

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
MAY 13, 2010

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, May 13, 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, Police Chief Tommy Davis, Public Works Director Jerry King, Building and Zoning Official Brent Beshires and Utility Superintendent David Russell.

Alderman Bobby Barnes gave the invocation and Alderman Buel Maness 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. There being no questions about the accounts, the meeting continued.

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

An ordinance amending the bonding requirements for the city recorder was presented for consideration on the final reading. The proposed ordinance reads as follows:

ORDINANCE NO. 455 .

AN ORDINANCE TO REPEAL TITLE 1, CHAPTER 3, SECTION 1-301 OF THE HENDERSON MUNICIPAL CODE.

Section 1. BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSON, TENNESSEE, that Title 1, Chapter 3, Section 1-301 "To Be Bonded" (the recorder) shall be hereby repealed.

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Section 2. BE IT FURTHER ORDAINED that this ordinance shall take affect immediately following final passage, the public safety and welfare requiring it.

Being discussed in depth at previous meetings no discussion was needed. Recorder Garland did state that this would allow the recorder to be covered under the employee's blanket crime bond. That amount was increased to \$200,000 which is equal to the previous amount of the recorder's bond. Motion was made by Ald. Farris, duly 2nd by Ald. Smith to pass Ordinance #455 on the second/final reading. Upon a roll call vote the following was cast:

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

Therefore Mayor King declared Ordinance #455 duly passed and the Municipal Code amended.

Water, Sewer and Natural Gas rates had been discussed at recent utility budget meetings. After considerable discussion at these meetings, the decision was made to propose an increase to cover the cost of upcoming and proposed projects. An ordinance which amends the water rates, sewer rates and natural gas minimum bills amounts was presented as well as a resolution which amends the markup on natural gas. Recorder Garland explained the need for the two different documents. Rates would be increased on outside city water customers, all sewer customers (which are almost all located inside the city) and outside city natural gas customers. Sewer rates would be increased to 100% of water rates instead of the present rate of 85%. Ald. Barnes stated he was not voting in favor of any ordinance that increases sewer fees to 100% of water rates. Mayor King advised the board that the sewer department was not going to break even and that the city needed to generate some cash to help assist with the cost of having to dredge the east lagoon and to set aside funds for sewer rehabilitation. He went on to explain that all the projects in water and gas are outside the city including the Dry Creek Road/Wilson School Road improvement project in water and the Mifflin Community natural gas extension.

When asked, Mayor King reported that the sewer bill for an average household would increase \$3.50 per month. Ald. Barnes stated that he was not in favor of the sewer rate increase because 100% of the water used does not go back into the sewer system. If the department was not breaking even, then we need to look at a way to cutting costs, not increasing revenue. Recorder Garland explained that the construction costs for sewer are as much as five times higher than that of water. This increase needed is a result of projects done over the past thirty years and not the day to day operation cost of the department. Also some of the older lines are in need of rehabilitation which will be very costly.

After considerable discussion, motion was made by Ald. Smith, duly 2nd by Ald. Phelps, to pass the Ordinance to increase Water rates, Sewer rates and Natural Gas minimum bills on the first reading. Upon a roll call vote the following was cast:

Ayes: Johny R. Farris, Tim Faulkner, Buel Maness, Michael Phelps and Keith Smith.
Noes: Robert C. (Bobby) Barnes.

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Therefore Mayor King declared the ordinance passed on the first reading. Since the vote was not unanimous, the final reading will take place at the next meeting of the board.

As recommended in the utility budget meetings, an increase was proposed in the natural gas markup on outside city customers from \$2.20 per Mcf to \$2.50 per Mcf. The resolution on the proposed increase was presented as follows:

RESOLUTION NO. 2010-003.

A RESOLUTION TO APPROVE THE NATURAL GAS MARKUP PER MCF TO COVER THE COST OF OPERATIONS AND OVERHEAD PER THE REQUIREMENTS OF CITY OF HENDERSON MUNICIPAL CODE; TITLE 19, CHAPTER 2, SECTION 19-201.

BE IT RESOLVED BY THE CITY OF HENDERSON BOARD OF MAYOR AND ALDERMEN THAT:

The markup for “inside” city natural gas customers shall be \$2.00 Per Mcf.

The markup for “outside” city natural gas customers shall be \$2.50 Per Mcf.

The markup for “Optional Industrial Rate” customers shall be \$1.40 Per Mcf.

BE IT FURTHER RESOLVED THAT THE NATURAL GAS MARKUP FEES SET FOR IN THIS RESOLUTION SHALL TAKE EFFECT IMMEDIATELY UPON ADOPTION. THE PUBLIC WELFARE REQUIRING IT.

Motion was made by Ald. Phelps, duly 2nd by Ald. Farris to pass Resolution No. 2010-003 upon a roll call vote.

Ayes: Robert C. (Bobby) Barnes, Johny R. Farris, Tim Faulkner, Buel Maness, Michael Phelps and Keith Smith.

Noes: None.

Therefore Mayor King declared Resolution No. 2010-003 duly adopted and the natural gas markup amended for outside city customers.

Mayor King reported that FEMA met with officials today about damage caused by the recent flooding. Mayor King reported that the major issues facing the city were the damage to the east lagoon and minor damage at the south lagoon. Mayor King stated that at the present time he needed permission to hire a company to take core samples of the east lagoon sludge to determine the content and amount of sludge. This will affect how the city has to handle the material. The cost of the study is between \$5,000 and \$7,000. The cost of dredging the lagoon may cost between \$500,000 to \$1,000,000. The city hoped that FEMA would share in cost at 75%, State of Tennessee at 12.5% and the remaining 12.5% would have to be funded locally. After due discussion, motion was made by Ald. Barnes, duly 2nd by Ald. Smith to approve the \$5,000 to \$7,000 expenditure for the sludge sampling. Motion carried.

Mayor King also informed the board members that in the upcoming funding round of CDBG, he wanted to apply for Sewer Rehabilitation to deal with inflow and infiltration. He

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had already discussed this project with Nelson and Thornton Consultants and they have already completed two such projects with Jim Hillborn of GRW Engineers. The applications are due in February 2011 but some of the work needs to begin fairly soon. The board took no formal action but agreed with the plan.

Mayor King updated the board on the traffic signal project. The city had been in contact with the owner of the property where a small corner was needed. They had requested that the city do the appraisal. That appraisal has been ordered.

A budget meeting was set on Tuesday, May 18th at 6:00 PM. Mayor King asked the board to be ready for detailed discussion of any concerns that they have.

Ald. Farris made a comment about the utility departments stating that if the city did not take the steps to make the necessary improvements and have sufficient cash to complete these then we would not be able to serve the community as we need to. He commended the board for taking the difficult action of raising rates tonight to provide the service needed.

Ald. Barnes asked why there was no one present at the meeting from the Fire Department. He asked that someone always be present at the meetings of the board from each department.

There being no other business, motion by Ald. Farris, duly 2nd by Ald. Smith to adjourn. Motion carried.

Signed: Robert (Bobby) W. King

APPROVED: _____
MAYOR

Signed: Jim E. Garland

ATTEST: _____
CITY RECORDER