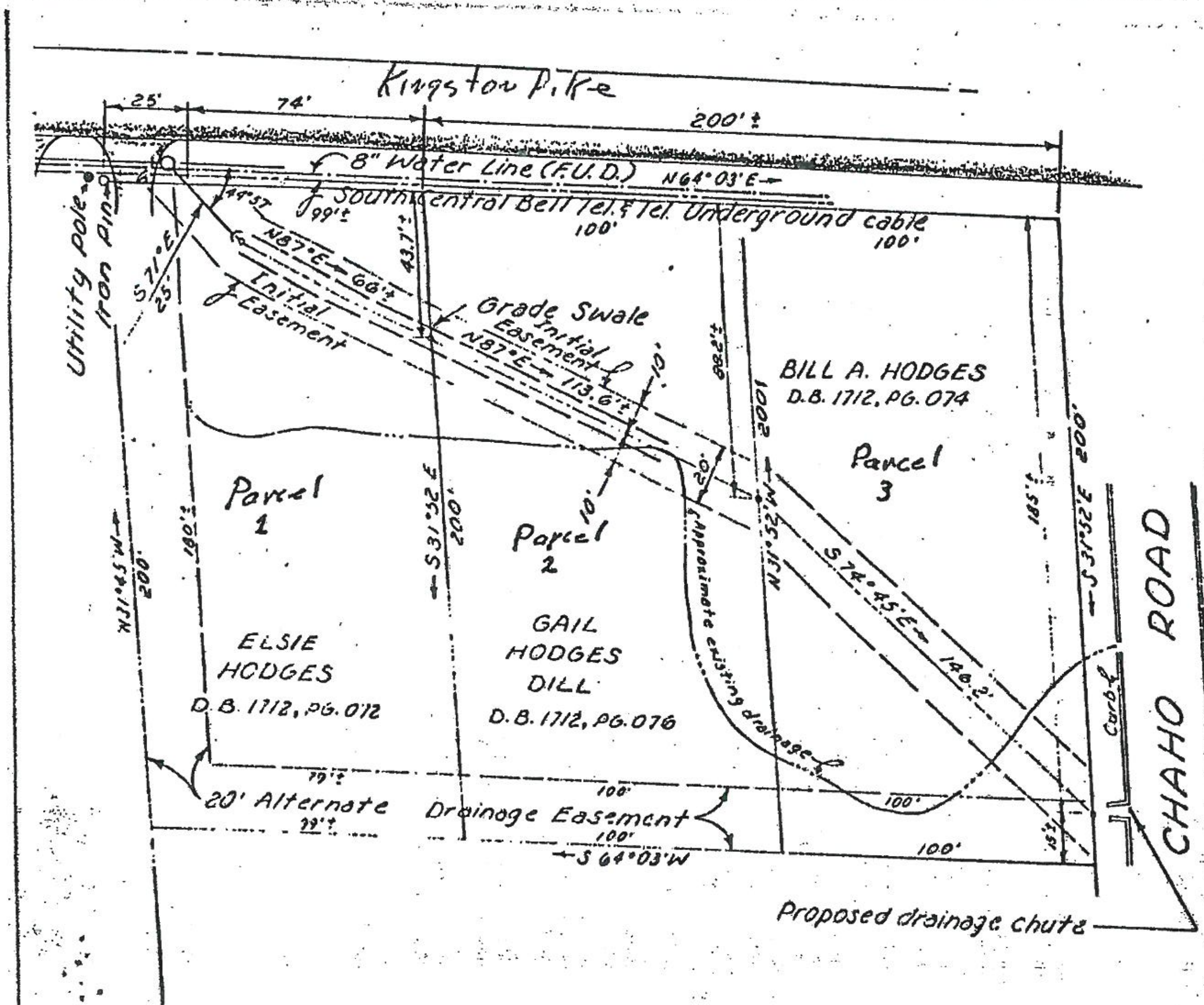
TMH

TMH/pcm
Enclosures
cc: David Smoak
Mark Shipley
Ashley Miller
Gary Palmer

EXHIBIT A



CONTROL POINTS TABLE
TOWN OF FARRAGUT CONTROL CRD
SCALE: 1" = 20'
COORDINATES HAVE BEEN DATUM ADJUSTED BY A FACTOR OF 1.00009108419
KINGSTON PIKE (S.R. 1)
POINT OF BEGINNING
CHABO ROAD
PRIVATE DRIVE
CONCRETE SIDEWALK
BILL HODGES
BILL CARL HODGES
ELSIE HODGES
PROPOSED 40' DRAINAGE EASEMENT
PROPOSED 30' DRAINAGE EASEMENT
EXISTING 20' DRAINAGE EASEMENT
THE WINCHESTER TRADITIONS LIMITED PARTNERSHIP NO. 3
ZONING O-1
ZONING R-2
PROJECT SITE
(NOT TO SCALE)
VICINITY MAP
NOTES:
1. OWNERSHIP AND REFERENCE
PARCELS 1.00
BILL A. HODGES
9724 KINGSTON PIKE, SUITE 1000
KNOXVILLE, TENNESSEE
PARCELS 1.01
BILL CARL HODGES
OLD MIDWAY RD
LENOIR CITY, TENNESSEE 37772
PARCELS 1.02
ELSIE HODGES
8723 ARAGON LN
KNOXVILLE, TENNESSEE
CLT MAP 152-C, GROUP C, PARCELS 1.00, 1.01 & 1.02
DEED BOOK 712, PAGE 72, DEED BOOK 712, PAGE 74
DEED BOOK 712, PAGE 76
TOTAL AREA (3 PARCELS): 59,678.83 S.F. / 1.370 AC.
DISTURBED AREA = .813 AC.
2. THE BOUNDARY AND TOPOGRAPHIC DATA SHOWN PER A BOUNDARY & TOPOGRAPHIC SURVEY PERFORMED BY CANNON & CANNON, INC. DATED JUNE 18, 2008.
LEGEND
EXISTING CONTOUR
PROPERTY LINE
STORM SEWER LINE
SANITARY SEWER LINE
WATER LINE
OVERHEAD UTILITIES
FENCE LINE
UNDERGROUND GAS LINE
CATCH BASIN
REINFORCED CONCRETE PIPE
ANCHOR WIRE
POWER POLE
LIGHT POLE
WATER VALVE
FIRE HYDRANT
WATER METER
SIGN
SANITARY MANHOLE
EXISTING TREE
REVISED PER TOWN OF FARRAGUT 12-08-14
Cannon&Cannon, Inc.
Consulting Engineers • Field Surveyors
BILL HODGES
9724 KINGSTON PIKE SUITE 1000
KNOXVILLE, TN 37922
DRAINAGE IMPROVEMENTS
PARCELS 1.00, 1.01, AND 1.02
OF CLT MAP 152
KNOXVILLE, TENNESSEE
EXISTING CONDITIONS
C0.01
811
Know what's below. Call before you dig.
RECEIVED
DEC 8 2014
TOWN OF FARRAGUT



PROPOSED DRAIN

IN AREA FROM CH

NOTE: Revised Oct. 1
permanent dr
and dimensio

BOOK 1771 PAGE 1005

EXHIBIT B

DISCUSSION AND PUBLIC HEARING ON A SITE PLAN FOR DRAINAGE MODIFICATIONS ASSOCIATED WITH PARCELS 1.00, 1.01 AND 1.02, TAX MAP 152-C, SOUTHWEST CORNER OF KINGSTON PIKE AND CHAHO ROAD, 1.37 ACRES (Bill Hodges, Applicant)

