

The Mayor and Board of Aldermen of the City of Hernando met for the Public Hearing Meeting at City Hall on Thursday, November 14, 2019 at 6:30 P.M. with Mayor Tom Ferguson presiding. Aldermen present were: Alderman Bryant, Alderman Higdon, Alderman McLendon, Alderwoman Brooks, and Alderman Hobbs. Also present for the meeting were: City Clerk Katie Harbin, City Attorney Kenny Stockton, City Engineer Joe Frank Lauderdale, Planning Director Keith Briley, Public Works Director Bobby Burton, Assistant Police Chief Shane Ellis, Dale Bellflower, Sherrill / Kay Stewart, Philip McDonough, Tommy White, Ron Franczyk, Chris Tong, Mitch Lemmon, Don White, Pete Zee, Carolyn Richards, Jessica Nicklay, Mac Payne, Ben Piper, Kathy and Rick Leigh, L. Funderburk, Duane Steadham, W. Preston McAlexander, Russell Jordon, Kim Chamberlin, Bill Brown, Billy Campbell, and Steven Katz.

Agenda  
City of Hernando  
Mayor and Board of Alderman  
Special Meeting

November 14, 2019

6:30pm

- 1) Call the meeting to order
- 2) Pledge of Allegiance
- 3) Invocation
- 4) Approve Agenda
- 5) Discussion of Hernando West Development Sewer and Water project
- 6) Adjourn

CITY OF HERNANDO  
475 WEST COMMERCE STREET  
HERNANDO, MS 38632

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**NOTICE OF SPECIAL MEETING OF THE  
MAYOR AND BOARD OF ALDERMEN**

Date: November 7, 2019

To: All Aldermen of the Municipality of Hernando, Mississippi

From: Mayor Tom Ferguson

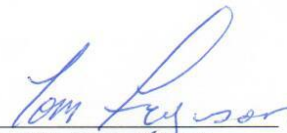
Subject: Special Meeting

**PLEASE TAKE NOTICE** that a special meeting of the Mayor and Board of Aldermen of the City of Hernando shall be held on November 14, 2019 at 6:30 P.M. at the City Hall Building in the City of Hernando, Mississippi.


The purpose of the meeting is to:

- 1) Discussion of Hernando West Development Sewer and Water project

This notice is given pursuant to and in compliance with Section 21-3-21 of the Mississippi Code. Please be present.

  
Tom Ferguson, Mayor

ATTEST:

  
Katie Harbin, City Clerk

Alderman were notified by email, November 4, 2019.

**APPROVE AGENDA**

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Motion was duly made by Alderman Higdon and seconded by Alderwoman Brooks to approve the agenda as presented. A vote was taken with the following results:

Those voting "Aye": Alderman Bryant, Alderman Higdon, Alderman McLendon, Alderwoman Brooks, and Alderman Hobbs.

Those voting "Nay": None.

ORDERED AND DONE this the 29<sup>th</sup> day of August, 2019.

**DISCUSSION OF HERNANDO WEST DEVELOPMENT SEWER AND WATER PROJECT**

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Bill Brown presented a presentation on the Hernando West Development project. Mr. Bill Brown stated that he is requesting that the City construct a sewer trunk line (main) from the DCRUA connection at the soccer fields, up to Robertson and then up to about Morrow Crest, to be paid for by a special tax assessment that will be put on the property, lots developed at this time, in Hernando West. Mr. Brown stated that they are not asking the City to pay for it, he just wants the City to help them get there, to get the sewer line. The City is able to get a loan with a 2 or 3% interest rate for a period of 20 years. We can't get an interest rate like that. The annual payment with that interest rate would be about \$45,868. If you assume there are 750 acres, it would amount to \$62 per acre. Mr. Brown stated that in January it was suggested that we submit the Plat for the 1<sup>st</sup> Phase, we had a PUD with slight changes, it was approved early this year. Mr. Brown stated that they would acquire the easement and donate it to the City. If the total price for the sewer line comes out over the amount of the loan received, we will pay the difference. Mr. Brown stated that they will put up a "down payment" or certificate for the first year's payment, second year also if needed. Mr. Brown stated that they will pay for the legal costs, engineering costs, etc.

