



FARRAGUT BOARD OF MAYOR AND ALDERMEN MINUTES

April 28, 2016

**WORKSHOP
GRANT REQUEST
5:00 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**
 - A. Farragut Freedom Run Presentation
- IV. Citizens Forum**
- V. Approval of Minutes**
 - A. April 14, 2016
- VI. Ordinances**
 - A. Public Notice & Second Reading
 - 1. **Ordinance 16-07**, an Ordinance to rezone Parcel 117, Tax Map 142, located at the south intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Autumn Care II, LLC, Applicant)
 - 2. **Ordinance 16-08**, an Ordinance to amend Ordinance 15-08, FY2016 Budget, State Street Aid Fund
 - 3. **Ordinance 16-09**, an Ordinance to amend the text of the Municipal Code of the Town of Farragut, Tennessee, Ordinance 86-16, as

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WWW.TOWNOFFARRAGUT.ORG

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.

amended, by amending Title 19, Businesses, Peddlers, Solicitors, etc.,
Chapter 1, Peddlers, etc.

VII. Business Items

- A. Approval of Resolution R-2016-07, Town of Farragut Supplemental Retirement Custodial Bank Change
- B. Approval of Resolution R-2016-08, Town of Farragut Supplemental Retirement Plan Investment Policy Revision
- C. Approval of Reimbursement Request for Utility Relocation by First Utility District at Everett Road Improvements Project

VIII. Town Administrator's Report

IX. Town Attorney's Report

The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, April 28, 2016 at 7:00 p.m. Members present were Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent.

Approval of Agenda

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

Mayor's Report

Farragut Freedom Run Presentation

Fleet Feet is sponsoring a run that will take place before the 4th of July Parade beginning at 9:00 AM.

Approval of Minutes

Motion was made to approve the minutes of April 14, 2016 as presented. Moved by Alderman Povlin, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Ordinances

Public Notice & Second Reading

Ordinance 16-07, an Ordinance to rezone Parcel 117, Tax Map 142, located at the south intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Autumn Care II, LLC, Applicant)

Motion was made to approve Ordinance 16-07 on second and final reading. Moved by Alderman Pinchok, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Ordinance 16-08, an Ordinance to amend Ordinance 15-08, FY2016 Budget, State Street Aid Fund

Motion was made to approve Ordinance 16-08 on second and final reading. Moved by Alderman Markli, seconded by Alderman Povlin; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Ordinance 16-09, an Ordinance to amend the text of the Municipal Code of the Town of Farragut, Tennessee, Ordinance 86-16, as amended, by amending Title 19, Businesses, Peddlers, Solicitors, etc., Chapter 1, Peddlers, etc.

Motion was made to approve Ordinance 16-09 on second and final reading. Moved by Alderman Povlin, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Business Items

Approval of Resolution R-2016-07, Town of Farragut Supplemental Retirement Custodial Bank Change

Motion was made to approve Resolution R-2016-07. Moved by Alderman Markli, seconded by Alderman Povlin; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Approval of Resolution R-2016-08, Town of Farragut Supplemental Retirement Plan Investment Policy Revision

Motion was made to approve Resolution R-2016-08. Moved by Alderman Povlin, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Approval of Reimbursement Request for Utility Relocation by First Utility District at Everett Road Improvements Project

Motion was made to approve the Reimbursement Request in the amount of \$27,470.79 for Utility Relocation by First Utility District at Everett Road Improvements Project. Moved by Alderman Povlin, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen Markli, Pinchok and Povlin; Alderman LaMarche was absent; no nays; motion passed.

Town Administrator's Report

David Smoak, Town Administrator, announced the following events:

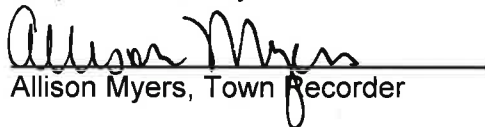
- Impact Fee public form, May 5 at 7:00 PM
- Knox County Sheriff's office grand opening on Parkside Drive, May 7

Mr. Smoak also made the board aware of two public works employees, Jeff Williams and Tommy McAmis, who went above and beyond to assist citizens.

Meeting adjourned at 7:35 PM



Ralph McGill, Mayor



Allison Myers, Town Recorder

FARRAGUT BOARD OF MAYOR AND ALDERMEN
AGENDA
April 28, 2016

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GRANT REQUEST
5:00 PM

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 - A. Public Notice & Second Reading
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- VII. Business Items**
 - A. Approval of Resolution R-2016-07, Town of Farragut Supplemental Retirement Custodial Bank Change
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 - C. Approval of Reimbursement Request for Utility Relocation by First Utility District at Everett Road Improvements Project

VIII. Town Administrator's Report

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FARRAGUT BEER BOARD

April 28, 2016

6:55 PM

I. Approval of Minutes

A. March 10, 2016

II. Business Items

A. Approval of a Class 2, On-Premise Other Beer Permit for:

- i. Kroger #686, 189 Brooklawn Street
- ii. Crossfit Farragut, 10863 Kingston Pike

B. Approval of a Class 5, Off-Premise Beer Permit for:

- i. The Fresh Market #21, 11535 Kingston Pike

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 BEER BOARD

March 10, 2016

Ron Pinchok, Vice-Chairman, called the beer board meeting to order at 6:55 PM. Elected officials present were Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin.

Approval of Minutes

Motion was made to approve the minutes of February 11, 2016 as presented. Moved by Alderman LaMarche, Seconded by Alderman Povlin; voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Business Items

Approval of a Special Occasion Beer Permit for the Remote Area Medical Cinco de Mayo Festival, April 29, 2016

Motion was made to approve the Special Occasion Beer Permit for the Remote Area Medical Cinco de Mayo Festival, April 29, 2016. Moved by Alderman Markli, Seconded by Alderman Povlin; voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Beer Board meeting adjourned at 7:00 PM.

Ron Pinchok, Chairman

Allison Myers, Town Recorder

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REPORT TO THE BEER BOARD

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of a Class 2, On-Premise, Other permit for Kroger, 189 Brooklawn Street

DISCUSSION:

The purpose of this agenda item is the approval of a Class 2, On-Premise, Other permit for Kroger, 189 Brooklawn Street. The Board of Mayor and Aldermen revised the beer permit ordinance in May 2014 to allow for additional classes of permits. The details of the Class 2 permit are below.

Class 2 on-premises permit, other.

Other establishments making application for a permit to sell beer for consumption on the premises, which do not qualify, or do not wish to apply for, a class 1 on-premises permit, but which otherwise meet all other regulations and restrictions in this chapter, shall apply for a class 2 on-premises permit. To qualify for a class 2 on-premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

- a. *On-premise permit holder must generate a minimum of ninety-five (95) percent of the gross revenues of the establishment from sales other than alcoholic beverages. Reporting procedures for establishments holding an on-premise permit are herewith established. Reporting forms shall be provided to establishments holding an on-premise permit and shall detail sales and alcoholic beverage sale percentages on an annual basis and shall be due on or before June 30. The permit holder will submit copies of all sales tax returns with appropriate documentation. These returns shall be subject to audit by the town. Reporting year shall be January 1 through December 31 of the previous year. The town recorder shall keep a record of such compliance and notify the beer board of an establishment which fails to meet the ninety-five (95) percent ratio.*

The application and information are in order.

RECOMMENDATION BY:

Allison Myers, Town Recorder, for approval.

PROPOSED MOTION:

To approve a Class 2, On-Premise, Other permit for Kroger, 189 Brooklawn Street, subject to obtaining a certificate of occupancy.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>POVLIN</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

APPLICATION FOR BEER PERMIT

STATE OF TENNESSEE

TOWN OF FARRAGUT

I hereby make application for a permit to sell, store, manufacture, or distribute Beer under the provisions of Tennessee Code Annotated Section 57-5-101 et seq. and base my application upon the answers to the following questions:

1. Reason for application: New Business ____ New Ownership ____ Name Change ____ Other X
2. Type of permit requested, please circle all that apply:

Class 1 On-Premise

Class 2 On-Premise, Other Growler Station and selling sample flights

Class 3 On-Premise, Hotel/Motel

Class 4 On-Premise, Tavern

Class 5 Off-Premise

Class 6, Special Occasion

3. Name of Applicant(s) (Owner(s) of Business) Mary Ann Stiles - Store Manager
Kroger Limited Partnership 1
2620 Elm Hill Pike
Nashville, TN 37214
4. Type of applicant (check one):
Person ____ Firm ____ Corporation ____ Joint-Stock Company ____ Syndicate ____ Other Limited Partnership
5. List all persons, firms, corporations, joint-stock companies, syndicates, or associations having at least a 5% ownership interest in the business:
n/a, no one owns more than 2%

6. Applicant's present home address:
10451 Stiles Rd., Kodak, TN 37764
7. Date of Birth 03/13/1970 Home Telephone Number _____
Business Telephone Number 865-671-7810 Social Security Number _____
8. Representative Email Address: kevin.schemm@dillonstores.com
9. Under what name will the business operate? Kroger #686
10. Business address 189 Brooklawn Street, Farragut, TN 37934
Business Telephone number 865-671-7910

11. Specify the identity, email and physical address of the person to receive annual privilege tax notices and any other communication from the Town:

Kroger-RASC-Tax Dept. P.O. Box 305103, Nashville, TN 37230-5103

Attn.: Angela Morgan

12. Information of any manager, other than the applicant:

Name: Mary Ann Stiles Birth Date: 03/13/1970

Address: 10451 Stiles Rd., Kodak, TN 37764

Phone Number: 865-671-7910

13. Has any person having at least a 5% ownership interest, any of the managers, or any other employee of the business, been convicted of any violation of the beer or alcoholic beverage laws or any crime within the last ten (10) years: ____ Yes X No. If yes, give particulars of each charge, court, and date convicted.

14. Have you or your organization ever had a Beer Permit revoked, suspended, or denied in the State of Tennessee? X If so, specify, where, when, and why:

15. Name and address of property owner, if other than the business owner: building is company owned ground lease: Moser-Biddle Corp., P.O. Box 22102, Knoxville, TN 37933

16. What is the name and address of the Church (or other place of worship) nearest to your business?

17. What is the name and address of the school nearest to your business?

18. Special Occasion Event Name: n/a

Location of the special occasion event: n/a

Event Date & Times: n/a

Representative name & phone number: n/a

Have you received a special event permit to hold the event in the Town of Farragut? n/a

19. Tennessee Sales Tax Number: 105374490

20. Town of Farragut Business License Number 2593 and beer privilege number is 0226

REPORT TO THE BEER BOARD

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of a Class 2, On-Premise, Other permit for Crossfit Farragut, 10863 Kingston Pike

DISCUSSION:

The purpose of this agenda item is the approval of a Class 2, On-Premise, Other permit for Crossfit Farragut, 10863 Kingston Pike. The Board of Mayor and Aldermen revised the beer permit ordinance in May 2014 to allow for additional classes of permits. The details of the Class 2 permit are below.

Class 2 on-premises permit, other.

Other establishments making application for a permit to sell beer for consumption on the premises, which do not qualify, or do not wish to apply for, a class 1 on-premises permit, but which otherwise meet all other regulations and restrictions in this chapter, shall apply for a class 2 on-premises permit. To qualify for a class 2 on-premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

- a. On-premise permit holder must generate a minimum of ninety-five (95) percent of the gross revenues of the establishment from sales other than alcoholic beverages. Reporting procedures for establishments holding an on-premise permit are herewith established. Reporting forms shall be provided to establishments holding an on-premise permit and shall detail sales and alcoholic beverage sale percentages on an annual basis and shall be due on or before June 30. The permit holder will submit copies of all sales tax returns with appropriate documentation. These returns shall be subject to audit by the town. Reporting year shall be January 1 through December 31 of the previous year. The town recorder shall keep a record of such compliance and notify the beer board of an establishment which fails to meet the ninety-five (95) percent ratio.*

The application and information are in order.

RECOMMENDATION BY:

Allison Myers, Town Recorder, for approval.

PROPOSED MOTION:

To approve a Class 2, On-Premise, Other permit for Crossfit Farragut, 10863 Kingston Pike, subject to obtaining a certificate of occupancy.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>POVLIN</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

CrossFit Farragut

upd #250

4/11/16

APPLICATION FOR BEER PERMIT

STATE OF TENNESSEE

TOWN OF FARRAGUT

I hereby make application for a permit to sell, store, manufacture, or distribute Beer under the provisions of Tennessee Code Annotated Section 57-5-101 et seq. and base my application upon the answers to the following questions:

- Reason for application: New Business ____ New Ownership ____ Name Change ____ Other X
- Type of permit requested, please circle all that apply:

Class 1 On-Premise

Class 2 On-Premise, Other

Class 3 On-Premise, Hotel/Motel

Class 4 On-Premise, Tavern

Class 5 Off-Premise

Class 6, Special Occasion

- Name of Applicant(s) (Owner(s) of Business) Mandy Lindwall, Shane Potat

- Type of applicant (check one):

Person ____ Firm ____ Corporation ____ Joint-Stock Company ____ Syndicate ____ Other LLC

- List all persons, firms, corporations, joint-stock companies, syndicates, or associations having at least a 5% ownership interest in the business:

Shane Potat

Mandy Lindwall

- Applicant's present home address:

524 Farragut Commons Drive

- Date of Birth 4-13-73 Home Telephone Number ?

Business Telephone Number 865-255-2293 Social Security Number ?

