

MINUTES
OF THE
BOARD OF MAYOR AND ALDERMEN
MAY 8, 2025

The Board of Mayor and Aldermen of the City of Henderson, Tennessee, met in regular session on Thursday, May 8th, 2025, at 7:00 P.M. in the Council Chamber of the City of Henderson City Hall. Present and presiding was Mayor Terry F. Bell. City Recorder Jim E. Garland called the roll, with the following being present:

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

Also present at the meeting were: City Recorder Jim E. Garland, City Attorney Jerry Spore, Asst. Police Chief Tim Crowe, Public Works Director Carter Scales, Building Official Brent Beshires, Utility Director Darryl Green, Fire Chief Doug Acred, and Assistant. CMFO Alicia Holder

Mayor Bell called the meeting to order at the appointed time. Ald. Barber gave the invocation, and Ald. Rhodes 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. A motion was made by Ald. Butler to accept the minutes as presented, duly 2nd by Ald. Phelps. Motion carried.

The accumulated accounts were presented for informational purposes. There were no questions about the accounts, and the meeting continued.

Mayor Bell moved item J to the beginning of the agenda as there was someone in the audience to speak on the matter. The first item on the agenda was to discuss a request from the owner of Heritage Towers for a Payment In Lieu of Tax (PILOT) agreement. Mr. Mark Kemp with Rebuild America, Inc., addressed the board, stating that in 2017, his company tried to acquire and make improvements to Heritage Towers with the board. The current owner has to be out of the property by 2027, and Mr. Kemp's company is trying to line up the PILOT so that they can purchase the property and make needed improvements. Heritage Towers houses approximately 75 residents who are low-income or disabled adults. They are subsidized by HUD (Housing and Urban Development) to assist the residents with their rent. Mr. Kemp stated that for the budgets to work, the taxes on the property need to be limited. The PILOT would allow them to have an operating budget to support the debt services. They have a \$20M development budget to purchase and put \$9M in improvements. They have applied for tax credits with the Tennessee Housing Development Agency. To get the tax credits, they have to apply, and the property taxes need to be limited. They want to use the PILOT as a mechanism to get something for everyone involved. The city and county have not received property taxes on this property in 42 years. This PILOT would allow them to get a portion of the taxes. They are requesting support to move forward so that in the end, the residents have a beautiful home for the latter part of their lives.

Ald. Butler asked for a quick review of the renovations: Mr. Kemp stated that they would be extending the fire sprinklers into each apartment (currently only in the hallways), new HVAC units in each apartment, new flooring, new appliances, new sinks and fixtures, new counter tops and

cabinets, new windows, add WIFI throughout the building and expanding common areas. They will also upgrade the elevator cabs, which run around \$400,000.00. Ald. Butler inquired about residents being disrupted during the renovations, and Mr. Kemp stated that they have general contractors who specialize in rehabbing properties. They coordinate with residents for the options. Mr. Kemp stated that if they started tomorrow, they could complete the project in 18 months to 24 months.

Mayor Bell asked what the length of the PILOT will be, and Mr. Kemp stated that once they close on the property, it is typically two years for construction, then 18 years (20 years total).

City Attorney Spore addressed the board and stated that the statutes do not allow a city or county to issue a PILOT. The legislation has vested that power with industrial development boards and health education boards, if the city has formed one. The city formed an Industrial Development Board (IDB) that is the vehicle for providing the economic agreement benefit. The IDB will have to meet and consider the PILOT, and if approved, the property would be titled to the IDB and then leased back to the company, which makes it tax-exempt, but does provide for the PILOT. There is a \$10,000.00 per year pool to address the PILOT calculations.

Ald. Butler asked how the \$10,000.00 would be split between the city and county. Mr. Spore stated that the board can make a recommendation for the mayor to include in his letter on how to break it out. Ald. Smith suggested a 75%/25% split (\$7,500 to the City and \$2,500 to the County). The city would receive the larger portion because the majority of the services provided to the property and residents are supplied by the city. All members of the board agreed. After further discussion, a motion was made by Ald. Smith to accept the PILOT with \$10,000 to be paid annually, split between city (75%) and county (25%) for 20 years, duly 2nd by Ald. Butler. Motion carried.

There were no further delegations, so the meeting continued.

