

MINUTES

OF A

“SPECIAL CALLED MEETING”

BOARD OF MAYOR AND ALDERMEN

JANUARY 6, 2011

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The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in “Special Called Session” on Thursday, January 6, 2011 at 6:00 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 Recorder Jim E. Garland and Public Works Director Carter Scales.

The following notice was run in the “Chester County Independent” newspaper on December 23, 2010.

NOTICE OF A "SPECIAL CALLED" SESSION  
OF THE BOARD OF MAYOR AND ALDERMEN

A "Special Called" Session of the City of Henderson Board of Mayor and Aldermen has been scheduled for Thursday, January 6, 2011 at 6:00 P.M. in the Council Chambers of City Hall at 121 Crook Ave. for a discussion, public hearing and consider action on a resolution authorizing an application for a CDBG Disaster Recovery Grant Program to improve drainage in the Hill Avenue area of the city. The meeting is open to the public and no other business can be considered at this meeting.

Robert W. King, Mayor  
City of Henderson, TN

Mayor King called the meeting to order at the advertised time and turned the meeting over to Randy Nelson of Nelson Thornton Consultants. Mr. Nelson explained the CDBG Disaster Recover Grant Program in general and the program has a January 10<sup>th</sup> application deadline. The program has a 100% funding with no local match. Projects must be flood related to solve a problem caused by flooding or to stop future flood problems. A Public Hearing was opened for comments on possible projects for the funds. There were no public comments; therefore the public hearing was closed.

Mr. Nelson then went on to explain the project that was being considered for this program. The problem area concentrated on was the ongoing flooding problem on Hill Ave and White Ave between Third and Fourth Streets. Vic Young with Fisher Arnold was heading up the

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engineering on the drainage project. The estimated cost was \$723,000. The project was discussed in depth.

The following resolution was presented for consideration.

RESOLUTION NO. 2011-001  
CITY OF HENDERSON  
RESOLUTION TO FILE A 2011  
DISASTER RECOVERY GRANT PROGRAM  
APPLICATION

WHEREAS; the Department of Housing and Urban Development has funded the Disaster Recovery Grant Program (DRGP) to assist communities in certain counties with disaster-related projects, and

WHEREAS; the Tennessee Department of Economic and Community Development administers the (DRGP) program to eligible local governments with 100% funding, and

WHEREAS, elected officials of the City of Henderson have determined that the City could benefit from assistance from the DRGP, and

WHEREAS, with a maximum grant allowance of \$1,000,000, the City of Henderson wishes to make an application to the DRGP program in an amount \$723,340 for drainage improvements in the Hill Street area.

NOW, THEREFORE, BE IT RESOLVED that the Mayor of the City of Henderson, Tennessee is authorized to develop and sign the application for DRGP funds and enter into any and all agreements and assurances necessary to consummate the project.

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Motion was made by Ald. Farris, duly 2nd by Ald. Maness to adopt the Resolution as prepared. Upon a roll call vote the follow 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 the resolution duly adopted.

Mayor King updated board members on recent sale of Premier Manufacturing and the request for a PILOT (payment in lieu of tax). Action would take place at the regular January meeting.

There being no other business, motion by Ald. Farris, duly 2<sup>nd</sup> by Ald. Faulkner to adjourn. Motion carried.

Signed: Robert W. King

APPROVED: \_\_\_\_\_

Signed: Jim E. Garland

MAYOR

ATTEST: \_\_\_\_\_  
CITY RECORDER

MINUTES  
OF THE  
BOARD OF MAYOR AND ALDERMEN  
JANUARY 13, 2011

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The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, January 13, 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, 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 Carter Scales, Building and Zoning Official Brent Beshires, Fire Chief Glenn Bryan and Utility Director Mark Elkins.

Alderman Buel Maness gave the invocation and Alderman Tim Faulkner 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. Ald. Smith made note that the person who addressed the board at the last meeting was Jeff Blackwood not Jerry Blackwood. That correction was made in the minutes. There being no other questions or corrections, motion was made by Ald. Farris, duly 2<sup>nd</sup> by Ald. Phelps to approve the minutes as corrected. 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 payments to ATA for the audit from each department. Recorder Garland advised the board that the cost of the audit is split between the city and the utility department. There being no other questions concerning the accounts, the meeting continued.

