

**Board of Mayor and Aldermen Meeting
February 20, 2018
Dyersburg Municipal Court Room**

- (1) **Call to Order:** The Board of Mayor and Aldermen met in regular session on Tuesday, February 20, 2018 in the Dyersburg Municipal Court Room at 7:00 p.m. Mayor John Holden presided over the meeting. The meeting opened with prayer by Alderman Terry Glover. Mayor Holden noted all Aldermen were present, with the exception of Alderman Bill Escue.
 - (2) **Approval of Minutes:** Mayor Holden called for a motion to approve the minutes from the February 5, 2018 meeting. The minutes were approved on a motion by Alderman Kevin Chaney, followed by a second from Alderman Scott Staggs.
 - (3) **Unfinished Business:** None presented.
- a. **Notice of Public Hearing – March 5, 2018.** An Ordinance to amend the Dyersburg Municipal Zoning Map to re-zone properties on Millsfield Highway from B-2 (general trade and services) district and R-1 (low density residential) district to B-2 (general trade and services) district, and R-2 (medium density residential) district and R-1A (medium density single family residential) district
- Alderman Bob Kirk motioned for approval of the rezoning as presented and endorsed by the Planning Commission. Alderman Kevin Chaney seconded the motion. The rezoning request was approved by the Board.
- b. **Attorney Invoice.**
- Mayor Holden presented an invoice from the City Attorney's office to be approved for payment. The January 1, 2018 – January 31, 2018 invoice totaled \$ 13,781.25. Alderman Mike Morgan made a motion to approve the payment, with a second by Alderman Dennis Moody. The motion passed.
- c. **Bids – Greg Williams, Purchasing Agent.** The bid was included within the reading of the Recreation and Finance Committees meeting minutes, Agenda Item d.
- d. **Finance/Recreation Committees Meeting, Friday, February 16, 2018.**

Presented by Alderman Terry Glover, Recreation Committee, Chairman:

Recreation and Finance Committees Meeting

City of Dyersburg

Friday, February 16, 2018

The Recreation and the Finance Committees met at 11:00 a.m. on Friday, February 16, 2018 in the City Hall Second Floor Conference Room.

Committee Members Present: Mayor John Holden, Terry Glover, Dennis Moody, Scott Staggs, Bob Kirk, and Kevin Chaney.

Other attendees: Alderman Mike Morgan, Alderman Robert Taylor Jr., Andy Baker, Parks and Recreation, Brandon Hutchison, State Gazette, Steve Anderson, Treasurer, Scott Ball, Storm Water and Construction Inspector, Mike McCulloch, Street and Water, Sue Teague, Human Resources, Tim Ware, Fire Chief, Mark Grant, EOC, Thomas Mullins, Building and Codes, Scott Haight, City Attorney's Office, Kelly Noel, Collections Department, Manager.

Recreation Chairman, Terry Glover, opened the meeting with prayer, which was followed by a discussion of the following:

1. Finalizing Projects for the 2018 LPRF Grant.

Scott Ball, Storm Water and Construction Inspector, brought before the committee a check list to be completed for a 2018 LPRF Grant. Included in this check list discussion was the finalization of the projects to be funded.

Scott Ball discussed closing the already existing Bruce Community Center pool and replacing the pool with a spray park, splash pad and spray ground equipment design, turning the unused wading pool at Okeena Park into a spray pad, and building a new spray pad by the Farmer's Market, as the final projects to be submitted for the 2018 LPRF Grant.

Andy Baker commented that if Bruce Community Center pool was closed, then previous funding through various prior grants, the pool would have to have a replacement and could not simply be closed. He also talked about the cost savings of constructing a spray pad at Bruce Community Center and that Bruce Pool was in need of some major rehabilitation. It was also noted that no life guards would have to be hired for the monitoring of the spray pad.

A motion was made to move forward with the final plans for the three potential spray pads for the City of Dyersburg. Alderman Dennis Moody motioned to accept the recommendation as presented.