The next item on the agenda was to consider a resolution approving the 3% Cost-of-Living adjustment and the standard pay scales for all city departments. Recorder Garland stated that over the last several months, they have had meetings on the pay scales and COLAs for the city employees. The standard Christmas bonus pay of \$75.00 per year was also included. It is based on continuous years of employment with a minimum of \$150.00. The Police Department's "Stipends for Collateral Assignments" program is included in the resolution. All changes are effective June 23rd, 2025 (first salary of the new fiscal year). After further discussion, a motion was made by Ald. Barber to adopt Resolution #2025-001 as prepared, duly 2nd by Ald. Phelps. Motion carried. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

Mayor Bell declared Resolution #2025-001 as passed.

The next item on the agenda was to discuss and consider changes to the per-call stipend paid to volunteer firemen to respond to fire calls and training sessions. Recorder Garland stated that this resolution was the same as discussed at the last budget meeting. It increases the pay for all classes and adds a class at the top end, which requires additional training. A motion was made by Ald. Smith to approve Resolution # 2025-002 as presented, duly 2nd, by Ald. Rhodes. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

Mayor Bell declared Resolution #2025-002 as passed.

The next item on the agenda was to discuss and consider the purchase of a used 2009 Aerial Fire Truck. Ald. Smith stated that purchasing the used truck is much cheaper than a new one. Fire Chief Acired stated that everything worked as expected. He stated that it was a good deal for what it is. Ald Smith asked if the funds would come from the general unclassified fund, and Recorder Garland confirmed.

The new truck will not fit through the bay door at the station, and they discussed at the last budget meeting. E & T Contracting has estimated the door and the work to adjust the door frame (raise the level) to make the new truck fit in the door for approximately \$25,000. It can fit in the building, just needs a door adjustment. The \$25,000 for the door and door work would come from the capital outlay fund. After further discussion, a motion was made by Ald. Barber to authorize the purchase of the 2009 Aerial Fire Truck for \$400,000 from Goodlettsville Fire Department and the renovation to the fire station expenditure, July 2nd by Ald. Phelps. Motion carried.

The next item on the agenda was to consider an ordinance on the first reading to increase all Sanitation Rates by approximately 8.1081%. This will result in an increase of \$1.50 per month for residential customers. Recorder Garland stated that this was discussed in the budget meetings. The tipping fees for the county will be increasing from \$30/ton to approximately \$75/ton after the current contract expires next year. After further discussion, a motion was made by Ald. Smith to approve proposed Ord #575, increasing the sanitation rates effective July 1, 2025, July 2nd by Ald. Maness on the first reading. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

A motion was made by Ald. Barber to approve Ordinance #575, increasing the sanitation rates effective July 1, 2025, July 2nd by Ald. Butler on the final reading. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

Mayor Bell declared Ordinance #575 as approved on the final reading.

The next item on the agenda was to consider an ordinance to increase Water Rates by 5% and Sewer Rates by 10%, effective July 1st. Asst CMFO Holder stated that this was the same thing that was discussed at the last budget meeting. With all the projects going on, we have to fund depreciation, and everything is going up. She is proposing 5% for water and 10% for Sewer and would revisit again next year. We are trying to stay ahead of costs. After further discussion, a motion was made by Ald. Phelps to approve proposed Ord #576, increasing the water and sewer rates effective July 1, 2025, July 2nd by Ald. Rhodes. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

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A motion was made by Ald. Smith to approve Ordinance #576, increasing the Water and Sewer Rates effective July 1, 2025, duly 2nd by Ald. Barber on the final reading. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

Mayor Bell declared Ordinance #576 as approved on the final reading.

The next item on the agenda was to discuss and consider the passage of the 2025-2026 City Budget and Tax Rate Ordinance on the first reading. Recorder Garland stated that the budget ordinance is in the format as required by the comptroller. He stated that Section 8 deals with the tax rate. Currently, the property assessor is in the process of a light reassessment adjustment. All properties' assessed values will increase due to the adjustment. The new tax rate is unknown at this time, so the ordinance reads that the new tax rate will be "Equal to the Certified Tax Rate by the Chester County Tax Assessor". He stated that with the purchase of the Aerial Fire Truck, there will be a change in the expenditure in the fund balance. A motion was made by Ald. Barber to approve the 2025-2026 City Budget and Tax Rate Ordinance on the first reading, duly 2nd by Ald. Phelps. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

A public hearing and second reading will take place at the June meeting.

