

The McMinn County Board of Commissioners met in Special Called Session on Thursday, September 9, 2010, at 7:30 pm, 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 Gary Mason.

3. PLEDGE TO THE FLAG

The Pledge to the Flag was led by Commissioner Tim King.

4. ROLL CALL

Roll Call was taken by Evonne Hoback, McMinn County Clerk, as recorded:

Scott Curtis – Present
Dale Holbrook – Present
Tim King – Present
Roger Masingale – Present
Gary Mason – Present
J. W. McPhail – Present
Bob Powers – Present
Tad Simpson – Present
Charles Slack – Present
Chairman David Crews – Present

5. ELECTION OF CHAIRMAN AND VICE CHAIRMAN

Chairman Crews opened the floor for nominations.

Commissioner Powers nominated David Crews as chairman and this nomination was seconded by Commissioner Curtis.

Chairman Crews asked if there were any other nominations, but there were none.

MOTION made by Commissioner McPhail to cease nominations and elect David Crews as chairman, and this was seconded by Commissioner Bob Powers.

Motion carried by voice vote.

Chairman Crews opened up the floor for Vice Chairman nominations.

MOTION made by Commissioner Mason, and seconded by Commissioner Masingale, to nominate Commissioner J. W. McPhail as Vice Chairman.

There were no other nominations and this motion was carried by voice vote.

Chairman Crews announced that this was a special called session and they would be approving the first reading of the budget and discussing building codes and permits as well as flood insurance. He said people, who were here to discuss other things, would be welcome at the Regular Session on September 20, 2010.

6. FIRST READING OF THE FY 2010-2011 BUDGET

Mr. Luallen referred to his memorandum to the McMinn County Commission and the County Mayor, dated September 9, 2010, regarding the FY 2010 – 2011 Budget Process. Mr. Luallen said the Budget Committee met prior to this meeting and listened to the School Board's presentation and this is included in the overall budget. Attached to this memorandum is a detailed listing of revenue and expenditures by each of the funds within the budget, the FY 2010 – 2011 budget analysis as of today, and also a draft of the advertisement of budget information and notice of time and date for final approval. Mr. Luallen said that this was approved by the Budget Committee and he requested Commission approval of the first reading of this budget.

MOTION made by Commissioner Simpson, and seconded by Commissioner Powers, to approve the first reading of this budget.

Motion carried by roll call vote, as recorded:

Scott Curtis – Aye
Dale Holbrook – Aye
Tim King – Aye
Roger Masingale – Aye
Gary Mason – Aye
J. W. McPhail – Aye
Bob Powers – Aye
Tad Simpson – Aye
Charles Slack – Aye
Chairman David Crews – Aye

7. STATE BUILDING PERMITS/FLOOD INSURANCE DISCUSSION

Chairman Crews introduced several prominent people who would be participating in this discussion: Assistant Commissioner Jim Pillow, State of Tennessee Department of Commerce and Insurance, Mr. Stacy Morrison, Regional Director of the Local Planning Office, Mr. Anthony Casteel, Codes Enforcement and Community Development Director, with the City of Athens, as well as Mr. Tom Hughes, President of Southeast Bank and Trust, and Mr. Allen Carter, Athens Insurance

Chairman Crews asked Mr. Gentry to lead the discussion and Mr. Gentry expressed his appreciation to Assistant Commissioner Pillow for coming from Nashville to be here and to the others for being here to participate. Mr. Gentry explained that the State has passed a law allowing for implementation of a state building code program. Part of that law allows the County Commission, by a 2/3 majority, to opt out of that program before October 1, 2010. Mr. Gentry said that if our County takes no action, we are automatically in that program on October 1, 2010.

Mr. Gentry said that this was discussed in detail at the Commission's annual planning session last year which Mr. Pillows participated in. However, Mr. Gentry said that there are three new Commissioners and he asked Mr. Pillows to come and explain the building permit process.

