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**CITY OF PARIS, TENNESSEE  
BOARD OF COMMISSIONERS  
August 1, 2013  
6:00 P.M.**

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**REGULAR HEARING**

- I. Call to Order**
- II. Roll Call – Finance Director**
- III. Pledge of Allegiance and Moment of Silence**
- IV. Approval of the Minutes of Previous Meetings – July 2, 2013**
- V. The Board Will Hear Comments from the Citizens**
- VI. The Board Will Hear Comments from the Commission**
- VII. OLD BUSINESS**
  - 1. Possible Ordinance Banning Pseudoephedrine-Based Medicines
- VIII. NEW BUSINESS**
  - 1. Financial Update
  - 2. Appointments to Boards
  - 3. Proposed Sign Ordinance to Amend the SC-1 (Shopping Center) Regulations of the Zoning Ordinance (First Reading)
  - 4. Grant of Partial Release of Lien
  - 5. FY 12 Audit Summary
  - 6. Presentation of FY 13 Unaudited Close Out
  - 7. Presentation of Budget Revision – Purchase
  - 8. Motion to Ratify the Mayor’s Execution of a Deed to Bethel
- IX. Status of Various Projects and Departmental Summaries**
  - 1. Project Update Sheet
- X. Adjournment**



**Henry County Fair  
August 3 - 10, 2013**

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THE CITY COMMISSION  
CITY OF PARIS, TENNESSEE  
JULY 2, 2013  
REGULAR MEETING

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The Board of Commissioners of the City of Paris, Tennessee met in regular session Thursday, July 2, 2013 at 6:00 p.m. in the City Hall Courtroom of the City of Paris, Tennessee for the purpose of conducting the following and any other business:

**OLD BUSINESS:**

1. Garland Avenue Annexation (Seconding Reading)

**NEW BUSINESS**

1. Financial Update
2. Appointments to Boards
3. Resolution to Authorize the Issuance of \$8,350,000 in Electric Revenue Bonds
4. MS-4 Permit Process
5. Presentation of Excellence in Municipal Government Award
6. Offer from Tennessee Department of Transportation (TDOT)
7. Resolution in Support of the Marketplace Fairness Act
8. Resolution Opposing a Reduction or Elimination of the Tax Exemption on Municipal Bond Interest

**STATUS OF VARIOUS PROJECTS AND DEPARTMENTAL SUMMARIES**

1. Project Update Sheet

Present: Mayor Sam Tharpe  
Vice Mayor Gayle Griffith  
Commissioner Terry Fuller  
Commissioner Pete Lackey  
Commissioner Carlton Gerrell

Also Present: Carl Holder, City Manager  
Fred McLean, City Attorney  
Willette Ray, Administrative Assistant to the City Manager  
Jennifer Morris, Community Development Director  
Traci Pillow, Account Clerk  
Lana White, Account Clerk  
John Etheridge, Board of Public Utilities

Media: Bill McCutcheon, The Paris Post-Intelligencer  
Tim Alsobrooks, WMUF

Mayor Tharpe called the meeting to order. The Pledge of Allegiance lead by Commission Fuller and a Moment of Silence were observed.

**APPROVAL OF MINUTES**

The minutes of the previous meetings held June 6, 2013, June 20, 2013, and June 26, 2013 were approved as presented following a motion by Commissioner Gerrell and seconded by Vice Mayor Griffith. The motion carried unanimously.

**COMMENTS FROM CITIZENS**

No comments.

**COMMENTS FROM COMMISSION**

No comments.

**OLD BUSINESS**

**GARLAND AVENUE ANNEXATION (SECOND READING)**

At the Planning Commission meeting held Thursday, May 9th, rezoning for Garland Avenue Annexation was brought before the board for discussion. In January 2012, the Planning Commission studied the annexation of the Garland Avenue area. At the time, the Planning Commission made their recommendations for the Plan of Services. However, the recommendation for zoning of that area was omitted.