- Representative Email Address: X10fixx10@gmail.com

- Under what name will the business operate? CrossFit Farragut

- Business address 10863 Kingston PK 37934

Business Telephone number 865-255-2293

11. Specify the identity, email and physical address of the person to receive annual privilege tax notices and any other communication from the Town:

Shane Potcat 524 Farragut Commons Drive 37934
x10firex1@gmail.com

12. Information of any manager, other than the applicant:

Name: Lindsey Hindwell Birth Date: Sept 23 1983
Address: 1171 Looking Glass Ln 37917
Phone Number: 312-513-4011

13. Has any person having at least a 5% ownership interest, any of the managers, or any other employee of the business, been convicted of any violation of the beer or alcoholic beverage laws or any crime within the last ten (10) years: Yes ☒ No. If yes, give particulars of each charge, court, and date convicted.

14. Have you or your organization ever had a Beer Permit revoked, suspended, or denied in the State of Tennessee? NO If so, specify, where, when, and why:

15. Name and address of property owner, if other than the business owner:

Steve E Williams 505 Fox crossing Blvd 37923

16. What is the name and address of the Church (or other place of worship) nearest to your business?

Farragut Christian Church

17. What is the name and address of the school nearest to your business?

Farragut High and Middle School

18. Special Occasion Event Name: _____

Location of the special occasion event: _____

Event Date & Times: _____

Representative name & phone number: _____

Have you received a special event permit to hold the event in the Town of Farragut? _____

19. Tennessee Sales Tax Number: 46-5303822

20. Town of Farragut Business License Number 2632

AGENDA NUMBER 11.B.i.

MEETING DATE April 28, 2016

REPORT TO THE BEER BOARD

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of a Class 5, Off-Premise Beer Permit for The Fresh Market #21, 11535 Kingston Pike

DISCUSSION:

The purpose of this agenda item is the approval of a class 5, off-premise beer permit for The Fresh Market #21, 11535 Kingston Pike. The Fresh Market currently has a beer permit but due to a change of ownership they must obtain a new one.

The applications and information are in order.

RECOMMENDATION BY:

Allison Myers, Town Recorder, for approval.

PROPOSED MOTION:

To approve a Class 5, Off-Premise Beer Permit for The Fresh Market #21, 11535 Kingston Pike.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>POVLIN</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

BEER PERMIT APPLICATION

TOWN OF FARRAGUT, TENNESSEE

APPLICANT

Name of Business: The Fresh Market, Inc. d/b/a The Fresh Market #21

Address: 11535 Kingston Pike

City/State/Zip: Farragut, TN 37934

Phone No.: 865-671-3377

NAME OF MANAGER, OPERATOR AND/OR FRANCHISE OWNER

Name: Roger L. Cassell

Home Address: P.O. Box 1033

City/State/Zip: Talbot, TN 37877

Phone No.: _____

Social Security No.: _____ Date of Birth: _____

Name of owner of the business premises: White Realty & Service Corporation

Beer Permit desired: Off Premise X On/Off Premise _____

Has applicant ever had a beer permit or beer license revoked in any city or county?

Yes _____ No X

If answer to preceding question is "yes," state time and place of revocation.

n/a

Has applicant been convicted of any crime within the past ten years? Yes _____ No X

X Applicant has obtained or will obtain a state certificate of registration and has complied or will fully comply with state and federal laws requiring the payment of special fees and taxes (consult TCA '57-202).

Yes X No _____

X Applicant has appraised or will appraise himself of all federal, state and local laws relating to the control and regulation of beer and will abide by those laws.

Yes X No _____

Beer Permit Application

Page 2

- X Applicant recognizes and agrees that the Farragut Beer Board may revoke or suspend his permit or place him on probation for a designated period of time if in the operation of his business he commits or is responsible for any violation of law. Yes X No
- X Applicant warrants that no owner or distributor of vending machines, pinball machines, jukeboxes and other amusement machines or devices, other than the applicant himself, has any interest, financial or otherwise, in the premises or in the business of the applicant. Yes X No
- X Applicant warrants that, at the time of the making of this application, he/she has no indebtedness or other financial obligation to any brewer, distiller or manufacturer of beer, and will not during the period this beer permit shall be in force, contract any financial obligation to any brewer, distiller or manufacturer of beer other than the purchase of such beer. Yes X No

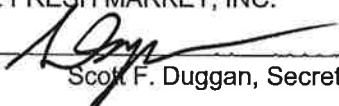
ALL OF THE ABOVE STATEMENTS ARE TRUE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

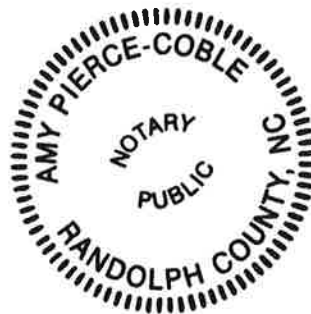
Name (Print): The Fresh Market, Inc.

Address: 628 Green Valley Road, Suite 500

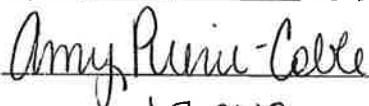
City/State/Zip: Greensboro, NC 27408

THE FRESH MARKET, INC.

Signature: By: 
Scott F. Duggan, Secretary



Subscribed and sworn to before me, this 11 day of April, 20 16.

Notary Public 

My Commission Expires: 1-7-2018

Application approved this _____ day of _____, 20 _____.

Chairman, Farragut Beer Board

02/06/06

FARRAGUT BOARD OF MAYOR AND ALDERMEN MINUTES

April 14, 2016

**WORKSHOP
Equipment Fund Budget
6:30 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 24, 2016
- VI. Ordinances**
 - A. First Reading
 - 1. **Ordinance 16-07**, an Ordinance to rezone Parcel 117, Tax Map 142, located at the south intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Autumn Care II, LLC, Applicant)
 - 2. **Ordinance 16-08**, an Ordinance to amend Ordinance 15-08, FY2016 Budget, State Street Aid Fund
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- VII. Business Items**
 - A. Approval of Resolution 16-05 in support of a 2016 Local Parks and Recreation Fund Grant in support of renovations and new construction at MBLP
 - B. Approval of Bids for Contract 2016-05, Street Resurfacing
- VIII. Town Administrator's Report**
- IX. Town Attorney's Report**

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The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, April 14, 2016 at 7:00 p.m. Members present were Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent.

Approval of Agenda

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

Approval of Minutes

Motion was made to approve the minutes, as amended, for the March 24, 2016. Moved by Alderman Markli, seconded by Alderman Pinchok; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Ordinances

First Reading

Ordinance 16-07, an Ordinance to rezone Parcel 117, Tax Map 142, located at the south intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Autumn Care II, LLC, Applicant)

Motion was made to approve Ordinance 16-07 on first reading with the condition that the structure is a main level and a lower level. Moved by Alderman Povlin, seconded by Alderman Markli; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Ordinance 16-08, an Ordinance to amend Ordinance 15-08, FY2016 Budget, State Street Aid Fund

Motion was made to approve Ordinance 16-08 on first reading. Moved by Alderman Markli, seconded by Alderman Povlin; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Ordinance 16-09, an Ordinance to amend the text of the Municipal Code of the Town of Farragut, Tennessee, Ordinance 86-16, as amended, by amending Title 19, Businesses, Peddlers, Solicitors, etc., Chapter 1, Peddlers, etc.

Motion was made to approve Ordinance 16-09 on first reading. Moved by Alderman Pinchok, seconded by Alderman Povlin; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Business Items

Approval of Resolution R-16-05 in support of a 2016 Local Parks and Recreation Fund Grant in support of renovations and new construction at MBLP

Motion was made to approve Resolution R-2016-05 supporting the Local Parks and Recreation (LPRF) Fund Grant Application. Moved by Alderman Pinchok, seconded by Alderman Markli; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Approval of Bids for Contract 2016-05, Street Resurfacing

Motion was made to approve bids and award Contract 2016-05 to APAC-Atlantic, Inc. for their low bid of \$466,476.25. Moved by Alderman Markli, seconded by Alderman Povlin; voting yes, Aldermen LaMarche, Markli, Pinchok and Povlin; Mayor McGill was absent; no nays; motion passed.

Town Administrator's Report

David Smoak, Town Administrator, announced the following activities:

- Book Fest had over 1,000 attendees
- April 22 is the Farragut/West Knox Chamber Auction
- April 24 is Art in the Park at Founders Park
- April 24 is a children's play presented by the Farragut Folklife Museum

Meeting adjourned at 7:40 PM

Mary Dorothy LaMarche, Vice-Mayor

Allison Myers, Town Recorder

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Mark Shipley, Community Development Director

SUBJECT: Ordinance 16-07, an ordinance to rezone Parcel 117, Tax Map 142, located at the south intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Autumn Care II, LLC, Applicant)

INTRODUCTION AND DISCUSSION: This item has been discussed at a number of Planning Commission meetings that date back to May 21, 2015. The property in question is currently zoned General Single-Family Residential (R-2). Though not necessarily relevant to this request, the applicant would like to construct an assisted living facility on this property.

In order to do so the applicant requested an amendment to both the future land use map and the zoning map. After a number of workshop sessions, at their meeting on March 17, 2016, the Planning Commission voted unanimously to change the future land use map in the Comprehensive Land Use Plan (CLUP) from Very Low Density Residential to Civic Institutional. This section of N. Campbell Station Road has a number of institutional uses (school, church, library, and park) and the Civic Institutional land use designation was deemed consistent with this existing plan of development.

Related to this action, and also after a number of workshop sessions, the Planning Commission, at their meeting on March 17, 2016, recommended unanimously to approve Ordinance 16-07 to rezone the property referenced as Parcel 117, Tax Map 142 from R-2 to S-1. As described in the Town's adopted CLUP, the zoning district most similar to a Civic Institutional land use is the S-1 District.

RECOMMENDATION: Regardless of what the applicant wishes to do with the subject property, the S-1 Zoning District, from the staffs' perspective, is consistent with many of the uses that exist along this section of N. Campbell Station Road. The new provisions in the S-1 Zoning District also provide for an opportunity for enhanced context appropriate transitions from existing residential development to a Major Arterial road, such as N. Campbell Station Road.

As noted above, at their meeting on March 17, 2016, the Planning Commission recommended unanimously to approve Ordinance 16-07. When this ordinance was considered on first reading by the Board of Mayor and Aldermen it was approved with a condition being added to restrict the height of any building that would be constructed on the property to no more than one story with the exception of the portion of such building where a partial basement may be constructed below the main level to account for the topographic condition inherent in the property.

In an effort to apply some physical dimension to this condition, the staff consulted with the architect for the developer that is interested in constructing an assisted living facility on this property and the Town Attorney to include, as Section 2. in Ordinance 16-07, the following language:

"The rezoning of the property is conditioned by the Board of Mayor and Aldermen of the Town of Farragut upon a restrictive covenant acceptable to the Town Attorney being prepared and recorded in the Office of the Register of Deeds for Knox County, Tennessee, that would run with the land, the

provisions of which limit the height of any building constructed by the owner or any future owner of the Property on Parcel 117, Tax Map 142, to no greater than twenty-five (25) feet, as measured from the front yard grade or elevation to the average height of the highest roof surface of such building.”

In Chapter 2 of the Farragut Zoning Ordinance, the term “Building height of” is defined as the vertical distance from grade plane to the average height of the highest roof surface. Related to this term, in Chapter 4, Section XI., - Height., of the Farragut Zoning Ordinance, it is noted that in measuring heights, the front yard grade or elevation shall be used as the base to determine the height of any building.

The language provided for in Section 2 of Ordinance 16-07 is consistent with these two sections of the Town’s zoning ordinance. Included in your packet is a revised version of Ordinance 16-07. Since the condition imposed by the Board of Mayor and Aldermen would be more (rather than less) restrictive than the ordinance language recommended by the Planning Commission, the staff and the Town Attorney agreed that this would not need to go back to the Planning Commission for further consideration.

PROPOSED MOTION: To approve the amended Ordinance 16-07 on second reading.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE:	16-07
PREPARED BY:	Shipley
REQUESTED BY:	Autumn Care II, LLC
CERTIFIED BY FMPC:	March 17, 2016
PUBLIC HEARING:	_____
PUBLISHED IN:	_____
DATE:	_____
1ST READING:	_____
2ND READING:	_____
PUBLISHED IN:	_____
DATE:	_____

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO SECTION 13-4-201, TENNESSEE CODE ANNOTATED.

BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Zoning Ordinance, Ordinance 86-16, as amended, is ~~hereby~~ amended as follows:

SECTION 1.

The Farragut Zoning Ordinance, Ordinance 86-16, as amended, is ~~hereby~~ amended by rezoning Parcel 117, Tax Map 142, located at the intersection of N. Campbell Station Road and Herron Road, approximately 4.68 Acres, from R-2 (General Single-Family Residential) to S-1 (Community Service) (Exhibits A and B) (the "Property") conditioned upon the requirements of Section 2.

SECTION 2.

~~As a condition of approval of this ordinance, The rezoning of the property is conditioned by the Board of Mayor and Aldermen of the Town of Farragut have further stipulated that upon a restrictive covenant acceptable to the Town Attorney being prepared and recorded in the Office of the Register of Deeds for Knox County, Tennessee, that would run with the land, the provisions of and that which would restrict limit~~ the height of any building ~~to be~~ constructed by the owner or any future owner of the Property on Parcel 117, Tax Map 142, to no greater than twenty-five (25) feet, as measured from the front yard grade or elevation to the average height of the highest roof surface of such building.

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 _____, 2016,
with approval recommended.

