

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
SEPTEMBER 14, 2017

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, September 14, 2017 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. City Recorder Jim E. Garland called the roll with the following being present:

Aldermen: Mark A. Barber, Donna R. Butler, Johny R. Farris, Buel Maness,
Michael Phelps and Keith Smith

Absent: None.

There also present at the meeting were: City Attorney Jerry Spore, City Recorder Jim E. Garland, Police Chief Wilton Cleveland, Public Works Director Carter Scales, Fire Chief Glenn Bryan, Building Official Brent Beshires and Utility Director Darryl Green.

Mayor King called the meeting to order at the appointed time. Alderman Michael Phelps gave the invocation and Alderwoman Donna Butler led the Pledge to the Flag. The following proceedings were entered here-to-wit:

The minutes of the August Regular Meeting and the August Beer Board meeting were presented for approval. Motion was made by Ald. Barber, duly 2nd by Ald. Butler to approve the minutes of both meetings. Motion carried.

The accumulated accounts were presented for informational purposes. Ald. Farris asked concerning the payment to Southwest Electric for the LED Lighting Project. Recorder Garland stated that this was the total "Aid to Construction" that was agreed to by the city for the entire town. There may be additional small amounts as the city might authorize small changes in the number or size of the lights. Mayor King reported the lights would take approximately four weeks to be delivered but the city had not received any updates. There being no other questions on the accounts, the meeting continued.

The next item on the agenda was a call for delegations to address the board:

The first delegation was a delegation related to the sale of Heritage Towers by the Freed Hardeman Housing Corporation. FHU President David Shannon addressed the board stating that Heritage Towers has provided 75 one bedroom housing units for elderly individuals and couples from the community. The opportunity being proposed tonight to the board would provide \$1 to \$1.5 million dollars worth of improvements to the facility so it could continue to serve the community's low income elderly for many years in the future. President Shannon introduced Ms. Cissy Watson, a developer who specializes in preserving affordable properties, which was handling this part of the project. She explained that in order to proceed with this project the developer(s) were asking the City Industrial Development Board (IDB) to issue bank qualified bonds of

approximately \$6 million to fund this transaction. This would include the acquisition cost, the improvements, financing costs, legal, development and the required reserves. The Developer(s)/Investors would be pursuing tax credits from both the Federal Government as well as the State through THDA for low income housing communities. Ms. Watson was also asking for a local Payment in Lieu of Tax (PILOT) Agreement that would allow the property to remain (property) tax exempt (city and county). Ms. Watson went into further detail about the improvements being planned for the facility.

City Attorney Jerry Spore who had been in conversations with Ms. Watson on this matter stated that there were two questions being proposed concerning this transaction. First, was the use of the city's bank qualified loaning authority which is limited to a maximum of \$10 million per calendar year. This transaction was proposed to close in the spring of 2018 so the city's borrowing would be limited to \$4 million for the remainder of the 2018 year. Second, was the PILOT Agreement which in turn make the property tax exempt which has been requested for the maximum allowed by state law which is 20 years. Since the tax exemption affects both the city and county, Mayor King had asked for the County Mayor Seaton and the county commissioners to attend the meeting. He asked for them to feel free to ask any questions they had pertaining to this issue. Mr. Spore went on to state that most of the city IDB PILOT requests have been tied to employment and investment of a new industry and have a structure of a percentage of taxes being paid and all have reached 100% of taxes due within 10 years. He stated that for the last 30+ years, Heritage Towers has been tax exempt under state law due to being owned by the Freed Hardeman Housing Corporation and so there have been no taxes due on the property. Mr. Spore went on to explain that under state law, and IDB (or County HEB) can negotiate PILOT Agreements when given that authority by the local governing body but Henderson has not passed that authority to the IDB therefore any PILOT would have to be approved by the City Board. He stated that under state law, the city or county could approve a PILOT without the approval of the other jurisdiction, therefore what the city approves would affect the county taxes and vice versa as long as the taxes are not less than what was assessed/collected for the previous year which in this case is zero.

Ald. Smith asked why this was being brought to the City IDB instead of the County HED which seems to be the most appropriate place. Attorney Spore stated that both boards are equally equipped to handle this project under the law. Ald. Farris stated that this project is different from any project handled by the IDB before. Recorder Garland explained the current PILOTs in place. One required 10% increase in taxes each year until 100% is reached in year 10. The other was tax free for years 1-5 then increasing 20% each year 6-10 until 100% is reached in year 10. Mayor King stated that he really had issue with the city dictating that the county cannot receive the property tax even if it is legal.