Alderman Terry Glover seconded the motion which passed, and will be presented before the Board of Mayor and Aldermen.

Alderman Terry Glover motioned for the Board to approve the final plans for the three proposed spray pads. Alderman Dennis Moody seconded the motion.

Alderman Robert Taylor, Jr. stated he had received several concerns from constituents who were not in favor of closing the Bruce swimming pool. Andy Baker presented reasons why the closing of the pool would benefit the city and the Bruce pool users. Included were:

- overall cost of staff and operation,*
- outdated filtration systems that are expensive and hard to locate in most pool company inventories,*
- declining usage of the pool, and*
- overall liability.*

Mr. Baker noted the slash pads are used nationwide. They are less expensive to operate compared to swimming pools; offer reduced need for supervision; and reach a broader spectrum of users. Safety liability is decreased due to the nature of the design structure. After discussion, the question was called for. The motion passed with one NO vote cast by Alderman Robert Taylor, Jr.

2. **Discussion of Jennie Bell Demolition Bids.**

Mayor Holden presented the list of fourteen bidders on **Bid #12227-0125-2** for the demolition of the Old Jennie Bell School. The bids listed ranged in the amounts of \$60,000 to \$318,000.

City of Dyersburg		
Demolition of Old Jennie Bell School		
	Bid # 12227-0125-2	
	Bidder	Lump Sum Price
1	Jackson Painting & Remodeling	\$ 60,000.00
2	Big River Construction	\$ 87,500.00
3	Hicks Excavating	\$ 121,300.00
4	R.A. Denney	\$ 138,500.00
5	Environmental Abatement	\$ 139,000.00
6	Howell Farms Dozer & Demolition	\$ 142,400.00
7	Goolsby General Contractors	\$ 144,734.00
8	AAA Remediation	\$ 145,211.00
9	Total Demolition Services	\$ 179,125.00
10	James Gammon & Sons	\$ 183,455.00
11	Tristar America	\$ 197,000.00
12	Claunch Construction	\$ 201,240.00
13	Environmental Solutions	\$ 299,861.35
14	Complete Demolition	\$ 318,000.00

Alderman Kevin Chaney asked why the property has not been sold as an option rather than demolishing it. Alderman Bob Kirk stated that the community members would like to have a park or a walking trail in the place of the old school and that the city should not sell the

property. Alderman Dennis Moody also asked Alderman Chaney if he knew of a buyer. Mayor Holden stated that the property is zoned M-2, and if the city chooses to sell the property, then, the zoning would have to be taken into consideration.

After discussion, the committee agreed to demolish the Old Jennie Bell School. Alderman Bob Kirk motioned to accept the recommendation for the lowest bid as presented.

Mayor John Holden seconded the motion, which passed, and will be presented before the Board of Mayor and Alderman.

There were several points of Board discussion including citizen request for the potential construction of an “original building brick structure” recognizing the old school, and potential use of the aging playground equipment purchased by the Head Start Program many years ago.

Andy Baker provided information regarding the safety of the aging equipment. He stated that he had contacted a recognized leader in West Tennessee for playground construction and safety. It was determined that the playground equipment was outdated and would not pass current safety making the equipment to expensive and unsafe to move to another location and remove. The current bid for total removal contains the playground equipment as part of the overall bid cost.

Alderman Bob Kirk motioned for the Board to approve the lowest bidder (Jackson Painting and Remodeling) for the demolition project bid # 12227-0125-2 for the old Jennie Bell School. Alderman Dennis Moody seconded the motion. The motion passed

3. Discussion of Energy Conservation Submittals.

Scott Ball stated that two companies, Noresco and Siemens Corporation provided the City of Dyersburg information regarding the energy conservation inquiry. No official action was taken.

4. Other Properly Presented Business.

In further business, Mark Grant presented an update on the Motorola radio project and grant application to assist the city with the cost of the project.

