

The Mayor and Board of Aldermen of the City of Hernando met in regular session at City Hall on Tuesday, September 2, 2014, at 6:00 P.M. with Mayor Chip Johnson presiding. Aldermen present were: Sam Lauderdale, Alderman Bryant, Andrew Miller, Gary Higdon, Michael McLendon, Cathy Brooks, and Jeff Hobbs. Also present for the meeting were: City Clerk Katie Harbin, City Attorney Kenny Stockton, City Engineer Joe Frank Lauderdale, Police Chief Mike Riley, Fire Chief Hubert Jones, Planning Director Jared Darby, Public Works Director Gary McElhannon, Griff Gatlin, Josh Jeffries, Parks Director Dewayne Williams, Court Clerk Cassaundra Perry, Edward Pidgeon, Debra Williams, Thomas Plumkett, Carl Dhority, Scott Sartor, Henry Bailey, and Robert Long.

INVOCATION

Alderman Miller gave the invocation.

APPROVAL OF AGENDA

Agenda
City of Hernando
Mayor and Board of Alderman
Regular Meeting

September 2, 2014

6:00pm

- 1) Call the meeting to order
- 2) Invocation
- 3) Approve Agenda
- 4) Approve Docket of Claims No.'s 104960 – 105132 less 104972, 104973, 104998 and 105058
- 5) Approve Docket of Claims No.'s (Lauderdale) 104972 and 105058
- 6) Approve Docket of Claims No.'s (Bryant) 104998
- 7) Approve Docket of Claims No.'s (Miller) 104973
- 8) Approve Minutes
- 9) Consent Agenda
 - A) Authorize Gia Matheny to attend the Farmers Market Coalition – Pilot Program in New Orleans, LA on November 9-11, 2014, also authorize to pay registration and travel expenses (all travel costs will be reimbursed by the AFRI team)
- 10) Request change/update street closure information from Front Porch Jubilee
- 11) Request from Hernando High School to close streets on Thursday September 18th for the Homecoming parade
- 12) Approve the 2014 Disclosure Submission report
- 13) Approve Board Order Designating Millage not exempt from Industrial Tax Exemptions
- 14) Public Hearing on the proposed budget and proposed tax levy for the upcoming fiscal year for the City of Hernando

15) Executive session for negotiations for water

16) Recess until September 9, 2014

Motion was duly made by Alderman Miller, and seconded by Alderman Bryant to approve the agenda. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014.

APPROVE DOCKET OF CLAIMS NO.'S 104960 – 105132 LESS 104973, 104974, 104998, AND 105058

The Board of Aldermen were presented with a docket of claims No. 104960 – 105132 less 104973, 104974, 104998, and 105058 in the amount of \$759,508.59 for approval.

Motion was duly made by Alderman Lauderdale and seconded by Alderman McLendon to approve the docket of claims for payment as presented. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014.

APPROVE DOCKET OF CLAIMS NO. 104973 AND 105058 (LAUDERDALE)

Alderman Lauderdale recused himself and left the room.

The Board of Aldermen were presented with a docket of claims No. 1044973 and 105058 in the amount of \$200,345.03 for approval.

Motion was duly made by Alderman Hobbs, and seconded by Alderman Higdon to approve the docket of claims for payment as presented. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

APPROVE DOCKET OF CLAIMS NO. 104998 (BRYANT)

Alderman Bryant recused himself and left the room.

The Board of Aldermen were presented with a docket of claims No. 104998 in the amount of \$100.00 for approval.

Motion was duly made by Alderman Lauderdale, and seconded by Alderwoman Brooks to approve the docket of claims for payment as presented. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

APPROVE DOCKET OF CLAIMS NO. 104973 (MILLER)

Alderman Miller recused himself and left the room.

The Board of Aldermen were presented with a docket of claims No. 104973 in the amount of \$33,375.55 for approval.