The staff recommended approval of the drainage modifications proposed on this site plan subject to the following comments being addressed:

1. Please coordinate the landscaping with the planning division. The modified drainageway will be required to be landscaped;
2. A plat will be needed once drainage and grading work approved by the Town is complete. This plat will provide for any modified easements and required right of way per the subdivision regulations;
3. As noted on the plan sheets, this is a site plan associated with drainage improvements. Consequently, please remove reference to a proposed driveway. Since the only known improvements proposed at this time relate to the relocated drainage, consideration of an access is premature. If the access, as proposed, is considered by the commission as part of this site plan, the staff recommends denial because it does not comply with the Town's Driveways and Other Accessways Ordinance. Again, consideration of such a site element is premature since improvements associated with a driveway, such as the building and parking lot placement, are not known at this time. Only the construction entrance access should be shown on these plans since it is required in association with the drainage improvements. The construction entrance access is correct in the location proposed;
4. Please coordinate with the Town Attorney on how this proposal should be addressed as it relates to the stipulations provided for in the existing drainage easement as recorded in Deed Book 1771/Page 994;
5. Additional silt fence will likely be required on south side of new drainage way until site is stabilized;
6. Please submit an irrevocable letter of credit for erosion control in the amount of $9400;
7. Please submit copy of NOC, as well as SWPPP. This comment was not generated from prior submittal, as staff misread that the intent is to regrade the entire properties, comprising more than one acre of disturbance; and
8. If grading work is to encroach onto TDOT ROW a permit from TDOT will be required.