Mark Grant discussed timelines and estimated the city will ask for approximately \$839,000.00 in a 95 to 5 percent match for the city. Mark Grant also stated that per Alderman Bob Kirk’s request, “the local shop was getting as much of the project as they could get”.

In final discussion, Mayor Holden addressed the City of Dyersburg’s pension plan.

The following amendment was approved at the April 2, 2018 Mayor and Board of Aldermen meeting.

Amendment to the Minutes of the Finance and Recreation Committees meeting

Friday, February 16, 2017

Dyersburg City Hall – Second Floor Conference Room

The following discussion topic involving the status of the City of Dyersburg's Pension Plan was not an item on the agenda. The topic was discussed under other business as follows:

“It's to my understanding that Tuesday Mr. Kirk, Kevin Chaney, and Mike Morgan went to the state of Tennessee and talked to the state treasurer about our retirement plan,” said Dyersburg Mayor John Holden. “It's no secret that the retirement plan has been in trouble for a long time. The retirement plan was started in 1972 – I was 12 years old – it's been through lots of revisions.

“Back in 2000, I guess, there was a major revision to the pension plan when people were allowed to buy back service, which increased the unfunded liability – more than doubled the unfunded liability back in 2000. Mr. Kirk, I think you remember that. You were here.” Mr. Kirk agreed.

Mayor Holden added that the revision in 2000, “started the downhill trend on our retirement plan.”

“There's a lot of misinformation out there, and I think it's important to this board and to the public that we get the information out there.”

Mayor Holden then outlined the history, beginning in 2015, of how the pension plan arrived at its current state.

On Dec. 7, 2015, the city's Finance Committee convened to discuss the pension plan. The state had passed the Public Defined Benefit Financial Security Act of 2014 on May 22, 2014, which required local government-sponsored defined benefit pension plans to not only fund the plans sufficiently to meet current benefit payment obligations, but also that they achieve payment of 100 percent of their actuarially determined contributions within a 5-year phase in period to ensure long-term financial stability and soundness of the plan. The city was required to take the following actions to establish compliance with the Public Defined Benefit Financial Security Act of 2014:

- Adopt the Pension Funding Policy of the City of Dyersburg:

A motion to adopt the Pension Funding Policy of the city of Dyersburg was made by Alderman Kirk with a second from Alderman Terry Glover. During the Dec. 7, 2015 Board of Mayor and

Aldermen meeting, Alderman Chaney motioned to approve the committee's recommendation with a second from Alderman Kirk. The motion was passed by the full board.

- Adopt a Plan of Correction

Following the approval of the Pension Funding Policy, the city then had to adopt the Plan of Correction, which set forth the schedule of annual percentages to be met each year until 100 percent is achieved. The committee approved the Plan of Correction behind a motion from Alderman Kirk and a second from Alderman Glover. During the board meeting, Alderman Chaney motioned to approve the Plan of Correction with a second from Alderman Robert Taylor Jr. It also was passed by the full board.

- Adopt the Amended and Restated City of Dyersburg Pension Plan

The committee approved this behind a motion from Alderman Kirk and a second from Mayor Holden. The full board also approved the recommendation behind a motion from Alderman Chaney and a second from Alderman Bill Escue.

- Adoption of a 401k plan administered by the State of Tennessee

Alderman Kirk motioned for approval with a second from Alderman Glover, which the Finance Committee approved. It was approved by the full board behind a motion from Alderman Chaney and a second by Alderman Morgan.

Following the board's approval of the 4 aforementioned items, Mayor Holden sent a letter to state of Tennessee Treasurer, David Lillard Jr. on Dec. 8, 2015, stating that the Mayor and Board of Aldermen approved the plan. In return, Treasurer Lillard submitted the plan of correction to the Tennessee State Funding Board on Dec. 21, 2015.

In Lillard's letter to the State Funding Board, he wrote, "Treasury staff has reviewed the plan of correction and has determined that it meets the requirements of applicable law. I recommend that the State Funding Board approve the plan of correction submitted by the City of Dyersburg. ... Of note, the city will be at 100 percent funding of the ADC (Actuarially Determined Contributions) by 2020, as the ADC is determined by the most recent actuarial valuation."