Motion was duly made by Alderman Higdon, and seconded by Alderman Hobbs to approve the docket of claims for payment as presented. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

APPROVE MINUTES FROM THE REGULAR BOARD MEETING ON AUGUST 19, 2014

Motion was duly made by Alderman Lauderdale and seconded by Alderman Higdon to approve the Minutes from the regular Board Meeting on August 19, 2014 as presented. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

CONSENT AGENDA

- A) Authorize Gia Matheny to attend the Farmers Market Coalition – Pilot Program in New Orleans, LA on November 9-11, 2014, also authorize to pay registration and travel expenses (all travel costs will be reimbursed by the AFRI team)

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

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

REQUEST TO UPDATE/CHANGE STREET CLOSURE INFORMATION FOR THE FRONT PORCH JUBILEE

Steve Pittman presented the information.

Motion was duly made by Alderman Miller, and seconded by Alderman Higdon to approve the request for the Front Porch Jubilee event for the parade to start on Memphis St behind the Desoto Times Building and go south to the square, around the square to Panola St, south on Panola to South St and west on South St. to the Gin. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

**REQUEST FROM HERNANDO HIGH SCHOOL TO CLOSE THE STREETS ON
SEPTEMBER 18, 2014 FOR THE HOMECOMING PARADE**

Motion was duly made by Alderman Higdon, and seconded by Alderwoman Brooks to approve the request from the Hernando High School to close the streets on September 18, 2014 for the Homecoming Parade. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

APPROVE THE 2014 DISCLOSURE SUBMISSION REPORT

Sheree Nelson

From: Tray Hairston
Sent: Sunday, March 30, 2014 7:08 PM
To: Tray Hairston
Subject: Hernando 2014 Submission ID



[Print](#) [Close](#)

**Submission ID:EA502343
03/30/2014 20:07:29**

CONTINUING DISCLOSURE (Submission Status: Published)

FINANCIAL/OPERATING FILING (CUSIP-9 Based)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: Economic and Demographic Information, for the year ended 09/30/2013

Audited Financial Statements or CAFR: 2012 Audit, for the year ended 09/30/2012

Voluntary Disclosure

Other Financial / Operating Data: 2014 Budget, as of 09/30/2014

DOCUMENTS

- [-] Financial Operating Filing [Options](#) ↓ ↑
 - [-] HernandoAppendix.pdf posted 03/30/2014 [Options](#) ↓ ↑
 - [-] Hernando2012Audit.pdf posted 03/30/2014 [Options](#) ↓ ↑
 - [-] Hernando2014Budget.pdf posted 03/30/2014 [Options](#) ↓ ↑

The following Issuers are associated with this Continuing Disclosure submission:

CUSIP-6	State	Issuer Name
427668	MS	HERNANDO MISS

The following 31 securities have been published with this Continuing Disclosure submission:

CUSIP-9	Maturity Date
427668CU0	05/01/2008
427668CV8	05/01/2009
427668CW6	05/01/2010
427668CX4	05/01/2011
427668CY2	05/01/2012
427668CZ9	05/01/2013
427668DA3	05/01/2014
427668DB1	05/01/2015
427668DC9	05/01/2016
427668DD7	05/01/2017
427668DE5	05/01/2018
427668DF2	05/01/2019
427668DG0	05/01/2020
427668DH8	05/01/2021
427668DJ4	05/01/2022
427668DK1	05/01/2023
427668DL9	05/01/2024
427668DM7	05/01/2025
427668DN5	05/01/2026
427668DP0	05/01/2027
427668DQ8	10/01/2013
427668DR6	10/01/2014
427668DS4	10/01/2015
427668DT2	10/01/2016
427668DU9	10/01/2017
427668DV7	10/01/2018
427668DW5	10/01/2019
427668DX3	10/01/2020
427668DY1	10/01/2021
427668DZ8	10/01/2022
427668EA2	10/01/2023

Submitter's Contact Information

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ECONOMIC AND DEMOGRAPHIC INFORMATION**General Description**

Hernando, in the northwest corner of the State just 14 miles southeast of Memphis, Tennessee, as one travels down Interstate 55, in the county seat of DeSoto County (the "County"), one of the State's fastest growing areas.