Mr. Brown read from an Attorney General's Opinion from December 7, 2018 that the City Attorney wrote for. Mr. Brown stated that it says the City is obligated to provide sewer service to its residents where there is reasonable demand. Mr. Brown stated doing this will save the City money. The City will not have to pay for this sewer line, that y'all are obligated to install. Also, it won't affect the City Bond Capacity.

Alderman Higdon stated his concern was if we go through with the \$750,000 loan, then if something else comes up, we can't do it. We can only get one of these loans per year.

Billy Campbell answered that is correct, only one per year.

Bill Brown stated that Hernando West will provide upscale housing and light commercial. Hernando needs quality growth. It needs high quality growth, like Hernando West.

Alderman Higdon asked it won't affect our bond capacity?

Bill Brown answered no.

Mayor Ferguson stated it will be paid, it will come out of our sales tax revenue. We won't get that until 2021.

Billy Campbell stated that is correct, sales tax or homestead. Mr. Campbell stated that they have 6 parcels now, if done now, it would be levied against those parcels.

City Attorney Kenny Stockton stated that's not correct, if they made improvements today, we won't collect until 2021.

Billy Campbell stated it goes to the assessor.

Mayor Ferguson stated not the assessor, the collector. You do understand that we can sewer 175 homes out there at this time.? This is under Nesbit Water; we don't have an agreement to collect sewer.

Billy Campbell answered yes sir.

Bill Brown stated we are willing to put up 2 years in advance, if that's what it will take.

Alderman McLendon asked, you stated 662 acres.

Bill Brown answered 750 acres. I did my math based on 750, not including the common open space.

Alderman McLendon asked how many will be for senior living. Homestead changes that.

Bill Brown stated people over 55 still pay taxes. People over 65 pay taxes, just not as much.

Alderman McLendon stated we make developers be bonded for streets, should we make them for this.

Kenny Stockton stated a guarantee yes, if we did this, we wouldn't bond ourselves.

Mayor Ferguson stated the trunk line goes to the property and then goes up. Can you say you're not the sole property owner, beneficiary?

Bill Brown answered no, this will benefit multiple.

Mayor Ferguson stated if we just went straight across, west, it will benefit 2.

Bill Brown stated I'm not sure where you are saying, but I guess so.

Mayor Ferguson asked how many homes will you build a year. You keep saying we are holding you back, we can sewer 175 homes now.

Bill Brown stated we are thankful that you found an additional man hole. But we aren't able to use it. It goes to the open space. It would cost us more money. That would just be a band aid and would end up costing more money.

Jessica Nicklay asked was that an internal line or just trunk.

Bill Brown answered trunk.

Jessica Nicklay asked is it reasonable to say we need it since we have one there to serve some now, and is it reasonable to say Hernando will see that money back based on the history of this development?

Billy Campbell spoke on a Horn Lake special assessment. The scale of the two are very different. This proposed one for Hernando is much smaller than the special assessment Horn Lake had. It worked good for Horn Lake until they stopped paying, but they were around 9 million, and for roads. Special Assessments are very useful. I provided a resolution to show the direction in which we would like to go.

Mayor Ferguson stated my disappointment is y'all read all of this stuff and don't provide copies.

Bill Brown stated we have offered to pay legal expenses to help expedite this. I did ask Mr. Campbell to prepare the resolution, for direction.

Alderman Higdon stated we've done a special assessment in the past.

Alderman McLendon asked Kenny if we'd have any liability for building this for new homes, but not for old ones we have now.

Kenny Stockton stated that's up to you, the Board. Mr. Stockton read an old letter from Mr. Brown, stated that Morrow Crest isn't feasible to run sewer lines. Morrow Crest is the area where he is asking to run it to. That area is not feasible to run sewer lines, that's why they have septic and why Mr. Brown stated it wasn't years ago.

Philip McDonough stated we are paying \$750,000; they will pay \$62 an acre. Will they pay that every year?

