

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
JULY 14, 2016

The Board of Mayor and Aldermen of the City of Henderson, Tennessee met in regular session on Thursday, July 14, 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,
Michael Phelps and Keith Smith

Absent: None.

There also present at the meeting were: City Attorney Jerry Spore, City Recorder Jim E. Garland, Police Investigator Gary Davidson, 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 were presented for approval. With no corrections to the minutes, motion was made by Ald. Smith, duly 2nd by Ald. Phelps to approve the minutes as presented. Motion carried.

The accumulated accounts were presented for informational purposes. Ald. Butler asked about the payment of \$4,000 to Rowland Monuments for the repair of the old monuments in the city cemetery. She asked if that covered all the monuments that needed repair. It was explained that many more monuments needed repair and this needed to be an ongoing project. Ald. Butler also asked about payments to JEA, R. Jones Underground and USA Bluebook. UT Green explained each payment. She also asked about the payment to Triple H Backhoe for demolition of the house next to the fire department. It was explained that this demolition took place over a year ago and Triple H just got to around billing the city. Ald. Smith asked if the payment to TLM on the downtown project was the final payment. Recorder Garland stated that it should be the final invoice. There being no other questions on the accounts, the meeting continued.

Mayor King asked if anyone wished to address the board.

A small group of residents from Proctor Road again appeared before the board concerning their request for a water main extension. The city received an engineering report on this matter late this afternoon and UD Green had not had time to review the information. Ald. Butler asked if they had approached the county commission about any possible grants to help fund this project. The county will not meet again in regular session until July 29th but Ald. Butler encouraged them to attend. Mayor King stated the report showed that to complete the entire Proctor Road loop would

cost \$128,000. The matter would be discussed by the city at a later meeting after the necessary review of the engineering reports had taken place.

The 2016-2017 Budget and Tax Rate Ordinance was presented for approval on the second/final reading. Mayor King explained the proposed tax rate did reflect the \$0.15 decrease that had been promised as a result of the Local Sales Tax passage. It was further explained that Chester County underwent a reappraisal since the last year and as part of that process, a Certified Tax Rate is produced that will bring in the same amount of tax funds as the prior year. The proposed tax rate for 2016 is \$1.05 per \$100 of assessed value which is down \$0.15 from the Certified Tax Rate. The budget and tax rate proposed is based on the city receiving its share of the ½ cent Local Sales Tax that had been continued countywide due to a recent referendum.

A Public Hearing on the proposed budget had been duly advertised in the “Chester County Independent” newspaper as required by state law. Mayor King opened the meeting for the public hearing and asked for comments from the public. There being no public comments, Mayor King closed the public hearing.

The 2016-2017 Budget and Tax Rate Ordinance reads as follows:

2.5% COLA Budget
\$1.05 Tax Rate

ORDINANCE NO. 495

AN ORDINANCE OF THE CITY OF HENDERSON APPROPRIATING FUNDS AND ESTABLISHING A PROPERTY TAX RATE FOR THE FISCAL YEAR, JULY 1, 2016 THROUGH JUNE 30, 2017.

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSON, TENNESSEE, THAT:

SECTION I.

PART A: Total revenues and available funds and expenditures.

GENERAL FUND: REVENUE

New Revenue -----	\$ 3,548,820
Fund Balance (Projected)-----	\$ 1,400,000
TOTAL GENERAL FUND REVENUE --	\$ 4,948,820

GENERAL FUND: EXPENDITURES:

Financial Administration-----	\$ 374,500
General Government -----	\$ 266,800
Police Department -----	\$ 1,464,050
Fire Department -----	\$ 458,500
Building Inspection -----	\$ 119,975
GIS -----	\$ 59,100
Emergency Management -----	\$ 22,600
Streets and Highways -----	\$ 563,200
City Maintenance Shop -----	\$ 153,100
Landfill (Closed) -----	\$ 18,000
Cemetery -----	\$ 33,000
Rabies and Animal Control -----	\$ 43,450
City Park -----	\$ 416,925
Economic and Comm. Dev. ----	\$ 68,500

Minutes – July 14, 2016 (Cont'd)

CONTRIBUTIONS:

CC Senior Citizens ----- \$ 5,000
CC Dixie Youth -----\$ 2,000
CC Library -----\$ 4,000
Exchange Club/Carl Perkins\$ 2,000
Project Graduation -----\$ 500
CC Imagination Library ---\$ 2,000
Youth Soccer -----\$ 300
CONTRIBUTION TOTAL---- -\$ 15,800
Transfer to Debt Service Fund ----\$ 450,000
Cap. Outlay – Comp. Upgrade ----\$ 25,000
Capital Outlay – Sidewalk Project-\$ 0
Undesignated Reserve -----\$ 396,320
TOTAL GENERAL FUND EXPENDITURES-\$ 4,948,820

STREET AID FUND: REVENUE

New Revenue (Gas Taxes)-----\$ 175,000
Fund Balance (Projected)-----\$ 160,000
TOTAL STREET AID FUND REVENUE -----\$ 335,000

STREET AID FUND: EXPENDITURES

Expenditures -----\$ 335,000
Undesignated Reserve -----\$ 0
TOTAL STREET AID FUND EXPENDITURES --\$ 335,000

SANITATION FUND: REVENUE

New Revenue -----\$ 470,000
Fund Balance (Projected)-----\$ 175,000
TOTAL SANITATION FUND REVENUE -----\$ 645,000

SANITATION FUND: EXPENDITURES

Expenditures -----\$ 574,400
Undesignated Reserve -----\$ 70,600
TOTAL SANITATION FUND EXPENDITURES --\$ 645,000

DEBT SERVICE FUND: REVENUE

New Revenue -----\$ 0
Transfer in from General Fund ---- -\$ 450,000
Fund Balance (Projected) -----\$ 86,000
TOTAL DEBT SERVICE FUND REVENUE --\$ 536,000

DEBT SERVICE FUND: EXPENDITURES

Principal and Interest Expense ----\$ 495,000
Reserve Funds -----\$ 41,000
TOTAL DEBT SERVICE FUND EXPENDITURES --\$ 536,000

DRUG FUND: REVENUE

New Revenue -----\$ 4,000
Fund Balance (Projected) -----\$ 44,000
TOTAL DRUG FUND REVENUE -----\$ 48,000

DRUG FUND: EXPENDITURES

TOTAL DRUG FUND EXPENDITURES ---\$ 48,000

PART B: Appropriations not to be exceeded. No expenditure listed above may be exceeded without appropriate ordinance action to the budget and shall include the sources of revenue to finance the proposed expenditure.

Minutes – July 14, 2016 (Cont'd)

PART C: Line-item financial plan required. The City Recorder is required to prepare and maintain a detailed financial plan to implement this appropriation ordinance, and to make regular monthly reports to this governing body.

PART D: 2016 Tax Rate. There is hereby levied a property tax of **\$1.05 per \$100.00** assessment for the purpose of funding municipal services for property tax year 2016.

SECTION II. BE IT FURTHER ORDAINED this ordinance shall take effect immediately upon final passage, the public welfare requiring it.

Motion was made by Ald. Farris, duly 2nd by Ald. Butler to pass the 2016-2017 Budget and Tax Rate Ordinance with 2016 Tax Rate of \$1.05 per \$100 of assessed value on the second/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 the 2016-2017 Budget and Tax Rate Ordinance passed on the second/final reading.

The 2016-2017 Utility Department Operations and Capital Expenditure Budgets were presented for consideration. Recorder Garland explained that the budgets were the same as presented at the utility budget meeting. The water and sewer rates were automatically increased by 2.5% as was set up by an ordinance passed last July. The Capital Budget can be funded through current cash on hand. The Proctor Road project is not part of the capital budget. The individual line item budgets were also presented as part of the utility budget packet. A summary of the budget is as follows:

HENDERSON UTILITY DEPARTMENT
2016-2017 OPERATIONS BUDGET SUMMARY

Water Revenue:		
Water Sales -----	\$1,030,000	
Water – All other Revenue -----	\$ 112,900	
Total Water Revenue -----	\$ 1,142,900	
Water Expenses:		
Water – Power and Pumping -----	\$ 34,500	
Water – Treatment Plant -----	\$ 180,500	
Water – Distribution System -----	\$ 100,400	
Water – Shop & General Maintenance -----	\$ 33,000	
Water – Billing and Collection -----	\$ 104,200	
Water – Admin & General Expense -----	\$ 391,100	
Water - Other Expenses -----	\$ 299,200	
Water – Funds in Reserve -----	\$ 0	
Total Water Expenses -----	\$1,142,900	
Sewer Service Revenue -----		\$ 665,000
Sewer – All other Revenue -----	\$ 25,500	
Total Sewer Revenue -----	\$ 690,500	

Minutes – July 14, 2016 (Cont'd)