Population

1980	1990	2000	2010
2,969	3,156	6,812	14,090

SOURCE: Census Data information at website: www.census.gov; March 2014.

Government

The City is governed by a Mayor (the "Mayor") and a Board of Aldermen (the "Board of Aldermen"). The Mayor is elected for a term of four years. The Board of Aldermen consists of five members, each of whom is elected for a four year term; four are elected by ward or precinct, and one is elected at large. The current members of the Board of Aldermen are:

Name	Occupation	Position Held Since
Sam Lauderdale	Insurance Agent	7/1/01
E. R. "Sonny" Bryant	Bailiff	7/1/05
Andrew Miller	Bailiff	3/4/03
Gary Higdon	Retired	7/1/05
Michael McLendon		7/1/13
Cathy Books		7/1/13
Jeff Hobbs	Businessman	7/1/09
Willis W. "Chip" Johnson	Full-Time Mayor	7/1/05

Transportation

Highway, rail, air and water access are all easily available to the City of Hernando. Major highway access is from Interstate 55 and U.S. Highway 51. Mississippi Highway 304 also runs through the City. Approximately 100 common carriers serve the area.

Rail service is provided by Canadian National-Illinois Central Railroad.

Air access is provided by two airports: Memphis International, with over 300 outgoing flights daily, and Twinkle Town Airport in Walls, Mississippi, about 10 miles away, which is a general aviation airport. The port of Memphis, about 17 miles away, is full-service port on the Mississippi River with a channel depth of nine feet.

Per Capita Income¹

Year	County	Mississippi	United States	County as % Of U.S.
2012	\$35,772	\$33,657	\$43,735	82%
2011	33,651	32,193	42,298	80
2010	31,779	30,847	40,163	79
2009	31,293	30,249	39,357	80
2008	32,263	30,659	40,873	79

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: www.bea.gov, 2008-2012; March 2014.

¹ Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2008-2012 reflect county population estimates available as of April, 2013.

Retail Sales

State Fiscal Year Ended June 30	Amount
2013	\$227,285,078
2012	215,116,346
2011	208,544,737
2010	201,291,644
2009	209,294,635

SOURCE: Annual Reports for years indicated, Mississippi Department of Revenue website: www.dor.ms.gov; March 2014.

Major Employers

The following is a partial listing of major employers in the County, their products or services and their approximate number of employees:

Employer	Employees	Product/Service
DeSoto County School District	300	Education
Wal-Mart	282	Retail Store
DeSoto County Sheriff	200	Public Service
DeSoto County Jail	200	Public Service/Prison
Kroger	125	Grocery Store
Hernando High School	105	Education
KJMS	100	Education
McCullough Hardwood Floor Co.	100	Flooring Store
TEGRA Medical	90	Manufacturing
RCL Components, Inc.	70	Manufacturing
MBCI	55	Aluminum Production
Ashland Inc.-Valvoline Division	45	Manufacturing

SOURCE: Mississippi Development Authority; March 2014.²

² MDA's employment figures are as of March, 2012.

Unemployment Statistic of County

	2013	2012	2011	2010	2009
January	7.0%	7.0%	7.6%	8.1%	6.3%
February	7.1	7.1	7.8	8.5	6.9
March	6.4	6.7	7.4	8.2	6.7
April	6.6	7.0	8.4	7.9	6.4
May	7.2	7.2	8.8	7.9	7.2
June	7.4	7.4	8.5	7.7	7.2
July	6.6	7.5	8.4	8.5	7.4
August	6.7	7.7	8.8	7.9	7.3
September	6.3	6.6	8.0	7.6	7.8
October	6.2	6.4	7.4	7.2	7.0
November	5.0	5.6	6.7	7.4	7.0
December	4.5	5.8	6.7	7.7	7.7
Annual Average	6.4%	6.8%	7.9%	7.9%	7.1%

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: www.mdes.ms.gov, March 2014.