Rita Holladay, Chairman

Edwin K. Whiting, Secretary

FARRAGUT MUNICIPAL PLANNING COMMISSION



LIVE CLOSER • GO FURTHER
farragut

**Ordinance 16-07
Exhibit A**

Rezone
Parcel 117, Tax Map 142

From
General Single Family
Residential (R-2)
to
Community Service (S-1)

- Streets
- ▭ Parcels
- ▭ OS-P, Open Space/Park
- ▭ S-1, Community Service
- ▭ R-1, Rural Single-Family Residential
- ▭ R-2, General Single-Family Residential
- ▭ OSMR, Open Space Mixed Residential Overlay
- ▭ O-1, Office
- ▭ O-1-3, Office, Three Stories
- ▭ C-1, General Commercial



1 in = 400 ft

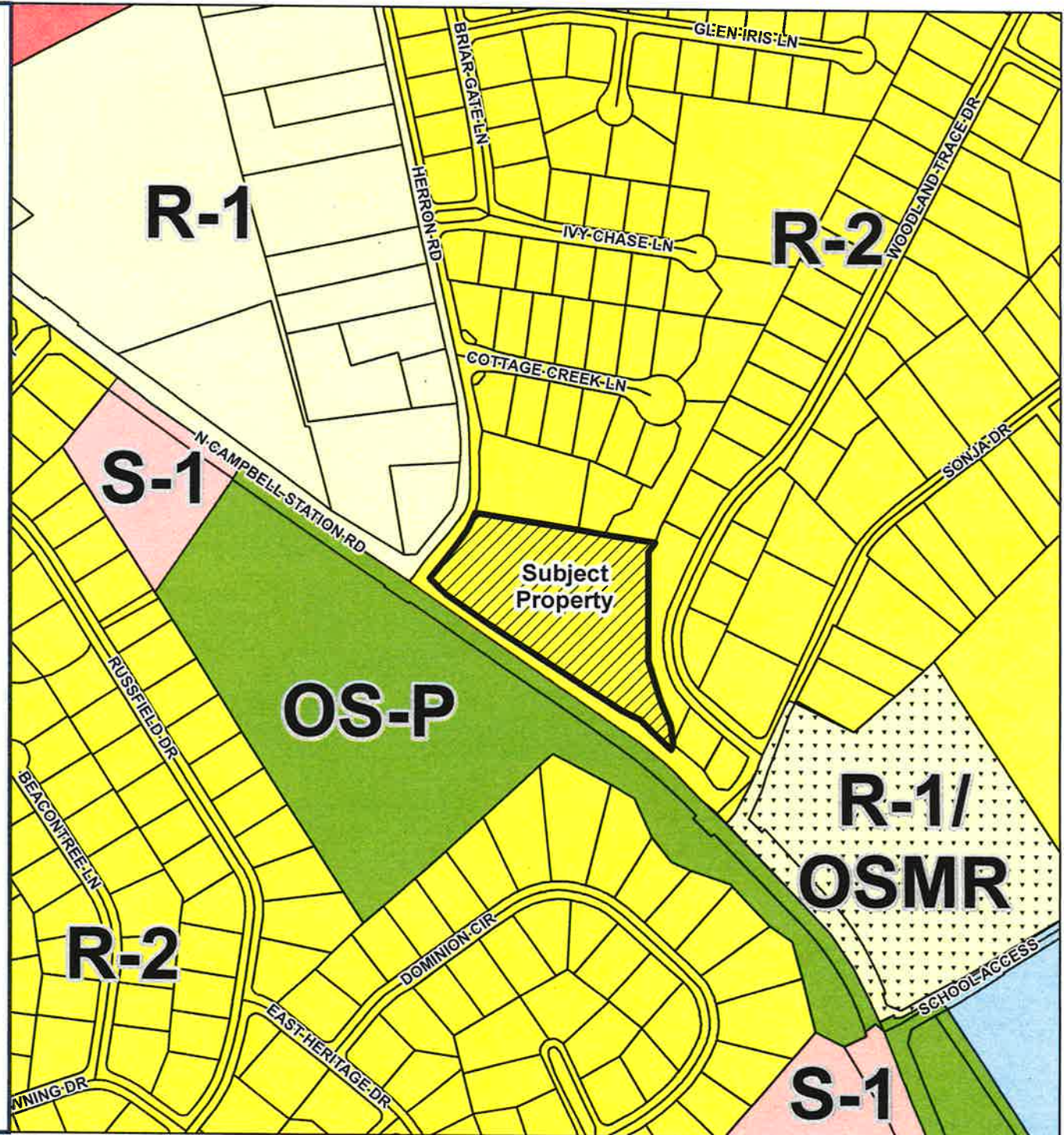
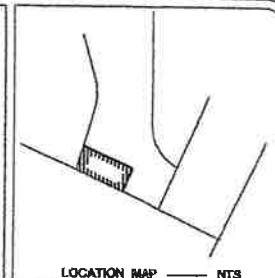
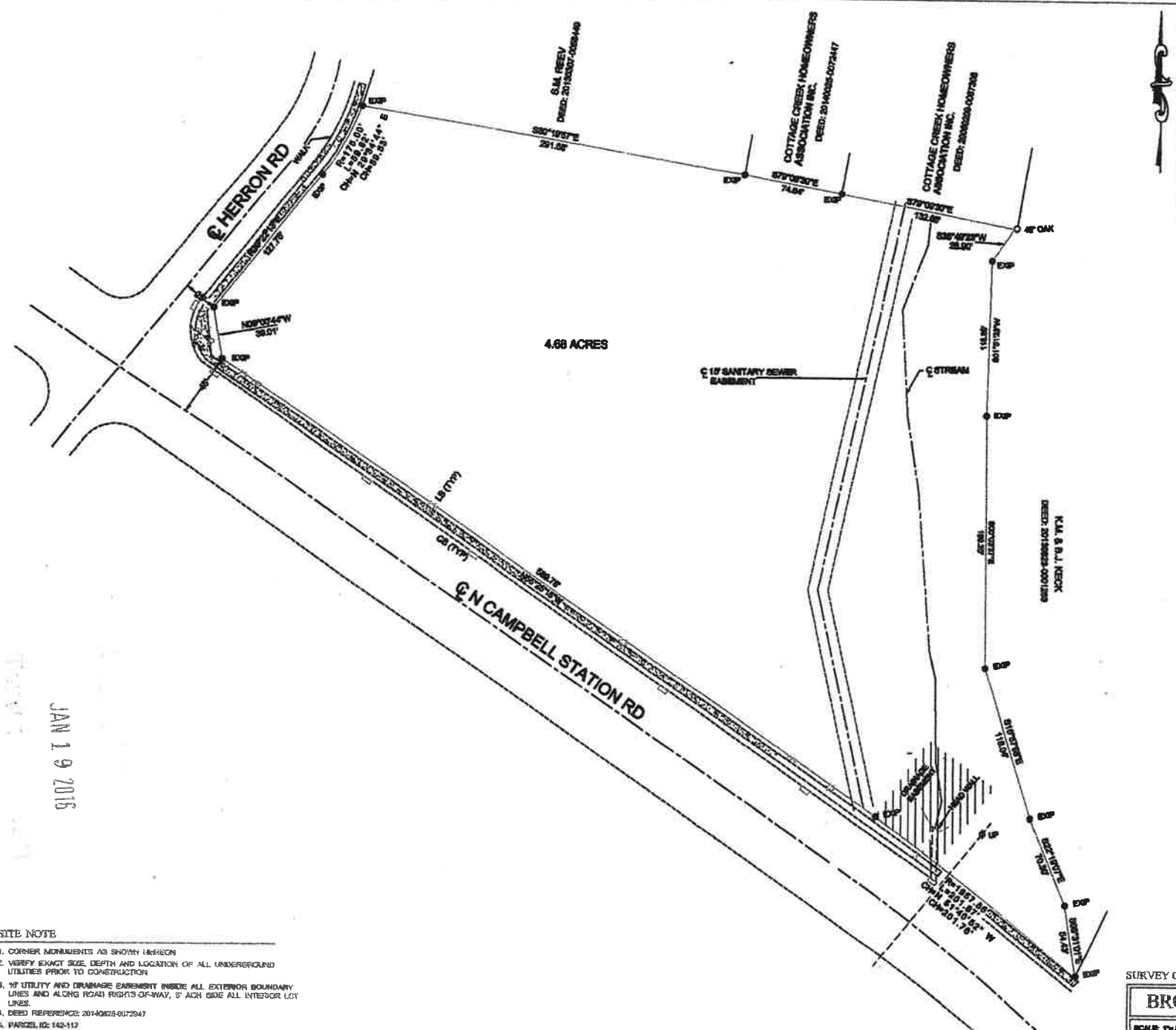


Exhibit B



- LEGEND**
- (R) IRON ROD (NEW)
 - (R) IRON ROD (OLD)
 - UP UTILITY POLE
 - CB CATCH BASIN
 - ☆ LS LIGHT STANDARD

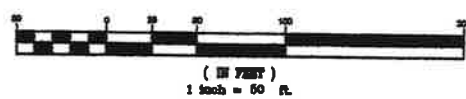


4.68 ACRES

JAN 19 2015

SITE NOTE

1. CORNER MONUMENTS AS SHOWN HEREON
2. VERIFY EXACT SIZE, DEPTH AND LOCATION OF ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION
3. 15' UTILITY AND DRAINAGE EASEMENT INSIDE ALL EXTERIOR BOUNDARY LINES AND ALONG ROAD RIGHTS-OF-WAY, 5' EACH SIDE ALL INTERIOR LOT LINES.
4. DEED REFERENCE: 20140823-0072847
5. PARCEL ID: 142-117
6. PROPERTY SUBJECT TO ALL APPLICABLE EASEMENTS, DETACHMENTS AND RESTRICTIONS OF RECORD.
7. BEARINGS SHOWN HEREON ARE MAGNETIC AND NOT RELATED TO USNG DATUM.
8. TOTAL LOTS: 1
9. TOTAL AREA: 4.68 ACRES



**LeMAY AND ASSOCIATES
CONSULTING ENGINEERS**

10816 KINGSTON PIKE
KNOXVILLE, TENNESSEE 37934
PH: (865) 671-0183
FAX: (865) 671-0213

CURRENT OWNER
STEPHEN L. & MELODIE BROWN
PO BOX 847
CULLOWHEE, NC 28723

SURVEY OF:

BROWN PROPERTY

SCALE: 1"=50'	APPROVED BY: MEL
DATE: 01-19-2015	
DISTRICT 6 • TOWN OF KARRAGUT KNOX COUNTY • TENNESSEE	
TAX MAP #12, PARCEL 117	DRAWING NO.: 55-13
SHEET 1 OF 1	

RESOLUTION PC-16-06

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO APPROVE AN AMENDMENT TO THE FARRAGUT ZONING MAP, ORDINANCE 86-16, TO RECOMMEND THE APPROVAL OF THE REZONING OF PARCEL 117, TAX MAP 142, LOCATED AT THE INTERSECTION OF N. CAMPBELL STATION ROAD AND HERRON ROAD, APPROXIMATELY 4.68 ACRES, FROM R-2 (GENERAL SINGLE-FAMILY RESIDENTIAL) TO S-1 (COMMUNITY SERVICE)

WHEREAS, the Tennessee Code Annotated, Section 13-4-201et seq, provides that the Municipal Planning Commission shall make and adopt a general plan for the physical development of the municipality; and

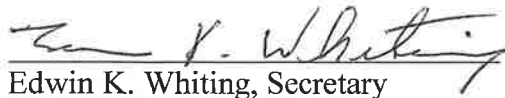
WHEREAS, the Farragut Municipal Planning Commission has adopted various elements of a zoning plan as an element of the general plan for physical development; and

WHEREAS, a public hearing was held on this request on March 17, 2016;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval to the Farragut Board of Mayor and Aldermen of an ordinance, amending Ordinance 86-16, of the Farragut Zoning Ordinance, by adding Ordinance 16-07.

ADOPTED this 17th day of March, 2016.


Rita Holladay, Chairman


Edwin K. Whiting, Secretary



Future Land Use Map

-  Subject Property
-  Parcels
-  Civic/Institutional
-  Office/Light industrial
-  LU Industrial
-  Commercial
-  Regional Commercial
-  Open Space
-  Parks and Rec
-  Open Space Cluster Residential
-  Rural Residential (> 1 Acre lots)
-  Very Low Density Residential (2-4 DUs / Acre)
-  Low Density Residential (3-6 DUs / Acre)
-  Med Density Residential (6-12 DUs / Acre)
-  Mixed Use Neighborhood (6-10 DUs / Acre)
-  Mixed Use Town Center (8-15 DUs / Acre)



1 in = 400 ft



REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder/Treasurer

SUBJECT: Ordinance 16-08, an Ordinance to amend Ordinance 15-08, FY2016 Budget, State Street Aid Fund

INTRODUCTION:

The purpose of this agenda item is to amend the Fiscal Year 2016 State Street Aid Fund Budget.

DISCUSSION:

The State Street Aid Fund will be amended by increasing the appropriated expenditures from \$688,000 to \$1,146,000 an increase of \$458,000.

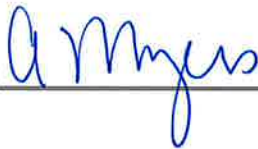
- **Resurfacing Program**

- For the past three years, in hopes of receiving better bids, the resurfacing contract has provided for a more flexible and longer construction season. Due to this change, the resurfacing of the Town's streets typically spans multiple fiscal years. The resurfacing balance for FY2015 was \$458,000. The invoice for the FY2015 resurfacing was received in the current fiscal year. Since the invoice was paid in the current fiscal year \$458,000 will be transferred from FY2015 to FY2016.

