

The McMinn County Board of Commissioners met in Special Called Session on Wednesday, July 5, 2006, at 12:00 noon, in the Blue Room of the McMinn County Courthouse.

1. CALL TO ORDER

The meeting was called to order by Chairman Crews.

2. INVOCATION

The Invocation was given by Commissioner Owen Vincent.

3. PLEDGE TO THE FLAG

The Pledge to the Flag was led by Commissioner Gary Mason.

4. ROLL CALL

Roll Call was taken by Clerk Evonne Jones, as recorded:

Scott Curtis - Present  
Dale Holbrook - Present  
Jeannie King - Present  
Roger Masingale - Present  
Gary Mason - Present  
J. W. McPhail - Present  
Bob Powers - Present  
Jack Powers - Present  
Owen Vincent - Present  
Chairman David Crews - Present

5. FINAL APPROVAL OF THE FY 2006-2007 BUDGET

Mr. Luallen referred to his memorandum of June 29, 2006, Subject: Final Approval of the FY 2006-2007 Budget, including the following resolution which includes approval of Summary of Proposed Operations, FY 2006-2007 Tax Summary, Resolution making Appropriations (Enclosure 1 attached to these Minutes), and Resolution Fixing the Tax Levy of McMinn County for FY beginning July 1, 2006 (Enclosure 2 attached to these minutes) as well as the Legal Notice of Non-Profit Non-Charitable organizations.

Resolution No. 06-081

A RESOLUTION TO APPROVE FINAL STEP IN BUDGETARY PROCESS FOR  
FY 2006-2007

WHEREAS, as required by Tennessee Code Annotated, the final step in the budgetary process for FY 2006-2007 includes approval of Summary of Proposed Operations, FY 2006-2007 Tax Summary, Resolution making Appropriations, and Resolution Fixing the Tax Levy of McMinn County, Tennessee for FY beginning July 1, 2006 and Legal Notice of Non-Profit Non-Charitable organizations; and

WHEREAS, in accordance to Tennessee Code Annotated, McMinn County Budget Committee recommends approval of the Proposed Budget Process for FY 2006-2007.

(Cont'd)

(Resolution No. 06-081 Cont'd)

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN THIS CALLED SESSION ON THIS THE 5TH DAY OF JULY 2006, that this Commission does hereby approve the final step in the budgetary process for FY 2006-2007.

(Orig signed by John M. Gentry)  
McMinn County Mayor

Attest:

(Orig signed by Evonne Jones)  
County Clerk

MOTION made by Commissioner Holbrook, and seconded by Commissioner Bob Powers, to approve this resolution.

Commissioner Jack Powers, Chairman of the Finance Committee, said that this was the tightest budget they've had in many years but they were able to provide a salary increase for the County employees and continue contributions to the pension and insurance funds, both of which went up. Commissioner Jack Powers expressed his appreciation for the cooperation of everyone in during the budget process.

Motion carried by roll call vote, as recorded:

Scott Curtis - Aye  
Dale Holbrook - Aye  
Jeannie King - Aye  
Roger Masingale - Aye  
Gary Mason - Aye  
J. W. McPhail - Aye  
Bob Powers - Aye  
Jack Powers - Aye  
Owen Vincent - Aye  
Chairman David Crews - Aye

#### 6. WOODS MEMORIAL HOSPITAL DISTRICT LOAN REQUEST

Mr. Gentry referred to the request from Woods Hospital at the County Commission meeting on June 22, 2006 that the County co-sign a note in the amount of \$1.7 million to cover some operational maintenance deficits for the Woods Memorial Hospital District. For the record, Mr. Gentry stated that this is not a loan from McMinn County to Woods Memorial Hospital District but rather it is signing on as a surety for that \$1.7 million that they will obtain from an outside financial institution. Mr. Gentry also stated that this agreement has not been before the Woods Memorial Hospital Board of Trustees.

Mr. Gentry read the following resolution granting approval to the Woods Memorial Hospital District to enter into a loan agreement to consolidate existing loan obligations and satisfy outstanding accounts payable.