County Employment

	2012	2011	2010	2009	2008
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	81,540	80,900	78,640	77,630	78,300
II. Unemployed	5,570	6,380	6,180	5,480	3,760
Rate	6.8	7.9%	7.9	7.1%	4.8%
III. Employed	75,970	74,520	72,460	72,150	74,540
ESTABLISHMENT BASED EMPLOYMENT					
I. Manufacturing	4,050	3,820	3,550	4,320	5,300
II. Non-manufacturing	45,590	43,650	42,910	41,360	42,710
A. Agriculture, Forestry, Fishing & Hunting	90	80	90	70	80
B. Mining	40	30	30	30	30
C. Utilities	150	160	90	90	110
D. Construction	1,680	1,680	1,920	2,130	2,810
E. Wholesale Trade	3,660	3,510	3,290	3,220	2,970
F. Retail Trade	7,630	7,440	7,260	7,240	7,690
G. Transportation & Warehousing	6,060	5,660	5,410	4,560	4,460
H. Information	250	190	190	230	240
I. Finance & Insurance	930	910	960	980	1,000
J. Real Estate, Rental & Leasing	530	560	600	660	680
K. Prof., Scientific & Technical Service	830	860	910	910	930
L. Management of Companies & Entertainment	20	10	10	20	20
M. Administrative Support & Waste Management	3,670	3,440	3,220	2,670	3,350
N. Educational Services	220	200	230	170	150
O. Health Care & Social Assistance	5,420	5,030	4,880	4,710	4,490
P. Arts, Entertainment & Recreation	630	640	600	570	610
Q. Accommodation & Food Service	6,360	6,170	6,060	5,930	6,130
R. Other Services (except Public Administration)	910	890	880	850	900
S. Government	6,510	6,170	6,280	6,320	6,060
Education	3,980	3,660	3,720	3,760	3,640
III. Total Nonagricultural Employment	49,640	47,470	46,460	45,680	48,010

SOURCE: Mississippi Department of Employment Security: Annual Averages: Labor Force and Establishment Based Employment 2001-2010 and 2011 Forward, Labor Market Information Department at website: www.mdes.ms.gov, March 2014.

Banking Institutions

Institutions	2013 Total Assets
BancorpSouth ³	\$13,029,733,000
BankPlus ⁴	2,275,542,000
Community Bank, North Mississippi ⁵	489,176,000
First Security Bank ⁶	520,509,000
Regions Bank ⁷	116,864,000,000
Renasant Bank ¹	4,731,512,000
Trustmark National Bank ⁸	11,768,995,000

SOURCE: Obtained from each Bank's website, unless otherwise noted, March 2014.

³ Head office in Tupelo, Mississippi. Assets are as of December 31, 2013.

⁴ Head office in Ridgeland, Mississippi. Assets are as of June 30, 2012; obtained from 2013 edition of the Mississippi Bank Directory.

⁵ Head office in Amory, Mississippi. Assets are as of June 30, 2012; obtained from 2013 edition of the Mississippi Bank Directory.

⁶ Head office in Batesville, Mississippi. Assets are as of June 30, 2012; obtained from 2013 edition of the Mississippi Bank Directory.

⁷ Regions Bank merged with Union Planters Corporation in July, 2004 and merged with AmSouth bank in November, 2006. Head office in Birmingham, Alabama. Total assets obtained from Regions' website as of September 30, 2013.

⁸ Head office in Jackson, Mississippi. Assets are as of December 31, 2013.