FINANCIAL SECTION:

Account Number: State Street Aid Budget

<u>Original FY2016 Budget</u>	<u>Requested Amendment</u>	<u>FY2016 Amended Budget</u>
\$688,000	\$458,000	\$1,146,000

Approved By: 

RECOMMENDATION BY: Allison Myers, Town Recorder/Treasurer, for approval.

PROPOSED MOTION: Motion to approve Ordinance 16-08 on second reading.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>LAMARCHE</u>	<u>MARKLI</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	16-08
PREPARED BY	Myers
1 ST READING	April 14, 2016
2 nd READING	April 28, 2016
PUBLISHED IN	Shopper News Farragut
DATE	

**AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE
AMENDING THE FISCAL YEAR 2015-2016 BUDGET, PASSED BY ORDINANCE 15-08**

WHEREAS, the Town of Farragut adopted the fiscal year 2015-16 budget by passage of Ordinance Number 15-08 on June 11, 2015; and

WHEREAS, pursuant to the Tennessee State Constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, expenses for the General Fund and Insurance Fund will be greater than budgeted; and

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF FARRAGUT, TENNESSEE THAT CHANGES BE MADE TO THE FISCAL YEAR 2015-2016 BUDGET AS FOLLOWS:

SECTION 1. Ordinance 15-08 is hereby amended by:

- Increasing the appropriated expenditures in the State Street Aid by \$458,000. Expenditures for the State Street Aid will total \$1,146,000.
 - Resurfacing Contract from FY2015

SECTION 2. The Board of Mayor and Aldermen authorizes the Town Recorder to make said changes in the accounting system.

SECTION 3. This ordinance shall take effect after its final passage and publication, the public welfare requiring it.

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder/Treasurer

SUBJECT: Ordinance 16-09, an Ordinance to amend the text of the Municipal Code of the Town of Farragut, Tennessee, Ordinance 86-16, as amended, by amending Title 19, Businesses, Peddlers, Solicitors, etc., Chapter 1, Peddlers, etc.

INTRODUCTION:

The purpose of this agenda item is to amend the text of the Businesses, Peddlers, Solicitors chapter in the Municipal Code. This section of the code has not been amended since 1985.

DISCUSSION:

The Town has very few request for solicitation permits. The most significant change to the proposed ordinance is the requirement to obtain a Knox County permit as well. Typically when someone questions the validity of a permit holder they call Knox County Sheriff's office. This new requirement will help with the continuity between the agencies.

Some of the changes are as follows:

- Expanded definitions section
- Applicants must obtain a solicitation permit from Knox County as well.
- The fee will be established in the Fee Schedule
- Added hours that one can solicit, Monday-Saturday 9:00 AM – 7:00 PM (8:00 PM during daylight savings)
- Prohibits the selling of goods or services or solicit in vehicular traffic lanes, or operate a "road block" of any kind.

Attached is a current copy of the code as well as the proposed ordinance with the changes highlighted.

RECOMMENDATION BY: Allison Myers, Town Recorder/Treasurer, for approval.

PROPOSED MOTION: Motion to approve Ordinance 16-09 on second reading.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE: 16-09
PREPARED BY: Myers
REQUESTED BY: Staff
PUBLIC HEARING: April 28, 2016
PUBLISHED IN: Shopper News Farragut
DATE: April 14, 2016
1ST READING: April 14, 2016
2ND READING: April 28, 2016
PUBLISHED IN: Shopper News Farragut
DATE:

AN ORDINANCE TO AMEND THE TEXT OF THE MUNICIPAL CODE OF THE TOWN OF FARRAGUT, TENNESSEE, ORDINANCE 86-16, AS AMENDED, BY AMENDING TITLE 19, BUSINESSES, PEDDLERS, SOLICITORS, ETC., CHAPTER 1, PEDDLERS, ETC.

BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Municipal Code, Ordinance 86-16, as amended, is hereby amended as follows:

SECTION 1.

Title 19, Chapter 1, Peddlers, is deleted in its entirety and substituted in lieu thereof the following:

Sec. 9-101. - Definitions.

Unless otherwise expressly stated, whenever used in this chapter, the following words shall have the meaning given to them in this section.

(a) *Peddler* means any person, firm or corporation, either a resident or a nonresident of the town, who has no permanent regular place of business and who goes from dwelling to dwelling, business to business, place to place, or from street to street, carrying or transporting goods, wares or merchandise and offering or exposing the same for sale.

(b) *Solicitor* means any person, firm or corporation who goes from dwelling to dwelling, business to business, place to place, or from street to street, taking or attempting to take orders for any goods, wares or merchandise, or personal property of any nature whatever for future delivery, except that the term shall not include solicitors for charitable and religious purposes and solicitors for subscriptions as those terms are defined below. Town businesses that have an established, physical location in the town are exempt from the permit fees required by this chapter.

(c) *Solicitor for charitable or religious purposes* means any person, firm, corporation or organization who or which solicits contributions from the public from door to door, business to

business or place to place, for any charitable or religious organization, and who does not sell or offer to sell any single item at a cost to the purchaser in excess of ten dollars. No organization shall qualify as a "charitable" or "religious" organization unless the organization meets one of the following conditions:

- (1) Has a current exemption certificate from the Internal Revenue Service issued under Section 501(c)(3) of the Internal Revenue Service Code of 1954, as amended;
- (2) Is a member of United Way, or similar "umbrella" organization for charitable or religious organizations.

(d) *Solicitor for subscriptions* means any person who solicits subscriptions from the public, either from door to door, business to business or place to place and who offers for sale, subscriptions to magazines or other materials protected by provisions of the Constitution of the United States.

(e) *Transient vendor* means any person who brings into temporary premises and exhibits stocks of merchandise to the public for the purpose of selling or offering to sell the merchandise to the public. Transient vendor does not include any person selling goods by sample, brochure, or sales catalog for future delivery; or to sales resulting from the prior invitation to the seller by the owner or occupant of a residence. For purposes of this definition, "merchandise" means any consumer item that is or is represented to be new or not previously owned by a consumer, and "temporary premises" means any public or quasi-public place including a hotel, rooming house, storeroom, building or part of a building, which is temporarily occupied for the purpose of exhibiting stocks of merchandise to the public. Premises are not temporary if the same person has conducted business at those premises for more than six consecutive months or has occupied the premises as his or her permanent residence for more than six consecutive months.

(f) *Permanent place of business* shall mean a physical location, open to the public at regular business hours for the purpose of conducting trade.

(g) *News Agent* shall refer to any agent or employee of any newspaper distributed in the town who is engaged in the delivery of newspapers or the solicitation of subscriptions thereof.

Sec. 9-102. - Exemptions.

The terms of this chapter shall neither apply to persons selling at wholesale to dealers, nor to news agents, nor to bona fide merchants who merely deliver goods in the regular course of business.

Sec. 9-103. - Permit required.

No person, firm or corporation shall operate a business as a peddler, transient vendor, solicitor and no solicitor for charitable or religious purposes or solicitor for subscriptions shall solicit within the town except in accordance with the provisions of this chapter.

Sec. 9-104. - Permit procedure.

- (a) Obtain a solicitation permit from Knox County prior to applying with the Town of Farragut.
- (b) *Application form.* A sworn application containing the following information shall be completed and filed with the town recorder by each applicant for a permit as a peddler, transient

vendor, solicitor, or street barker and by each applicant for a permit as a solicitor for charitable or religious purposes or as a solicitor for subscriptions:

- (1) The complete name and permanent address of the business or organization the applicant represents.
- (2) A brief description of the type of business and the goods to be sold.
- (3) The dates for which the applicant intends to do business or make solicitations.
- (4) The name, permanent address and date of birth of the person who will make sales or solicitations within the town.
- (5) The names of at least two (2) reputable local property owners who will certify as to the applicant's good moral reputation and business responsibility or in lieu of the names of references, such other available evidence as will enable an investigator to properly evaluate the applicant's moral reputation and business responsibility. This shall not apply, however, to nonprofit organizations.
- (6) The last three (3) cities or towns, if that many, where applicant carried on business immediately preceding the date of application and, in the case of transient merchants, the addresses from which such business was conducted in those municipalities. This shall not apply, however, to nonprofit organizations.
- (7) The make, model, complete description, and license tag number and state of issue, of each vehicle to be used to make sales or solicitations, whether or not such vehicle is owned individually by the person making sales or solicitations, by the business or organization itself, or rented or borrowed from another business or person.
- (8) A recent clear photograph approximately two (2) inches square showing the head and shoulders of the applicant. This shall not apply, however, to nonprofit organizations.
- (9) Tennessee State sales tax number, if applicable.

(c) *Permit fee.* Each applicant for a permit as a peddler, transient vendor or solicitor shall submit with the application a non-refundable fee as stated in the Town of Farragut fee schedule. There shall be no fee for an application for a permit as a solicitor for charitable purposes.

(d) *Permit issued.* Upon the completion of the application form and the payment of the permit fee, where required, the town recorder shall review, deny or issue a permit and, provide to the applicant the reason for denial, or a copy of the permit, as the case may be, within seven (7) days.

Sec. 9-105. - Restrictions on peddlers and solicitors.

No peddler, solicitor, solicitor for charitable purposes, or solicitor for subscriptions shall:

- (1) Be permitted to set up and operate a booth or stand on any street or sidewalk, or in any other property or public area within the town.
- (2) Stand or sit in or near the entrance to any dwelling or place of business, or in any other place which may disrupt or impede pedestrian or vehicular traffic.

- (3) Offer to sell goods or services or solicit in vehicular traffic lanes, or operate a "road block" of any kind.
- (4) Call attention to his business or merchandise or to his solicitation efforts by crying out, by blowing a horn, by ringing a bell, or creating other noise.
- (5) Enter, or attempt to enter, into or upon any premises wherein a sign or placard bearing the notice "Peddlers or Solicitors Prohibited," or similar language carrying the same meaning, is located.

Sec. 9-106. - Restrictions on transient vendors.

A transient vendor shall not advertise, represent, or hold forth a sale of goods, wares or merchandise as a sale by an insurance company, bankrupt, insolvent, assignee, trustee, estate, executor, administrator, receiver manufacturer at wholesale, or as the result of a canceled order, or at sale, or closing-out sale, or a sale of any goods damaged by smoke, fire, water or otherwise, unless such advertisement, representation or holding forth is actually of the character it is advertised, represented or held forth.

Sec. 9-107. - Display of permit.

Each peddler, solicitor, solicitor for charitable purposes or solicitor for subscriptions is required to have in his possession a valid permit while making sales or solicitations, and shall be required to display the same to any Knox County Sheriff's officer upon demand.

Sec. 9-108. - Suspension or revocation of permit.

(a) *Suspension by the Town Administrator.* The permit issued to any person or organization under this chapter may be suspended by the Town Administrator for any of the following causes:

- (1) Any false statement, material omission, or untrue or misleading information which is contained in or left out of the application; or
- (2) Any violation of this chapter.

(b) *Suspension or revocation by the Board of Mayor and Aldermen.* The permit issued to any person or organization under this chapter may be suspended or revoked by the Board of Mayor and Aldermen after notice and hearing, for the same causes set out in subsection (a) above. Notice of the hearing for suspension or revocation of a permit shall be given by the Town Administrator in writing, setting forth specifically the grounds of complaint and the time and place of the hearing. Such notice shall be mailed to the permit holder at his last known address at least five days prior to the date set for hearing, or it shall be delivered by a sheriff's officer in the same manner as a summons at least three (3) days prior to the date set for hearing.

Sec. 9-109. - Expiration and renewal of permit.

The permit of peddlers, solicitors and transient vendors shall expire thirty (30) days from the date of issuance. The permit of solicitors for religious or charitable purposes and solicitors for subscriptions shall expire on the date provided in the permit, not to exceed thirty (30) days.

Sec. 9-110. - Permittee must leave on request.

Any peddler, solicitor, solicitor for charitable or religious purposes or solicitor for subscriptions, while engaged in any sale or solicitation for sales upon the property of any private residence must, upon request of the owner or leaseholder of the property, vacate the property immediately. Failure to immediately vacate the property upon the request of the owner or leaseholder shall be a violation of this chapter.

Sec. 9-111. - Violation and penalty.

In addition to any other action the town may take against a permit holder in violation of this chapter, such violation shall be punishable by a penalty of up to \$500 for each offense. Each day a violation occurs shall constitute a separate offense.

Sec. 9-112. - Hours of solicitation.

No permittee shall conduct any solicitations or sales except between the hours of 9:00 A.M. and 7:00 P.M. (8:00 P.M. during daylight savings time) on Monday through Saturday, it being the intent that door-to-door sales occur during daylight hours and at times when citizens feel secure in their homes to receive unexpected visitors.

SECTION 2.

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

Current Version

CHAPTER 1. - PEDDLERS, ETC.

Sec. 9-101. - Definitions.

Whenever used in this chapter, unless the context requires otherwise, the following definitions shall apply:

Merchandise. The word "merchandise" means and includes all personal property of whatever kind, whether tangible or intangible, including but not limited to, goods, wares, produce, insurance, stocks and bonds.

Nonprofit organization. The term "nonprofit organization" means and includes any charitable, civic, religious or educational organization whose purpose is not-for-profit and whose funds are used for charitable, civic, religious or educational purposes.

Soliciting. The terms "soliciting" or "to solicit" means and includes offering merchandise for sale, barter or exchange, whether for present or future delivery, or in any manner disposing of personal property by peddling or hawking the same or making requests for gifts or contributions.

Solicitor. The term "solicitor" means and includes peddler, huckster or itinerant merchant and all persons of any age who solicit, attempt to solicit, sell, barter, exchange or offer to sell, barter or exchange, and includes persons soliciting on behalf of a nonprofit organization.