Resolution No. 06-084

A RESOLUTION GRANTING APPROVAL TO THE WOODS MEMORIAL  
HOSPITAL DISTRICT TO ENTER INTO A LOAN AGREEMENT TO  
CONSOLIDATE EXISTING LOAN OBLIGATIONS AND SATISFY  
OUTSTANDING ACCOUNTS PAYABLE

WHEREAS, Woods Memorial Hospital District (hereinafter "WMHD") was established by Private Act of the State of Tennessee on the 16th day of February 1965; and

WHEREAS, said Private Act authorizes McMinn County to appropriate to the Hospital District from the General Fund such sums as may be necessary to pay any deficits arising from the operation and maintenance of the Hospital District; and

WHEREAS, the WMHD is experiencing deficits with the operation and maintenance of the Hospital District as to require the assistance of McMinn County; and

WHEREAS, McMinn County desires to retain a viable hospital presence at the current location of the WMHD, with the hope of eventually improving the level of health services presently available; and

WHEREAS, McMinn County agrees to allow WMHD to use this resolution with the limitations stated herein to procure a loan, the proceeds of which shall be used to pay existing deficits which have arisen from the operation and maintenance of the Hospital District; and

WHEREAS, the limitations are as follows:

1. WMHD must use a competitive procedure to solicit the loan agreement.
2. Any monies obtained by WMHD pursuant to the loan agreement shall be restricted to payment of the existing, outstanding accounts payable shown in Exhibit "A", (attached to original copy of resolution), including the consolidation of specified existing loan agreements.
3. If WMHD is unable to pay on any due date the payment then due, then WMHD shall immediately notify the County of its inability to pay and at the same time provide proof of such notification to lender. The County shall pay from the General Fund the amount of the payment then due by remitting the same to Lender within 15 days of County's receipt of WMHD inability to pay such amount.
4. It shall be the sole intent of the WMHD to utilize the funds made available by this loan agreement to better position the Hospital District to meet its stated goal of significantly changing its organizational, operational and management structure.
5. Until such time as any loan or line of credit under this agreement is paid in full, WMHD shall not sell, mortgage, transfer or dispose of any of its real property assets without the written consent of the county.
6. The same shall hold true until any and all debts currently owed to McMinn County by WMHD are paid in full, including but not limited to past bond issues and ambulance payments.
7. The new business model for the WMHD made possible by this loan agreement must include a provision for an eventual change in ownership from WMHD to some certain separate private or other public ownership entity. The change in ownership shall take effect within a twelve month period.

(Cont'd)

(Resolution No. 06-084 Cont'd)

8. Due to the past and present utilization of the full faith and credit of McMinn County taxpayers to ensure the financial stability of WMHD, any excess proceeds which may become available as a result of the change in ownership shall be deposited with McMinn County as the representative government of the citizens of McMinn County to be utilized as deemed in the best interest of the citizens of McMinn County pending legal authorization.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN CALLED SESSION THIS THE 5TH DAY OF JULY 2006, THAT THIS COMMISSION does hereby approve the aforementioned loan agreement with the WMHD and authorizes its use to secure funds necessary to meet the financial obligations arising from the operation and maintenance of the Hospital District, and authorized the County Mayor to execute the necessary documents to meet the intended purposes of this agreement.

(Orig signed by John M. Gentry)  
McMinn County Mayor

Attest:

(Orig signed by Evonne Jones)  
County Clerk

Mr. David Southerland, Administrator and CEO of Woods Memorial Hospital District, presented to the Commission the Exhibit A referenced in this resolution which is the Woods Memorial Hospital Accounts Payable Aging by vendor as of June 14, 2006, including the consolidation of specified existing loan agreements.

In response to a question from Commissioner McPhail, Mr. Southerland said that the plan is to utilize the loan amount to cash flow the organization beyond 12 months until the hospital is restructured, sold, or joint venture developed or something that the Board of Trustees approves. Mr. Southerland said just as a reminder, the hospital has been paying on the original \$1.6 Million dollar loan for the last 53 months approximately \$31,000.00 and have made all payments on time and in full. This new loan will basically be restructuring the old \$1.6 million loan into a new loan with approximately the same monthly payment and Mr. Southerland said they will just continue paying what they have already been paying for the past four and half years, as well as attempting to stay current on current accounts payable. Mr. Southerland said again that the key is patient volume, physician and community support.

