

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
DECEMBER 8, 2011

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, December 8, 2011 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, Johnny 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 Carter Scales, Assistant Fire Chief Greg Lipford, Utility Director Mark Elkins and Building and Zoning Official Brent Beshires.

Alderman Mike Phelps 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. Ald. Smith questioned the listing of the purchase of tires from Goodyear. It listed eight tires but only one vehicle. It was explained that the tires were bought on state contract and all eight tires were for the police department. The local tire shop installs the tires as needed. Ald. Faulkner questioned the bill for Tri-State Meter for \$7715.56. UD Elkins explained that it was for the large commercial gas meter set for the new FHU Science Building. The customer reimburses the city for the cost of the initial meter in cases such as this. There being no other questions concerning the accounts, the meeting continued.

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

Mr. Mike Hewitt of Alexander, Thompson and Arnold was present at the meeting to discuss the results of the annual audit for the year ending June 30, 2011. The staff and board members had been presented a copy of the audit prior to the meeting thus having a chance to review the document. Mr. Hewitt explained the highlights of the report including the Statement of Net Assets, the Statement of Activities, the Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund as well as other parts of the report. The budget year revenue and expenditures had the following effects on the governmental fund balances:

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General Fund ----- increased by \$233,431
Drug Fund ----- increased by \$ 2,597
State Street Aid ----- increased by \$ 62,153
Industrial Park Fund ----- increased by \$ 19,147
Sanitation Fund ----- increased by \$ 49,196
General Debt Service Fund ----- increased by \$258,899

The Utility Department posted the following net income for the year.

Water Department ----- \$127,092
Sewer Department ----- \$ 98,987
Gas Department ----- \$ 31,330

Mr. Hewitt stated that there was no material weakness in the city's internal controls. He did make note of one finding in the audit report and noted that management had taken steps to correct the weaknesses. Mr. Hewitt stated that they were pleased with the condition of the city's financial records and commended the city's staff on their performance. Mr. Hewitt also noted that the city's account and utility billing software was many years old and would need to be updated in the near future. Mr. Hewitt asked if the board had any questions concerning the audit. There were none and Mr. Hewitt was thanked for his service.

The next item on the agenda was to discuss the Downtown Enhancement Grant (TEA-21). As the mayor explained at the last meeting that TDOT changed some of the rules concerning the grant that would increase the local project cost. The city originally approved local matching funds of \$180,000. The city has been awarded a grant in the amount of \$644,361 but this entire amount has to be used for "construction" which includes construction inspection. The city must match this construction amount 80/20 so the local share of this would be approximately \$162,000. All soft costs for the project would have to be funded 100% with local funds. These costs include all engineering design services, surveying, grant administration and right of way acquisition (if needed). This is estimated on driving the local cost up to approximately \$248,000 or \$68,000 more than had been approved. Mayor King explained that he had the contract with TDOT but did not want to sign it until the board reviewed this increase in local funds and approve moving forward. Mr. Randy McKinnon of TLM and Associates was present at the meeting to discuss this matter and to answer any questions the board might have. Mr. McKinnon explained the change in the matching funds to the board in detail.

Ald. Farris questioned Mr. McKinnon on how far he believed the project funds would go based on his best guess. Mr. McKinnon stated the original budget included going from Cason Street to Front Street but based on current costs, the project would be able to get from Cason to Washington Ave and maybe to Union Alley. The county's project (if approved by the commission) would take care of the Courthouse block. Mr. McKinnon went on to state that TDOT is restricting the use of alternates to the construction contracts, therefore you have to be careful to bid where you will use all your funds but not go over or leave funds unspent. Ald. Farris stated that the city needed to do something downtown and that the city board needs to look at this as a long term project. He stated that this one grant was not going to complete the entire thing. The city needed to make a commitment to complete this ongoing project and with the amount of funds this was going to take, the businesses and property owners needed to make a commitment also to make their properties look better. Ald. Smith talked on getting the most we

can with the taxpayers money, we meant to get to the overhead bridge and maybe beyond. The project may not be as “fancy” as some people envisioned it but we need to get most done we can for the money. Ald. Farris spoke of making some building restrictions downtown to help protect this investment and to create a more uniform look of those properties. Mr. McKinnon stated that he had seen projects such as these, spur improvements to private properties in the area. Ald. Phelps stated that he wanted to make sure that in an effort to complete as much as possible let's not cut corners on what we do. If we do it, let's make sure it is done right. Ald. Barnes questioned where the funds were going to come from and what was budgeted for this project. Recorder Garland explained that a lot of options were discussed concerning the funds but no budget line item was created for this project. The board did commit to come up with \$180,000 in the resolution approving the project. The reasons a budget line item was not created was (1) the city did not even know if the project would be funded by the state, (2) there may be no funds expended in the current year, or only a small amount and (3) this project will take two to three years to complete. Ald. Faulkner expressed concerns about where the funds were coming from. The funds from the sale of the SWHRA buildings were discussed as well as the general fund balance.

