

REGULAR MEETING KINGSTON CITY COUNCIL
TUESDAY, JANUARY 9, 2024 – 6:00 P.M.
KINGSTON CITY HALL

The Kingston City Council met in regular session on Tuesday, January 9, 2024 at 6:00 P.M. Mayor Tim Neal called the meeting to order. Mayor Tim Neal gave the Invocation and Council Member Stephanie Wright led the pledge. Upon roll call the following members were present: Council Member Philip Bredwell, Council Member Randy Childs, Council Member Lucy Johnson, Council Member Stephanie Wright, and Mayor Tim Neal. Staff present: City Manager David Bolling, City Clerk Kelly Jackson, City Attorney Andrew Thompson, and Utility Director Kevin Hamilton. Vice-Mayor Tony Brown and Council Member Tommy Guinn were absent.

EXECUTIVE SESSION

Mayor Neal recessed the regular meeting at 6:01 PM without any objection to enter into Executive Session to discuss pending litigation.

The Executive Session ended and the regular meeting reconvened at 6:11 PM.

APPROVAL OF PREVIOUS MINUTES

A motion was made by Member Wright, second by Member Childs to waive the reading and approve as written the minutes of the Work Session on December 5, 2023 and the Public Hearing/Regular Meeting on December 12, 2023.

The motion passed with a unanimous roll call vote. 5 Ayes.

CITIZEN COMMENTS/PERSONS TO APPEAR/PROCLAMATIONS

- Cassidy Melhorn (VolHomes-135 Baker Meadows Lane, Clinton, TN) addressed council about the properties owned by Ms. Crowe on Pineywood. He advised he has the properties under contract. He presented his solution stating that the properties at 1100 Pineywood and 1103 Pineywood are both vacant and he would immediately clean those properties up not completely bringing them into compliance but presentable. He would then put those on the market and sell them to a contractor/buyer. He advised the remaining property would require an eviction which could take approximately four (4) months and once that is complete, they would do the same for those remaining properties and sell them on the market.
- Margaret Crowe (owner of the properties on Pineywood) addressed council and stated that she is a motivated seller and advised the properties are under contract. She asked for guidance on how to proceed. City Attorney Andrew Thompson advised Ms. Crowe that they could continue discussions in attempt to resolve the situation.

(City Attorney Andrew Thompson advised that the pending litigation cannot be discussed prior to them addressing Council)

REPORTS-MAYOR AND COUNCIL-

- Member Bredwell-No additional comments
- Member Brown-Absent
- Member Childs-No additional comments
- Member Guinn-Absent
- Member Johnson-No additional comments
- Member Wright-No additional comments
- Mayor Neal- No additional comments

REPORTS-CITY MANAGER'S REPORT

- Announced the BUILD Planning Grant kickoff meeting this Friday at 2pm.
- Currently evaluating the traffic flow/parking situation on Fourth Street. Will meet with Public Works Director Tim Clark and Police Chief Jim Washam tomorrow. This will be discussed further in the future.
- Budget Time-Plans for the Finance Director and Department Heads to meet to discuss the remainder of this FY and start planning for the next FY.

ADDITION OF ITEMS TO THE MEETING AGENDA RECEIVED AFTER CLOSE OF AGENDA DEADLINE (BY UNANIMOUS CONSENT OF ALL MEMBERS PRESENT. - NONE

UNFINISHED BUSINESS: NONE

NEW BUSINESS:

A. Consideration of the first reading of Ordinance 24-01-09-01, an ordinance to abolish the Beautification Committee.

A motion was made by Member Wright, second by Member Bredwell to approve the first reading of Ordinance 24-01-09-01, an ordinance to abolish the Beautification Committee.

The motion passed with a unanimous roll call vote. 5 Ayes.

Member Wright thanked the committee for their service and their accomplishments.

B. Consideration of a request by the Tennessee Municipal League to re-affirm support for the restoration of the historical state shared sales tax relationship and the increased single-article cap revenue-sharing relationship between the State of Tennessee and local governments.

A motion was made by Member Wright, second by Member Childs to re-affirm support for the restoration of the historical state shared sales tax relationship and the increased single-article cap revenue-sharing relationship between the State of Tennessee and local governments.

The motion passed with a unanimous roll call vote. 5 Ayes

C. Consideration to approve the proposed logo for Kingston's 225th anniversary

A motion was made by Member Johnson, second by Member Childs to approve the proposed logo for Kingston's 225th anniversary

The motion passed with a unanimous roll call vote. 5 Ayes.