Mr. Southerland answered several questions from Commissioners concerning audit practices, write-off amounts for Medicare discounts and contracts with managed care companies, past County bond payments, mortgage balances on certain buildings, overpayment by Medicare, vendor services, and pending litigation.

(Cont'd)

In response to a question from Commissioner McPhail concerning whether Woods Hospital Board is in agreement with the provisions stated in Item 7 of this resolution, Mr. Southerland stated a motion was brought up and approved unanimously at their last meeting to move forward with developing a committee, as discussed by Mr. Higdon at the County Commission meeting on June 22, 2006. Commissioner Holbrook asked again about the wording of Item 7 and specifically read the last sentence: "The change in ownership shall take effect within a twelve month period." Commissioner Holbrook said that wording would seem to exclude options discussed earlier of a partnership or lease agreement. Mr. Southerland said that he is aware of the wording of this resolution but added that he was not the author. Chairman Crews stated that this document can be changed and after County Commission approval, it will go to the Hospital's Board of Trustees for approval. Mr. Southerland recommended that the Board be allowed to look at all possibilities and present a business model to the board of trustees that is going to be in the best interest of the hospital, physicians, and the citizens of McMinn County.

In response to a question from Commissioner Mason about this being a binding contract if both groups agreed to this resolution, Mr. Southerland added he learned last week that the State of Tennessee passed a new law that went into effect July 1, 2006 that addresses the process of how to sell a hospital, including legal requirements that the selling organizations must go through and how the proceeds from the restructuring can be used. Mr. Gentry said this new law requires the State Attorney General to audit the deal and hold a public hearing and is intended to protect communities.

Commissioner Vincent brought up that the make up of the committee is not specified in this resolution, but Chairman Crews said that the committee will have no authority -- they are a study/consensus committee. Commissioner Masingale said that the main focus of this is to protect the employees -- including their jobs and insurance coverage and Chairman Crews reiterated that everyone on the Commission and the Board of Trustees wants to make sure that the hospital stays open and becomes a prosperous entity.

Dr. Craig Riley, a physician at Woods Hospital and a member of the Board of Trustees, says the board is strongly committed to two goals -- to secure sufficient funds to keep them open and stable and equally important to find a better business model. He said that the employees have a very stressful job on a good day and it's not fair for the employees to come to work and wonder if they will continue to have a job in 30 - 60 days. The Board of Trustees and physicians very much want a change to occur but right now he doesn't think anyone has enough information to know what course will be the best action -- sale for profit, some kind of joint venture with a group of physicians, or a long-term lease.

Mr. Gentry, referring to Article 7 in the resolution asked if it would be acceptable to offer as additional language: "The change in ownership shall take effect within 12 month period unless an acceptable lease-purchase option is reached with another entity." Commissioner Mason stated he could not go along with that recommendation, but Commissioner Holbrook suggested adding to that recommendation that there may be a partnership involved in this. Chairman Crews feels, and the County Attorney agreed with him, that we can accomplish any of the things Dr. Riley suggested as options with the present wording. Commissioner Holbrook said that when you lease property, you don't lose ownership of it, and that is what Article 7 says -- that the ownership will be changed and added that he feels this is very extreme. Chairman Crews said he doesn't feel that we have the votes to change the wording.

MOTION made by Commissioner Holbrook, and seconded by Commissioner Jack Powers, to delete Article 7 of the resolution.

Commissioner McPhail reviewed the past history and he feels that the ownership needs to change. Commissioner Jack Powers stated that there were changes made when Baptist Hospital came in about four years ago and Commissioner Powers said he feels they have made improvements. He said that he agrees with Dr. Riley that the business model needs to change but he doesn't think we need to pin it down that we have to change ownership within a 12-month period.

Motion failed by voice vote with only Commissioner Holbrook and Commissioner Jack Powers voting

MOTION made by Commissioner Mason, and seconded by Commissioner Bob Powers, to accept the resolution as it stands as an offer to the Woods Board of Trustees.