Delegations were called for by Mayor King:

Mrs. Nancy Canada addressed the board concerning a much needed expansion to the Chester County Library. She provided statistics of the library to the board members including number of visits, transactions, programs and budget. The existing floor plan contains approximately 5,000 sq feet. She had an architects drawing that would add an additional 2,800 sq feet to the facility at an estimated cost of \$90 to \$100 per sq foot. The size of the extension would be affected by the funds available. Ms. Canada was asking for the city and county to cooperate to make this expansion possible. She was not asking for funds tonight but did want to start the discussion. She is exploring possible funding with USDA but in order to complete the grant package, she needed a firm commitment from the community. She stated that the library

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did have \$26,000 in a fund for building construction. Ms. Canada did state that they had \$100,000 from the Clayton Foundations but those funds were earmarked for books and computers. She asked if they would allow these funds to be used for either building construction or furnishings but they refused. She did state that other state and federal funds were available yearly to the library for books and videos and this provides for more books than the library has room for. Ald. Phelps serves as the city board member sitting on the Library Board and he stated that the expansion was a good idea if funding could be arranged. The Library is a county building and it is an operation of the county. The building was funded ½ city and ½ county when built. There were some comments that city residents are also county taxpayers.

After due discussion and upon a recommendation of Mayor King, motion was made by Ald. Barnes, duly 2<sup>nd</sup> by Ald. Faulkner to appoint Ald Smith, Phelps and Farris to a committee to work with the library board and members of the county commission on this matter. Motion carried.

Ms. Teresa Johnson addressed the board, requesting funds for Project Graduation 2011. Project Graduation provides a night of supervised fun for graduating seniors after graduation. The city had budgeted \$500 for this project as well as the police department budgeted \$500. Motion was made by Ald. Farris, duly 2<sup>nd</sup> by Ald. Barnes to continue donating to this worthwhile program. Motion carried.

Mayor King advised the board members that Premier Manufacturing was in the process of being sold to SPS Manufacturing Co. The new owners had approached the city and county asking that they be considered for a new Payment in Lieu of Tax (PILOT). Premier had a PILOT that was to expire in 2011. SPS was not planning on making any additions to the building but the Henderson plant would be receiving \$2.5 million in additional equipment and employment would increase by approximately 40 positions. The following resolution was being presented to both the city board and county commission for consideration of the PILOT proposal.

**CITY OF HENDERSON, TENNESSEE**  
**RESOLUTION NO. 2011-002.**

WHEREAS; the City of Henderson Board of Mayor and Aldermen realize the great benefit of providing employment opportunities within the City of Henderson for our citizens, and,

WHEREAS; **SPS MANUFACTURING COMPANY, a Tennessee Corporation** has purchased or is in the process of purchasing substantially all of the assets of Premier Manufacturing Corporation, an Ohio Corporation and all its plants including the facility in Henderson, and,

WHEREAS; the city has been approached by **SPS MANUFACTURING COMPANY**, who is offering to continue and expand the operation of the former Premier Manufacturing Corporation in the City of Henderson with certain incentives.

THEREFORE BE IT RESOLVED by the Board of Mayor and Aldermen, that in order to support **SPS Manufacturing Company**, in our community, the following local incentives are hereby approved, authorized and shall be implemented through the Industrial Development Board of the City of Henderson, Tennessee (the "IDB") a public non-profit corporation organized and existing under the laws of the State of Tennessee and pursuant to the provisions of Section 7-53-101, et seq., of Tennessee Code Annotated, as amended:

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A ten (10) year Payment in Lieu of Tax (PILOT) program will be executed through the use of a Payment In Lieu of Tax Lease which provides for the abatement of the City of Henderson ad valorem property taxes as follows:

- A. 50% reduction in personal property taxes due on all equipment, etc. on both existing and new equipment.
- B. 25% reduction in real property taxes.

BE IT FURTHER RESOLVED that the Mayor of the City of Henderson is authorized to take any action necessary to bring about the PILOT, and,

BE IT FURTHER RESOLVED that in return for said incentives, the company must keep the facility operational and maintain a minimum of Twenty-Five full time jobs and if the company fails meet this requirement; the PILOT incentive will terminate in all subsequent tax years, and,

BE IT FURTHER RESOLVED that the Real and Personal Property would have to transfer to the Henderson Industrial Development Board during the term of the PILOT and this proposal would also be subject to any legal issues or restrictions.