The next item on the agenda was to consider bids received on the Dredging of the East Lagoon. UD Green stated that the single bid received was way out of line on the bid per ton. The bid packet was not updated, and the time frame was too short. He feels like more folks would bid on the project with a longer time frame. He is asking the board to reject the bid so they can reopen it. A motion was made by Ald. Smith to reject the bid and reopen the bid process, duly 2nd by Ald. Butler. Motion carried.

The next item on the agenda was to consider bids received on the repairs to the Utility Operations Facility at 60 Record Drive. UD Green stated that they had advertised the bid opening with the specs from the engineer included.

Bidders of Record	Base Bid	Alternates 1-Retro-Fit Roof	2-Ext-Drs	3-Int Reno	Total
E & T Contracting Henderson, TN	\$440,129.00	\$ -	\$103,570.00	\$40,000.00	\$583,699.00
Graves & Graves Parsons, TN	\$798,942.00	\$35,000.00	\$59,532.00	\$52,506.00	\$945,980.00
Mid-South Construction Services Oakland, TN	\$378,000.00	\$15,000.00	\$125,000.00	\$59,000.00	\$577,000.00

The engineer (Wold Architects and Engineers) is recommending the low bidder from Mid-South Construction Services for a total of \$577,000 (\$378,000 base bid with three alternates for \$199,000). A motion was made by Ald. Barber to accept the bid from Mid-South Construction Services for \$378,000 base with \$15,000 for retrofit on the roof, \$125,000 for exterior doors, and \$59,000 for Interior renovations for a total of \$577,000, duly 2nd by Ald. Phelps. Motion carried.

The next item on the agenda was to consider terminating the Utility Department's Helping Hands Program. Asst CMFO Holder stated that they started the program around 2008 to help customers with their utility bills. It is the same individuals using year after year once their year is up. She is recommending that they zero the account and give the balance (\$2,690.86) to the Gleaner's with the understanding that the funds are to be used for Henderson Utility Customers, and that they terminate the Helping Hands fund program for the 25 customers who are currently participating in the program. A motion was made by Ald. Rhodes to terminate the program effective immediately and pay the balance of \$2,690.86 to the Gleaners, duly 2nd by Ald. Maness. Motion carried.

The next item on the agenda was to consider changes to the Utility Department's Cut Off Policy, which includes an ordinance and a resolution. Asst CMFO Holder stated that they see the same customers each month who are not paying their bills on time. The UT Dept makes phone calls to these customers, and they are given until 9:00 on the day of cut-off to pay their bill. Normally, the entire UT crew goes out to cut off customers, but this last time, it was only two team members due to a water main break. The cost of the cut-off has been discussed at TAUD meetings she has attended. With the approval of the resolution and ordinance verbiage, they will automatically add the reconnect fee once a team member leaves to go to the customer's house. A motion was made by Ald. Barber to adopt the resolution changing the utility billing effective July 1, 2025, duly 2nd by Ald. Smith. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Jason Rhodes, and Keith Smith.
Noes: None.

Mayor Bell declared Resolution 2025-003 duly adopted.

A motion was made by Ald. Barber to approve Ordinance #577 changing the utility billing effective July 1, 2025, on the first reading, duly 2nd by Ald. Butler. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Jason Rhodes, and Keith Smith.
Noes: None.

A motion was made by Ald. Rhodes to approve Ordinance #577 changing the utility billing effective July 1, 2025, on the final reading, duly 2nd by Ald. Smith. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Jason Rhodes, and Keith Smith.
Noes: None.

Mayor Bell declared Ordinance #577 as approved on the final reading.

The next item on the agenda was to discuss repairs needed to Water Well #6. UD Green stated that this is the last water well with the pump sitting on top, and it was repaired in 2017 for approximately \$25,000. Water Well #10 had issues, and we repaired it with a submersible pump. He recommends that they hire the National Water Service to pull the pump and perform an inspection to determine the extent of the needed repairs. The cost is \$6,825 for the inspection. He thinks this may be the opportunity to replace it with a submersible pump, which is holding up much better. With summertime approaching, he recommends getting this repaired quickly and allowing himself and Mayor Bell to approve the recommendation on the repair to get it back in service asap. A motion was made by Ald. Butler to approve National Water Service to pull the well for inspection for \$6,825 and to allow Mayor Bell and UD Green to authorize repairs, duly 2nd by Ald. Maness. Motion carried.

