MINUTES

OF THE

BOARD OF MAYOR AND ALDERMEN

APRIL 8 & 20, 2010

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, April 8, 2010 at 7:00 P.M. in the Council Chamber of the City of Henderson City Hall. Present and presiding was Mayor Robert W. (Bobby) King and the following:

Aldermen: Robert C. (Bobby) Barnes, Johny R. Farris, Tim Faulkner, Buel Maness, Michael Phelps and Keith Smith.
Absent: None

There also present were: City Attorney Jerry Spore, City Recorder Jim E. Garland, Assistant Police Chief Leon Johnson, Public Works Director Jerry King, Building and Zoning Official Brent Beshires and Utility Director Mark Elkins

Alderman Bobby Barnes gave the invocation and Alderman Keith Smith led the Pledge to the Flag. The following proceedings were entered here-to-wit:

The minutes of the previous meeting of the city board were presented for approval. There being no questions or corrections, motion was made by Ald. Faulkner, duly 2nd by Ald. Maness to approve the minutes as prepared. Motion carried.

The accumulated accounts were presented for informational purposes and the board was asked if they had any questions concerning the accounts. Alderman Smith asked questions concerning the payments made to the design engineer on the traffic signal project at Main and Mifflin. Recorder Garland reported that the design documents had been tentatively approved by TDOT. The city had been approved to begin right-of-way acquisition which only involved one tract. This tract is in the name of a trust with a Franklin address and he was in the process of attempting to find a contact person for the trust. Unless the right-of-way is donated the city must have appraisals done on the property. Recorder Garland stated that the engineer hoped to go to bid sometime in June but he felt this was an optimistic estimate based on how the project had progressed thus far through TDOT regulations. There being no other questions about the accounts, the meeting continued.

Delegations were called for by Mayor King, there being none the meeting continued.

Mayor King addressed the board concerning the Southwest Tennessee Development District's Educational Pathways Program (STEP). This had been discussed in the past and Chester County was being asked to provide a total of $15,000 for it. Chester County had approved paying for $10,000 of the amount and both SWTDD and CC was asking the City of Henderson to fund the remaining $5,000. This program is designed to assist persons in applying

for all available grants and loans to further their education and would providing funding for the last dollar (after all other funds were used) to allow people to get a two year degree at a community college or training at a tech school. This would also be available to adults who wish to be retrained. The overall goal is to improve the workforce in the Southwest Tennessee region. The funds would come from the Industrial Park Fund. Motion was made by Ald. Barnes, duly 2nd by Ald. Faulkner to approve the funding of STEP. Motion carried.

The bonding requirements for the city recorder were discussed by the board. Recorder Garland explained that the Surety Bond for the Recorder had been carried through the TML Risk Management Pool insurance. The amount of the bond was for $200,000. The city recently received a letter from the TMLRMP that they had been informed by the State of Tennessee Department of Insurance that they could no longer provide Public Officials Bonds. This letter had been included in the board members packets. As such the bond for Recorder Garland was going to be canceled as of April 30th. The TMLRMP suggested that each city review their bonding requirements and if their Charter or Municipal Code allowed, they could cover the Public Officials under the Employee Dishonesty Coverage that covers all employees. The current limit on this coverage is $100,000. Recorder Garland contacted MTAS and they reviewed the bonding requirements of the recorder. After their review, they recommended in a letter that the city's Charter had no bonding requirements and that there was one small reference in the Municipal Code. The section is as follows: 1-301. TO BE BONDED. The recorder shall be bonded in such sum as may be fixed by and with such surety as may be acceptable to, the board of mayor and aldermen. Mr. Rick Whitehead stated that if the board approved it, this section could be repealed and then the board could determine what coverage should be required to protect the city. Recorder Garland recommended that this action take place and the Employee Dishonesty Coverage limit be increased to $200,000. He wanted to make sure that the board was willing to take this action before he drafted the ordinance to repeal Section 1-301. If they were unwilling to take this action, a private insurance company would be required to write the recorder bond at an increased cost. Motion was made by Ald. Farris, duly 2nd by Ald. Smith to allow Recorder Garland to increase the Employee Dishonesty Coverage to $200,000 and to draft an ordinance to amend the Municipal Code to repeal Section 1-301. Motion carried. The decision was made to recess the meeting at the end of other business until April 20th at which time the board would consider the ordinance. This is the same night that a budget meeting was scheduled.

Recorder Garland explained that the city needed to upgrade a network switch in the city hall network. The existing switch system had been in place since moving into city hall in 2002. Presently the system utilizes three 24 port switches to handle communication throughout the building and out to the internet. With more utilization, the network is slowing down. The recommendation was made to purchase one 48 port Giga-bit switch and use it in combination with the existing switches to improve the performance of the network. The cost of the switch was $6,000. This cost would be split four ways between general, industrial park, police and utilities. The funds are in the budget and this was a planned expense in the current year. Motion by Ald. Farris, duly 2nd by Ald. Barnes to approve the purchase of the new network switch. Motion carried.