Town administrator. The term "town administrator" means the town administrator of this town or his duly authorized representative.

(1985 Code, § 5-201)

Sec. 9-102. - Shouting, using horns, bells, etc.

No person holding a permit under this chapter, or any person in his behalf, shall shout, cry out, blow a horn, ring a bell or use any sound amplifying device upon any of the sidewalks, streets, alleys, parks or other public places of the town or upon private premises where sound of sufficient volume is emitted or produced therefrom to be capable of being plainly heard upon the adjacent sidewalks, streets, alleys, parks, or other public places, for the purpose of attracting attention to any goods, wares, or merchandise which such permittee proposes to sell.

(1985 Code, § 5-202)

Sec. 9-103. - Use of streets.

No person holding a permit under this chapter shall have any exclusive right to any location in the public streets or be permitted a stationary location thereon, nor shall any such person be permitted to operate in a congested area where such operation might impede or inconvenience the public use of such streets, nor shall any such person be permitted to accept orders for goods or sell directly from a vehicle of any kind while standing in a public street. For the purpose of this section the judgment of the town administrator, exercised in good faith, shall be deemed conclusive as to whether the area is congested and the public impeded or inconvenienced.

(1985 Code, § 5-203)

Sec. 9-104. - Exemptions from chapter.

The provisions of this chapter shall not be applicable to persons selling at wholesale to dealers, nor to newsboys, nor to bona fide merchants who merely deliver goods and merchandise in the regular course of business.

(1985 Code, § 5-204)

Sec. 9-105. - Permit required.

It shall be unlawful for any solicitor to solicit the sale of merchandise or the furnishing of a service or otherwise within the town without first obtaining a permit therefrom in compliance with the provisions of this chapter. Furthermore, no person shall solicit contributions or the sale of merchandise for a nonprofit organization unless the organization first obtains a permit therefor in compliance with this chapter.

(1985 Code, § 5-205)

Sec. 9-106. - Application for permit.

Applicants for a permit under this chapter must file with the town administrator a sworn written application containing the following:

- (1) Name and physical description of the applicant. In the case of a nonprofit organization, a list of all proposed solicitors or canvassers, if such a list is available.
- (2) Complete permanent home address and local address of the applicant and, in the case of transient merchants, the local address from which proposed sales will be made.
- (3) A brief description of the nature of the business and the goods to be sold.
- (4) If applicant is employed, the name and address of the employer, together with credentials therefrom establishing the exact relationship. This shall not apply to nonprofit organizations.
- (5) The length of time for which the right to do business is desired.
- (6) A recent clear photograph approximately two (2) inches square showing the head and shoulders of the applicant. This shall not apply to nonprofit organizations.
- (7) The names of at least two (2) reputable local property owners who will certify as to the applicant's good moral reputation and business responsibility, or in lieu of the names of references, such other available evidence as will enable an investigator to properly evaluate the applicant's moral reputation and business responsibility. This shall not apply, however, to nonprofit organizations.
- (8) A statement as to whether or not the applicant has been convicted of any crime or misdemeanor or for violating any municipal ordinance; the nature of the offense; and the punishment or penalty assessed therefor. This shall not apply, however, to nonprofit organizations.
- (9) The last three (3) cities or towns, if that many, where applicant carried on business immediately preceding the date of application and, in the case of transient merchants, the addresses from which such business was conducted in those municipalities. This shall not apply, however, to nonprofit organizations.
- (10) The state identification number for any occupation licensed by the state.

(1985 Code, § 5-206)

Sec. 9-107. - Fee for permit.

At the time of filing the application for a permit under this chapter, a fee of two dollars (\$2.00) for persons over sixteen (16) years of age and one dollar (\$1.00) for persons under sixteen (16) years of age shall be paid to the town to cover the costs of investigating the facts stated therein.

(1985 Code, § 5-207)

Sec. 9-108. - Investigation of applicants; issuance or refusal of permits.

Each application for a permit under this chapter shall be submitted to the town administrator, who shall cause an investigation to be made of the applicant's moral reputation or business responsibility. If such reputation and business responsibility appear satisfactory, in the sole discretion of the town administrator, then he shall issue a permit upon payment of all applicable privilege taxes; otherwise, the town administrator shall deny the permit and shall so notify the applicant in writing. In order that a full investigation may be made of the applicant, the town may delay the issuance or denial of a permit for up to seven (7) days. However, this shall not apply to renewal permits.

(1985 Code, § 5-208)

Sec. 9-109. - Permit to be used by permittee only.

No permit issued under this chapter shall be used at any time by any person or organization other than the one to whom it is issued.

(1985 Code, § 5-209)

Sec. 9-110. - Exhibition of permit.

Every person holding a permit under this chapter shall exhibit his permit at the request of any policeman or citizen.

(1985 Code, § 5-210)

Sec. 9-111. - Expiration and renewal of permits.

Permits issued under the provisions of this chapter shall expire on the same date that the permittee's privilege license expires and shall be renewed, without costs, if the permittee applies for and obtains a new privilege license within thirty (30) days thereafter. Permits issued to permittees who are not subject to a privilege tax shall be issued for one (1) year. An application for a renewal shall be made substantially in the same form as an original application. However, only so much of the application shall be completed as is necessary to reflect conditions which have changed since the last application was filed.

(1985 Code, § 5-211)

Sec. 9-112. - Revocation or suspension of permits.

- (1) Permits issued under the provisions of this chapter may be revoked by the town administrator, after notice and hearing, for any of the following causes:
 - (a) Fraud, misrepresentation, or incorrect statement contained in the application for the permit, or made in the course of carrying on the activities of solicitor, canvasser, peddler, transient merchant, itinerant merchant or itinerant vendor.
 - (b) Any violation of this chapter.

- (c) Conviction of any crime or misdemeanor.
 - (d) Conducting the activities of peddler, canvasser, solicitor, transient merchant, itinerant merchant, or itinerant vendor, as the case may be, in an unlawful manner or in such a manner as to constitute a breach of the peace or to constitute a menace to the health, safety, or general welfare of the public.
- (2) Notice of the hearing for revocation of a permit under this section shall be given by the town administrator in writing, setting forth specifically the grounds of complaint and the time and place of hearing. Such notice shall be mailed to the permittee at his last known address at least five (5) days prior to the date set for hearing, or it shall be delivered by the town administrator in the same manner as a summons at least three (3) days prior to the date set for hearing.
 - (3) When reasonably necessary in the public interest, the town administrator may suspend a permit issued under this chapter pending the revocation hearing.
 - (4) No permittee whose permit has been revoked shall make further application until a period of at least six (6) months has elapsed since the last revocation.

(1985 Code, § 5-212)

Sec. 9-113. - Unlawful to violate chapter.

Any person violating any provision of this chapter shall, upon conviction, be subject to a penalty under the general penalty clause for this municipal code of ordinances.

(1985 Code, § 5-213)

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Janet Wedekind, Human Resources Manager

SUBJECT: Approval of Resolution R2016-07, Supplemental Retirement Plan Custodian Change

INTRODUCTION: Reliance Trust, the *Town Supplemental Retirement Plan's* custodial bank, notified the Town that their relationship with the Town will terminate on 6/30/16. A resolution is required to approve a change in banks.

BACKGROUND: The Board adopted the Supplemental Retirement plan for five employees in 2011. The Plan was implemented on July 1, 2012. At this time, the Plan is fully funded and additional funding is not currently anticipated. All GASB requirements are met. Additionally, USI Consulting Group was contracted as the Town consultant. No changes have been made to the plan since its approval in 2012.

DISCUSSION: USI Consulting Group, specifically Bob Cross and Callie McClure, recommend Commercial Bank & Trust (CB&T) as the new custodial bank. As the custodial bank, Commercial Bank & Trust will hold and invest the Trust's money according to the Board approved Investment Policy in the approved funds and in the approved amounts.

CB&T is a state chartered bank in Tennessee, has \$694 million in assets under management, and no SEC filings. The trust department is regulated by the FDIC and the State of TN. CB&T was founded in 1877 in Paris, TN. Currently, CB&T has 10 branches in western Tennessee and are FDIC insured. CB&T offers personal, business, mortgages, and Trust services. Commercial Bank and Trust also acts as a custodian carrying out the customer's directions while performing day-to-day administrative functions. Their Custodial services include safekeeping of securities, collecting dividend and interest income, distributing income and principal, keeping records, issuing quarterly statements, carrying out Town directed purchases and sales. Commercial Bank & Trust has been thoroughly vetted by USI Consultants.

RECOMMENDATION BY: Janet Wedekind, Human Resources Manager, for approval.

PROPOSED MOTION: Approve Resolution 2016-07 to change the *Town Supplemental Retirement Plan's custodial bank to Commercial Bank & Trust.*

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____



TOWN OF FARRAGUT

RESOLUTION R-2016-07

WHEREAS, the Town of Farragut (the "Employer") maintains the Town of Farragut Supplemental Retirement Plan (the "Plan") for the benefit of its eligible employees; and

WHEREAS, effective April 28, 2016, the Board of Directors desires to remove Reliance Trust as Custodian of the Plan's assets and to appoint Commercial Bank & Trust as the new Custodian ; and

WHEREAS, the Employer has the authority to enact and implement such changes at any time;

NOW, THEREFORE, BE IT RESOLVED, that the Town Administrator be and hereby is authorized and empowered to perform any lawful acts necessary or appropriate to implement the foregoing resolution, and any such acts previously done are hereby ratified, confirmed and approved.

CERTIFICATION

I, _____, hereby certify that the foregoing resolutions were duly adopted at a meeting of the Board of Directors of the Employer on this 28th day of April, 2016, and that such resolutions remain in full force and effect.

Date: _____ By: _____

Title: _____

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

COMMERCIAL BANK AND TRUST Co.

TRUST DIVISION

April 21, 2016

Statement to Farragut:

Commercial Bank and Trust Company (CBTC) is a Tennessee state chartered bank regulated under state laws. CBTC's capitalization exceeds requirements under state law. CBTC maintains trust errors and omissions insurance coverage of \$2 million, directors and officers liability coverage of \$2 million, and blanket bond insurance coverage of \$6 million that covers fraudulent activity of any employee.

Since Commercial Bank and Trust works with reputable investment advisory and management firms, CBTC considers its levels of insurance coverage sufficient to cover potential liability for the custodial function. The investment advisory and management firms independently maintain levels of insurance coverage which generally far exceed any potential liability related to the investment management function.

Commercial Bank and Trust Company, as of the date of this communication, has trust department assets under administration in excess of \$150 million.

POST OFFICE BOX 1090
PARIS, TENNESSEE 38242-1090

email: trust@cbtcnet.com

PHONE: (731) 641-9368
FAX: (731) 642-4284

Annual Disclosure Statement

DECEMBER 2015

for FFIEC 041 Bank Commercial Bank and Trust Company

This statement has not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.

Federal Deposit Insurance Corporation Format (FFIEC 041)

Balance Sheet

(Dollar Amounts in Thousands)

ASSETS

2015 December 31,
2014

Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	11,355	15,339
Interest-bearing balances	4,218	3,379
Securities:		
Held-to-maturity securities	0	0
Available-for-sale securities	159,612	138,472
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold	29,344	62,004
Securities purchased under agreements to resell	0	0
Loans and lease financing receivables:		
Loans and leases held for sale	1,191	975
Loans and leases, net of unearned income	455,597	430,450
LESS: Allowance for loan and lease losses	6,966	6,892
Loans and leases, net of unearned income and allowance	448,631	423,558
Trading assets	0	0
Premises and fixed assets (including capitalized leases)	5,990	6,099
Other real estate owned	1,041	203
Investments in unconsolidated subsidiaries and associated companies	0	0
Direct and indirect investments in real estate ventures	0	0
Intangible assets:		
Goodwill	4,141	4,141
Other intangible assets	0	0
Other assets	28,565	25,425
Total assets	694,088	679,595

continued.....

Balance Sheet

(Dollar Amounts in Thousands)

LIABILITIESDecember 31,
2015 2014

Deposits:

In domestic offices	612,500	600,866
Noninterest-bearing	143,772	139,392
Interest-bearing	468,728	461,474
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased	0	0
Securities sold under agreements to repurchase	0	0
Trading liabilities	0	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	0	422
Subordinated notes and debentures	0	0
Other liabilities	5,293	4,597
Total liabilities	617,793	605,885

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0	0
Common stock	1,000	1,000
Surplus (exclude all surplus related to preferred stock)	9,900	9,900
Retained earnings	63,856	61,472
Accumulated other comprehensive income	1,539	1,337
Other equity capital components	0	0
Total Bank equity capital	76,295	73,709
Noncontrolling (minority) interests in consolidated subsidiaries	0	0
Total equity capital	76,295	73,709
Total liabilities and equity capital	694,088	679,594

continued.....

Income Statement

(Dollar Amounts in Thousands)

December 31,

	2015	2014
Interest Income:		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties	7,010	7,351
All other loans secured by real estate	6,984	7,254
Commercial and industrial loans	3,777	3,765
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	2,393	2,357
Loans to foreign governments and official institutions	0	0
All other loans	1,031	1,034
Total interest and fee income on loans	21,196	21,761
Income from lease financing receivables	0	0
Interest income on balances due from depository institutions	9	8
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	59	33
Mortgage-backed securities	1,357	1,500
All other securities (includes securities issued by states and political subdivisions in the U.S.)	1,998	1,890
Interest income from trading assets	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	103	61
Other interest income	66	66
Total interest income	24,787	25,319
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	296	319
Nontransaction accounts:		
Savings deposits (includes MMDAs)	651	615
Time deposits of \$100,000 or more	380	423
Time deposits of less than \$100,000	451	544
Expense of federal funds purchased and securities sold under agreements to repurchase	0	1
Interest on trading liabilities and other borrowed money	25	42
Interest on subordinated notes and debentures	0	0
Total interest expense	1,803	1,944
Net interest income	22,984	23,375
Provision for loan and lease losses	-544	679

continued.....