Motion carried by roll call vote, as recorded:

Scott Curtis - Aye  
Dale Holbrook - Aye  
Jeannie King - Aye  
Roger Masingale - Aye  
Gary Mason - Aye  
J. W. McPhail - Aye  
Bob Powers - Aye  
Jack Powers - Nay  
Owen Vincent - Aye  
Chairman David Crews - Aye

#### 7. APPROVAL OF BIDS AND PURCHASES

##### A. Resolutions to Approve Payment of Inmate Medical Expenses to Woods Memorial Hospital.

Mr. Luallen presented two resolutions to approve payment of inmate medical expenses to Woods Memorial Hospital. Mr. Luallen said that since each one is over \$5,000.00, Commission approval is required and added that these resolutions pertain to a State inmate and we will receive reimbursement for anything over \$1,000.00.

##### Resolution No. 06-085

#### A RESOLUTION TO APPROVE PAYMENT OF INMATE MEDICAL EXPENSES TO WOODS MEMORIAL HOSPITAL

WHEREAS, McMinn County inmate experienced a critical condition of pancreatitis resulting in hospital services and surgery for the dates of May 13, 2006 to May 26, 2006 at a cost of \$14,591.29; and

WHEREAS, in accordance with Financial Management Committee Policies and Procedures, expenses over \$5,000 require County Commission approval.

NOW, BE IT THEREFORE RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN SPECIAL CALLED SESSION THIS THE 5TH DAY OF JULY, 2006, that the payment of medical expenses to Woods Memorial Hospital in the amount of \$14,591.29 be hereby approved.

(Orig signed by John M. Gentry)  
McMinn County Mayor

Attest:

(Orig signed by Evonne Jones)  
County Clerk

MOTION made by Commissioner Holbrook, and seconded by Commissioner Bob Powers, to approve

Resolution No. 06-086

A RESOLUTION TO APPROVE PAYMENT OF INMATE MEDICAL EXPENSES  
TO WOODS MEMORIAL HOSPITAL

WHEREAS, McMinn County inmate experienced a critical condition of pancreatitis resulting in hospital services and surgery for the dates of May 28, 2006 to June 1, 2006, at cost of \$5,742.05; and

WHEREAS, in accordance with Financial Management Committee Policies and Procedures, expenses over \$5,000.00 require County Commission approval.

NOW, BE IT THEREFORE RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE MEETING IN SPECIAL CALLED SESSION THIS THE 5TH DAY OF JULY 2006, that the payment of medical expenses to Woods Memorial Hospital in the amount of \$5,742.05 be hereby approved.

(Orig signed by John M. Gentry)  
McMinn County Mayor

Attest:

(Orig signed by Evonne Jones)  
County Clerk

MOTION made by Commissioner Mason, and seconded by Commissioner Vincent, to approve this resolution.

Motion carried by voice vote.

8. REVIEW AND APPROVAL OF CONTRACTS

None.

9. APPROVAL OF BUDGET AMENDMENTS

None.

10. COMMENTS FROM THE AUDIENCE

None.

11. RESOLUTIONS

None.

12. ELECTIONS, APPOINTMENTS AND CONFIRMATIONS

None.

14. COMMENTS FROM THE COUNTY MAYOR

A. McMinn County Airport Bids.

Mr. Gentry said that he hoped to have an Airport Committee recommendation on the airport construction bid at the next Commission meeting.

B. Comments Regarding the Budget and Growth of the County.

Mr. Gentry echoed what Commissioner Jack Powers said about this being a tough budget year and added that he is hoping and praying for a better economy in McMinn County next year. He expressed his appreciation to the Finance Director and his staff for their work, and Mr. Gentry congratulated Jason and Jeannie Luallen on their new baby Lauren Grace who was born last Thursday.

C. Comments Regarding Prospective Renters for Courthouse Annex Property.

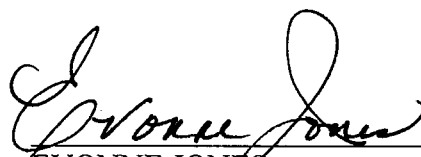
In response to a question from Commissioner Mason concerning interested renters for the Courthouse Annex property, Mr. Gentry said he had met with the prospective renters but more negotiating needed to be done with the owner of the property.