The property to the east of this area is zoned R-2 High Density. Staff recommended that the R-2 High Density be extended to the annexed area.

After a brief discussion, Mr. Griffith made a motion which was seconded by Mr. Gerrell to approve the zoning for the Garland Avenue annexation. The motion carried unanimously.

At the City Commission meeting held Thursday, June 6th, Vice Mayor Griffith made a motion which was seconded by Commissioner Lackey to approve the annexation. The motion carried unanimously.

This was presented for Second Reading and a Public Hearing was scheduled prior to meeting.

After a brief discussion, Commissioner Fuller made a motion which was seconded by Commissioner Gerrell to approve the annexation. The motion carried unanimously.

ORDINANCE NO. 1159

AN ORDINANCE to Amend Title 11, Chapter 104  
of the Paris Municipal Code

SECTION 1. BE IT ORDAINED by the Board of Commissioners of the City of Paris, Tennessee, that the Paris Municipal Code be amended as follows:

Title 11, Chapter 104, Section B, identifying, "The Official Zoning Map of Paris, Tennessee," as adopted, is amended as follows:

That the following described property, which has recently been annexed into the City and is not currently zoned, shall be zoned R-2-H. This property is located in the First Civil District of Henry County, Tennessee and is more particularly described as follows:

See attached Exhibit "A" as shown on Tax Map 105, in the Tax Assessor's Office of Henry County, Tennessee.

SECTION 2. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.



## **NEW BUSINESS**

### **FINANCIAL UPDATE**

According to City Manager Carl Holder our revenues appear significantly low, however, we are receiving almost \$2 million in back payments and grant reimbursements this month, over and above regular revenues.

Likewise, expenditures are lower than the 11 month benchmark; however, we have not spent funds on the right-of-way purchases, skewing the expenditure percentage.

Sales tax fell again, but at a declining rate.

### **APPOINTMENTS TO BOARDS**

The following appointments to be considered for this month were:

- Housing Authority – Mayor Appointment – Meets First Tuesday - 5 Year Term
  - Ed Brazelton – Term Expires July 7, 2013
- Regional Library Board – Mayor with Commission Approval – 3 Year Term
  - Bob Bowen – Term Expired July 1, 2013

These appointments will be made at the August 1, 2013 meeting.

### **RESOLUTION TO AUTHORIZE THE ISSUANCE OF \$8,350,000 IN ELECTRIC REVENUE BONDS**

A Resolution to authorize the issuance of \$8,350,000 in Electric Revenue Bonds was presented. John Etheridge, of the Board of Public Utilities, was present to answer any questions.

After a brief discussion, Vice Mayor Griffith made a motion which was seconded by Commissioner Lackey to approve the resolution. The motion carried unanimously.

Due to the length of Resolution No. 1522, it is not included in the minutes of this agenda. It is printed and signed by Mayor Samuel Tharpe and the Finance Director Kim Foster. It is in the Resolution Book if you wish to view it.

### **PRESENTATION OF EXCELLENCE IN MUNICIPAL GOVERNMENT AWARD**

City Manager Carl Holder presented the Excellence in Municipal Government Award from the Tennessee City Management Association.

### **OFFER FROM TENNESSEE DEPARTMENT OF TRANSPORTATION (TDOT)**

An offer from Tennessee Department of Transportation for property located on Highway 641 North for the highway widening project was presented. Specifically this is the triangular property located at the intersection of Highway 641 and North Poplar Street where the “Welcome to Paris” sign and landscaping are located.

Also an Agreement of Sale in the amount of \$6,500.00 was included in the agenda. This amount includes payment for real property, the replacement of landscaping, a slope easement and a construction easement. If the Commission is agreeable to this amount offered by TDOT, action should be taken to authorize the Mayor to sign the Agreement of Sale to proceed with the right of way acquisition.