Sewer Expenses:

Sewer – Collection Lines and Pumps -----	\$ 102,200
Sewer – Treatment & Disposal -----	\$ 45,000
Sewer – Laboratory and Testing -----	\$ 43,700
Sewer – Shop and General Maintenance -----	\$ 25,500
Sewer – Billing and Collection -----	\$ 39,700
Sewer – Admin & General Expense -----	\$ 182,500
Sewer – Other Expenses -----	\$ 251,900
Sewer – Funds in Reserve -----	\$ 0
Total Sewer Expenses-----	\$ 690,500

TOTAL WATER/SEWER COMBINED -----\$1,833,400

Gas Revenue:

Gas – Natural Gas Sales -----	\$ 1,500,000
Gas – Natural Gas Markup Revenue -----	\$ 1,000,000
Gas – All Other Revenue -----	\$ 108,000
Total Gas Revenue -----	\$ 2,608,000

Gas Expenses:

Gas – Purchase Gas for Resale -----	\$ 1,500,000
Gas – Transmission and Distribution -----	\$ 158,000
Gas – Shop and General Maintenance -----	\$ 62,000
Gas – Billing and Collection -----	\$ 114,500
Gas – Admin and General Expense -----	\$ 392,200
Gas – Other Expenses -----	\$ 313,500
Gas – Funds in Reserve -----	\$ 67,800
Total Gas Expenses -----	\$ 2,608,000

**HENDERSON UTILITY DEPARTMENT
2016-2017 CAPTIAL OUTLAY BUDGET**

	<u>WATER DEPARTMENT</u>	<u>16-17 Budget</u>
413-16210	WT- Buildings and Improvements	\$ -
413-16431	WT-Transportation Equipment	\$ 13,000.00
413-16441	WT-General Office Equipment	\$ 10,000.00
413-16451	WT-Work Equipment	\$ 33,000.00
413-16610	WT- Water Unclassified	\$ -
413-16611	WT-Water Filtration Plant	\$ 10,000.00
413-16612	WT-Distribution Mains	\$ 15,000.00
413-16613	WT-Service Lines	\$ 16,000.00
413-16614	WT-Meters	\$ 25,000.00
413-16615	WT-Water Tanks	\$ -
413-16616	WT-Water Wells	\$ 55,000.00
	WATER TOTAL -----	\$ 177,000.00

	<u>SEWER DEPARTMENT</u>	<u>16-17 Budget</u>
413-16220	SW-Buildings and Improvements	\$ -
413-16432	SW-Transportation Equipment	\$ -
413-16442	SW-General Office Equipment	\$ 7,500.00

413-16452	SW-Work Equipment	\$ 50,000.00
413-16620	SW-Mains	\$ 10,000.00
413-16621	SW-Lagoons	\$ 40,000.00
	SEWER TOTAL-----	\$ 107,500.00

	<u>GAS DEPARTMENT</u>	<u>16-17 Budget</u>
415-16200	GS-Buildings and Improvements	\$ -
415-16430	GS-Transportation Equipment	\$ 13,000.00
415-16440	GS-General Office Equipment	\$ 10,000.00
415-16450	GS-Work Equipment	\$ 60,000.00
415-16650	GS-Distribution Mains	\$ 120,000.00
415-16651	GS-Service Lines	\$ 43,000.00
415-16652	GS-Meters	\$ 45,000.00
415-16653	GS-Regulator Stations/Equip.	\$ 5,000.00
	GAS TOTAL -----	\$ 296,000.00

There being no questions or issues that had not previously been discussed at the budget meeting, motion was made by Ald. Farris, duly 2nd by Ald. Butler to approve both the Utility Operations Budget and the Utility Capital Outlay Budget as presented. Motion carried

Recorder Garland explained to the board members at the utility budget meeting that the city had an option to purchase a block of natural gas at an estimated discount of \$0.25 below market under a 30 year agreement with Tennessee Energy Acquisition Corporation (TEAC). TEAC is the city's gas marketer and is a not-for-profit organization made up of many cities and gas utilities. The discount would be divided with \$0.20 being on the month of the delivery of the gas and the remaining \$0.05 would be in the form of an annual refund. The amount purchased would have to be a level daily amount over the entire 30 year term. The recommended quantity was between 200 and 225 MMbtu per day. This is only a small amount of the total annual burn for the city but would save approximately \$18,000 per year. City Attorney Spore had reviewed the documents pertaining to this agreement and he saw no legal issues with the documents. A resolution authorizing the Gas Purchase Agreement was presented entitled:

A RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE TENNESSEE ENERGY ACQUISITION CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT RELATING TO SAID PURCHASE; CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE NATURAL GAS SUPPLY AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE TENNESSEE ENERGY ACQUISITION CORPORATION; AND FOR RELATED PURPOSES

After due discussion, motion was made by Ald. Smith, duly 2nd by Ald. Barber to adopt the Resolution (Resolution No. 2016-005) as presented. 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 the Resolution 2016-005 duly adopted and the gas purchase approved.