Ald. Farris made a motion to proceed with the project and to commit the \$248,000 in local funds. Motion was duly 2nd by Ald. Phelps. Before a vote on the motion, Ald. Barnes questioned the county project and whether or not they were going to do it. Mr. McKinnon did state that if the county did not do the courthouse block, the city could include it in their project, if they wanted to but they did not have to. Ald. Maness asked if the city board and county commission could meet together on this matter where each would know what the other was doing. The county commission was not meeting on this matter until January. County Mayor Dwain Seaton was present at the meeting and he said he can't speak for the full commission, but he was recommending the project and he feels 75% sure that the commission will approve the additional cost on this worthwhile project. Mayor King stated that he had remained quiet during this discussion because he wanted to let the board have an open discussion. He now stated that he has a problem the way the city and county had always tied projects up based on what the other party was going to do. The city was going to have to decide what they are willing to do for the community and move forward. The entrances to town and downtown are pitiful and he wants to begin working with TDOT and try to get improvements to West Main to US 45. He knew that the city never wanted to use West Main or Church Ave as the entrance into town when courting an industry due the first opinion they might have of the town. This project downtown will make downtown look better for all. It might not create more business in downtown but it will make the overall appearance of our town better to all visitors. Mayor King then asked for a vote on the motion on the floor. The board voted in favor of the motion.

The next item of business was to consider final action of an ordinance (Ordinance No. 466) amending the text of the Henderson Municipal Zoning Ordinance, Section 11-311 (Accessory Buildings and Uses) to allow the use of shipping containers/pods as storage buildings. The first reading of this ordinance took place at the November meeting. Mayor King opened the meeting for the required public hearing. Said hearing was duly advertised in the “Chester County Independent” newspaper. There being no public comments in favor or opposition to the said amendment, Mayor King closed the public hearing. Motion was made by Ald. Barnes, duly 2nd by Ald. Smith to pass Ordinance No. 466 on the second/final reading. Upon a roll call vote, the following was cast:

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

Noes: None.

Therefore Mayor King declared Ordinance No. 466 duly passed and the Zoning Regulations amended.

The next item of business was to consider action of an ordinance (Ordinance No. 467) rezoning property located at 306 and 324 Harmon Street from R-2 Residential to B-1 General Business. The rezoning received a favorable recommendation of the Planning Commission. Mayor King opened the meeting for the required public hearing. Said hearing was duly advertised in the "Chester County Independent" newspaper. Recorder Garland explained to the audience that this would rezone two properties, one owned by and just west of Cool Springs Baptist Church and another lot just west of that which contains a block type building that was a beauty shop over 40+ years ago. This property is owned by Ron Moten and he wished to have a beauty shop or barber shop there again. There being no public comments in favor or opposition to the said amendment, Mayor King closed the public hearing. Motion was made by Ald. Farris, duly 2nd by Ald. Faulkner to pass Ordinance No. 467 on the first 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.

Motion was then made by Ald. Smith, duly 2nd by Ald. Barnes to pass Ordinance No. 467 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 No. 467 duly passed and the property rezoned.

A Resolution adopting a written Debt Management Policy was presented for consideration. Recorder Garland explained that every city and county was now required by the comptroller's office to pass a Debt Policy. The seven page document was drafted using a model policy developed by MTAS that contained all the required language. Small changes were made to better fit the city's needs and these were explained by Recorder Garland. This policy can be amended at any time by the city board as needed. After due discussion, motion was made by Ald. Farris, duly 2nd by Ald. Phelps to adopt the Debt Management Policy (Resolution 2011-008) as prepared. 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.

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Therefore Mayor King declared Resolution 2011-003 duly adopted. (Resolution on file in the Recorder's Office).

Mayor King advised the board it was time to make the appointments to fill the expiring terms of members of the Planning Commission and the Board of Zoning Appeals. Mayor King recommended the reappointment of Craig Casey to the Planning Commission and to appoint Patti Pickler to the Board of Zoning Appeals. Motion by Ald. Farris, duly 2nd by Ald. Faulkner to approve the recommendations of Mayor King. Motion carried.

UD Elkins reported to the board that Jim Hilborn of GRW Engineers had completed the engineering specifications for repairing the divider curtain on the East Lagoon. This project has received tentative approval from FEMA/TEMA for 75% funding from the Federal Government and 12.5% funding from the State. The total estimated cost of the project is \$400,000. The project needs to be completed but the city was unsure on how long it would take to get the funds reimbursed from FEMA. After due discussion, motion was made by Ald. Smith, 2nd by Ald. Barnes to bid the project and report the results back to the board for consideration. Motion carried.

Mayor King advised the board that he had been discussing some retail development with the Shopping Center Group that does the retail study for the city/chamber. During this discussion he met with Mr. Shawn Massey who is a broker for the Shopping Center Group that has located several retail businesses in West Tennessee including Wendy's and Hibbetts Sporting Goods. Mr. Massey has contacts with several national chain retailers and restaurants. Mayor King stated he wanted to discuss listing the two city lots, one on East Main at the water tank and the other on 45 North at Old Jackson Road. The details of this would be discussed at the next meeting of the board and presented for consideration.

Mayor King also advised the board that according to the rules of the City Charter, the mayor salary has to be set by ordinance 180 days prior to the next city election which is in August 2012. Said salary would be effective September 1, 2012. He asked that Ald. Smith again work with Recorder Garland on determining the proposed salary for the new mayor and have an ordinance drafted for presentation at the January meeting.

Police Chief Tommy Davis reported that he had hired Jose Puente as a new officer in the department to fill a vacancy and is to start December 19th. He also updated the board on the police cars to be purchased but he did purchase a 4WD Tahoe on State Contract for one of the vehicles. The remaining vehicle will be purchased later.

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

Signed: Robert W. King

APPROVED: _____
MAYOR

ATTEST:

Signed: Jim E. Garland

CITY RECORDER