Educational Facilities

The City schools are part of the DeSoto County School District, which is the largest and fastest growing school district in the State. Its Gifted Instructional Program also has the largest enrollment of any such program in the State. The School District operates 24 elementary and intermediate schools, 8 middle schools, and 8 high schools, in addition to a vocational complex and an alternative center. The County is credited with having one of the best technical preparatory programs in the State. Also, thanks to the State's Computers in the Classroom initiative, every classroom in the School District is equipped with computers and internet accessibility, as well as opportunities for distance learning. The high schools are all on block scheduling, which allows more advanced students to complete higher level courses and to earn college credits through dual enrollment and offers remediation to students who are experiencing difficulties. All schools are accredited by the Southern Association of Colleges and Schools and by the State, and about 87% of the County's high school graduates attend college. Total enrollment for the School District for the 2013-2014 scholastic year and for preceding years is as follows:

Scholastic Year	Enrollment
2013-2014	33,054
2012-2013	32,759
2011-2012	32,301
2010-2011	31,916
2009-2010	31,228

SOURCE: DeSoto County School District and Office of Research and Statistics, Mississippi Department of Education's website: <http://orshome.mde.k12.ms.us/maars/>; March 2014.

The main campus of Northwest Community College, which offers college level courses that are transferable to most major colleges and universities, is approximately 30 miles from the City. The college's DeSoto Center is 8 miles away in Southaven. Nearby institutions offering bachelor's degree and post-graduate programs include Memphis State University (about 15 miles), Rust College (about 25 miles), and the University of Mississippi (about 60 miles).

TAX INFORMATION

Assessed Valuation⁹

Fiscal Year	Real Property	Personal Property ¹⁰	Public Utility Property	Total
2013	\$92,372,753	\$31,483,295	\$4,215,105	\$128,071,153
2012	84,498,967	31,483,295	4,215,105	120,197,367
2011	83,261,855	29,435,753	3,873,981	116,571,589
2010	84,728,608	30,370,152	2,337,806	117,436,566
2009	82,332,893	33,019,833	1,981,525	117,334,251

SOURCE: Office of City Clerk; March 2014.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
- (b) Single-family owner-occupied residential real property, ten percent (10%) of true value;
- (c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

⁹ The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2013 are collected starting in January, 2014 for the 2013-2014 fiscal year budget of the City.

¹⁰ Personal property includes mobile homes and automobiles.

Procedure for Property Assessments

The Tax Assessor of DeSoto County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the State Tax Commission.

Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the State Tax Commission and which has been furnished a true copy of that part of the County assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

Tax Levy Per \$1,000 Valuation¹¹

	2013-14	2012-13	2011-12	2010-11	2009-08
General Fund	22.38	22.26	22.11	22.45	21.75
Library Fund	0.91	0.90	0.89	0.80	1.00
Municipal Bond & Interest Fund	6.46	6.59	6.75	6.50	7.00
Culture & Recreation	2.00	2.00	2.00	2.00	2.00
TOTAL	31.75	31.75	31.75	31.75	31.75

SOURCE: Office the City Clerk; March 2014.

¹¹ Tax levy figures are given in mills.

Ad Valorem Tax Collections

Year	Amount Budgeted	Amount Collected	Difference Over/(Under)
2013	\$3,682,124	\$3,848,680	\$166,556.00
2012	3,568,970.00	3,730,738.28	161,768.28
2011	3,728,610.00	3,594,307.68	(134,302.32)
2010	3,741,363.00	3,635,133.36	(106,229.64)
2009	3,626,648.00	3,541,168.98	(85,479.02)

SOURCE: Office of the City Clerk; March 2014.

Procedure for Tax Collections

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of one percent (1%) per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the fifteenth day of February and after the fifteenth day of August in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for

the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the State Tax Commission was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the State Tax Commission equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the State Tax Commission filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the State Tax Commission could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Tax Commission. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next proceeding year.

