

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
FEBRUARY 11, 2016

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, February 11, 2016 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. Recorder Garland called the roll with the following being present:

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

There also present at the meeting were: City Attorney Jerry Spore, City Recorder Jim E. Garland, Assistant Police Chief Leon Johnson, 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 Keith Smith gave the invocation and Alderman Mark Barber led the Pledge to the Flag. The following proceedings were entered here-to-wit:

The minutes of the previous regular meeting, the special called session and the meeting of the Henderson Beer Board were presented for approval. With no corrections to the minutes, motion was made by Ald. Smith, duly 2nd by Ald. Barber to approve the minutes of all three meetings as presented. Motion carried.

The accumulated accounts were presented for informational purposes. Ald. Barber asked about the payments to E & T on the Downtown Project. He asked how many payments would remain on the project. Recorder Garland stated that he was unsure of the remaining number of payments. The project would slow down until the final work could be completed in the spring. He estimated a total of 3 to 4 more payments but they would be for less money than the current payments. There being no other questions on the accounts, the meeting continued.

Mayor King asked if anyone wished to address the board.

Ms. Houston Holdren and Ms. Scarlett Tull addressed the board on behalf of the CCHS Class of 2016 asking for a donation to Project Graduation. Each year the board members like for someone from the class to come request these funds. The standard practice was for the city to donate \$500.00 and the police department donates \$500.00 to this event. Motion was made by Ald. Butler, duly 2nd by Ald. Farris to approve these donations. Motion carried.

Freed-Hardeman University had recently approached Mayor King and Recorder Garland about the possibility of using the City Industrial Development Board (IDB) to issue \$10 Million in tax exempt bonds for use by the university. Being unsure on the legality of this issue, City

Attorney Jerry Spore was contacted. Attorney Spore in turn contacted Bond Counsel Mr. Russ Miller of Bass, Berry and Simms, which happened to be bond counsel for FHU. FHU normally uses the Chester County Health and Education Board (HEB) to issue tax exempt bonds and did one issue for \$10 Million through the County HEB in late fall and planned on issuing another \$10 Million in late winter/early spring. Mr. Miller did state that under TCA Section 7-53-303(A)(vii), the City IDB could be used as the conduit to issue bonds for FHU. Attorney Spore stated that under IRS rules each city and county has a total of \$10 million that can be issued as tax exempt, bank qualified notes or bonds each calendar year. This results in a lower interest rate for the bond issuer which in this case is FHU. Any bond issues of the City IDB or the County HEB draw upon the \$10 million annual limit of the city or county. Chester County has plans to refinance several million in debt in the current calendar year thus they are unwilling to allow FHU to use their tax exempt limit therefore they contacted the city. The bonds being requested would in no way be a liability on the city or the IDB. The City IDB is normally used to issue bonds for industries locating in Henderson. The last one was completed for the construction of Arvin Sango.

Allowing FHU to use the city's \$10 million limit would affect the city's ability to issue tax exempt bank qualified debt for the remainder of the year therefore the city board would need to approve this use. The board discussed two possible projects that may need financing, one being a bond or loan to complete installing AMR Meters on all water services at an estimated cost of \$800,000. Mayor King also advised the board he was currently working with a new industry that might need about \$1.7 million through the IDB for construction. Mr. Dwayne Wilson of FHU was present at the meeting and he stated that he would be grateful for any amount the city would approve.

After considerable discussion, motion was made by Ald. Farris, duly 2nd by Ald. Smith to allow the IDB to use up to \$7.5 Million of the city limit of \$10.0 Million for the FHU tax exempt bond issue. The remaining \$2.5 Million would be retained for the other uses outlined above. Motion carried. Mr. Dwayne Wilson thanked the board for their action pertaining to this matter.

The city was considering applying for a 2016 CDBG for housing. In a housing project a "Target Area" is selected and surveyed. Nelson Community Development Group LLC, the city's consultant, selected a target area on a portion of N. Franklin Ave. between 150 to 271 N. Franklin Ave. The total structures in the target area are twelve. There is no local match on housing projects and all costs are paid from the grant. The only requirement on the city would be for a small amount of administration. The total grant request is \$500,000 which is the maximum allowed. A resolution approving the application was presented as follows:

RESOLUTION NUMBER 2016-001

RESOLUTION TO FILE A 2016
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
APPLICATION FOR A
HOUSING REHABILITATION PROJECT

WHEREAS; the Department of Housing and Urban Development annually funds the Small Cities CDBG program to provide funds for the benefit of low income persons, and

WHEREAS; the Tennessee Department of Economic and Community Development administers the CDBG program to local governments statewide, and

WHEREAS, elected officials of the City of Henderson have determined that a Housing Rehabilitation project to rehabilitate owner-occupied housing on North Franklin Avenue is the most pressing need that can be addressed with assistance from the CDBG program, and

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WHEREAS, with a total project cost estimated at \$500,000, the City of Henderson wishes to make an application to the CDBG program in the amount of \$500,000.