Mayor Ferguson answered yes.

Philip McDonough asked so when you sell, they will pay.

Bill Brown answered yes.

Philip McDonough stated I live by Jefferson, there has been a lot of un developed land, for a long time. If this is like Jefferson, the City will be like this and paying the bill.

Bill Brown stated it would be bought at a tax sale and paid for.

Jessica Nicklay asked if Hernando LLC goes under will the contract transfer.

Bill Brown answered yes.

Jessica Nicklay asked how will it pay for improvements with Nesbit Water.

Bill Brown answered hopefully we will work with Nesbit Water and both pay some.

Jessica Nicklay asked why wouldn't you move forward on your own, you say it has cost you money to wait on the City.

Bill Brown stated I never thought it would take this long. It was my idea. Mr. Brown stated they did a study and the response was an overwhelming need for 55 and over housing.

Jessica Nicklay asked if the City doesn't approve, what will Hernando West do.

Bill Brown answered the group will have to decide.

Don Wright stated the taxes are not getting paid, currently the property taxes are for the property you are talking about going across, has been in default for two years.

Bill Brown stated it will be the City's easement going forward.

Laney Funderburk stated that he thinks this will be good, but as well funded as this is, I don't see why they are asking the City to pay. Sounds like they will benefit, making money.

Kim Chamberlin asked when the special assessment comes in, what will require y'all, the Board, to use that money to pay that loan. As the money comes in, consider holding yourself accountable.

Mayor Ferguson if we don't pay, it will come out of sales tax.

Kim Chamberlin stated how do you make that money go there and pay it off faster.

Billy Campbell stated I'd think probably a separate fund.

Amy Brown stated I've lived here for 10 years, and no progress has been made with Hernando West. Mrs. Brown asked what happened in Horn Lake.

Billy Campbell answered taxed didn't get paid, by the developer on the special assessment.

Amy Brown stated Right.

Bill Brown stated this wasn't developed prior to the economy crash, that's why Jefferson is the way it is.

Amy Brown stated how many lots are platted.

Bill Brown answered 37.

Kenny Stockton answered that is not correct, nothing has been platted or even submitted.

Amy Brown stated you have something now to use, why wait on the City. Start with what you got.

Carolyn Richards stated the City is not in the best shape. They just took out loans. I don't know of nay other developers that have asked for this. When did you purchase?

Bill Brown answered 2006.

Carolyn Richards stated it doesn't look like y'all have the money, nothing has been done. Why can't you start where it is feasible, where the lines don't have to be put in. No other developers come in and ask for help. How much will the 55 and over housing start at.

Bill Brown answered the high 200K's.

Carolyn Richards stated most seniors can't afford that. I can't.

Bill Brown stated he was sorry.

Carolyn Richards stated y'all are asking the City to bail you out.

Mayor Ferguson answered no, it's just a sewer line.

Carolyn Richards stated the City is not in financial shape to do this, even then why haven't you built the first house.

Bill Brown stated that the AG Opinion says the City is responsible to put the line in where there is need. We will take the special assessment, pay the legal fees, pay engineering fees. Mr. Funderburk spoke on the 2% interest for a loan. Who wouldn't want a loan for 20 years at 2% interest, of course we want that? Mr. Brown stated that we would like you to make a motion to set a public hearing.

Alderman McLendon asked should I be concerned with the concerns of the people here tonight, before going into more debt.

Bill Brown stated the City is responsible to do this, us the special assessment tax.

Kay Stewart stated my concern is we don't seem to have enough money to repair sidewalks, the sewer is collapsed in certain areas, wooden signs rotted. I think we need to cool down and talk about the present right now. The future will take care of itself.

Alderman Higdon stated this will give us more money to operate.

Kay Stewart stated she disagrees.

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**ADJOURN**

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There being no further business at this time a motion was duly made by Alderman Bryant and seconded by Alderwoman Brooks to adjourn.

Motion passed with a unanimous vote of "Aye".

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MAYOR TOM FERGUSON

ATTEST:

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KATIE HARBIN, CITY CLERK