

Sevier County Commission

November 18, 2024 at 6:00 PM

I. CALL TO ORDER

A moment of silence was taken in observance for Commissioner Frank Parton who passed away on November 9, 2024.

II. ROLL CALL

Quorum Present (21 Present, 4 Absent)

Present: Mayor Larry Waters, Ronnie Allen, Scott Catlett, Mike Chambers, Gary Cole, Bryan Delius, Aaron Foster, Dustin Weaver, Greg Haggard, Brandon Headrick, Dale Hill, Todd Humble, Michael Maddron, Don McGill, Chad Ogle, Ray Ogle, Jack Parton, Harold Pitner, Carroll Rauhuff, Tommy Watts, Ronnie Whaley

Absent: Fred Atchley, Mike Hillard, Warren Hurst, Kent Woods,

III. CONSIDERATION OF MINUTES FROM THE PREVIOUS COMMISSION MEETING

Sevier County Commission Minutes from October 21, 2024.

A motion was made by R. Ogle, and duly seconded by B. Headrick. Passed by roll call vote 20 Yes, 0 No, 4 Absent.

IV. CONSIDERATION OF REPORTS FROM COMMISSION COMMITTEES

A motion was made by C. Rauhuff, and duly seconded by G. Cole. Passed by roll call vote 20 Yes, 0 No, 4 Absent.

V. PUBLIC COMMENT ON AGENDA ITEMS/PUBLIC HEARING ON REZONING REQUESTS

- PUBLIC COMMENT ON AGENDA ITEMS
 - No comments made
- PUBLIC HEARING ON REZONING HEARING
 - No comments made

VI. CONSIDERATION OF RESOLUTION 2024-11-01: AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2024, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) OF SEVIER COUNTY, TENNESSEE

Financial Advisor Mr. Joe Ayers was present for any questions. Chairman Waters reminded the board that this will be the last bonds issued for the courts buildings that have been done for the past few years. Totaling cost of that the court building of around Thirty-Five Million (\$35,000,000), the county is currently paying off about Ten Million Dollars (\$10,000,000) each year so the county debt is not increasing with this newest set of bonds.

Commissioner Parton asked if this would limit the county from issuing more bonds for the fiscal year. Chairman Waters clarified that it's just through the calendar year, so next year the county would be able to issue more bonds should require it.

Commissioner Delius asked if Mr. Ayers would address the commission to assure that his firm will be competitive in their fee structure with other who provide the same services.

Mr. Ayers addressed the commission he and his firm work with the mayor's office and staff each year with all the cost involved in any bond issued. What this resolution does as well as the initial resolution adopted at the October meeting is allows these bonds to be put up for complete public sales, institutions all over the United States will be looking to bid on these bonds and it's our fiduciary duty to the county is to advise the bonds award to the lowest all-in cost of money for the county including any cost divisions, any fees of the rating agencies, bond counsel, etc.

Commissioner Delius stated that was not the question asked. Expanded that what was asked your firm's competitive nature and what fees your firm charge. It's understood that your firm will determine who's got the best rate as well any other company provide those services to the county, but there have been questions here as of the last year or so about the competitive nature of your firm's fees with the county. So, the question is how are your rates established and how can the board be assured that your firm is being competitive and providing the county with the service fair market value.

Mr. Ayers clarified that the firm fees are not up for bid.

Commissioner Delius asked what would the firms fee for the county to acquire these bonds.

Mr. Ayers commented that for this particular transaction of Ten Million Dollars (\$10,000,000) it would not exceed more than one half of 1% which would be no more than Fifty Thousand Dollars (\$50,000) and just by way of reference on a Ten Million (10,000,000) Twenty-Year (20) bond issue that's a total debt service it's probably in the neighborhood of Fifteen Million Dollars (\$15,000,000) principal plus interest so One Tenth (1/10) of One percent (1%) better rate that we can achieve in the market through our expertise and advising the county with Moody's Investor Service to get a high quality A-1 rating that more than pays for all the fees and expenses involved in doing the transaction.

Question from the commission what does the firm think the interest rate will be this time.

Mr. Ayers responded that the Federal Reserve lowered rates before the election however since the election rates have been a little volatile, with the market a little bit nervous about the outcome of the election and tariffs and maybe some inflation going into next year. Currently the market is not expecting the Federal Reserve to continue to lower rates as much as they were a month or six weeks ago but the firm was watching the market today based on bonds sold for the City of Cookeville last week it is estimated to be in the neighborhood of 3.60% - 3.75% for a twenty (20) year bond issue.

Commissioner Delius asked Chairman Waters to explained the rest of the commission what was explained to the budget committee with regard to looking to the bond pool for seeing whether they're competitive.

Chairman Waters explained that the mayor's office has been in discussion with Cumberland Securities about this and the municipal counties have a bond pool that bonds can be issued through. The county has not done that in the past because it didn't have the ability to do so with a twenty (20) year fixed rate until recently. So, it's been asked to put in a proposal on this particular issue. Cumberland Securities along with the mayor's office will be looking next day or so to evaluate what the interest rate will be and the cost involved in potentially putting on the bond market. The evaluation will be completed by the end of the week in regards with moving forward with the sale or go with the bond pool.

A motion was made by G. Haggard, and duly seconded by J. Parton. Passed by roll call vote 20 Yes, 0 No, 4 Absent.

VII. CONSIDERATION OF RESOLUTION 2024-11-02: ACCEPT THE RESIGNATION OF SEVIER COUNTY COMMISSIONER FRED ATCHLEY, DISTRICT 5 SEAT B

Chairman Waters stated that with Commissioner Atchley recently been elected into the State Representative which will also cover part of Sevier County. In lieu of his resignation effective January 1, 2025 the commission will be filling his seat District 5 Seat B in the next commission meeting on the third Monday in December, the commission will also be filling the seat District 5 Seat C left by the late Commissioner Frank Parton. The TCA sets out the procedure and rule of the commission on to how the commission fill these seats. To set out appropriate public notices, time for the steering committee to review applications and interviews in accordance to our commission rules to make recommendation to fill those seats.

Commissioner Atchley was unable to attend this commission meeting due to scheduling conflict with preparation to taking over the fifth district state representative seat.

A motion was made by G. Cole, and duly seconded by C. Rauhuff. Passed by roll call vote 20 Yes, 0 No, 4 Absent.

VIII. NOTARIES

Twenty-eight applicants up for approval for notary public.

A motion was made by H. Pitner, and duly seconded by R. Ogle. Passed by roll call vote 20 Yes, 0 No, 4 Absent.

IX. OTHER BUSINESS

- Mayor's office invited commissioners to the topping out of the new justice court building taking place on December 5th, 2024 at 1 P.M.
- The December Steering Committee meeting will be moved to 5 PM from 6 PM

X. PUBLIC COMMENT ON NON-AGENDA ITEMS

- No comments requested

XI. ADJOURNMENT

A motion was made by S. Catlett, and duly seconded by B. Headrick. Passed by voice vote 20 Yes, 0 No, 4 Absent.