Ald. Farris asked for PWD King to look into some water/drainage issues at the city park and asked him to see if he could do anything about correcting this issue.

Ald. Smith asked questions concerning the status of the lease with Mid-South Castings. Attorney Spore reported that they had given them till April 15th to vacate the building and not have to pay any past due rents or the city would file in court to have them removed and seek all past due amounts. Mid-South Castings had not been in contact with the city or the attorney other than an offer to pay a small portion of the past due rent. Mayor King had advised them that only the board could accept that and they were given tonight's date as the next meeting of the board.

Ald. Smith also asked concerning the status of the paving on North Ave. PWD King advised the board that he did not have enough money to repave the street so the matter was going to be discussed at the upcoming budget meeting.

Mayor King advised the board that the city was preparing for a surplus equipment auction during the first part of May. There has been a lot of discussion about what to sell and with budget time coming up what the city had in the way of equipment. Mayor King asked that a committee of Ald. Faulkner, Barnes and Phelps meet with the department heads at the maintenance facility to discuss their equipment, what was being sold and what was needed in next year's budget. This would give the aldermen a better understanding of what the city actually has in the way of trucks and equipment. The board members agreed to serve on the committee.

There being no other business, motion by Ald. Farris, duly 2nd by Ald. Faulkner to recess until Tuesday, April 20th at 6:00 PM. Motion carried.

Mayor King called the meeting back into session at the appointed time of 6:00 PM on Tuesday, April 20th. All board members were present with the exception of Alderman Johny Farris who was recovering from surgery.

Also present was City Recorder Jim E. Garland, Police Chief Tommy Davis, PWD Jerry King and Building Official Brent Beshires.

The first item to be discussed was the ongoing negotiations with Southwest Tennessee Human Resource Agency concerning their desire to purchase the city owned buildings in which they are now located. Mayor King stated that at the last meeting that SWHRA offered $1,150,000 for the land and buildings, the city made a counter offer of $1,250,000. A large audience of employees of SWHRA was present at the meeting. Executive Director Mike Smith was present at the meeting and addressed the board. The executive committee of SWHRA had met on April 15th and he was presented a draft of an agreement to purchase the building for $1,150,000 and immediately agreed to pay a down payment of 10% of that total amount. They would finalize and close after obtaining a loan probably through Rural Development. Mr. Smith gave a history of the relationship between the city and SWHRA.

Mayor King stated that the City of Henderson took a huge risk and went out on a limb to build these buildings for SWHRA when no other city or county would. There was no guarantee of a continued lease past one year. The taxpayers of Henderson paid extra for 12 years before the buildings ever broke even. Now the city is finally reaping some of the rewards of taking that

risk. Mayor King stated that the city actually had no desire to sell these buildings but he understood why SWHRA wanted to own them.

After several minutes of discussion, Mayor King recommended two options for the city board and Mr. Smith. They are as follows:

1) $1,200,000 with 10% down, 6 months to close and the lease payment stops immediately.
2) $1,150,000 no money down, with 6 months to close and lease payments continues till the date of closing.

When proposed these two options, Director Mike Smith chose option #1 if the city board would approve that option. Motion was made by Ald. Barnes, duly 2nd by Ald. Faulkner to approve selling the land and buildings to SWHRA for $1,200,000 with 10% down, 6 months to close and the lease payment stops immediately. Minor details and utility easements would be worked out between the city and SWHRA. Motion carried.

An ordinance to repeal Section 1-301 of the Municipal Code concerning the surety bond requirements of the recorder was presented for consideration. The recorder was now going to be covered by an Employee Crime Policy that covers all employees. The limit for this coverage had been increased to $200,000. This matter was discussed in depth on the night of the 8th. After due discussion, motion was made by Ald. Barnes, duly 2nd by Ald. Faulkner to approve the ordinance on the first reading. Upon a roll call vote the following was cast:

Ayes: Robert C. (Bobby) Barnes, Tim Faulkner, Buel Maness, Michael Phelps and Keith Smith.
Noes: None.
Absent and Not Voting: Johny R. Farris

Not being unanimous, the final reading would have to take place at the May meeting of the board.

Mayor King advised the board that Mid-South Castings had vacated the city building at 60 Record Drive. Mayor King also advised the board that Mr. Craig Casey of Eagle Warehouse wished to rent the building at $2,000 per month for 12 months with the option to purchase. This is the same amount that the board had approved the building be leased to Mid-South Castings. After due discussion, motion by Ald. Barnes, duly 2nd by Ald. Smith to approve the lease of 60 Record Drive to Eagle Warehouse for $2,000 per month with the option to purchase. Motion carried.

There being no other business, motion by Ald. Smith, duly 2nd by Ald. Faulkner to adjourn. Motion carried. The board was going too meet as a committee after a ten minute break to discuss the 2010-2011 budget.

Signed: Robert W. King

APPROVED: _____
MAYOR

Signed: Jim E. Garland

ATTEST: _____
CITY RECORDER