Ms. Watson explained that in order for the tax credits to be received from the Federal Government and the State THDA, the owner cannot be a tax exempt entity. Therefore after passing through a Non-Profit (Rebuild America LLC), 99.99% ownership would be sold to Heritage Towers LP (Limited Partnership) that would receive the federal and state tax credits for a period of 15 years. She went on to say that there would be no change in the operations of the Towers or their program to the very low and low income elderly. Federal Government rental subsidy is provided based on adjusted income of the residents. Ms. Watson went on to say that without the local tax exemption, the \$1 to \$1.5 million renovation to the property would have to be lowered to only \$100,000. County Tax Assessor spoke stating that based on other developments in town; the local tax would be approximately \$22,000 for the county and \$9,500 for the city annually. She also spoke of other low income or subsidized housing projects in town that pay taxes. These projects sometimes get lower than market appraisals through appeals to the State Board of Equalization due to the restrictions placed on the properties by the federal regulations.

After considerable discussion by the board and county officials, Mayor King restated that this is a new and unique situation that the city has never been asked to consider. Motion was made by Ald. Farris, duly 2nd Ald. Butler to table this request until the next meeting where it could be studied further. Motion carried.

Mayor King advised the board that Chester County Librarian Nancy Canada contacted the city by letter stating that due to a change in state law, the city board member that serves on the Library Board needed to be changed. Ald. Phelps had served as long as he could in this capacity and needed to be replaced. After due discussion, motion was made by Ald. Farris, duly 2nd by Ald. Barber to appoint Alderwoman Donna Butler to the Chester County Library Board. Motion carried.

John Michael Sweatt, Student Body President from FHU addressed the board stating that the FHU Student Government Association was interested in the community and they wished to be of service to the area through volunteering activities. Mayor King was going to trade information with Mr. Sweatt and discuss possibilities for this organization. The board thanked Mr. Sweatt for their interest in serving the community.

An Ordinance amending Title 10 of the Municipal Code pertaining to and regulating Honey Bees was presented for consideration on the final reading as follows:

ORDINANCE NO: 506 .

AN ORDINANCE TO AMEND TITLE 10, BY THE ADDITION OF CHAPTER 3 "HONEY BEES" TO THE HENDERSON MUNICIPAL CODE.

Section 1. BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSON, TENNESSEE, that Title 10 be amended by the addition of Chapter 3 which shall read as follows:

CHAPTER 3 — HONEY BEES

SECTION:

10-301. General.

10-301. General. Beekeeping activities shall be conducted in accordance and in compliance with State Law of general application, to include regulations promulgated by the Tennessee Department of Agriculture, including the "Honey Bee Best Management Practices Policy" issued by the Tennessee Department of Agriculture (Apiary Section) as may be amended from time to time. Any person that is suspected to be in violation of said regulations shall be reported to the State of Tennessee Department of Agriculture Apiary Section.

Section 2. BE IT FURTHER ORDAINED that this amendment takes effect immediately upon final passage, the public safety and welfare requiring it.

Ald. Butler clarified to the audience that due to restriction in state law, the city could not take any further actions that further restricted honey bees.

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Motion was made by Ald. Farris, duly 2nd by Ald. Barber to pass Ordinance No. 506 “Honey Bees” on the final reading. Upon a roll call vote the following was cast:

Ayes: Mark A. Barber, Donna R. Butler, Johny R. Farris, Buel Maness,
Michael Phelps and Keith Smith.

Noes: None.

Therefore Mayor King declared Ordinance No. 506 pertaining to Honey Bees passed on the second/final reading and the municipal code amended.

The next item to be discussed was a proposed Ordinance regulating Domesticated Chickens. This had been discussed for several months and the proposed ordinance was presented by Recorder Garland with certain sections highlighted that he felt were areas the board members were not in agreement with and that need further discussion before the ordinance was passed. While discussing each section the following changes were made to the draft ordinance: 1) The distance in Section 10-102 was increased to the original 1,000 feet, 2) The fees in 10-403 remained the same at \$25.00, 3) The number of Chickens (hens only) in Section 10-404 was six and if you have 5 acres or more, could be up to twenty-five, 4) the distance from property lines in Section 10-406(8) & (11) was increased to 150'. Ald. Butler said she had been conducting a poll of city residents she came in contact with and she stated she had 10 in favor of chickens and 248 against. Therefore she will be voting no on this issue.

After considerable consideration and discussion, motion was made by Ald. Farris, duly 2nd by Ald. Maness to pass the Ordinance as revised pertaining to “Domesticated Chickens” on the first reading. Upon a roll call vote the following was cast:

Ayes: Mark A. Barber, Johny R. Farris, Buel Maness and Michael Phelps.

Noes: Keith Smith and Donna R. Butler.

Therefore Mayor King declared the Ordinance pertaining to “Domesticated Chickens” passed on the first reading. Due to the fact the vote was not unanimous; the final reading will take place at the October meeting of the board.