Mayor Neal adjourned the meeting at 6:24 pm

APPROVED 2-13-2024



Tim Neal, Mayor

ATTEST:



City Clerk

RESTORE RETURN RELIEF

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RESTORE

TML's legislation fully **RESTORES** the historic revenue sharing relationship between the state and municipalities by allowing municipalities to once again share in 100% of the state sales tax revenues flowing to the state's general fund and by allowing local governments to realize 100 % of the local share of sales tax revenues generated by the 2002 increase in the single article cap.

State-Shared Sales Tax

- First established in 1947 and maintained for 55 years, the revenue sharing relationship between the state and municipal governments was maintained through five subsequent increases in the state sales tax rate, with municipalities continuing to receive 4.6% of the total state sales tax, including those revenues associated with each new rate increase.
- To stave off a budget crisis in 2002, the state altered the historic sharing relationship with Tennessee's municipalities, when the state approved an increase in the state sales tax rate from 6% to 7 %, but the revenues associated with the 1% increase accrued entirely to the state's general fund and precluded sharing with cities.
- As a result of altering the historic sharing relationship in 2002, the state only returns 3.6% of total state sales tax revenues to municipalities.
- Last year, alone, this difference amounted to the state's general fund retaining \$78 million more had the 2002 change not been made.
- In the 20 years since that "temporary measure" was enacted, cities have been denied some \$933 million in additional sales tax revenues.

Single Article Cap

- Also, in 2002, the state increased the amount of the purchase price on a large, single item like a car or piece of furniture that is subject to the combined state and local option sales tax (9.75%) from \$1,600 to \$3,200. But rather than sharing that increased amount with local governments, the state claimed all of the Local Option Sales Tax (2.75%) revenues on sale items that cost between \$1,600 and \$3,200.
- Last year, alone, the state received \$74 million in sales tax revenue that were generated by the additional 2.75% levy on items with a purchase price above \$1,600. As a result, nearly \$37 million in sales tax revenues were diverted from local school systems and another \$37 million was diverted from local governments.
- Since its adoption in 2002, the state has received \$1.02 billion in sales tax collections from the increase of single article cap – revenues that would have benefitted the municipality, county, and school system where these purchases occurred.

The combined effect of these two "temporary" measures has allowed nearly \$2 billion in sales taxes to accrue entirely to the benefit of the state's general fund and at the expense of municipalities and municipal taxpayers. The returned revenue would provide relief to local taxpayers, allow local governments to meet funding demands necessary to maintain vital infrastructure, provide essential services to our citizens, fuel economic expansion, and afford the quality of life that has allowed this state to prosper.

RESTORE RETURN RELIEF

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RETURN

TML's legislation **RETURNS** millions in locally-generated sales tax revenues to Tennessee towns and cities to assist with the ever-increasing costs of providing essential services that affords residents a high quality of life, and promotes an environment that has enabled existing businesses and industries to succeed and grow.

- The combined effect of the state's actions in 2002 has been to allow nearly \$2 billion in sales tax revenues to accrue entirely to the benefit of the state's general fund and at the expense of municipalities and municipal taxpayers.
- It has been 20 years since these two, "temporary" measures were adopted. In the two decades since these provisions took effect, the state of Tennessee's dynamic economic and fiscal policies has erased the conditions that led to these austerity measures.
- Tennessee state leaders have managed the budget with great care and a strong fiscally conservative approach to create a sustained period of economic vitality with eight consecutive years of surplus revenues and demonstrated fiscal performance.
- The state has amassed the healthiest of budget reserves, and the existence of recurring revenues allow for permanent restoration. Since the 2009 economic downturn, the governors and the General Assemblies have worked together to increase the State's rainy-day fund by \$1.1 billion and to bolster unrestricted budgetary reserves to \$9.3 billion. In addition, the State has an estimated \$2.75 to \$3.3 billion in unobligated recurring revenues.
- The state has never been in a better fiscal position to restore the historical relationship and return to the revenue-sharing practices that existed prior to 2002.
- Now is the time.

RESTORE RETURN RELIEF

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RELIEF

TML's legislation brings tax **RELIEF** to our communities by returning more of the sales tax revenues already being collected locally.