15. ANY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMISSION

None.

16. ADJOURNMENT

There being no other business, Chairman Crews declared the meeting adjourned at 12:55 pm.

  
\_\_\_\_\_  
EVONNE JONES  
McMinn County Clerk

Attest:

jb                      7-13-06  
Deputy Clerk              Date

2 Enclosures  
As stated

**RESOLUTION MAKING APPROPRIATIONS FOR THE VARIOUS FUNCTIONS,  
ACTIVITIES, DEPARTMENTS, INSTITUTIONS, OFFICES AND AGENCIES  
OF MCMINN COUNTY, TENNESSEE, FOR THE FISCAL YEAR BEGINNING  
JULY 1, 2006 AND ENDING JUNE 30, 2007**

Section 1. BE IT RESOLVED by the County Commission of McMinn County duly authorized, established and functioning in accordance with Chapter 325 of the Public Acts of 1981 of the State of Tennessee, assembled in called session on this 5th day of July, 2006, that the amounts hereinafter set out are hereby appropriated for the purposes of meeting the expense of the various functions, activities, departments, institutions, offices and agencies of McMinn County, Tennessee, for capital outlay and for meeting the payment of principal and interest on the County's debt maturing during the fiscal year beginning July 1, 2006, and ending June 30, 2007, according to the following schedule.

FROM THE GENERAL FUND # 101

GENERAL GOVERNMENT

County Commission	\$ 88,550	
County Mayor	169,156	
County Attorney	22,350	
Election Commission	183,403	
Register of Deeds	39,305	
Planning Commission	20,805	
County Buildings	<u>353,445</u>	
 TOTAL GENERAL GOVERNMENT		 \$ <u>877,014</u>

FINANCE

Accounting and Budgeting	\$ 382,118	
Purchasing (Fuel)	10,000	
Property Assessor's Office	308,602	
Office of County Trustee	37,089	
Office of County Clerk	46,912	
Other Finance (Auditing)	<u>23,000</u>	
 TOTAL FINANCE		 \$ <u>807,721</u>

ADMINISTRATION OF JUSTICE

Circuit Court	\$ 35,778	
General Sessions Court	178,500	
Drug Court	13,000	
Chancery Court	<u>188,749</u>	
 TOTAL ADMINISTRATION OF JUSTICE		 \$ <u>416,027</u>

Enclosure 1

PUBLIC SAFETY

Sheriff's Department	\$ 1,251,036	
Special Patrols (SRO)	205,120	
Sexual Offender Registry	3,000	
Jail	1,206,727	
Juvenile Services	290,649	
Work Release Program (Community Service)	30,727	
Fire Prevention and Control	167,575	
Civil Defense	327,818	
Rescue Squad	16,200	
Other Emergency Management	374,245	
County Medical Examiner	<u>48,000</u>	
TOTAL PUBLIC SAFETY		<u>\$ 3,921,097</u>

PUBLIC HEALTH AND WELFARE

Local Health Center	\$ 511,195	
Ambulance Service	476,183	
Other Local Health Services	97,859	
General Welfare Assistance	17,581	
Waste Removal (Litter Grant)	39,298	
Keep McMinn Beautiful	<u>37,490</u>	
TOTAL PUBLIC HEALTH AND WELFARE		<u>\$ 1,179,606</u>

SOCIAL CULTURAL AND RECREATIONAL SERVICES:

Libraries	\$ 136,507	
Parks	75,742	
Other Social, Cultural & Recreational	<u>6,073</u>	
TOTAL SOCIAL CULTURAL AND RECREATIONAL SERVICES:		<u>\$ 218,322</u>

AGRICULTURE AND NATURAL RESOURCES:

Agricultural Extension Service	\$ 125,140	
Soil Conservation	23,968	
Other Agriculture & Natural Resources (Water Quality)	<u>19,136</u>	
TOTAL AGRICULTURE AND NATURAL RESOURCES		<u>\$ 168,244</u>

GENERAL GOVERNMENT DEBT SERVICE

Other Debt Service (Woods Memorial Hospital)	\$ <u>186,837</u>	
TOTAL GENERAL GOVERNMENT DEBT SERVICE		<u>\$ 186,837</u>