On Jan. 6, 2016, Mayor Holden received confirmation via letter from State of Tennessee Comptroller of the Treasury, Justin P. Wilson, of the approval of the City's Plan of Correction.

"So, I was unaware that we had folks that went to the treasurer, which I think was set up by [Representative] Bill Sanderson and a letter by [Senator] Ed Jackson. The things that concern me are number one, there was a letter that was posted on social media from Jim Horner – I'm sure you've all seen it – on Monday night. It was a form letter to [City Treasurer] Steve Anderson about the City of Dyersburg Pension Plan. If you read it like that is, you would seem to think the pension plan has lots of issues with it, and I guess the narrative that goes along with that post. But we reached out to David Lillard about that letter [sent to Steve Anderson] dated December 22 [2017] and received a letter from Lillard yesterday that says:

‘I am writing in response to your inquiry regarding your letter sent to you from the Treasury Department on December 22, 2017 to the City of Dyersburg. Please note that this letter is a form letter that is sent to each political subdivision to find benefit plan outside the Tennessee Consolidated Retirement System that the Treasury Department monitors pursuant to the public employee defined Benefit Financial Security Act. As indicated in my February 15, 2018 letter sent to Senator Ed Jackson, the City of Dyersburg Pension Plan has a Plan of Correction approved by the State Funding Board. To the best of our knowledge, based upon the July 1, 2016 actuarial report, the city is currently in compliance with the Plan of Correction.’”

Mayor Holden continued reading Lillard’s February 15, 2018 letter, which discussed further the meeting between Treasurer Lillard, Aldermen Chaney, Kirk, Morgan, and Rep. Sanderson.

The mayor read, “During the meeting, I stated that to the best of my knowledge, based on the documents furnished to the Treasury Department as of June 30, 2016, and updates supplied by letter since that date, that the City is in compliance with the Plan of Correction previously approved by the State Funding Board. I also stated in the meeting that Mayor Holden is correct that the City is currently in compliance with the Plan of Correction based on information currently in our possession. The Treasury Department has not received the Fiscal Year 2017 actuarial report and financial statement for the Dyersburg Pension Plan.

“It goes on to say that, ‘The Dyersburg Plan is the worst funded plan at approximately 7 percent funded pursuant to GASB standards as of July 2016.’

“The worst funded – I don’t think any surprise to you all. We’ve talked about it many times, but I guess what concerns me is the stuff I hear about there’s two sets of books up here, you can’t get any information, you don’t know anything about it. That we had an alderman go and visit city departments and say that the City isn’t solvent – at least that’s what I’ve been told.

Alderman Chaney stated, “I think you’d be talking about me, probably right there.”

“I am,” replied the Mayor Holden.

Alderman Chaney said, “I’m going to tell you right now that are exactly the words they used with us...”

“Not according to the treasurer,” stated Mayor Holden.

“You’re in compliance on a \$740,000 payment, tell us in this room how much you pay out every year,” said Alderman Chaney.

The mayor noted that city attorney Scott Haight was present, and Alderman Chaney’s question was directed to Mr. Haight.

“There is a benefit payment that has to be paid out in the plan. We have a valuation report that shows what has to be paid out, and it is around-about coming up on \$2 million per year. The Plan of Correction provides, it’s a 5-year plan under the statute, to get up to 100 percent of the annual

actuarially determined contribution. That's the Plan of Correction that's going to have the City paying around \$1.7 million, there is also an employee contribution to the plan."

"They said that it is unsustainable with our tax base," said Alderman Chaney. "They said that we're in the worst shape of any city in the state of Tennessee. That was the purpose of our meeting there."