Ten Largest Taxpayers

Ten of the largest taxpayers in the City for fiscal year 2013, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
MRB-HERNANDO LP	\$1,578,433	\$50,115.25
WAL-MART REAL ESTATE BUS TRUST	1,186,406	37,668.39
PTR DEVELOPMENT LLC	635,132	20,165.44
HERNANDO RETAIL CENTER LLC	564,845	17,933.83
NCI GROUP INC	527,522	16,748.82
BRADFORD TRACE LLC	414,854	13,171.61
KROGER LIMITED PARTNERSHIP I	382,737	12,151.90
SCHULZ EXTRUDED PRODUCTS	376,335	11,948.64
BRADFORD TRACE LLC	331,100	10,512.43
ASHLAND OIL INC	278,203	8,832.95
TOTAL	\$6,275,567	\$199,249.26

SOURCE: Office of the City Clerk; March 2014.

DEBT INFORMATION**Legal Debt Limit Statement**

(as of March 2014)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$128,071,153)	\$19,210,672	\$25,614,230
Present Debt Subject to Debt Limits	8,270,000	8,270,000
Margin for Further Debt Under Debt Limits		

Statutory Debt Limits

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed fifteen percent (15%) of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such fifteen percent (15%) limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds twenty percent (20%) of the assessed value of the taxable property within such municipality.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt

(as of March 2014)

Issue	Date of Issue	Outstanding Principal
General Obligation Bonds, Series 2007	05/01/07	\$3,930,000
General Obligation Refunding Bonds, Series 2012	11/08/12	4,340,000
Total		\$8,270,000

Other Outstanding Long Term Debt

(as of March 2014)

Issue	Date of Issue	Amount
Department of Economic and Community Development Sewer CAP Loan (50289)	1999	\$152,620.35
Department of Environmental Quality Water Pollution Control	06/01/2003	290,032.45
Department of Economic & Community Development Sewer CAP Loan (50378)	05/17/2002	158,022.46
Department of Economic & Community Development Sewer CAP Loan (50469)	05/18/2005	144,684.12
Total		\$745,359.38

General Obligation Annual Debt Service Requirements

FY Ending September 30	Existing Debt		
	Principal	Interest	Estimated Debt Service
2014	\$500,000.00	\$333,316.26	\$833,316.26
2015	615,000.00	231,108.76	846,108.76
2016	635,000.00	212,796.26	847,796.26
2017	655,000.00	195,946.26	850,946.26
2018	680,000.00	178,516.26	858,516.26
2019	700,000.00	160,316.26	860,316.26
2020	720,000.00	141,536.26	861,536.26
2021	750,000.00	122,126.26	872,126.26
2022	765,000.00	101,358.76	866,358.76
2023	745,000.00	79,695.63	824,695.63
2024	740,000.00	57,500.00	797,500.00
2025	335,000.00	40,090.00	375,090.00
2026	350,000.00	27,360.00	377,360.00
2027	370,000.00	14,060.00	384,060.00
Total	\$8,560,000.00	\$1,895,726.97	\$10,455,726.97

General Obligation Bonded Debt

Issue	Fiscal Year Ended September 30				
	2013	2012	2011	2010	2009
General Obligation Bonds (4/1/03)	\$ -0-	\$1,315,000	\$1,405,000	\$1,490,000	\$1,575,000
General Obligation Bonds (10/1/03)	165,000	2,455,000	2,605,000	2,750,000	2,890,000
General Obligation Bonds (05/01/07)	3,930,000	4,130,000	4,320,000	4,500,000	4,675,000
General Obligation Refunding Bonds (11/08/12)	4,465,000	-0-	-0-	-0-	-0-
TOTAL	\$8,560,000	\$7,900,000	\$8,330,000	\$8,740,000	\$9,140,000

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2013	\$8,560,000	6.68%
2012	7,900,000	6.57
2011	8,330,000	7.15
2010	8,740,000	7.44
2009	9,140,000	7.79

Overlapping General Obligation Indebtedness

(as of March 2014)

	2010 Population	Current Assessed Valuation	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
DeSoto County	161,252		\$93,020,000	\$576.86

	Current Assessed Valuation	Total General Obligation Bonded Debt
DeSoto County School District		\$115,740,000