Minutes – July 14, 2016 (Cont'd)

Bids received on materials and services to be used by the public works department until June 30, 2017 were presented to the board in a lengthy report. PWD Carter Scales recommended the low bidders on most of the products. The bid of Aggregate Specialist Inc for gravel was withdrawn because they failed to include the cost of delivery. There was a tie bid on the 33C Gravel and the recommendation was made to award to the local bidder Shaw Concrete. The only bidder on concrete products was Southern Concrete. Michael Franks Culverts Inc. was the only bidder on the metal culverts and the low bidder on all sizes of the Poly Culverts. The recommended bidders and their bids are listed below:

33C Rock Gravel -----	Shaw Concrete -----	\$ 13.65 per ton (tie bid)
57C Washed Rock -----	Wayne Co Rock ----	\$ 16.65 per ton
Red Chert Gravel -----	Shaw Concrete -----	\$ 11.50 per ton
Gabion Rip Rap -----	Wayne Co. Rock -----	\$ 16.65 per ton
Machine Rip Rap -----	Wayne Co. Rock -----	\$ 16.65 per ton
Red Fill Sand -----	Shaw Concrete Inc -----	\$ 6.50 per ton
Hot Mix Asphalt -----	Martin Paving -----	\$ 73.00 per ton
Asphalt Binder -----	Martin Paving -----	\$ 70.00 per ton
Cold Mix Asphalt -----	Arrow Paving -----	\$ 78.00 per ton
Poly Culverts -----	Michael Frank Culverts -----	\$ price varies with size
Metal Culverts -----	Michael Frank Culverts-----	\$ price varies with size

Motion by Ald. Farris, July 2nd by Ald. Smith to accept the recommended bidders on each of the materials as outlined above. Motion carried.

The city received a letter from TDOT dated July 1st that stated that the US Congress passed the first long term funding for transportation in over a decade. The FAST Act provided funding that enabled TDOT to fund, among other things, the Surface Transportation Grant (STBG) Program, which was formally known as the Surface Transportation Program (STP). The funds are not a grant but are based on population. Henderson had used these funds in the past for the traffic signal at E. Main and Mifflin as well as lighting of the intersections along SR 100. The city has been receiving small annual allocations the last few years with FY 2015 being \$76,724. The city was utilizing these funds to add two additional lights on the upper ends of each of the ramps up from US 45 to SR 100. The cost of this project was projected to exceed this amount and the city had hoped to use a portion of the FY 2016 allocation which totals \$80,643 to complete this lighting project. There was speculation that the FAST Act would pass and a larger block of funds would become available to the city. The funds available for FY 2017-2020 is \$356,148 and discussion by the city council and the city staff felt the best use for these funds was the resurfacing of E. Main Street. Being a local city street, this project would require 20% local funds.

Mayor King and Recorder Garland met with Barry Alexander, Engineer with Neel-Shaffer, Inc to discuss the ongoing Ramp Lighting Project as well the Resurfacing of E. Main Street. Mr. Alexander provided requested information in a letter that was given to the members of the board and reads as follows:

**REFERENCE: East Main Street Resurfacing Project
Conceptual Estimates of Project Options**

Mayor King,

Minutes – July 14, 2016 (Cont'd)

As we discussed in our meeting earlier this week, the Tennessee Department of Transportation recently notified the City that the 2015 Fixing America's Surface Transportation (FAST) Act will provide Surface Transportation Block Grant (STBG) funds (formerly Surface Transportation Program, STP) to the City in the amount of \$436,792 for the period of FY16 through FY20. The entire five year fund allotment will be available beginning September 30, 2016. However, in order to avoid losing the first year's allocation of \$80,643 the City must initiate a contract with TDOT prior to September 30, 2016 for a project to utilize those funds. Due to the time that TDOT takes to initiate a contract (from 1 to 3 months) it is imperative that the City move quickly on this.