Haight mentioned that he had spoken with Treasurer Lillard on Thursday and stated, "He [Lillard] said that he did not say anything like that about the plan. That he has personally reviewed and approved the Plan of Correction and that there is an ongoing challenge. The plan is substantially underfunded. It's a challenge for the whole board going forward. The board has taken all the actions and complied with the state law. I would say with the 7 percent of the GASB standard, the GASB financial reporting standards they are referring to is not the standard that you use for funding the plan. That number isn't based upon plan funding. That is a financial number based upon past cash flow that is sort of unrealistically low. If you look at the actuarial plan, it's running at about 14 to 15 percent. It'll stay at around that level and won't start increasing until 2020. It's going to take years to fix this underfunding problem."

Alderman Chaney remarked that during the meeting he and the other aldermen were told that the plan is "unsustainable on its current trajectory. We're paying out 2.5 million a year and put \$700,000 in it last year, and we're sinking."

"That's not what he said to me, and that's not what the Plan of Correction provides," said Haight. "They approved the Plan of Correction because it's a path to sustainability. Originally, the city was contributing about 6.5 percent of the payroll, which is where that \$700,000 number comes from. The Plan of Correction has stepped that number up and I think the current payment is just over \$1 million. That's going to jump up next year, you as aldermen, are going to have to fund the next payment, which is \$1.4 million. The year after that, 2020, to get to 100 percent, the board is going to have to fund the next payment, about \$1.7 million. The board is going to have to adopt those payments. The board voted and adopted the Plan of Correction, which requires you to make those payments. So far, the board has made the payments that are required."

Alderman Chaney asked the current amount on deposit for retirement. Mr. Haight stated, "It's about \$3.2 million."

"The obligations are about \$37.5 million," said Alderman Chaney.

"That's under the GASB standard," replied Mr. Haight. "That's the financial reporting standard. The GASB numbers make the plan look more underfunded than it actually is. It uses a 5-year backward projection of a cash flow based upon the \$700,000. Going forward, the city will not be contributing \$700,000. It's stepping up. By 2020, it's going to be \$1.7 million per year, but that GASB standard is still going to look back to the \$700,000, so it gives you an inaccurate number. If you look at the funding numbers of the actuarial report, it shows right now, it's about 14 percent. The GASB funding number is not going to match until about 8 years.

Alderman Chaney stated, "I don't know where the difference is in 3 days, I left there under the impression we were in serious trouble."

"That was the impression I got," said Alderman Kirk. "Based on the projections, you know what we have to put into it. We have 250 people that if they retired today, they'd get 7 cents on the dollar. That's the way it was explained to us."

"Again, that's a forward number and not everyone can retire," stated Mayor Holden.

Alderman Kirk noted that there had not been a meeting with an actuarial in a long time or a meeting to discuss it.

"We had budget meetings, and we talked about it," stated Mayor Holden.

Alderman Chaney replied, "We have asked have we been putting enough in there, and everybody says yes, and that's all we know."

Mayor Holden replied, "We are, and you've got a letter saying that we're following the Plan of Correction."

Alderman Kirk stated, "There's not enough money".

"You've got 5 years to get there [with the plan]," responded the Mayor Holden. "We have 2 years left. We're funding it based on the plan we submitted, Mr. Kirk.

"That is not what they told us," stated Alderman Chaney.

"That's what this letter says," stated Mayor Holden.

"You can't fix the unfunded status overnight," said Mr. Haight. "For the year ended this past year, the benefits paid out were \$1.35 million on the pension plan."

"We were told \$2m and something," stated Alderman Morgan.

"Well, that's old information," said Mr. Haight.

Alderman Chaney responding to Mr. Haight's comment stated, "I appreciate what you're saying, but they called me when that finance committee was over, just like they did Alderman Kirk. I had other things to do. I was in Knoxville, Tenn. I came home, and we got in the car and went up there to see what the problem was. I've got to tell you, I won't sleep any better tonight from what you've told me today. They got my attention up there. I don't mean any disrespect, but I'm really concerned about this pension plan."

If at any time that the city did not have enough funds to put into the plan, Haight mentioned that taxes would have to be raised.

“That’s exactly what they told us,” remarked Alderman Chaney. “You don’t have the tax base to correct this – that was exactly their words.”