The next item on the agenda was to consider bids on the STBG West Main Resurfacing Project. Recorder Garland stated that there is a block of approximately \$90,000 each year from STBG that must be used for certain streets doing certain types of projects. They decided two years ago to use the money to resurface West Main from Piggly Wiggly to Hwy 100. This will also extend the left-hand turning lane in front of Piggly Wiggly. The low bid is from Martin Paving Company for \$235,950, and this is an 80/20 grant. A motion was made by Ald. Smith to award the bid to the low bidder, Martin Paving, for \$235,950 for the resurfacing of West Main, contingent on TDOT approval, duly 2nd by Ald. Barber. Motion carried.

The next item on the agenda was to discuss and consider what to do with two surplus Fire Trucks. Fire Chief Acred is recommending giving the 1986 Fire Engine 3 to the Chester County Fire Department. Ald. Butler asked Chief Acred if he had been on govdeals.com to get an idea of the worth of the engine. He stated that he has no idea how to access the website.

Mayor Bell stated that the 2nd truck was the old green ladder truck. Ald. Smith recommended listing the old ladder truck on GovDeals.com with a reserve. Ald. Smith asked what the estimate would be of what we are giving away. Recorder Garland estimated between \$5,000 and \$10,000. After further discussion, a motion was made by Ald. Maness to give Fire Engine 3 to the Chester County Fire Department, duly 2nd by Ald. Phelps. Motion carried.

After further discussion, a motion was made by Ald. Barber to list the old green ladder truck on govdeals.com without a reserve, duly 2nd by Ald. Butler. Motion carried.

The next item on the agenda was to consider approval of an Audit Contract for the year ending June 30, 2025, with ATA. Recorder Garland stated that each year, we must sign an audit contract for the annual audit. The estimated fee is \$34,500 (audit), \$4,500 (Single Audit Fee – most likely will be required due to the ARP funds), and \$3,000 (a required fee for the Municipal Chart of Accounts Crosswalk). The total audit contract fee is \$42,000. A motion was made by Ald. Butler to use ATA for the audit for the year ending June 30, 2025, duly 2nd by Ald. Rhodes. Motion carried.

The next item on the agenda was to consider a resolution allowing the participation in a Pre-Pay Agreement for Natural Gas Purchases with Tenn Energy Acquisition Corp. (TEAC). Recorder Garland stated that we are members of TEAC (a non-profit that goes to market for gas for several municipalities). Occasionally, the market is right for us to go to a pre-pay supply agreement. The supply agreement shall provide for a delivery period of no longer than 366 month, shall provide for a natural gas purchase obligation not to exceed an average of [300] MMBtu per day, and shall provide for a minimum projected discount to market prices, taking monthly and projected annual savings into account, of 35 cents per MMBtu for the initial reset

period (as defined in the supply agreement): and in each reset period thereafter, not less than 20 cents per MMBtu in each reset period after the initial rate period. There is an option to get out during each reset period. This authorizes Mayor Bell and himself to negotiate the rate(s). After further discussion, a motion was made by Ald. Barber to approve Resolution # 2025-004 as presented, duly 2nd, by Ald. Smith. Upon a roll call vote, the following was cast:

Ayes: Mark A. Barber, Donna Butler, Buel Maness, Michael Phelps, Jason Rhodes, and Keith Smith.

Noes: None.

Mayor Bell declared Resolution #2025-004 as passed.

Any other Business:

Asst Police Chief Crowe thanked the board for approving the police stipend pay. He thanked them for the increase in longevity pay three years ago, adding that it does a lot for morale.

Building Official Beshires stated that there are a lot of projects in the works. He received a plan from STEMC for the substation, and that project should start soon.

UD Green stated that there has been activity on the hotel, and they have received the materials for Casey's Convenience Store.

PWD Scales stated that the Asphalt HotBox was delivered. Mayor Bell stated that they have been working hard on sidewalks and paving.

Mayor Bell stated that TVA was in on Monday and flew their drone to survey the industrial site to package for promotion.

Asst CMFO Holder thanked the board for all that they have done today.

Ald. Phelps thanked all the department heads and the crews for a job well done.

Ald. Smith thanked department heads for working with the board on a good budget.

Ald. Butler thanked everyone for the long hours put in to get it accomplished.

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

Signed: Terry F. Bell

APPROVED: _____
MAYOR

Signed: Jim E. Garland

ATTEST: _____, CITY RECORDER