Income Statement

(Dollar Amounts in Thousands)

December 31,

2015

2014

Noninterest income:

Income from fiduciary activities	751	571
Service charges on deposit accounts	1,238	1,317
Trading revenue	0	0
Fees and commissions from securities brokerage	313	317
Investment banking, advisory, and underwriting fees and commissions	68	51
Fees and commissions from annuity sales	84	51
Underwriting income from insurance and reinsurance activities	0	0
Income from other insurance activities	96	98
Venture capital revenue	0	0
Net servicing fees	0	0
Net securitization income	0	0
Net gains (losses) on sales of loans and leases	592	398
Net gains (losses) on sales of other real estate owned	18	-105
Net gains (losses) on sales of other assets (excluding securities)	-30	-16
Other noninterest income	5,134	4,832
Total noninterest income	8,264	7,514

Realized gains (losses) on held-to-maturity securities	0	0
Realized gains (losses) on available-for-sale securities	35	11

Noninterest expense:

Salaries and employee benefits	11,254	10,692
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	2,299	2,327
Goodwill impairment losses	0	0
Amortization expense and impairment losses for other intangible assets	0	0
Other noninterest expense	6,730	6,603
Total noninterest expense	20,283	19,622

Income (loss) before income taxes and extraordinary items, and other adjustments	11,544	10,599
---	--------	--------

Applicable income taxes	560	497
Income (loss) before extraordinary items and other adjustments	10,984	10,102
Extraordinary items and other adjustments, net of income taxes	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests	10,984	10,102
LESS: Net income (loss) attributable to noncontrolling (minority) interests	0	0
Net income (loss) attributable to bank	10,984	10,102

continued.....

Income Statement

(Dollar Amounts in Thousands)

MEMORANDA:

December 31,
2015 2014

Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes 0 0

The following item to be completed by banks with \$1 billion or more in total assets:

Income from the sale and servicing of mutual funds and annuities N/A 0

Income on tax-exempt loans and leases to states and political subdivisions in the U.S. 253 244

Income on tax-exempt securities issued by states and political subdivisions in the U.S. 1,998 1,890

Number of full-time equivalent employees at end of current period 170 168

The following item is to be completed by:

- banks with \$300 million or more in total assets, and
- banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.

Interest and fee income on loans to finance agricultural production and other loans to farmers 695 753

Trading revenue (from cash instruments and derivative instruments)

(To be completed by banks that reported average trading assets of \$2 million or more for any quarter of the preceding calendar year.):

Interest rate exposures N/A 0

Foreign exchange exposures N/A 0

Equity security and index exposures N/A 0

Commodity and other exposures N/A 0

Credit exposures N/A 0

Memoranda Items 8.f and 8.g are to be completed by banks \$100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above.(1)

Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items above) N/A 0

Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a. through 8.e above) N/A 0

Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:

Net gains (losses) on credit derivatives held for trading 0 0

Net gains (losses) on credit derivatives held for purposes other than trading 0 0

The following item to be completed by banks with \$300 million or more in total assets:

Credit losses on derivatives 0 0

Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?

YES / NO
YES

YES / NO
YES

The following item is to be completed by banks that are required to complete Schedule RC-C, part I, Memorandum items 8.b and 8.c.

Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (Included in Schedule RI, item 1.a.(1)) N/A 0

The following items are to be completed by banks that have elected to account for assets and liabilities under a fair value option.

Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:

Net gains (losses) on assets N/A 0

Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk N/A 0

Net gains (losses) on liabilities N/A 0

Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk N/A 0

continued.....

Income Statement

(Dollar Amounts in Thousands)

MEMORANDA:

December 31,
2015 2014Other-than-temporary impairment losses on held-to-maturity
and available-for-sale debt securities:

Total other-than-temporary impairment losses

0

0

Portion of losses recognized in other comprehensive income
(before income taxes)

0

0

Net impairment losses recognized in earnings

0

0

Components of service charges on deposit accounts in domestic offices

(sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):

Consumer overdraft-related service charges levied on those

transaction account and nontransaction savings account deposit products

intended primarily for individuals for personal, household, or family use

N/A

Consumer account periodic maintenance charges levied on those

transaction account and nontransaction savings account deposit

products intended primarily for individuals for personal, household, or family use

N/A

Consumer customer automated teller machine (ATM) fees levied on

those transaction account and nontransaction savings account

deposit products intended primarily for individuals for personal, household, or family use

N/A

All other service charges on deposit accounts

N/A

continued.....

Changes in Equity Capital

(Dollar Amounts in Thousands)

December 31,

2015

2014

Total bank equity capital most recently reported at the end of the prior year		
Reports of Condition and Income	73,709	69,138
Restatements due to corrections of material accounting errors and changes in accounting principles	0	88
Balance end of previous calendar year as restated	73,709	69,226
Net income (loss) attributable to bank	10,984	10,102
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	0	0
Treasury stock transactions, net	0	0
Changes incident to business combinations, net	0	0
LESS: Cash dividends declared on preferred stock	0	0
LESS: Cash dividends declared on common stock	8,600	9,650
Other comprehensive income	202	4,031
Other transactions with parent holding company	0	0
Total bank equity capital end of current period	76,295	73,709

Changes in Allowance for Loan and Lease Losses

Balance most recently reported at the end of the prior year		
Reports of Condition and Income	6,892	6,955
Recoveries	1,096	216
LESS: Charge-offs	478	958
LESS: Write-downs arising from transfers of loans to a held-for-sale account	0	0
Provision for loan and lease losses	-544	679
Adjustments	0	0
Balance end of current period	6,966	6,892

continued.....

Past Due and Nonaccrual Loans, Leases, and Other Assets

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

December 31,
2015 2014

Loans secured by real estate:

Construction, land development, and other land loans:

1-4 family residential construction loans 0 0

Other construction loans and all land development and other land loans 0 0

Secured by farmland 0 0

Secured by 1-4 family residential properties:

Revolving, open-end loans secured by 1-4 family residential properties and
extended under lines of credit 0 0

Closed-end loans secured by 1-4 family residential properties

Secured by first liens 26 28

Secured by junior liens 0 0

Secured by multifamily (5 or more) residential properties 0 0

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties 0 0

Loans secured by other nonfarm nonresidential properties 0 0

Loans to depository institutions and acceptances of other banks 0 0

Commercial and industrial loans 0 0

Loans to individuals for household, family, and other personal expenditures:

Credit cards 0 0

Automobile loans 46 3

Other (includes single payment, installment, all student loans,
and revolving credit plans other than credit cards) 10 25

Loans to foreign governments and official institutions 0 0

All other loans 0 0

Lease financing receivables 0 0

Debt securities and other assets (exclude other real estate

owned and other repossessed assets) 0 0

Loans and leases reported above which are wholly or partially

guaranteed by the U.S. Government, excluding loans and leases covered

by loss-sharing agreements with the FDIC 0 0

Guaranteed portion of loans and leases included above (exclude rebooked "GNMA loans") 0 0

Rebooked "GNMA loans" that have been repurchased or
are eligible for repurchase included above 0 0

continued.....

Commercial Bank and Trust Company

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

2015
December 31,
2014

Loans and leases reported in Items above that are covered by loss-sharing agreements with the FDIC:

Loans secured by real estate:

Construction, land development, and other land loans:

1-4 family residential construction loans 0 0

Other construction loans and all land development and other land loans 0 0

Secured by farmland 0 0

Secured by 1-4 family residential properties

Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit 0 0

Closed-end loans secured by 1-4 family residential properties:

Secured by first liens 0 0

Secured by junior liens 0 0

Secured by multifamily (5 or more) residential properties 0 0

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties 0 0

Loans secured by other nonfarm nonresidential properties 0 0

Commercial and industrial loans 0 0

Loans to individuals for household, family, and other personal expenditures:

Credit cards 0 0

Automobile loans 0 0

Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards) 0 0

All other loans and all leases 0 0

Loans to depository institutions and acceptances of other banks 0 0

Loans to foreign governments and official institutions 0 0

Other loans 0 0

Loans to finance agricultural production and other loans to farmers included in

Schedule RC-N above 0 0

Lease financing receivables 0 0

Portion of covered loans and leases included in items 11.a through 11.e.3 above that is protected by FDIC loss-sharing agreements 0 0

continued.....

Commercial Bank and Trust Company

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

 December 31,
2015 2014

MEMORANDA:

Loans restructured in troubled debt restructurings included in Schedule RC-N, items above

Construction, land development, and other land loans:

1-4 family residential construction loans 0 0

Other construction loans and all land development and other land loans 0 0

Loans secured by 1-4 family residential properties 0 0

Secured by multifamily (5 or more) residential properties 0 0

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties 0 0

Loans secured by other nonfarm nonresidential properties 0 0

Commercial and industrial loans 0 0

The following two items are to be completed by banks with \$300 million or more in total assets.

To U.S. addressees (domicile) 0 0

To non-U.S. addressees (domicile) 0 0

All other loans (Include loans to individuals for household, family, and other personal expenditures)

Loans secured by farmland 0 0

Loans to depository institutions and acceptances of other banks 0 0

Loans to individuals for household, family, and other personal expenditures:

Credit cards 0 0

Automobile loans 0 0

Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards) 0 0

Loans to foreign governments and official institutions 0 0

Other Loans 0 0

The following item is to be completed by:

- Banks with \$300 million or more in total assets

- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers

Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, Memorandum item above

0

0

continued.....

Commercial Bank and Trust Company

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

 December 31,
2015 2014

Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
The following four items are to be completed by banks with \$300 million or more in total assets:		
Loans secured by real estate to non-U.S. addressees (domicile)	0	0
Loans to and acceptances of foreign banks	0	0
Commercial and industrial loans to non-U.S.addressees (domicile)	0	0
Leases to individuals for household, family, and other personal expenditures	0	0
The following item is to be completed by:		
▪ banks with \$300 million or more in total assets		
▪ banks with less than \$300 million or more in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans:		
Loans to finance agricultural production and other loans to farmers	0	0
Loans and leases held for sale and loans measured at fair value	0	0
Loans measured at fair value:		
Fair value	0	0
Unpaid principal balance	0	0
The following item is to be completed by banks with \$300 million or more in total assets:		
Derivative contracts:		
Fair value of amounts carried as assets	0	0
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	0
Carrying amount included in Schedule RC-N, items 1 through 7, above	0	0

continued.....

Commercial Bank and Trust Company
Past Due and Nonaccrual Loans, Leases, and Other Assets

(Dollar Amounts in Thousands)

Nonaccrual:

2015
December 31,
2014

Loans secured by real estate:

Construction, land development, and other land loans:

1-4 family residential construction loans 0 82

Other construction loans and all land development and other land loans 0 0

Secured by farmland 0 0

Secured by 1-4 family residential properties:

Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit 0 10

Closed-end loans secured by 1-4 family residential properties

Secured by first liens 16 67

Secured by junior liens 28 31

Secured by multifamily (5 or more) residential properties 0 0

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties 0 0

Loans secured by other nonfarm nonresidential properties 2,059 4,020

Loans to depository institutions and acceptances of other banks 0 0

Commercial and industrial loans 0 0

Loans to individuals for household, family, and other personal expenditures:

Credit cards 0 0

Automobile loans 0 0

Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards) 209 0

Loans to foreign governments and official institutions 0 0

All other loans 0 0

Lease financing receivables 0 0

Debt securities and other assets (exclude other real estate

owned and other repossessed assets) 0 0

Loans and leases reported above which are wholly or partially

guaranteed by the U.S. Government, excluding loans and leases covered

by loss-sharing agreements with the FDIC 0 0

Guaranteed portion of loans and leases included above (exclude rebooked "GNMA loans") 0 0

Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included above 0 0

continued.....

Commercial Bank and Trust Company

(Dollar Amounts in Thousands)

Nonaccrual:

2015

December 31,
2014

Loans and leases reported in items above that are covered by loss-sharing agreements with the FDIC:

Loans secured by real estate:

Construction, land development, and other land loans:

1-4 family residential construction loans 0 0

Other construction loans and all land development and other land loans 0 0

Secured by farmland 0 0

Secured by 1-4 family residential properties

Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit 0 0

Closed-end loans secured by 1-4 family residential properties:

Secured by first liens 0 0

Secured by junior liens 0 0

Secured by multifamily (5 or more) residential properties 0 0

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties 0 0

Loans secured by other nonfarm nonresidential properties 0 0

Commercial and industrial loans 0 0

Loans to individuals for household, family, and other personal expenditures:

Credit cards 0 0

Automobile loans 0 0

Other consumer loans (includes single payment, installment, all student loans, and revolving credit plans other than credit cards) 0 0

All other loans and all leases 0 0

Loans to depository institutions and acceptances of other banks 0 0

Loans to foreign governments and official institutions 0 0

Other loans 0 0

Loans to finance agricultural production and other loans to farmers included in

Schedule RC-N above 0 0

Lease financing receivables 0 0

Portion of covered loans and leases included in items 11.a through 11.e.3 above that is protected by FDIC loss-sharing agreements 0 0

continued.....