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Recorder Garland presented board members with a report showing an increase in total taxes collected from Premier (SPS) with the PILOT as compared to the existing amount paid. It also showed the actual cost of the PILOT. This matter was discussed by the board in detail and the motion was made by Ald. Farris, duly 2<sup>nd</sup> by Ald. Faulkner to approve the PILOT Resolution as proposed. Upon a roll call vote the following was cast:

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

Noes: None.

Therefore Mayor King pronounced the resolution duly adopted

A resolution supporting the REDI (Regional Economic Development Initiative) was presented for consideration. The purpose for the resolution was to show support to the State Legislature for the program that was being administrated through the Development District to help train the area's workforce. A copy of the resolution was provided to all members as well as the REDI Legislative Agenda. After due explanation by Mayor King, motion made by Ald. Smith, duly 2<sup>nd</sup> by Ald. Barnes to adopt the resolution supporting REDI (Resolution #2011-003). Upon a roll call vote the following was cast:

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

Noes: None.

Therefore Mayor King declared the resolution duly adopted.

Recorder Garland was given the difficult task of explaining the TDOT Surface Transportation Program (STP) to the board. The city received an allocation of Federal Highway Funds through TDOT to do certain type projects on State Highways or on certain designated

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local streets. These funds are now being used to install the traffic signal at Main and Mifflin Ave. In past years, the funds accumulated each year in an account at the state for the city to use for these projects. A recent change to the program gives the city an entire 4 year appropriation for use at one time, the only problem is that if the funds are not used by the end of the four years, they go to TDOT for state projects. As had been shown by the traffic signal project, getting one of these projects to construction takes a long time due to the red tape. The city received a letter dated December 20<sup>th</sup> that stated the city had \$408,578.00 in our fund. These funds must be obligated to a construction project by September 30, 2013 or the city will lose the funds. Of the \$408,578, approximately \$180,000 to \$200,000 will be obligated for the traffic signal leaving approximately \$200,000. The city had been considering lighting certain intersections on Hwy 100. The board members were all familiar with the discussions on this project. Lighting on a state highway is a 100% funded project so there should be no local funds involved if STP Funds were used. Packets of information prepared by the traffic engineer Barry Alexander was included in the board members packets. The estimated cost of lighting all the intersections was \$287,460. If the board saw fit, certain intersections could be removed making the overall cost lower to match the funds available. Recorder Garland did warn board members that the STP could not be used for ongoing maintenance or power cost of the lights. Those figures would have to be determined and worked into the operating budget. The board members were asked if they wanted to send the request to TDOT and begin this project. Time was of an essence due to the delay in getting through the red tape involved with these funds. Ald. Farris made it clear that he wanted the wiring to be underground. After due discussion, motion was made by Ald. Farris, duly 2<sup>nd</sup> by Ald. Smith to send necessary documents to TDOT to begin the project and authorize Mayor King to sign all necessary documents as long as the project costs were covered by the STP funds. Motion carried.

Fire Chief Glenn Bryan addressed the board wanting to finish purchasing portable radios to complete the fire department radio system upgrade to prepare for the narrow band requirements. He wanted to purchase an additional 10 portable radios at a cost of \$3050.00. He provided a quote from Area Wide Communications. The department would be replacing all the pagers with portable radios. The radios were actually cheaper than new pagers. The funds were available in the current budget. The department still would need 4 more to complete the upgrade. After due consideration, motion was made by Ald. Faulkner, duly 2<sup>nd</sup> by Ald. Maness to purchase the new radios. Motion carried.

Chief Bryan asked if they could sell the used pagers on EBay. This was discussed and Recorder Garland and Chief Bryan were to work together on this matter.

UD Mark Elkins updated the board on the case before FERC from Tennessee Gas Pipeline. The case involves a number of cities. He mentioned a conference call next week with the attorneys that would provide the board members more information. He recommended they attend. The cost to the city customers could be \$1.00 to \$2.00 per dekatherm to the customer.

There being no other business, motion by Ald. Barnes, duly 2<sup>nd</sup> by Ald. Faulkner to adjourn. Motion carried.

Signed: Robert W. King

APPROVED: \_\_\_\_\_

ATTEST: Signed: Jim E. Garland

MAYOR

\_\_\_\_\_, CITY RECORDER