OTHER GENERAL GOVERNMENT:

Tourism	\$ 54,500	
Industrial Development	88,138	
Airport	36,000	
Veterans' Services	57,924	
Other Charges	281,000	
Employee Benefits	<u>1,098,500</u>	
TOTAL OTHER GENERAL GOVERNMENT		<u>\$ 1,616,062</u>

OPERATING TRANSFERS:

Operating Transfers- General Government	\$ <u>100,000</u>	
TOTAL OPERATING TRANSFERS		<u>\$ 100,000</u>

**TOTAL GENERAL FUND** \$ 9,490,930

FROM THE SOLID WASTE SANITATION SPECIAL REVENUE FUND # 116

Landfill Operation and Maintenance	\$ <u>350,000</u>	
TOTAL SOLID WASTE/SANITATION SPECIAL REVENUE FUND		<u>\$ 350,000</u>

FROM THE DRUG CONTROL FUND # 122

Drug Enforcement	\$ <u>95,249</u>	
TOTAL DRUG CONTROL FUND		<u>\$ 95,249</u>

FROM THE ROAD AND BRIDGE FUND # 131

Administration	\$ 166,258	
Highway & Bridge Maintenance	1,864,577	
Operation & Maintenance	550,679	
Other Charges	186,368	
Employee Benefits	561,892	
Capital Outlay	748,247	
Debt Service	<u>1,000</u>	
TOTAL ROAD AND BRIDGE FUND		<u>\$ 4,079,021</u>

FROM THE GENERAL PURPOSE SCHOOL FUND # 141

Regular Education Program	\$ 16,344,917
Alternate Instruction Program	161,342
Special Education Program	2,046,315
Vocational Education Program	1,827,649
Attendance	117,521
Health Services	37,000
Other Student Support	1,064,219
Regular Education Program Support	1,591,502
Special Education Program Support	205,994
Vocational Education Support	130,349
Other Programs (Vocational Rehab)	97,954
Board of Education Services	470,603
Office of the Superintendent	278,576
Office of the Principal	2,204,083
Operation of Plant	2,544,539
Maintenance of Plant	843,036
Transportation	1,994,174
Regular Capital Outlay	<u>515,000</u>
 TOTAL GENERAL PURPOSE SCHOOL FUND	 <u>\$32,474,773</u>

FROM THE SCHOOL FEDERAL PROJECTS FUND # 142

Regular Education Program	\$ 939,082
Alternative Instruction Program	27,052
Special Education Program	894,134
Vocational Education Program	162,199
Other Student Support	58,059
Regular Education Program Support	275,458
Special Education Program Support	186,947
Transportation	<u>215,585</u>
 TOTAL SCHOOL FEDERAL PROJECTS FUND	 <u>\$ 2,758,516</u>

FROM THE SCHOOLS CENTRAL CAFETERIA FUND # 143

Food Services	\$ <u>2,394,459</u>
 TOTAL SCHOOLS CENTRAL CAFETERIA FUND	 <u>\$ 2,394,459</u>

FROM THE OTHER CAPITAL PROJECTS FUND # 189

General Administration Projects	\$ 975,000
Administration of Justice Projects	1,365,000
Public Health Projects	400,000
Highway Capital Projects	100,000
Education Capital Projects	<u>1,200,000</u>
 TOTAL OTHER CAPITAL PROJECTS FUND	 <u>\$ 4,040,000</u>

FROM THE SOLID WASTE ENTERPRISE FUND # 207

Landfill Operation & Maintenance	\$ 1,340,038
Other Waste Disposal (Landfill Development)	100,000
Landfill Post Closure Care Costs	76,000
Other Charges	36,300
Employee Benefits	<u>121,238</u>

TOTAL SOLID WASTE ENTERPRISE FUND \$ 1,673,576

Section 2. BE IT FURTHER RESOLVED, that the appropriations from each fund are made contingent on the available revenues and surplus. If the revenues actually received for the year 2006-2007, together with any existing surplus in such fund, or less any existing deficit in such fund, shall be less than the aggregate amount herein appropriated from such fund, then the expenditures herein authorized shall be reduced so as not to exceed such amount.