Commercial Bank and Trust Company

(Dollar Amounts in Thousands)

Nonaccrual:

 December 31,
2015 2014

MEMORANDA:

Loans restructured in troubled debt restructurings included in Schedule RC-N, items above

Construction, land development, and other land loans:

1-4 family residential construction loans	0	0
---	---	---

Other construction loans and all land development and other land loans	0	0
--	---	---

Loans secured by 1-4 family residential properties	0	0
--	---	---

Secured by multifamily (5 or more) residential properties	0	0
---	---	---

Secured by nonfarm nonresidential properties:

Loans secured by owner-occupied nonfarm nonresidential properties	0	0
---	---	---

Loans secured by other nonfarm nonresidential properties	1,902	4,020
--	-------	-------

Commercial and industrial loans:	0	0
----------------------------------	---	---

The following two items are to be completed by banks with \$300 million or more in total assets.

To U.S. addressees (domicile)	0	0
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To non-U.S. addressees (domicile)	0	0
-----------------------------------	---	---

All other loans (Include loans to individuals for household, family, and

other personal expenditures)	0	0
------------------------------	---	---

Loans secured by farmland	0	0
---------------------------	---	---

Loans to depository institutions and acceptances of other banks	0	0
---	---	---

Loans to individuals for household, family, and other personal expenditures:

Credit cards	0	0
--------------	---	---

Automobile loans	0	0
------------------	---	---

Other consumer loans (includes single payment, installment, all student loans, and

revolving credit plans other than credit cards)	0	0
---	---	---

Loans to foreign governments and official institutions	0	0
--	---	---

Other Loans	0	0
-------------	---	---

The following item is to be completed by:

- Banks with \$300 million or more in total assets

- Banks with less than \$300 million in total assets that have loans to finance

agricultural production and other loans to farmers

Loans to finance agricultural production and other loans to farmers included in Schedule

RC-N, Memorandum item above	0	0
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continued.....

Commercial Bank and Trust Company

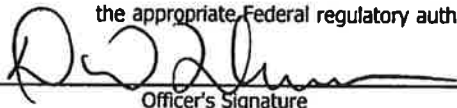
(Dollar Amounts in Thousands)

Nonaccrual:

 2015
December 31,
2014

Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
The following four items are to be completed by banks with \$300 million or more in total assets:		
Loans secured by real estate to non-U.S. addressees (domicile)	0	0
Loans to and acceptances of foreign banks	0	0
Commercial and industrial loans to non-U.S. addressees (domicile)	0	0
Leases to individuals for household, family, and other personal expenditures	0	0
The following item is to be completed by:		
• banks with \$300 million or more in total assets		
• banks with less than \$300 million or more in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans:		
Loans to finance agricultural production and other loans to farmers	0	0
Loans and leases held for sale and loans measured at fair value	0	0
Loans measured at fair value:		
Fair value	0	0
Unpaid principal balance	0	0
Additions to nonaccrual assets during the quarter	0	168
Nonaccrual assets sold during the quarter	0	0
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	0
Carrying amount included in Schedule RC-N, items 1 through 7, above	0	0

I do hereby attest that this Disclosure Statement has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct in the best of my knowledge and belief.



Officer's Signature

CFO/President

Officer's Title

01/29/2016

Date

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Janet Wedekind, Human Resources Manager

SUBJECT: Approval of Resolution R-2016-08, Supplemental Retirement Plan Revisions

INTRODUCTION: A resolution is required to add one fund type to the *Supplemental Retirement Plan Investment Policy Statement* and to update Plan language. At this time the Plan is fully funded and additional funding is not currently anticipated. All GASB requirements are met.

BACKGROUND: The Board adopted the Supplemental Retirement plan for five employees in 2011. The Plan was implemented on July 1, 2012. Additionally, USI Consulting Group was contracted as the Town consultant.

DISCUSSION: As with most policies, updating language to comply with governmental regulations, new laws, market changes, and/or court rulings, is necessary from time to time. Updates to the *2012 Investment Policy Statement* include required governmental language changes, adjustments to the Plan's Strategic Asset Allocation & Allowable Ranges, and updates to the Asset Class Performance Benchmarks. The allocation and ranges were updated to reflect the current market environment as well as the funding status of the Plan. Changes include lowering the overall equity content range and adjusting the ranges within that category. Also included was a broadening of the permissible fixed income asset categories to provide a more diversified fixed income return. The benchmarks were updated to more accurately reflect the allowable asset allocation categories and remove excess classes not being utilized. Lastly, the Total Plan Performance Benchmark was updated to include all allowable asset categories being utilized.

USI Consulting Group, specifically Bob Cross and Callie McClure, continue to monitor changes that may affect the *Supplemental Retirement Plan Investment Policy Statement* and other Plan documents. They recommend the updating of the *Investment Policy Statement* language, allocation, and benchmarks.

RECOMMENDATION BY: Janet Wedekind, Human Resources Manager, for approval.

PROPOSED MOTION: Approve Resolution 2016-08 to implement updated language, allocation, and benchmarks in the *Town Supplemental Retirement Plan Investment Policy Statement*.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____



TOWN OF FARRAGUT

RESOLUTION R-2016-08

WHEREAS, the Town of Farragut (the "Employer") maintains the *Town of Farragut Supplemental Retirement Plan* (the "Plan") for the benefit of its eligible employees; and

WHEREAS, effective April 28th, 2016, the Board of Directors desires to update the *Supplemental Retirement Plan Investment Policy Statement* language, allocation, and benchmarks; and

WHEREAS, the Employer has the authority to enact and implement such changes at any time;

NOW, THEREFORE, BE IT RESOLVED, that the Town Administrator be and hereby is authorized and empowered to perform any lawful acts necessary or appropriate to implement the foregoing resolution, and any such acts previously done are hereby ratified, confirmed and approved.

CERTIFICATION

I, _____, hereby certify that the foregoing resolutions were duly adopted at a meeting of the Board of Directors of the Employer on this 28th day of April, 2016, and that such resolutions remain in full force and effect.

Date: _____ By: _____

Title: _____

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

The Town of Farragut
Supplemental Retirement Plan

INVESTMENT POLICY STATEMENT

April 2016

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I. Overview

- a) The **Town of Farragut** (the “Employer”) established the **Town of Farragut Supplemental Retirement Plan** (the “Plan”) in order to provide eligible employees of the Employer with additional financial security at retirement through the provision of a promised level of income to assist in meeting their retirement income needs.
- b) The Employer intends that the Plan qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended and that the trust be exempt from taxation under Section 501(a) of the Code.

II. Purpose and Scope

- a) This Investment Policy Statement (“IPS”) is designed to further the purposes of the Plan and its funding policy consistent with the fiduciary obligations set forth under applicable law. Plan fiduciaries shall discharge their duties with respect to the Plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the Plan. Plan fiduciaries shall also take necessary action to diversify the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so and shall act in accordance with the documents and instruments governing the Plan (including this Statement of Investment Policy) insofar as such documents and instruments are consistent with the provisions of applicable law.
- b) The purpose of this Investment Policy Statement (“IPS”) is to articulate guidelines, roles and responsibilities associated with the management of the investment of Plan assets and is intended to govern all investments associated with the Plan. It is intended to be both sufficiently specific to be meaningful, while retaining flexibility to the extent practicality requires.
- c) The Employer has established an Investment Committee (the “Committee”) to serve as Plan fiduciary and manage, in its sole and absolute discretion, the investment of Plan assets. The Committee will discharge its responsibilities under the Plan solely in the long-term interests of Plan participants and their beneficiaries. The guidelines outlined in this IPS are intended to assist the Committee in effectively implementing, supervising, monitoring and evaluating the investment of the assets of the Plan. The Plan's investment program is defined in the various sections of this IPS by:
 - 1) Stating in a written document the Committee's attitudes, expectations, objectives and guidelines for the investment of all of the Plan's assets.
 - 2) Setting forth an investment structure for managing the Plan's assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
 - 3) Providing guidelines for each investment portfolio that control the level of overall risk and liquidity assumed in that portfolio, so all Plan assets are managed in accordance with stated objectives.

- 4) Providing rate-of-return and risk characteristics for each asset class represented by various investment options.
- 5) Establishing formal criteria to select, monitor, evaluate and compare the performance results achieved by each investment option on a regular basis.
- 6) Encouraging effective communications between and among the Committee and all parties involved with the investment management decisions.
- 7) Complying with all applicable fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Plan assets.

III. Key Responsibilities of the Committee

The key responsibilities of the Committee include, but are not limited to:

- a) Development, adoption and periodic updating of the IPS and following its terms.
- b) Hiring of experts (such as investment advisors, investment managers, consultants, actuaries and other advisors), where necessary, to carry out the terms of this IPS and monitoring of their respective performances on an ongoing basis.
- c) Controlling expenses of the investments as well as attendant administrative costs.
- d) Avoiding prohibited transactions and conflicts of interest.
- e) Reviewing the asset allocation policy, asset class guidelines, and current capital market assumptions at least annually to ensure that the current asset mix can reasonably be expected to achieve the long-term goals of the Plan.
- f) Reviewing the Plan's updated actuarial valuation and financial projection annually, including the recommended Funding Policy for each year.
- g) Selecting, monitoring and dismissing and/or replacing any investment management firm engaged to manage plan assets.
- h) Reviewing Plan investments no less than **semi-annually** to assess whether policy guidelines continue to be appropriate and are met. The Committee shall monitor investment risk, as well as monitor investment returns on an absolute and benchmark relative basis.
- i) Providing a copy of this IPS to each firm retained to provide investment services to the Plan and requiring each such firm to acknowledge in writing receipt of the document and acceptance of its contents.

- j) Monitoring and voting of proxies in a way that is consistent with the Plan's interest, engaging the services of consultants, the custodian bank, and/or proxy advisory services in the course of fulfilling its responsibilities in this regard.

IV. Investment Philosophy and Policies

a) Philosophy

The investment philosophy of the Committee is to seek a return on investment consistent with levels of investment risk that are prudent and reasonable given long-term capital market conditions and the investment objectives of the Plan (please refer to Investment Objectives in Section V). While the Committee recognizes the importance of the preservation of capital, it also recognizes that achieving the Plan's investment objectives requires prudent risk-taking, and that risk is the prerequisite for generating excess investment returns. Therefore the Committee's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed, and that fiduciaries have the obligation to utilize risk effectively. Risk exposures should be identified, measured, monitored and tied to responsible parties; and risk should be taken consistent with expectations for return. The Committee recognizes that the assumption of risk is necessary to meet Plan objectives; that is, **there are no "risk free" assets**, which are sufficient to generate the Plan's required rate of return. Thus, Plan risk management does not require the elimination of risk, but the balancing of risk and expected return.

b) Policies

- 1) The investment policies of the Plan shall be based on financial guidelines that will consider:
 - A) The financial condition of the Plan, i.e., the relationship between the current and projected assets of the Plan and the projected benefit payments, and the current Funding Policy.
 - B) Changes in the number of active and retired participants; benefit payments; discount rate in any year (together these are the principal factors determining liability growth).
 - C) The expected long term capital market outlook, including expected volatility of, and correlation among, various asset classes.
 - D) The range of possible investment outcomes associated with different policies.
 - E) The Committee's risk tolerance, that is, the trade-off between the desire to achieve high returns (and the associated high volatility) and the desire to avoid unacceptable outcomes (and the associated necessity for reduced volatility).
- 2) The Committee will consider alternative investment policies and will measure their potential impact on the financial condition of the Plan and assess their suitability in meeting the objectives of the Plan.

- 3) The Committee's financial plan will result in a review of risk metrics, that is, an expected amount of volatility associated with a given expected level of investment returns offered by the capital markets including the expected active return.
- 4) Based on the risk metrics, the Committee, with input from Consultant, will approve a specific allocation of the investments (the policy portfolio) among the various asset classes considered prudent given the Plan's liability structure, and considering multiple measures of investment and surplus risk. The policy portfolio shall be expressed in terms of a normal percentage allocation, and ranges for each asset class. These policy weights, acceptable ranges, and performance benchmarks for each asset class are found in Appendix 1.
- 5) The policy portfolio shall be sufficiently diversified to enable the appropriate fiduciary to manage risk, within acceptable risk budgets, in order to optimize return.
- 6) The Plan's equity and fixed income assets shall minimize the use of economic leverage. Economic leverage, in the context of portfolio management, is defined as a net dollar exposure to assets in excess of the dollar amount of invested capital, as measured by current market value.

V. Investment Objectives

- a) The investment objectives of the Plan and its investment program are to:
 - 1) Provide retirement benefits (incorporating the ability to pay all benefit and expense obligations when due), as described in the Plan document, to its participants and their beneficiaries;
 - 2) Maintain a reasonable funding cushion for (1) possible future increases in benefits and/or expenses, and (2) any reduction in the return on investments or interest rate assumptions; and
 - 3) Provide a long-term investment return greater than the Plan's actuarial interest rate assumption commensurate with appropriate levels of risk.
- b) The investment strategy articulated in the policy portfolio found in Appendix I has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a mid- to long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective. The Committee acknowledges that over short time periods (i.e. one quarter, one year, and even three- to five- year time periods), returns will vary from performance objectives and the investment policy thus serves as a buffer against ill-considered action.
- c) There are three principal factors that affect a pension fund's financial status: 1) contributions, 2) benefit payments and 3) investment performance. Only the last factor is dependent upon the investment policy and guidelines contained herein. However, the

Committee's level of risk tolerance will take into account all three factors. At certain levels of funded status, it could be impossible for the investments to achieve the necessary performance to meet the promised liabilities. The result is that either benefits have to be reduced, contributions increased or risk tolerance changed.