Motion was duly made by Alderman Lauderdale, and seconded by Alderman Higdon to approve the 2014 Disclosure Submission Report. A vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE this the 2nd day of September, 2014

APPROVE BOARD ORDER DESIGNATING MILLAGE NOT EXEMPT FROM INDUSTRIAL TAX EXEMPTIONS

ORDER DESIGNATING MILLAGE NOT EXEMPT FROM INDUSTRIAL TAX EXEMPTIONS**BE IT ORDERED:**

This date the Mayor and Board of Aldermen of the City of Hernando does hereby designate Parks, Library, Bonded Indebtedness, and Fire Protection millage not exempt from Industrial tax exemptions.

Motion was duly made by Alderman Higdon, seconded by Alderman Hobbs to designate Parks, Library, Bonded Indebtedness, and Fire Protection millage not exempt from Industrial tax exemptions. A roll call vote was taken with the following results:

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

Those voting "Nay": None.

ORDERED AND DONE, this the 2nd day of September, 2014.

Chip Johnson, Mayor

ATTEST:

Katie Harbin, City Clerk

(SEAL)

Mayor Johnson announced that we were now having the Public Hearing on our budget fye 2015.

PUBLIC HEARING ON THE PROPOSED BUDGET AND PROPOSED TAX LEVY FOR THE UPCOMING FISCAL YEAR FOR THE CITY OF HERNANDO

The Board had a discussion on the proposed budget fye 2015. Mayor Johnson stated that this was the hardest budget he's had to work on. There are no raises budgeted in this budget, but that is not a reflection on the employees of the City of Hernando. Alderman Miller suggested that we look at the budget in 6 months, if a drastic increase in revenues or decrease in expenses, we can see if it would be possible to give raises at that time. Alderman McLendon asked if we were going to continue to look for more revenues, Mayor Johnson stated that we would look to bring more in and spend less.

Alderman McLendon asked about the overtime for 5K races, Alderman Lauderdale asked about Planning and the commercial building permits, he also spoke about the administrative travel expense. Lowering the amount to \$17,000, what it was the previous year. Alderwoman Brooks spoke about the dues and subscriptions expense.

Alderman Higdon spoke about increasing fees for the Parks department. The fees for playing sports, Gale Center rental, cemetery lots, and the requiring of cemetery vaults, etc.

Alderman Lauderdale wanted the transfer from General fund to the Parks fund, the \$91,000.00 to come down if we increased the fees.

Gene Norwood asked why the baseball revenue is down and expenses are up. He stated that it appeared that we were transferring money from fund to fund to get money to the park department. Mayor Johnson answered stating that the money from the utility account to the debt service fund is to pay back loans used in the utility fund. Mr. Norwood stated that it was his opinion that the City got into a baseball program that is too big for our population. Alderman Higdon asked if the participation has gone up since the City has taken over. Dewayne Williams answered that all of the programs have gone up. Edward Pigeon stated that it was his opinion that the "Pennies for Parks" failed because there was not a defined answer for where the money would go.

Scott Sartor asked the Board what were some revenue ideas that they were thinking of. Alderman Lauderdale stated that we need to be business friendly. Alderman Higdon stated that we needed to 'shop Hernando'. Alderwoman Brooks stated that we have the open house that the chamber puts on.

Gene Norwood spoke about the Planning, said we need changes. Mayor Johnson stated that we have good designs, better than other cities in the county. Mr. Norwood then stated that we need to do more for businesses coming into town.

Alderman McLendon stated that we need to keep the quality of life up. We needed to solve drainage issues to do that. Kenny Stockton stated that Joe Frank Lauderdale and himself were looking into some of those.

Alderman McLendon mentioned that if we lose an employee, can we look at not replacing them for a while? Alderman McLendon also wants to look at the handbook. Alderman McLendon then asked if the Rotary has scholarships for baseball and softball. Mayor Johnson answered yes.