Fire Chief Glenn Bryan addressed the board stating that they accidently ran across a deal on a used 1993 Seagraves 105 foot Platform Aerial Truck. The truck was in Wisconsin and had recently been refurbished. Chief Bryan explained all the systems that had been replaced or rebuilt on the truck. With Mayor King’s permission, he and Fire Captain Kevin Roeder traveled to inspect the truck first hand. He did warn the board that the truck was green in color but the department had no issue with that. The asking price was only \$50,000 and Chief Bryan was recommending that the truck be purchased. Chief Bryan had provided information on this truck to the board members individually prior to the meeting. A new truck like this would cost approximately \$1.3 million. The department’s existing 75’ ladder truck could be sold and was valued at approximately \$30,000. Chief Bryan also stated that he had \$12,000 in his equipment purchase line item that he would refrain from spending unless absolutely necessary to help fund this truck purchase. Chief Bryan stated that if the city purchased this truck, it would serve the department for a minimum of 10 years maybe even up to 20 years.

Recorder Garland explained to the board that the city did owe debt on the existing ladder truck to USDA. He explained the city owes approximately \$38,000 on the truck today.

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After due discussion motion was made by Ald. Farris, duly 2nd by Ald. Smith to purchase the truck from General Undesignated Capital Outlay. Motion carried.

UD Darryl Green advised the board that he needed to purchase a new service truck for the department. The truck being replaced is a Ford F350 with a utility bed that pulls the trencher and mini-excavator that has in excess of 150,000 miles on it. The new truck is in the budget and he is planning on purchasing the new truck on state contract. The old truck would be sold after the new one is received. Motion was made by Ald. Barber, duly 2nd by Ald. Farris to approve the purchase of a new service truck. Motion carried.

UD Green also advised the board that he had been trying to order gas pipe and was having trouble locating pipe due to the recent hurricanes that caused shortages of materials. Our regular suppliers had no pipe in stock and could not determine when delivery could be made. Normal price for 2” pipe is about \$0.88 per foot. He was able to locate 2” pipe in stock at Border States for \$1.09 per foot. Due to projects that need to be completed and the shortage of pipe, UD Green asked permission to purchase 9,000 feet of 2” at the \$1.09 per foot. Motion was made by Ald. Farris, duly 2nd by Ald. Butler to purchase the pipe as recommended. Motion carried.

The next item to be discussed was parking issues on Crook Ave in front of the post office. Ald. Smith asked if any additional parking could be freed up for use by post office customers during peak times. Mayor King proposed to the board the city could make the small lot next to city hall only 30 minute parking and move the employees that currently use this area down to the lower lot. This would be available for all for customers of both city hall and the post office to use. Johnny Farris being the CC EMA Director offered to move his spot in front of the Public Safety Building and make that spot a 30 minute parking space.

After considerable discussion, motion was made by Ald. Farris to leave 2 to 3 spaces for parking in front of the post office on the west side of Crook, clearly mark the corner and in front of the fire hydrant as a “no parking” area and also for a short distance on the east side of Crook from the Public Safety Building northward should be marked for no parking. Motion was duly 2nd by Ald. Barber. Motion carried.

Utility Office Manager Alicia Holder gave the board an update on the recently implemented outsourcing of the Utility Bill Printing as well as the On-Line Bill Payment. Since July billing, Arista has collected approximately \$31,000 through the online system. The online system has eliminated the payment of bills on the phone in the office which has freed up a lot of clerk time. The utility clerks have spent more time educating customers about the online system. She did state the late notices (red cards) are no longer mailed and this has almost doubled the number of customers on the turn off list. They were working to call customers prior to cut off to educate them that they are no longer going to receive a late notice and they would be cut off in the future if the bill remains unpaid. Ms. Holder also advised the board of the upcoming Pilot Light Lighting week.

PWD Carter Scales advised the board that paving had been completed for the fall that included part of Kindra Drive and all of Cherry, Pin Oak, Magnolia and Holly Drives.

Police Chief Cleveland displayed a new pink patch some of the officers were going to be wearing to recognize Breast Cancer Awareness Month.

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He also spoke of a substantial speeding issue that is being addressed on Sanford Street and gave them data from their digital traffic monitor.

Chief Cleveland also displayed new door hangers that would be utilized to warn violators of numerous city ordinance violations including, junk cars, refuse, mowing, etc. These would be used by multiple departments then the bottom tear off section would be sent to the police department for follow up and citations if justified.

Chief Cleveland also advised the board that recently hired police officer Dontavious Holloway was currently in the Police Academy at Memphis.

Ald. Barber asked about the new requirement for Utility Board Training. Recorder Garland explained that the board members would be required to attend the 12 hours training program and continuing education but they would not be required to complete this until after they are re-elected. If they were to take it early, the training would not count under the state law.

Ald. Smith asked for an update on Well #6. UD Green reported that Layne Central was in the process of rebuilding the parts and then it would be reinstalled. Ald. Smith also asked about the new police vehicles. Chief Cleveland advised that the vehicles had been ordered about two weeks. They should be delivered in about 4 weeks to Fleet Safety for the equipment installation.

Mayor King advised the board members that they needed to meet in executive session with City Attorney Spore and his associate Teresa Luna concerning a legal matter downstairs immediately following the meeting.

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

Signed: Robert W. King

APPROVED: _____
MAYOR

ATTEST:

Signed: Jim E. Garland

CITY RECORDER