VI. Return Objectives

- a) The Return Objective of the overall Retirement Fund should be viewed relative to:
 - 1) Actuarial rate of interest
 - 2) Funded status
 - 3) Policy benchmarks
- b) The Plan's total return objective should be at least equal to the Plan's actuarial rate of return on a consistent basis over time.
 - 1) This objective is to achieve a rate of return equal to or greater than the Plan's actuarial interest rate. If the Plan's assets grow at a rate equal to or greater than the actuarial rate, the Plan's funding condition will be maintained or improved. Earning a lower return will generally result in increased levels of contributions. (**Improving** the Plan's funded status is conditioned, in part, on the successful implementation of a prudent funding policy.)
- c) Funded status should **increase** over time.
 - 1) The ultimate objective is to get the Plan fully funded and subsequently maintain a status of full funding, meaning that the Plan's assets are at least as great as the Plan's liabilities, both as measured by actuarially acceptable methodologies. Full funding provides a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. (The ability to **attain** full funding is conditioned, in part, on the successful implementation of a prudent funding policy.)
- d) Total Retirement Portfolio return should match or exceed the Total Retirement Portfolio weighted benchmark return, net of all fees and expenses on a consistent basis over time.
 - 1) This objective is to match or exceed a passively managed portfolio with a similar asset mix, net of all fees and expenses. The value added above the policy benchmark measures the effectiveness of the Committee's active management decisions. Please refer to Appendix II for a list of performance benchmarks.

Performance Return measurement standards will adhere to the time-weighted methodology.

VII. Constraints

a) Liquidity

Assets shall be allocated to provide adequate liquidity for the Plan disbursements, such as benefit payments and ongoing expenses. Plan assets shall be managed such that all

retirement benefit payments are met as they become due. Liquid investment vehicles are hereby defined as all investments that can be quickly converted to cash with no significant adverse change in value as a result of the liquidation.

b) Time Horizon

The Plan has a long-term perspective based on multiyear projections of spending, and asset growth. Accordingly, short-term investment performance shortfalls are not necessarily of critical interest unless they suggest failures in strategy execution at investment management firms retained by the Plan.

c) Regulatory and Legal Constraints

Consistent with the fiduciary obligations set forth under applicable law, Plan fiduciaries shall take necessary action to diversify the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so and shall act in accordance with the documents and instruments governing the Plan (including this Statement of Investment Policy) insofar as such documents and instruments are consistent with applicable law.

Appendix I: Strategic Asset Allocation & Allowable Ranges

The Committee has adopted the following asset allocation policy (“Policy”), including asset class weights and ranges, benchmarks for each asset class, and the benchmark for the Total Plan. The allowable ranges have been chosen to be consistent with budgets and ranges for total and active risk.

<u>Total Plan Asset Allocation</u>			
	Lower Limit	Strategic Allocation	Upper Limit
Domestic Equity	9%	14%	19%
International Equity	7%	12%	17%
Real Estate	0%	4%	9%
Fixed Income	60%	65%	70%
Cash Equivalents	0%	5%	10%

<u>Domestic Equity Asset Allocation</u>			
	Lower Limit	Strategic Allocation	Upper Limit
Large Blend	3%	8%	13%
Mid Blend	0%	3%	8%
Small Blend	0%	3%	8%

<u>Fixed Income Asset Allocation</u>			
	Lower Limit	Strategic Allocation	Upper Limit
World Bond	5%	10%	15%
High Yield Bond	0%	5%	10%
Intermediate-Term Bond	15%	20%	25%
TIPS	0%	5%	10%
Bank Loan	0%	5%	10%
Ultrashort Bond	15%	20%	25%

There will be periodic deviations in actual asset weights from the Policy asset weights specified above. Causes for periodic deviations are market movements, cash flows, significant plan changes, and varying portfolio performance. Significant movements from the asset class Policy weights will alter the intended expected return and risk of the Plan. Therefore the actual asset allocation will be reviewed at least quarterly to determine and report any deviation outside of the upper and/or lower limits. The Committee shall assess and manage the trade-off between the cost of rebalancing and the active risk associated with the deviation from policy asset weights. The Committee may delay a rebalancing program when the majority of the Committee believes the delay is in the best interest of the Plan. Results of rebalancing will be reviewed by the Committee at quarterly meetings.

Appendix II: Asset Class Performance Benchmarks

The Committee has adopted the following performance benchmarks for each asset class:

Asset Class	Market Benchmark
Large Cap Blend	S & P 500 or Russell 1000
Mid-Cap Blend	Russell Midcap
Small Cap Blend	Russell 2000
International	MSCI EAFE
Real Estate	FTSE NAREIT Equity REITs
Diversified Emerging Markets	MSCI Emerging Markets
World Bond	Citigroup WGBI USD
High Yield Bond	Credit Suisse High Yield
Intermediate-Term Bond	Barclays Aggregate Bond
Inflation-Protected Bond	Barclays US TIPS
Short Govt/Ultrashort Bond	Barclays Capital Govt 1-3 Yr
Bank Loan	Credit Suisse Leveraged Loan Index
Money Market	Three Month T Bill
Custom Portfolio	Custom Benchmark

Peer group analysis should be added for all asset classes to further give meaningful insight into performance numbers, acknowledging that “peer groups” violate several of the characteristics required of a meaningful benchmark.

Benchmarks for each asset class may be changed or modified only by the Committee, and each benchmark shall be incorporated in each investment management agreement as the basis for evaluation of performance.

Total Plan Performance Benchmark

The average annual rate of return of the Plan over a five-year period (market cycle) shall exceed the average annual rate of return that would have been achieved in the same period by a composite weighted market index and peer group benchmark.

8%	Large Cap Blend	S&P 500
3%	Mid Cap Blend	Russell Mid-Cap
3%	Small Cap Blend	Russell 2000
7%	Foreign Large Blend	MSCI EAFE
5%	Diversified Emerging Mkts	MSCI Emerging Markets
4%	Real Estate	FTSE NAREIT Equity REITs
10%	World Bond	CitiGroup WGBI USD
5%	High Yield Bond	Credit Suisse High Yield
20%	Intermediate-Term Bond	Barclays Aggregate Bond
5%	Inflation-Protected Bond	Barclays US TIPS
20%	Ultrashort Bond	Barclays Capital Govt 1-3 Yr
5%	Bank Loan	Credit Suisse Leveraged Loan Index
5%	Money Market	Three Month T Bill

Appendix III: Due Diligence Guidelines

In addition to the overall Plan investment results, individual asset managers will be evaluated by the Committee and its advisors.

The following factors explain the general due diligence process used to evaluate managers:

(1) Quantitative factors include:

- Attribution analysis
- Return analysis (e.g. Benchmark comparison, Peer group comparison)
- Risk analysis (e.g. Standard deviation, Beta)
- Review of Risk-adjusted Return measures (e.g. Sharpe ratio, Alpha, Sortino Ratio etc.)
- Up market/down market capture
- Manager tenure
- Firm-specific factors

(2) Qualitative factors include:

- Assessing the portfolio management team
- Operational & Legal support
- Incentive structure
- Investment Philosophy
- Competitive Advantages

Occasionally, the Plan's investment advisor may recommend that the Committee may receive recommendations from its advisors to take action with regard to an investment as a result of the advisor's due diligence and evaluation of the investment with regard to the above factors. The advisor may recommend to the Committee the following options:

- assign the investment to a watch list to closely monitor the investment's performance and determine if the substandard performance is due to a short-term aberration or a long-term trend;
- replace the investment with another investment that meets the above stated guidelines or add another investment to that category

In both cases, the advisor will provide to the Committee the reasons supporting any such recommendation either to watch or replace a Plan investment.

Appendix IV: Investment Committee and Service Provider Information

Effective as of April 1, 2013 - as amended 4/28/2016

The Members of the Investment Committee are as follows:

Name or Title Human Resources Manager

Name or Title Town Recorder/Treasurer

Name or Title Town Administrator

Investment Committee Chairman Name or Title Town Administrator

Plan Trustee County Bank

Custodian Commercial Bank & Trust

Plan Investment Advisor USI Advisors Inc.

Adoption of Updated Investment Policy

Date of Adoption by Investment Committee April 28, 2016

By: _____

Printed Name: _____

Title: _____

Authorized Signer of the Investment Committee for Town of Farragut Supplemental Retirement Plan

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REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE

SUBJECT: Approval of Reimbursement Request from First Utility District at Everett Road Improvements Project.

INTRODUCTION: The purpose of this item is the approval of a request from First Utility District for reimbursement of a portion of their costs associated with relocation of a sanitary sewer line near Everett Road.

BACKGROUND: Roadway projects typically require adjustments to any utilities within the construction area, and very often those utilities are located within the public right of way. In that case, utilities are typically required to make those adjustments (or relocations) at their own expense. However, when a utility is located on their own easement (off the public right of way), the utility is typically entitled to be reimbursed for whatever adjustments are required as a result of the public project.

Improvements to Everett Road (currently underway) required the relocation of a sanitary sewer line near the intersection of Everett and Smith Roads. A portion of the sanitary sewer was located within a utility easement owned by First Utility District, and FUD is requesting reimbursement in the amount of \$27,470.79 for their relocation efforts. Staff has reviewed their request, and found it to be reasonable and in keeping with current costs.

FINANCIAL SECTION:

Project:

<u>Project Budget</u>	<u>Requested Amount</u>	<u>Contracted Amount</u>	<u>Remaining Amount</u>
\$3,500,000	\$27,470.79	\$3,094,670.94	\$377,858.27

Approved By: A. Myers

RECOMMENDATION BY: Darryl Smith, Town Engineer, for approval.

PROPOSED MOTION: Approval of request for reimbursement from First Utility District for \$27,470.79.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>LAMARCHE</u>	<u>POVLIN</u>	<u>MARKLI</u>	<u>PINCHOK</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

April 13, 2016

Mr. David Sparks, PE – Assistant Town Engineer
Town of Farragut – Engineering Department
11408 Municipal Center Drive
Farragut, TN 37934

RE: Reimbursement for Facilities on Private Easement
Everett Road Improvements
First Utility District of Knox County

Dear Mr. Sparks,

First Utility District of Knox County (FUD) has prepared a scheduled of reimbursement for the subject project based on the relocation of FUD's sewer facilities located on existing utility easements. The sewer facilities being submitted for reimbursement are the 12" gravity sewer main crossing Smith Road at Cumberland Presbyterian Church. FUD has purchased the sewer easement prior to the Town of Farragut purchasing road right-of-way in the same area, and as such we are submitting the entirety of this work for reimbursement. The unit pricing is provided based on purchase orders from FUD's material suppliers, subcontractors, equipment rental companies, and easement replacement expenses. FUD is submitting a request for reimbursement of \$27,470.79 with a breakdown of expenses shown on Table 1 on the following page.

Please send a check payable to *First UD of Knox County* in the amount of \$27,470.79 at attention to Bruce Giles. Please call (865-218-3690) or email if I can be of assistance or answer any questions.

Best Regards,



Edwin Deyton, PE

edeyton@fudknox.com

Staff Engineer

First UD of Knox County

APPROVED 4/15/2016


(Attachments)

cc: Bruce Giles, FUD General Manager
FUD Accounting Department
File

Table 1. FUD's Relocation Expense on Ex. Utility Easements

Sewer Relocation (On Private Easement)

Material Pricing				
Material	Quantity	Unit	Unit Price	Total
12" DI Gravity Sewer	183	LF	\$ 26.03	\$ 4,763.49 *
Gravel Backfill at Smith Road (40'x9'x2' trench @ SG=1.65)	37	ton	\$ 18.00	\$ 666.00 *
Manholes	2	EA ①	\$ 1,830.50	\$ 3,661.00
Boot, Adapters	1	EA	\$ 130.00	\$ 130.00
Subtotal				\$ 9,220.49
Labor Pricing				
Labor	Quantity	Unit	Unit Price	Total
Total Working Days	7	days		
Percent on Easement (See Note Below)	100%			
Working Days on Easement (50/hr Backhoe, 30/hr Operator, 3 @ 25/hr Laborer, 8hr/day))	7.0	days	\$ 1,240.00	\$ 8,680.00 *
Concrete Coring Subcontractor	1	LS	\$ 200.00	\$ 200.00
Paving Subcontractor (Repair Road Crossing)	1	LS	\$ 3,400.00	\$ 3,400.00
Rock Hammer Rental; Weekly Rate	1	LS	\$ 2,046.80	\$ 2,046.80 *
Subtotal				\$ 14,326.80
Property Expenses				
Permanent Utility Easement - For Relocation (Check #100722, \$2.23SF, Esmt# WSI-14-ER-31)	1	LS	\$ 3,233.50	\$ 3,233.50
Attorney Fees	1	LS	\$ 690.00	\$ 690.00
Subtotal				\$ 3,923.50
Total Sewer Reimbursement =				\$ 27,470.79 ✓

Note on Easement Percentage: First UD purchased a utility easement (WWSI-78-LA12-4, 1983) at the location of the existing sewer alignment, which was present before the Town of Farragut bought ROW for the present day Smith Road location.

2014 TDOT CONTRACT PRICE

797-05.06 12" R.I.P. SEWER 6'-12' DEPTH \$ 131.35 / LF

* FUD

\$ 16,156.29 / 183 LF = 88.29 \$ / L.F (INCLUDES SETTING NEW MANHOLES)

①

2014 TDOT CONTRACT PRICE

611-01.02 MANHOLE, 4'-8' DEPTH \$ 2,000.00 EA
611-01.03 MANHOLE, 8'-12' DEPTH \$ 5,430.77 EA

FUD
> \$ 1,830.50
> \$ 1,830.50