On another topic, but one that may dovetail with building permits, Mr. Gentry explained the subject of flood insurance and why it is being considered at this time. Mr. Gentry said that in June of this year, the Governor signed a law that counties that have flood insurance rate maps and flood areas must be in the national flood insurance program by June 30, 2012. Part of that implementation is a development permit and Mr. Gentry said unless something changes, we will be in that program.

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Assistant Commissioner Pillow gave an overview of the law enacting the state building code program. He said his job is to give the Commission the information that they need to make the decision that is right for McMinn County. The first option you have is to do nothing and if that is what you choose, the State will implement a building code program for 1-2 family dwellings and other residential structures in McMinn County on October 1, 2010. The way this permit system will work is based on the way the electrical inspection has worked here in the state for the past 35 years, with State contract inspectors, and local issuing agents.

The second option is for the County to hire their own certified inspector or have an interlocal agreement with another certified inspector, i.e. the city of Athens or another County inspector.

The third option would be for the County to opt out of the program by a 2/3 vote of the County Commission. If that is the option that is chosen, Mr. Pillows explained that we would not get the extra points that are nice to have when competing for grants. If the county opts out, they would need to reconsider this every time that there is an election, but Mr. Pillow added that the County can opt in at any point with a simple majority but must opt out with a super majority.

Mr. Pillows said that Tennessee ranks first in the nation per capita in residential energy consumption and energy efficiency is the driving force behind State-wide building codes, but cautioned that the next administration may have other priorities.

In response to a question from Commissioner Powers, Mr. Pillows explained that the flood insurance and the building codes are separate issues and the only way they would be connected is if you had the same issuing agent to take care of the paperwork. The State building codes program applies to all new residential structures, this year, but next year will include additions to residential structures.

Mr. Pillows said the first eleven chapters of the Residential Code is all that is going to be applicable and added that typically, they do three inspections: a footing inspection, a framing inspection and a final inspection. That is in addition to electrical inspection and they also look at the energy efficiency aspects. Mr. Pillows said that this is not a big change from what builders have been required to do by law for a long time, but added that when there is no building code enforcement, the laws are often ignored. Mr. Pillows said the vast majority of good builders feel that this levels the playing field.

Mr. Gentry said that people are not as concerned about the cost of the building permit as they are about the extra costs to build to building code standards. Mr. Pillows said that a good portion of builders will tell you that there is no difference in the cost because they build the same house regardless of whether the house is located in an area with building codes or not. However, Mr. Pillows said this is not always the case.

In response to a question from Chairman Crews and Commissioner King concerning the inspections, Mr. Pillows said that they do the framing inspection after the insulation is put in, and added that there is one free inspection. Mr. Pillows also went over the various inspections, their timing and fees. There was a lengthy discussion and Mr. Pillows answered several questions. Mr. Gentry asked Mr. Pillows if he could stay for the discussion on flood insurance and he agreed to and he offered to be available to anyone who has questions.

Mr. Stacy Morrison, Regional Director for Local Planning Assistance Office said they are a division of Economic and Community Development. Mr. Morrison said they provide professional planning services to over half of the communities across the State of Tennessee. In McMinn County, they provide this service to the county and all the municipalities except for Calhoun.

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Mr. Morrison said his division is designated as the administrator for the entire state for the National Flood Insurance Program which is mandated in June 2012 by legislation for everyone in a special flood hazard area. Mr. Morrison said that the County Commission will be responsible to designate an administrator (building inspector). Prior to this legislation, the program was voluntary. In McMinn County, about 5% of the county is located in a flood hazard area. Mr. Morrison said under this program, builders would have to build according to Code in flood hazard areas. It is up to the citizens to obtain the proper permits and the community is responsible to make sure that construction is in compliance. A comprehensive, coordinated permitting system would be key to proper enforcement. Mr. Morrison feels that everyone needs to get a permit even if you're not in flood area, although this is not a state requirement.

Mr. Morrison discussed insurance rates and said that coverage and rates are established by the federal program and he said the premiums should be the same if the risk is properly and equally rated.