**RESOLUTION SETTING AD VALOREM TAX LEVY FOR THE CITY OF
HERNANDO, MISSISSIPPI FOR THE FISCAL YEAR 2014 – 2015**

WHEREAS, the City of Hernando now desires to set the ad valorem tax levy for the City for the fiscal year 2014 – 2015, pursuant to the Mississippi Code of 1972, Annotated, and the Mayor and Board of Aldermen having carefully considered and determined the needs of the municipality and that the tax rate required to meet the expenses of said municipality for the fiscal year 2014 – 2015.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Hernando, Mississippi that the ad valorem tax rate and levies for the fiscal year 2014 – 2015 shall be as follows:

GENERAL FUND – on each dollar (\$1.00) valuation as authorized by Section 27-39-307 of the Mississippi Code of 1972, Annotated, for General Revenue purposes and General Improvements, Twenty-Six and 11/100 (26.11) Mills.

MUNICIPAL BOND AND INTEREST FUND – on each dollar (\$1.00) valuation as authorized by Section 21-33-45 of the Mississippi Code, Annotated, Two and 76/100 (2.76) Mills.

LIBRARY FUND – on each dollar (\$1.00) valuation as authorized by Section 39-3-7 of the Mississippi Code of 1972, Annotated, 88/100 (.88) Mills.

CULTURE & RECREATION FUND – on each dollar (\$1.00) valuation as authorized for park improvements and maintenance, Two and 0/100 (2.00) mills.

The total mills for 2014 – 2015 is thirty-one and Three Fourths (31.75) Mills.

Motion was duly made by Alderman Lauderdale, seconded by Alderman McLendon to approve the Resolution Setting the ad valorem tax levy for the City of Hernando for the fiscal year 2014 – 2015. A roll call vote was taken with the following results:

Those voting “Aye”: Alderman McLendon, Alderwoman Brooks, Alderman Hobbs, Alderman Lauderdale, Alderman Bryant, Alderman Miller, and Alderman Higdon.

Those voting “Nay”: None.

SO ORDERED on this the 2nd day of September, 2014.

Chip Johnson, Mayor

Attest:

Katie Harbin, City Clerk

GO INTO CLOSED SESSION

Motion was duly made by Alderman Lauderdale, seconded by Alderman Bryant to authorize to go into executive session for negotiations for water. A vote was taken with the following results:

Those voting “Aye”: Alderwoman Brooks, Alderman Hobbs, Alderman Lauderdale, Alderman Bryant, Alderman Miller, Alderman Higdon, and Alderman McLendon.

Those voting “Nay”: None.

ORDERED AND DONE this the 2nd day of September, 2014.

GO INTO EXECUTIVE SESSION FOR NEGOTIATIONS FOR WATER

Motion was duly made by Alderman McLendon, seconded by Alderwoman Brooks to go into executive session for negotiations for water. A vote was taken with the following results:

Those voting “Aye”: Alderman Hobbs, Alderman Lauderdale, Alderman Bryant, Alderman Miller, Alderman Higdon, Alderman McLendon, and Alderwoman Brooks.

Those voting “Nay”: None.

ORDERED AND DONE this the 2nd day of September, 2014.

COME OUT OF EXECUTIVE SESSION FOR NEGOTIATIONS FOR WATER

Motion was duly made by Alderwoman Brooks, seconded by Alderman Higdon to come out of executive session for negotiations for water. A vote was taken with the following results:

Those voting “Aye”: Alderman Hobbs, Alderman Lauderdale, Alderman Bryant, Alderman Miller, Alderman Higdon, Alderman McLendon, and Alderwoman Brooks.

Those voting “Nay”: None.

ORDERED AND DONE this the 2nd day of September, 2014.

RECESS UNTIL SEPTEMBER 9, 2014

There being no further business at this time a motion was duly made by Alderman Lauderdale, seconded by Alderman Bryant to recess to September 9, 2014.
Motion passed with a unanimous vote of "Aye".

MAYOR CHIP JOHNSON

ATTEST:

KATIE HARBIN, CITY CLERK