After a brief discussion, Commissioner Fuller made a motion to authorize the Mayor to sign the Agreement of Sale for no less than the amount of \$6,500. The motion was seconded by Commissioner Lackey and carried unanimously.

**RESOLUTION IN SUPPORT OF THE MARKETPLACE FAIRNESS ACT**

A Resolution in support of the Marketplace Fairness Act was submitted by Mayor Tharpe. After a brief discussion, Vice Mayor Griffith made a motion which was seconded by Commissioner Fuller to approve the Resolution. The motion carried unanimously.

RESOLUTION NO. 1523

A RESOLUTION IN SUPPORT OF  
THE MARKETPLACE FAIRNESS ACT

WHEREAS, Mom and Pop, Main Street and Local retailers have been hurt in recent years by online and catalog purchases by customers who believe they get a discount by not paying sales tax; and

WHEREAS, the brick-and-mortar retailer collects the sales tax at the time of purchase in store, but the responsibility for paying the tax from an online purchase shifts to the Internet customer who resides in Tennessee to remit the sales tax directly to the Tennessee Department of Revenue; and

WHEREAS, most taxpayers are not aware of the responsibility to remit these taxes, and state and local governments do not have the resources to enforce payment putting Tennessee Local retailers at nearly a 10 percent competitive price disadvantage to remote sellers; and

WHEREAS, the University of Tennessee Center for Business and Economic Research estimates that state and local governments lost \$11.4 billion nationwide in sales tax on e-commerce in 2012; and

WHEREAS, the National League of Cities estimates that the State of Tennessee and its local governments lost a combined \$748 million in sales tax on e-commerce in 2012; and

WHEREAS, the Tennessee General Assembly has amended their sales and use tax statutes to conform to the requirements of the Streamline Sales and Use Tax Agreement, one of 23 states to do so; and

WHEREAS, Congress is considering legislation to provide states that are members of the Agreement and in compliance with the federal legislation the authority to require out-of-state sellers to collect and remit sales and use taxes on remote transactions attributable to these states – exactly like Local retailers are already required to do; and

WHEREAS, the Supreme Court’s decision in *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), left state and local governments unable to adequately enforce their existing sales tax laws on sales by out-of-state catalog and online sellers; and

WHEREAS, the Court did state that Congress had the constitutional authority to pass legislation overruling its decision; and

NOW, THEREFORE, BE IT RESOLVED that the City of Paris Board of Commissioners adopt this Resolution commending our United States Senators Alexander and Corker for their outspoken support of the Marketplace Fairness Act (S336 and HR684) throughout the debate and passage in the United States Senate and strongly encourage the Tennessee Delegation to the United States House of Representatives to level the playing field for Local retailers by allowing individual states the authority to streamline their sales tax laws and collect sales taxes directly from online retailers on this the 2<sup>nd</sup> day of July, 2013.

/s/Samuel Tharpe  
Mayor

/s/Kim Foster  
Finance Director

**RESOLUTION OPPOSING A REDUCTION OR ELIMINATION OF THE TAX EXEMPTION ON MUNICIPAL BOND INTEREST**

A Resolution opposing a reduction or elimination of the tax exemption on municipal bond interest was submitted by Mayor Tharpe. After a brief discussion, Commissioner Gerrell made a motion which was seconded by Vice Mayor Griffith to approve the Resolution. The motion carried unanimously.