Section 3. BE IT FURTHER RESOLVED, that the appropriation for the School Department from local sources is in the amount of \$10,699,346 which will be paid by McMinn County from the tax levy, sales tax and other revenues. The remaining balance of \$ 20,830,035 which is shown in the budget is an estimated amount which is to be received from the State and Federal Governments provided our Local School System meets certain qualifying standards as set up by said State and Federal Governments, and is not an appropriation from McMinn County. If the revenues actually received from the State and Federal Governments are less than the estimated amounts shown then the expenditures herein authorized to be paid from such sources shall be reduced so as not to exceed the amount actually received.

Section 4. BE IT FURTHER RESOLVED, that there are also hereby appropriated certain portions of the commissions and fees for collecting taxes and licenses and for administering other funds which the County Trustee, County Clerk, Circuit Court Clerk, County Register, Sheriff and the Clerk and Master and their officially authorized deputies and assistants may severally be entitled to receive under state laws heretofore and hereafter enacted. Expenditures out of commissions, and/or fees collected by the County Trustee, County Clerk, Clerk and Master, County Register and the Sheriff may be made for such purposes and in such amounts as may be authorized by existing law or by valid order of any court having power to make such authorizations. Any excess commissions and/or fees collected over and above the expenditure duly and conclusively authorized to be paid therefrom shall be paid over to the County Trustee to the credit of the County General Fund as provided by law.

Section 5. BE IT FURTHER RESOLVED, that the School Funds which are received by the County and which are to be apportioned to City Schools within the County shall be paid over to the Cities by the County Trustee in accordance with existing law.

Section 6. BE IT FURTHER RESOLVED, that the County Mayor is hereby authorized to borrow money on tax anticipation notes provided such notes are first approved by the Director of Local Finance, to pay the expenses herein authorized until the taxes and other revenues for the fiscal year 2006-2007 have been collected, not to exceed 60% of the appropriations. The proceeds of loans for each of the individual funds shall be used only to pay the expenses and other requirements of the fund for which the loan is made and the loan shall be paid out of revenues of the fund for which money is borrowed. The notes evidencing the loans authorized under this section shall be issued under the authority of TCA-9-21-801 et. seq. Said notes shall be signed by the County Mayor and countersigned by the County Clerk with the seal of the County attached thereto, and shall mature and be paid in full without renewal not later than June 30, 2007.

Section 7. BE IT FURTHER RESOLVED, that any appropriation made by this resolution which covers the same purpose for which a specific appropriation is made by statute is made in lieu of, but not in addition to, said statutory appropriation. The salary, wages or other remuneration of each officer, employee or agent of the County shall not be in excess of the amount authorized by existing law or as provision for such salaries wages or other remuneration hereby authorized shall in no case be construed as permitting expenditures for any Department, Agency, Office, or Division of the County in excess of that appropriated herein for such

Department Agency, Office or Division of the County. Such appropriation shall constitute the limit to the expenditures of any Department, Agency, Office or Division of the County for the fiscal year beginning July 1, 2006, and ending June 30, 2007. All purchases, expenditures and obligation, against the amounts herein appropriated shall be made in accordance with existing laws governing same.

Section 8. BE IT FURTHER RESOLVED, that the delinquent county property taxes for the year 2005 and prior years and the interest and penalty hereon collected during the year ending June 30, 2007, shall be apportioned to the various county funds according to the subdivision of the tax levy for the year 2005. The Clerk and Master, the County Trustee, and the Director of Finance are hereby authorized and directed to make such apportionment accordingly.

Section 9. BE IT FURTHER RESOLVED, that all unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse, and be of no further force and effect at the end of the fiscal year at June 30, 2007.

Section 10. BE IT FURTHER RESOLVED, that the following non-profit organizations are included in the appropriations from the General Fund # 101. The funding amounts are detailed below per the requirement of the State of Tennessee, Comptroller of the Treasury. Payments to these non-profit organizations may not exceed the amount appropriated.