In response to a question from Mayor Gentry, Mr. Morrison said that some counties put the burden on the owner who is building, but if there is a flood event, Mr. Morrison said that the county could be in trouble if they are not properly administering the program. Mr. Morrison said that his division conducts an information exchange visit every five years with communities but is not as comprehensive as a FEMA inspection.

Mr. Morrison said that the purchase of flood insurance is totally voluntary to the property owner but added that lending institutions can require it whether or not the community is in the program.

Chairman Crews requested comments from bankers in the audience. Mr. Tom Hughes, of Southeast Bank & Trust, said that the biggest problem is educating the public. He said if property is in a flood hazard area, flood insurance is mandated by the federal government. Banking institutions can't make a loan without flood insurance and he reviewed the requirements they operate under. He also stated that banks face stiff civil penalties for not requiring flood insurance for structures built in flood zones.

In response to a question from Chairman Crews, Mr. Allen Carter, of Athens Insurance, discussed insurance rates and deductibles. There was also a lengthy discussion of FEMA's maps and how they can change making flood areas larger or smaller as new data is acquired.

Mr. Morrison pointed out that if you are a participating community, the citizens can qualify for individual assistance (e.g. low interest loans) as a result of any declared disasters. However, Mr. Gentry and Commissioner Holbrook said that in 2003, individuals did get federal disaster assistance. According to Mr. Morrison, this was a mistake and FEMA is aware of it.

In response to a question from Mr. Gentry, the County Attorney says McMinn County doesn't have any liability.

Mr. Anthony Casteel, who works for the City of Athens (Codes Enforcement and Community Development Director) said that new construction has to be built 1 foot above that base flood elevation if a determination has been made. If no flood elevation has been determined, then you must build 3 feet above the base flood elevation; however, Mr. Tom Hughes said that FEMA is the authority. Mr. Casteel said that they haven't had any problem at the City of Athens with our building permit process due to flood insurance. He said that we try to help our citizens get cheaper insurance.

In response to a question from Mayor Gentry, Mr. Casteel said that you cannot build in a "flood way." Mr. Tom Hughes said that flood maps can change which would change your insurance liability.

Chairman Crews expressed his appreciation to all who participated in this discussion.

8. COMMENTS FROM THE AUDIENCE

Mr. Dan Chesanow, resident on County Road 216 in the Blair Estates, said he has lived here since 2006 and wanted to “put a face” on the flood insurance issue. He said the issue here is the re-drawing of the maps. He said when he purchased his home, the flood plain was 100 feet from his property. When the Federal Emergency Management Agency (FEMA) redrew its flood maps, it shows that his property, except for the house, is in a flood plain and he said he can’t sell his house. Mr. Chesanow said that he and his neighbors’ homes represent at least \$8 million in property value. He said that the County must join the program in order for them to be able to buy flood insurance on the commercial market. Mr. Chesanow also added that retirees can’t get reverse mortgages unless the county is in the program. Mr. Chesanow said that the County Commission has the power to fix this by joining the program before June 2012.

9. COMMENTS FROM THE COUNTY MAYOR

A. Offer of Additional Information.

Mr. Gentry said that if anyone needs additional information on these issues prior to the regularly scheduled Commission meeting on September 20, 2010, that they should contact him.

B. Declaration of Constable Vacancy, 4th District.

Mr. Gentry said that Constable Charles Breedlove passed away and he offered his condolences to his family. He also declared a constable vacancy in the 4th district. Guidelines to fill this vacancy will be discussed at the regular session of the McMinn County Commission in September 2010 and the vacancy will be filled at the October 2010 Regular Session.

C. Welcome to New Commissioners.

Mr. Gentry welcomed Commissioner Tim King, J. W. McPhail, and Charles Slack and added that our meetings don’t always last this long.

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

None.

11. ADJOURNMENT

There being no other business, Chairman Crews declared the meeting adjourned at 10:00 pm.



EVONNE HOBACK
McMinn County Clerk

Attest:

jh
Deputy Clerk

9-16-10
(date)