Commissioner Honken moved to approve the site plan for drainage modifications subject to staff's recommendation as listed. Commissioner St. Clair seconded the motion and the motion passed 8-0.

EXHIBIT C

BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

265 BROOKVIEW CENTRE WAY
SUITE 600
KNOXVILLE, TENNESSEE 37919

PHONE: 865.549.7000
FAX: 865.525.8569

www.bakerdonelson.com

RECEIVED
DEC 29 2014
TOWN OF FARRAGUT

P. EDWARD PRATT
Direct Fax: (865) 633-7208
E-Mail Address:epratt@bakerdonelson.com

December 29, 2014

Ms. Alison Myers
Town Recorder/ Treasurer
Town of Farragut
11408 Municipal Center Drive
Farragut, Tennessee 37934

Via Hand Delivery

Re: Appeal from December 18, 2014 Farragut Municipal Planning Commission: Discussion and public hearing on a site plan for drainage modifications associated with Parcels 1.00, 1.01 and 1.02, Tax Map 152-C, located at the southwest corner of Kingston Pike and Chaho Road, 1.37 Acres (Bill Hodges, Applicant)

Dear Ms. Myers:

Pursuant to **Section 16-411. - Appeals**, of the Farragut, Tennessee Code of Ordinances, please accept this Notice of Appeal of Applicant Bill Hodges from the actions taken by the Farragut Municipal Planning Commission in denying the application for access permits on Kingston Pike and Chaho Road per the site plan review conducted by the Farragut Municipal Planning Commission on December 18, 2014. Per **Section 16-411**, this appeal of the adverse determinations on the application for access permits is to the Board of Mayor and Alderman. Please place this on the appropriate agenda before the Board of Mayor and Alderman and provide us with notice of any scheduled meeting.

Pursuant to **Section 16-408. - Variance**, of the Farragut, Tennessee Code of Ordinances, please take notice that the Applicant will be seeking variances of the permanent access distant requirements set forth in **Section 16-406** of the Farragut, Tennessee Code of Ordinances and all other applicable distance requirements. Please note that Parcels 1.00, 1.01 and 1.02, Tax Map 152-C, are each owned by different property owners with different access issues. A pending condemnation by the Town of Farragut has removed all access to the three separately owned parcels on Kingston Pike. But for the Town's grant of variances from **Section 16-406**, pursuant to the above-referenced authority, a hardship exists for Parcel 1.01 and 1.02 in that the distance restrictions under **Section 16-406** result in both separately owned parcels being completely landlocked; the only adjoining access is to Kingston Pike.

Parcel 1.00 contains frontage both on Kingston Pike and Chaho Road. **Section 16-407. - Access to two (2) or more roads, streets or highways**, expressly provides that where a parcel fronts on two streets, access may not be allowed to both streets but provides "that access to at least one (1) such road

K PEP 354232 v1
2815593-000004 12/29/2014

EXHIBIT D

shall always be permitted . . . ." As a result, for Parcel 1.00, the access off of Chaho Road is not within the driveway distance requirements of **Section 16-406**. Thus, a variance for access off of Chaho Road requires a variance from **Section 16-406** to effectuate the guaranteed one access for Parcel 1.00 per **Section 16-407**.

Please accept this Notice of Appeal and Application for Variances for purposes of the Board of Mayor and Alderman's determination of the Applicant's application for access permits to Kingston Pike and Chaho Road.

Should I be of further assistance, please contact me.

In the meantime, I am

Sincerely yours,

P. Edward Pratt

P. Edward Pratt

PEP:alh
cc: Thomas M. Hale, Esq.
David E. Fielder, Esq.
Mr. Bill Hodges
Mr. Jeff Beckett