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

Motion was made by Ald. Farris, duly 2nd by Ald. Barber to adopt Resolution 2016-001 authorizing the CDBG Housing application. Upon a roll call vote, the following was cast:

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

Noes: None.

Absent and Not Voting: Michael Phelps.

Therefore Mayor King declared the Resolution duly adopted.

Building and Zoning Official Brent Beshires explained that the city received a request to use a residential type structure in an Institutional (I) Zone as a Medical Billing Facility. The uses allowed in an I zone was reviewed and it was determined that even though several service uses including hospitals were allowed, medical billing was not allowed. The planning commission reviewed the uses permitted and determined that the use requested would be no more detrimental to the area than existing allowed uses. Therefore an ordinance amending Section 11-601, (A) (9), Services Allowed in an Institutional Zone to include all health services as well as medical billing facilities was presented for consideration on the first reading. The public hearing on this change would not be held until next month so final action could not be taken on this ordinance tonight.

Motion was made by Ald. Butler, duly 2nd by Ald. Barber to pass the ordinance amending the Institutional (I) Uses Permitted on the first reading. Upon a roll call vote, the following was cast:

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

Noes: None.

Absent and Not Voting: Michael Phelps.

Therefore Mayor King declared the Ordinance passed on the first reading. The public hearing and the consideration on the final reading would take place at the March meeting.

The city staff had been discussing the resurfacing of S. Cason Ave. This street had been damaged by recent construction of the FHU Library. To help improve water flows in the area, the city replaced the 4" cast iron water line with a 10" water main. This work was completed several months ago but some final work needed to be completed on the project including reconnecting the water main on Braden to the new line as well as disconnecting some parts of the old line. This got the city thinking about the overall area as far as repaving and Braden Street also has an old 4" cast iron line under it. UD Darryl Green was asked to prepare a cost estimate on replacing the line on Braden. The total cost for this main is \$24,281 with city forces completing the work. The city will have to mill down and repave Braden Street at some point in the near future due to the street elevation being to a point where any additional paving will push water into the buildings. The

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board members were informed that this water line would need to be replaced prior to street work on Braden. No action was needed currently on this matter.

Assistant Police Chief Leon Johnson advised the board that the department needed to replace two old car camera systems. Currently the fleet has three older model cameras that need replacing. The total cost for the two units would be \$8,050 from Digital Alley, the brand that the city is standardizing to. The remaining old camera system would be replaced at a later date. The police department received a Highway Safety Grant for \$5,000 that will fund a portion of this upgrade. Ass't. Chief Johnson needed permission to make this purchase. Motion was made by Ald. Farris, duly 2nd by Ald. Butler to approve the purchase of the two cameras and to transfer \$5000 from General Capital Outlay to in essence move the amount of the grant funds back into the police equipment purchase budget. Motion carried.

PWD Carter Scales reported that the Beacon Lights had been installed on the stop signs at S. Mifflin at Mill Street. The "No Texting" signs had also been installed around town. The Sanitation Truck that was getting a new packer was close to being completed.

PWD Scales stated that the existing bucket truck is a 1989 model that was purchased used many years ago. It is currently in need of many repairs. There is \$60,000 in the current budget to purchase a replacement used certified truck. This matter was discussed and due to the fact that a used truck is hard to find, bid and get results back to the board prior to the truck being sold, motion was made by Ald. Farris, duly 2nd by Ald. Smith to authorize PWD Scales and Mayor King to locate some potential used trucks, either take bids or get quotes as allowed for used equipment and make the purchase if within the budgeted amount. Motion carried.

UD Green gave the board an update on the US Hwy 45 N water line bore stating that TDOT had approved the plan but he was awaiting approval from TDEC. After TDEC approval is received, the project would be bid.

Fire Chief Glenn Bryan reported that the new fire engine had been placed in service and was outside city hall for their inspection.

Mayor King advised that as discussed at the last meeting that an offer had been made on the old city dump site south of town for \$1,000 per acre. The tax roll shows the site being 4 acres (later by deed calls the site was 6.2 acres). The offer was made by David Stoltzfus. After considerable discussion, motion was made by Ald. Farris, duly 2nd by Ald. Maness to sell the old dump site to Mr. Stoltzfus for \$1,000 per acre with Mr. Stoltzfus covering all costs related to the transaction. The deed was to contain wording giving notice of the site being a former dump site and to hold harmless the city for any future claims. Motion carried.

Ald. Smith stated that he had received several good comments about the Flashing Beacon Lights at S. Mifflin and Mill. He also asked about the terms of the water well lease for Well #5 at the rear of Henderson Home Furnishings. The staff was unsure these terms and would have to report back on this matter.

Ald. Farris asked about the trees that somewhat blocked the view at the S. Mifflin and Mill intersection. Nothing had been done about this to date. This property belongs to FHU and is known

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as the “Butterfield Triangle”. Mr. Richard Taylor of FHU stated that he felt the university would work with the city on allowing the city to trim these trees as needed.

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

APPROVED: _____
Signed: Robert W. King
MAYOR

ATTEST:

Signed: Jim E. Garland

CITY RECORDER