**RESOLUTION NO. 1524**

**A RESOLUTION OPPOSING A REDUCTION OR ELIMINATION OF THE TAX EXEMPTION ON MUNICIPAL BOND INTEREST**

WHEREAS, tax-exempt municipal bonds are the primary means by which state and local governments finance three quarters of the critical infrastructure of our nation, including roads, bridges, hospitals, schools, and utility systems; and

WHEREAS, municipalities benefit from this tax exemption through substantial savings on the interest cost of borrowed money; and

WHEREAS, Congress is considering many options available to reduce the federal deficit; and

WHEREAS, one option Congress is evaluating would reduce, phase out, or eliminate the exemption on municipal bond interest; and

WHEREAS, the federal tax exemption on municipal bond interest has been in place since the first federal income tax was enacted in 1913 having been maintained through two world wars, the Great Depression and the recent Great Recession, and as a result, state and local governments save, on average, two percentage points on their borrowing to finance investment in public infrastructure; and

WHEREAS, this exemption has generated trillions of dollars of investment in public infrastructure and has saved taxpayers hundreds of billions in interest costs; and

WHEREAS, investors in municipal bonds are generally exempt from paying federal income tax on the bond interest payments so even a partial income tax on otherwise tax-exempt interest would cause investors to demand higher returns on their municipal bond investments to make up for the tax they would have to pay; and

WHEREAS, the outcome of reducing or eliminating the tax exemption on municipal bond interest would be higher borrowing costs for state and local governments, less investment in infrastructure and fewer jobs; and

NOW, THEREFORE, BE IT RESOLVED that the City of Paris Board of Commissioners adopt this Resolution urging our United States Senators Alexander and Corker and the Tennessee Delegation to the United States House of Representatives to strongly oppose any efforts by Congress or the Administration to reduce or eliminate the tax exemption on municipal bond interest on this the 2<sup>nd</sup> day of July, 2013.

/s/Samuel Tharpe  
Mayor

/s/Kim Foster  
Finance Director

**STATUS OF VARIOUS PROJECTS AND DEPARTMENTAL SUMMARIES**

The Ongoing Project Update Sheet, as of June 25, 2013, was presented for review.

**ONGOING PROJECTS (as of 06-25-13)**

	<u>Item</u>	<u>Primary Staff</u>	<u>Target Completion Date(s)</u>	<u>Notes</u>
1	Bethel / HCMC	Holder		\$ 1.4 M Payment 06-28-13. Will settle up soon with all parties.
2	Joy Street	Holder / Morris	07-31-13	Progressing well.
3	Collinwood Drainage	Public Works	Weather dependent	Phase I will be work on row and easements; J. Morris is in process of obtaining easements.
4	Hazelwood	Holder	06-27-13 Visit of Selection Committee	
5	Annexation Projects	Holder / Morris	08-30-13	Working on sewer.
6	Employee Handbook	Holder / Foster / Ray	Indefinite	Reflect personnel rules; No progress.
7	641 North	Holder / Morris	October 2013	Negotiating w/ TDOT on City-owned property on 641 North and coordinating negotiations with ICI on property in the name of PIDB.
8	MTAS Benchmarking	Holder	02-28-13	Approved in January; Will begin process in August.
9	Consideration of Insurance Coverage	Holder / Foster	02-28-13	USI on board. Over 50% reduction in rate.
10	218 Bypass	Morris / Holder / Greer	Undetermined	Chatham of McKenzie will do first appraisal; Flowers will review appraisal; October 1 <sup>st</sup> deadline for purchases.
11	Valleywood Drainage Project	Holder / Jessie	Undetermined	Engage Neel-Schaffer to conduct engineering study of drainage stream; Make recommendations; final in-depth report due 07-15-13.

There being no further business, the meeting was duly adjourned at 6:45 p.m.

/s/Samuel Tharpe  
Mayor

/s/Kim Foster  
Finance Director

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**OLD BUSINESS  
Agenda Item No. 1  
Possible Ordinance Banning Pseudoephedrine-Based Medicines**

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The Board received a packet of information from City Attorney McLean which the Board wished to review before addressing the subject.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 1  
Financial Update**

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The Finance Director will provide a financial update.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 2  
Appointments to Boards**

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The following appointments are to be considered this month:

- Housing Authority – Mayor Appointment – Meets First Tuesday - 5 Year Term
  - Ed Brazelton – Term Expired July 7, 2013
  