- Cities are the economic engines of the state. On average, about 90% of sales tax revenues realized by the state, are generated within city limits. Or in other words, about \$9 out of every \$10 in state sales tax collections are generated within city limits.
- Economic growth is intentional and when it occurs, it is financed largely through city taxes paid by municipal residents and businesses.
- City tax collections pay for essential services such as police, fire, streets, water and sewers, schools, parks, libraries and other services and amenities that attract, nurture and support business and make our communities desirable places to live, work and raise our families.
- Each dollar of shared revenue returned to the community is a dollar less in local taxes that municipal taxpayers must provide to keep the State's economic engines producing.
- The restoration of these shared revenues would relieve the pressure on local property taxes that impact every citizen in our cities and towns. At a time of high inflation, the reallocation of 4 cents on every available dollar means budget flexibility and more resources for essential services.
- Our state is in a solid financial position. Our cities and towns should benefit through the reinstatement of state shared revenues that will mean tax relief for most Tennesseans.

RESOLUTION 22-2-08-01

A RESOLUTION SUPPORTING THE RESTORATION OF THE HISTORICAL STATE SHARED SALES TAX RELATIONSHIP AND THE INCREASED SINGLE-ARTICLE CAP REVENUE-SHARING RELATIONSHIP BETWEEN THE STATE OF TENNESSEE AND LOCAL GOVERNMENTS

WHEREAS, cities throughout the state of Tennessee are the economic engine of the state and today, 92% of the state's total sales tax collections are generated within city limits; and

WHEREAS, in 1947, the state began sharing 4.6% of each year's total state sales tax collections with cities for the purposes of recognizing the collective contribution of cities as the state's economic engine; thereby acknowledging that city residents incur a local tax burden that is directly attributable to financing, developing, and maintaining an economic environment that continues to generate a healthy portion of the sales tax revenue accruing to the state; and

WHEREAS, when confronting serious fiscal challenges in 2002, the state of Tennessee increased the state sales tax rate from 6% to 7%; however, cities were precluded from receiving their share of the 1% increase in sales tax revenue; and

WHEREAS, as a result of this change to the historical sharing relationship of state sales tax revenue, municipalities are only receiving a share of the state sales tax generated by 5.5% of the state sales tax rate rather than the full 7%; and

WHEREAS, because of this altered sharing relationship, the City of Kingston was denied an estimated \$93,805 in shared sales tax revenue in fiscal year 2021, and cities across Tennessee have been denied approximately \$835 million in shared sales tax revenues since its adoption; and

WHEREAS, at the same time in 2002, the state also doubled the amount of the purchase price of individual sale items (single-article cap items) subject to the combined state and local option sales tax of 9.75% from \$1,600.00 to \$3,200.00; and

WHEREAS, in addition to the state continuing to retain 100% of its 7% levy on the sale of single-article cap items, the state also captured, and continues to capture, 100% of the 2.75% portion of the sales tax levy that is customarily reserved for local government on the added sale of items with a purchase price above \$1,600.00; and

WHEREAS, since the adoption of the single-article cap increase in 2002, the state has received more than \$951 million in sales tax collections that would have benefitted cities, counties and school systems where these purchases occurred; and


WHEREAS, the returned revenue to cities, including Kingston, would (1) provide relief to local taxpayers and assist local governments in meeting the increasing demand for services, (2) provide an environment that has enabled existing businesses and industries to succeed, (3) promote further economic expansion, and (4) afford residents a high quality of life that has allowed the state of Tennessee to prosper.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Kingston, on behalf of its residents, formally supports the restoration of the historical revenue-sharing relationship of recurring state shared sales taxes in order for cities to once again receive 4.6% of all state general fund sales tax revenue. The Council also formally supports the allowance of local governments to receive sales tax revenues realized on items with a purchase price above \$1,600.00.

ADOPTED, this 8th day of February, 2022.



Mayor Timothy Neal

Attest:


City Clerk



C. SANDERS
EMBLEMS

TOLL FREE
1-800-336-PINS (7467)
WWW.CSANDERS.NET

ARTWORK #23-1023

City of Kingston - 225th Anniversary



All fine lines and small lettering
must be in the metal finish of the pin.



To see image in actual size, print out at 100%.
The above chart measures 2" x 2".

PIN SHOWN ACTUAL SIZE: 1-1/8"

Enamel Colors:

-  PANTONE RED #186 c
-  PANTONE BLUE #286 c
-  PANTONE BLUE #292 c
-  WHITE

Please refer to a Pantone® color chart for
accurate color representation.

Metal Finish:

-  HIGH POLISH GOLD

★ PLACEMENT OF
CLUTCH-BACK
ATTACHMENT



BACK VIEW

DISCLAIMER: Please review your order carefully for design, spelling, color, and size to assure accuracy.
Colors may not be accurate on-screen depending on monitor and/ or printer setup. Artist conception not for use without authorization.

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