From our discussions, I understand that the City is interested in utilizing the funds (less approximately \$34,000 of the funds will be transferred to cover the remaining local share of the SR-100 @ SR-5 lighting project) to resurface East Main Street beginning just east of the intersection with White Avenue. The project would include spot milling where required, overlay with ±1.5" of asphalt surface mix, as well as striping, curb ramp upgrades, replacement of traffic signal detector loops, and other associated work. The end point of the project needs to be determined in consideration of availability of local funding to supplement the STBG funds. To assist you in that decision, we have developed conceptual project cost estimates for three options:

Option #1 – White Avenue to curve east of SR-100 (near County Highway Department)

Estimated Total Project Cost	\$630,000
STP Funds Available:.....	\$403,000
20% Local Match:	\$80,600
<u>Additional Local Funds Required:.....</u>	<u>\$146,400</u>
Total Local Funds Required	\$227,000

Option #2 – White Avenue to Juanita Drive

Estimated Total Project Cost	\$560,000
STP Funds Available:.....	\$403,000
20% Local Match:	\$80,600
<u>Additional Local Funds Required:.....</u>	<u>\$76,400</u>
Total Local Funds Required	\$157,000

Option #3 - White Avenue to Stewart Avenue

Estimated Total Project Cost	\$488,000
STP Funds Available:.....	\$403,000
20% Local Match:	\$80,600
<u>Additional Local Funds Required:.....</u>	<u>\$4,400</u>
Total Local Funds Required	\$85,000

The intent would be that the project environmental and design could be completed in late 2016, and it would be let to contract in the spring of 2017 with work to be done during the Summer Break for schools to minimize disruption to traffic.

Please note that these estimates are very preliminary since no planning or design work has been done. Also, asphalt prices are difficult to predict since they fluctuate based on the price of oil. TDOT usually allows some flexibility in adjusting project limits during the design phase as better cost estimates become available. At this stage, it would probably be advisable to base the contract on the longest project length that you think is a reasonable possibility. As long as the initial environmental clearance covers all potential construction, the project length could be shortened somewhat during design if budget is an issue. However, if the environmental is done for a shorter project length, it may be very difficult to add to it.

If you have any questions or need any additional information, please let me know.

Sincerely,
Barry Alexander, P.E.

Minutes – July 14, 2016 (Cont'd)

Recorder Garland explained the details and the deadlines involved with the STBG Program. The board discussed each of the options presented above. In order to avoid losing approximately \$50,000 which would be the remaining estimated amount of the FY 2016 allocation after the ramp lighting was completed, a contract on the E. Main Street Resurfacing needed to be approved by TDOT prior to September 30th. After due discussion, motion was made by Ald. Farris, duly 2nd by Ald. Maness to proceed with the entire E. Main Resurfacing project (Option #1 outline above). The plan was to try and have the work completed during the summer of 2017. Motion carried.

Recorder Garland advised the board that the city can once again apply for the TML Pool Safety Partners Grant. The grant is a 50%/50% grant for a total project cost of up to \$4,000. The decision was made to apply for the safety equipment for the Utility Department. UD Green stated the department needed a Trench Box to protect workers that were asked to get into excavations that were at a risk of cave in. The box would also be used by the Public Works Department when needed. The total cost was estimated at \$ 6,000. A resolution needed to be approved to authorize the application for the grant.

This matter was discussed and motion was made by Ald. Butler, duly 2nd by Ald. Barber to pass the resolution (Resolution No. 2016-006) applying for the grant. Mayor King asked for any further discussion. Upon a roll call vote the following was cast on the proposed resolution:

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

Noes: None.

Mayor King declared Resolution No. 2016-006 adopted and the city was authorized to apply for the TML Pool Safety Partners Grant.

A draft of a Drought Management Plan for the Water Department was presented for consideration. The city is required to adopt a plan due to state regulations. The draft was prepared by the Tennessee Association of Utility Districts (TAUD). There was an issue with some of the wording pertaining to the assessment of “fines” in the policy. The utility department does not have the authority to assess fines and Attorney Spore addressed the board concerning this issue. He recommended changing the wording to call the fee a surcharge not a fine. Due to these issues, UD Green will be working with Attorney Spore to resolve these issues before final passage. Any changes would have to be approved by TDEC. This matter would be brought back at a later meeting.