- Regional Library Board – Mayor with Commission Approval – 3 Year Term
  - Bob Bowen – Term Expired July 1, 2013
  
- Planning Commission – Mayoral Appointment with Exception: Commission Appoints One Commissioner) – 3 Year Term
  - Gayle Griffith – (Commission Appointed) – Term Expires August 8, 2013
  - Dan Veazey – Term Expires August 8, 2013
  - Randy Scholes – Term Expires August 8, 2013

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS**

**Agenda Item No. 3**

**Proposed Sign Ordinance to Amend the SC-1 (Shopping Center) Regulations of the Zoning Ordinance (First Reading)**

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At the May 9th Regular Meeting of the Planning Commission, a request was considered at the request of Mr. Jeff Foster of Eats and Treats located on Mineral Wells Avenue in the parking lot of the Kroger Shopping Center. Foster requested consideration for a separate stand-alone sign for his business located in this development as an “outparcel” even though the building is owned by the current owner.

After a brief discussion, Ms. Terrell made a motion which was seconded by Mr. Scholes to refer this Ordinance to the City Commission as written. The motion carried unanimously.

Attached is the proposed amendment to the sign ordinance prepared by City Attorney Fred McLean at the request of the Planning Commission.

Ordinance No. \_\_\_\_\_

AN ORDINANCE  
to Amend 11-1306 C 2 of the Paris Municipal Code

SECTION 1. Be it ordained by the Board of Commissioners of the City of Paris, Tennessee that 11-1306 C 2 of the Paris Municipal Code be deleted in its entirety and the following substituted therefore:

2. In the SC-1 District on premises signs not attached to the face of the building shall have an allowable area one (1) square foot for each foot of road frontage not to exceed one hundred (100) square feet. In the case of shopping centers, malls, or groupings of business and/or offices, where the property for parking and/or road frontage is under common or shared ownership, the shopping center, mall, or grouping of businesses and/or offices may erect one (1) permanent sign per street frontage containing the development name and the businesses therein. The size of such sign shall be one (1) square foot for each foot of road frontage. The permitted area of signage will be divided in proportion to the square footage of floor space and outdoor sales area occupied by occupant of the development.

Provided, however, any business existing as an out parcel located in the parking lot of any such shopping center, mall, or grouping of businesses and/or offices may have a separate on premises sign not attached to the face of its building not to exceed one (1) square foot for each foot of building width or one hundred (100) square feet, whichever is less. Any such on premises sign not attached to the face of the building shall be located on the premises leased/owned by said business.

SECTION 2. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. This ordinance shall take effect on and after final passage and adoption.

Passed and adopted \_\_\_\_\_.

Passed and adopted \_\_\_\_\_.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Finance Director

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 4  
Grant of Partial Release of Lien**

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The City of Paris holds a Deed of Trust from the Paris Industrial Development Board (IDB) on the property occupied by ICI under a 2006 PILOT agreement. The City is requested to grant a partial release of lien based on the proposed property purchase by TDOT for 641 North improvements. The purchase is for less than 300 square feet.

The Commission will need to authorize the Mayor to grant the release so the IDB can convey the property to the State of Tennessee.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 5  
FY 12 Audit Summary**

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In FY 2012 the **General Fund** shows a deficit of \$762,000. However, there were \$776,000 of reimbursable expenses on Joy Street and the HCMC / Bethel Project not included in FY 12 Revenues.

In FY 2012 the **Solid Waste Fund** operated at a net increase in assets of \$715,000. However, only \$490,000 of this amount is available in cash considerations for operations. The balance was non-cash.

The FY 2012 **Drug Fund** ran a deficit of \$10,000 of an anticipated \$30,000 deficit. However, the Fund has a fund balance of \$100,000.

**THDA** operated at a surplus of \$83,000 as a result of a house sale in the Neighborhood Preservation Grant.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

NEW BUSINESS  
Agenda Item No. 6  
Presentation of FY 13 Unaudited Close Out

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**General Fund Revenues** - \$180,000 under budget as shortfalls occurred in Local Option Sales Tax and Liquor related taxes.