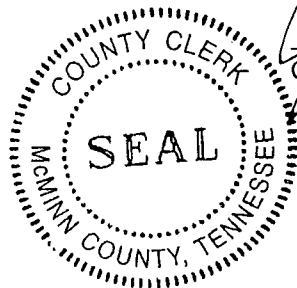
McMinn County Rescue Squad	\$ 6,100.00
Etowah Rescue Squad	6,100.00
Englewood Rescue Squad	2,000.00
Claxton Rescue Squad	2,000.00
TEAM Evaluation Center	9,196.00
Hiwassee Mental Health	7,000.00
Tri-County Center	10,500.00
McMinn Senior Citizens	20,000.00
Regional Humane Society	750.00
Contact of McMinn, Monroe, & Meigs County	1,200.00
Behavioral Research Institute	1,260.00
Southeast Tennessee Human Resource Agency	5,881.00
McMinn County Library Board	136,507.00
Athens Council for the Arts	2,500.00
Etowah Arts Commission	2,500.00
McMinn Historical Society	1,073.00
Tennessee Overhill Heritage	12,000.00
McMinn County Economic Development Authority	60,000.00
Sweetwater Creek Watershed District	600.00
Mouse Creek/Spring Creek Watershed District	1,000.00
Junior Achievement of McMinn & Bradley Counties	<u>300.00</u>
 <u>TOTAL NON-PROFIT FUNDING</u>	 <u>\$288,467.00</u>

Section 11. BE IT FURTHER RESOLVED, that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2006. This resolution shall be spread upon the minutes of the County Commission.

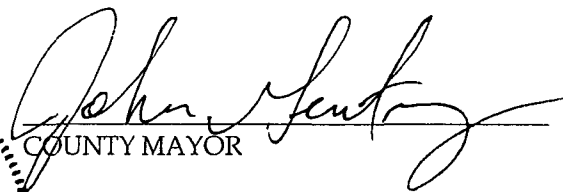
PASSED THIS 5TH DAY OF JULY, 2006

ATTEST:

COUNTY CLERK

COUNTY MAYOR



**RESOLUTION FIXING THE TAX LEVY FOR MCMINN COUNTY, TENNESSEE  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2006**

Section I. BE IT RESOLVED, by the McMinn County Commission of McMinn County, Tennessee, assembled in called session on this the 5th day of July, 2006, that the combined property tax for McMinn County, Tennessee, for the fiscal year beginning July 1, 2006, shall be \$1.90 on each hundred dollars of assessed taxable property within said County.

The total tax rate of \$1.90 on each one hundred dollars of assessed taxable property herein fixed is to provide revenue for each of the following funds and otherwise conform to the following levies:

General Fund	\$ .4020
Road & Bridge Fund	.1487
McMinn School Fund	.7256
Athens School Fund	.1934
Etowah School Fund	.0413
Other Capital Projects Fund	<u>.3890</u>
<b>TOTAL</b>	<b><u>\$ 1.9000</u></b>

Section II. BE IT FURTHER RESOLVED that the McMinn County Trustee is hereby authorized to prepare tax statements for Fiscal Year 2006-2007 "rounded off" to the nearest full dollar amount as authorized by TCA 67-5-102.

Section III. BE IT FURTHER RESOLVED, that the assessment was based on the Property Assessment and Classification Act of 1973 as follows:

Farm & Residential Property	25%
Personal Property	30%
Industrial & Commercial Property	40%
Public Utilities	55%

Section IV. BE IT FURTHER RESOLVED, that there is hereby levied by and for the use of McMinn County, Tennessee, a Business Tax upon merchants and other vocations, occupations and businesses, doing a business, or exercising a taxable business in McMinn County, Tennessee, under the Business Tax Act of 1971, State of Tennessee. In accordance with said Act, the business taxes hereby levied shall be in the same amount as are levied by the State of Tennessee, and proceeds of said tax herein levied shall accrue to the various funds as designated by the County Commission, except where otherwise provided by statute.

Section V. BE IT FURTHER RESOLVED, that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2006. This resolution shall be spread upon the minutes of the County Commission.

PASSED THIS 5TH DAY OF JULY, 2006.

ATTEST:

  
COUNTY CLERK

Enclosure 2



  
COUNTY MAYOR