Mayor King stated he recently met with Police Chief Tommy Davis and due to Chief Davis’ medical issues, the following letter had been submitted by Chief Davis:
July 11, 2016

Mayor and Board of Aldermen
City of Henderson, TN

Dear Mayor and Board Members,

As you are aware, I have been unable to work due to an ongoing chronic medical condition since mid-October 2015. I have strived to ensure the staff of the Police Department has been able to handle the day to day operations of the department in my absence. My condition has not improved with the treatment available and my current prognosis appears to predict that I will not be able to return to my duties as Police Chief therefore I request

Minutes – July 14, 2016 (Cont'd)

that the Board of Aldermen allow me to remain on sick leave until said leave is exhausted. During this leave city policy would allow me to continue to accrue holiday pay and the city would continue to pay my health insurance. All leave (sick, annual and holiday) will be exhausted in approximately the month of February 2017. When my leave is exhausted, I plan on retiring from the Henderson Police Department. I have very much enjoyed my 36+ years with the department and regret having to leave at this point in my life and under these circumstances.

I understand the City needs to be able to move the Police Department forward and select a replacement Police Chief. Based on this, I agree to resign from my duties as Chief of Police upon the Board of Aldermen appointing my replacement as long as it would not affect my leave and benefits as outlined above. I would be happy to assist the city in any way during its search for a new Police Chief. If you have any questions or need any further information, please feel free to contact me.

Sincerely,
Signed: *Tommy W. Davis*
Tommy W. Davis
Chief of Police

Mayor King stated that the entire board has known of the situation with Chief Davis and this letter comes as no surprise. Chief Davis' biggest concern was that he be allowed to remain on sick leave until that is exhausted. The city had done this in the past with other employees. Mayor King asked that the board approve this letter so the city can begin the process of finding a replacement Police Chief. Motion was made by Ald. Butler to accept the "future" resignation of Chief Davis allowing him to remain on leave until all leave is exhausted. Motion was duly 2nd by Ald. Smith. Motion carried.

In a related matter, a meeting was set for Tuesday, July 26th at 6 PM in the first floor conference room for the board to discuss the position of Police Chief, approve an updated Job Description and to set out the procedure for accepting and analyzing applications.

Recorder Garland advised the board that the city has a Flexible Spending Account Plan (FLEX) through the payroll system. These funds are deducted from employee's paychecks for them to use to cover certain medical and other expenses. The plan is administrated by a third party. This past year (2015) a city employee failed to spend a large amount of his funds from his FLEX account and had a remaining balance of \$1,033. Once the plan year is closed out, these funds are returned to the city and this had just recently happened. The employee thought he had a longer grace period to spend the funds. The employee has asked that he be reimbursed these funds. Recorder Garland stated that he had spoken to the FLEX administrator and they have stated that under the IRS Code, the city can reimburse these funds if they want to. The amount would have to be paid as payroll with the necessary taxes deducted because the original deduction is tax exempt. After due discussion, motion was made by Ald. Farris, duly 2nd by Ald. Maness to approve refunding the unspent FLEX balance of \$1,033.00. Motion carried.

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

Signed: Robert W. King

APPROVED: _____

MAYOR

ATTEST:

Signed Jim E. Garland

CITY RECORDER

MINUTES
OF THE
HENDERSON BEER BOARD

JULY 14, 2016

The Beer Board of the City of Henderson, Tennessee met in regular session on Thursday, July 14, 2016 at 7:00 P.M. immediately following the regular meeting of the City Board in the Council Chamber of the City of Henderson City Hall. There present and presiding, was Robert W. King, Chairman and the following:

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

Member(s) Absent: None.

There also present were: City Attorney Jerry Spore, City Recorder Jim E. Garland and Police Investigator Gary Davidson.

The only item on the agenda was an application for the retail sale of packaged beer by Penny Carol James, DBA: Discount Cigarettes at 115 Whitley Ave. Ms. James was present at the meeting. Recorder Garland presented a report by Police Investigator Jerry P. Stansell stating that a background check on Ms. James did not result in any matter that would affect her ability to obtain a beer permit. Recorder Garland explained that this location had never had a beer permit. The facility does meet the greater than 1,000 feet to any church with the closet one being Mt. Zion Methodist at 346 Harmon Street. The previous church located on W. Main Street had moved.

There being no questions, motion by Ald. Farris, duly 2nd by Ald. Phelps to grant the Beer Permit. Motion carried.

There being no other business, motion by Ald. Barber, duly 2nd by Ald. Smith, the meeting be adjourned. Motion carried.

Signed: Robert W. King

APPROVED: _____

CHAIRMAN

Signed: Jim E. Garland

ATTEST: _____

CITY RECORDER