Alderman Kirk asked if the city had to borrow money, would they be denied approval due to the status of the pension plan?

“I know what it looks like now, but it’s better now than it has been in the past 2 or 3 years,” said Steve Anderson. “We’ve borrowed money then. We borrowed money 2 years ago.”

Alderman Terry Glover asked if there was any debt that the city would be paying off in the near future.

Mayor Holden referred to a City of Dyersburg debt service sheet and mentioned that the City of Dyersburg in 2007 had a long-term debt of \$13.7 million.

“As of today, our long-term debt is \$6.1 million. After next year, our debt will be around \$5 million. If you remember, we built a new cell at the landfill that we paid for out of the solid waste fund without borrowing additional monies. So, I’m very proud of Steve and the work he’s done.

“To say the city is bankrupt or that the city is financially unsecure, or whatever, I just don’t agree with that characterization of what’s being said.”

“We’re in such good shape we weren’t able to pave any streets or give employees a raise or not do any additional projects. We’re in good shape. This is hanging over our heads, and I hope we have a good recording of this meeting, when in 10 years someone goes to retire and they don’t get but 7 cents on the dollar, they’re going to be up here, too,” said Alderman Kirk.

“We’re not saying everything is lovely, I’m saying we’re following the plan that was submitted by the City of Dyersburg that we all voted on,” said Mayor Holden.

With no further discussion or any other business, the meeting adjourned at 12:07 p.m.

Reports from Aldermen:

Aldermen Bob Kirk: Discussed his concerns regarding the recent school shootings in Florida. He noted that he had met with the Dyersburg Police Chief earlier in the day to talk about the safety and security of the local schools. He stated that it was important for the City to assist the City Schools in providing the necessary levels of school protection. Alderman Kirk requested a meeting of the City Safety Committee, DPD, the City Schools, and any other appropriate entities to discuss school safety.

DPD Chief Steve Isbell spoke before the Board sharing the same concerns and outlined the following for public information:

- the DPD has and continues to maintain specific planning for events in schools requiring significant safety and security response actions,
- very good on-going training continues with the DPD and the City Schools as partners in school safety,
- the DPD is well trained and maintains the highest level of safety and security prevention and response,
- tragic events have occurred in the past and the DPD stays vigilant and pro-active to potential threats,

Chief Isbell further noted that on the day of the February 2018 Florida school event, DPD staff were sent to the City schools to offer support to the students and families, and provide increased presence. Chief Isbell welcomed meetings with the groups recommended by Alderman Kirk. Mayor Holden stated he would set a meeting as requested.

Alderman Bill Escue: Not present.

Alderman Terry Glover: No report.

Alderman Kevin Chaney: No report.

Alderman Mike Morgan: No report.

Alderman Dennis Moody: Asked Mayor Holden about the status of clean-up needs after utility sub-contractors finish working within city rights-of-way. He has noticed several locations where the work has been completed and the right-of-way left in disrepair. Mayor Holden stated that the city is monitoring the various construction locations, and it appears contractors will be completing the process once the installation process is finished. The Street Department monitors the work.

Alderman Scott Staggs: No report.

Alderman Robert Taylor, Jr: Noted citizen complaints continue near Pease Avenue regarding significant foul odor. He stated the odor more than likely comes from the nearby ground grain storage. Alderman Taylor asked if the State had reviewed the matter. Mayor Holden informed the Board that the City has contacted Mr. Rudy Collins, TDEC Regional Director for External Affairs on several occasions regarding this issue. Mayor Holden noted the grain elevator company has been contacted by TDEC. Mayor Holden offered the contact for Mr. Collins to Alderman Taylor.

Communications from the Mayor:

- Mayor Holden read a city Facebook statement posted February 20, 2018 informing citizens of potential flooding for the city over the next 3-4 days.

With no further business, the meeting adjourned at 7: 36 p.m.

John Holden, Mayor

Robert C. Jones, City Recorder