There are also shortfalls in the Joy Street Grant, Bethel / HCMC Project, the Bethel Lease, and County By-Pass revenues which were collected in July or reimbursed in FY 2014. If this approximate \$700,000 in revenues is added to the June 30<sup>th</sup> revenues, total Revenues are \$14.733 million, against expenses of \$14.654 million or an unaudited surplus of about \$80,000. The initial spending plan called for a deficit of - \$30,000.

**Solid Waste Fund** operated at a surplus of \$213,000 subject to adjustments.

**Drug Fund** operated at a \$10,000 deficit.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 7  
Presentation of Budget Revision - Purchase**

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Over the years we have often had to rent a trackhoe (think large backhoe on tracks with longer boom). In discussing our past need for such a machine, against our future use relating to a probable five to seven years drainage improvements project by force account labor, the possible use for demolition of dilapidated structures, and occasional landfill needs, we have concluded that the purchase of a trackhoe would be a good long term investment.

Staff believes we can forego the purchase of a used packer, eliminate expenditures on structural demolitions, and machine rentals to cover the purchase of a \$100,000 to \$120,000 good used machine.

Since this is a significant modification to the budget plan, hence Commission approval is desirable.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
August 1, 2013**

**NEW BUSINESS  
Agenda Item No. 8**

**Motion to Ratify the Mayor's Execution of a Deed to Bethel**

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The City of Paris and Bethel University have a fifteen (15) year rental agreement for the Bethel facility. Bethel has requested to exercise their option under the Agreement to purchase the structure. As required by the Lease, we have issued a Deed to the property. However, Staff believes we need to have a record of the transaction. Therefore, we request the following motion:

**“I move that we ratify the Mayor’s action in signing the appropriate deed to the property previously leased to Bethel University, as prepared by Counsel, and that we further authorize the Mayor to execute any and all documents as may be necessary to pay off and terminate the 2011 Bond issued through the Tennessee Municipal League Bond Pool.”**

The payoff was \$6,515,000. Our pay off to the Pool will be approximately \$6,185,000. The variance should accrue as FY 13 Revenues.

**Honorable Mayor and Board of Commissioners  
City of Paris, Tennessee  
Regular Meeting  
July 2, 2013**

**STATUS OF VARIOUS PROJECTS AND DEPARTMENTAL SUMMARIES  
Project Update Sheet**

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The Ongoing Project Update Sheet, as of July 22, 2013, is presented for your review.

**ONGOING PROJECTS (as of 07-22-13)**

	<u>Item</u>	<u>Primary Staff</u>	<u>Target Completion Date(s)</u>	<u>Notes</u>
1	Bethel / HCMC	Holder		Finalized settlement between partners; Awaiting final billing for payment and reimbursement.
2	Joy Street	Holder / Morris	7-31-13	Progressing, held up on paving.
3	Collinwood Drainage	Public Works	Weather dependent	Complete
4	Hazelwood	Holder	???	Selection committee meets in early August.
5	Annexation Projects	Holder / Morris	08-30-13	Near completion.
6	Employee Handbook	Holder / Foster / Ray	indefinite	Reflect personnel rules; No progress
7	641 North	Holder / Morris	Oct	Negotiating w/ TDOT on City owned property on 641 and coordinating negotiations with ICI on property in name of PIDB.
8	MTAS Benchmarking	Holder		Met w/ DH's in July to explain program.
9	218 Bypass	Morris / Holder / Greer	Undetermined	Chatham of McKenzie will do first appraisal; Flowers will review appraisal; October 1st deadline for purchases.
10	Valleywood Drainage Project	Holder / Jessie	Undetermined	Neel- Schaffer study of drainage complete; ARAP permit applied for on July 22 <sup>nd</sup> .