



AGENDA

BOARD OF MAYOR AND ALDERMEN REGULAR WORK SESSION

**Monday, June 16, 2008
Council Room — City Hall
4:30 p.m.**

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Alderman Valerie Joh
Vice Mayor Benjamin K. Mallicote
Alderman Charles K. Marsh, Jr.

Alderman Larry Munsey
Alderman Patrick W. Shull
Alderman Jantry Shupe

Leadership Team

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney
Tom Bowman, Leisure Services Director
Jim Demming, City Recorder/CFO
Craig Dye, Fire Chief
Jeff Fleming, Assistant City Manager, Development Services

Chris McCart, Assistant to the City Mgr.
Ryan McReynolds, Public Works Director
Gale Osborne, Police Chief
Tim Whaley, Community and Gov't Relations Director

1. Call to Order
2. Roll Call
3. Work Session Tickler
4. Presentation on Traffic Calming Evaluation by Michael Thompson
5. Final Review on Kingsport Center for Higher Education – Jeff Fleming/David Mason
6. Discussion on Trash Pick-Up Process – Mayor Dennis R. Phillips
7. Review of Items on June 17, 2008 Regular Business Agenda
8. Adjourn

Citizens wishing to comment on agenda items, please come to the podium and state your name and address. Please limit your comments to five minutes. Thank you.

**Work Session Tickler
June 17, 2008**

- **Fordtown Road Project - (Bill Albright) – UPDATED June 12, 2008 –**
TDOT has completed the environmental review process and is now moving into the right-of-way and advanced design phases. One of the more difficult tasks will be designing the bridge that will cross Kendricks Creek. Note TDOT officials considered a box culvert but determined that, due to the height (or amount of fill) required, a bridge would be necessary (which will add to the cost). In addition, the new roadway includes 3 lanes (continuous center turning lane), curb and gutter the entire length and sidewalks on both sides the entire length. It will take several months to complete the right of way acquisition process and final design. Once these are accomplished bid and construction activities will begin. Hopefully, construction will begin sometime in late spring of '09.
- **Netherland Inn Bridge project - (Gary Dault)– NO UPDATE June 13, 2008-**
- **Traffic Calming Measures – (Michael Thompson) – UPDATED June 11th, 2008 - Pendragon Traffic Calming Project – Construction beginning 6-16-08. - Shadyside Drive Traffic Calming Project –**
Survey cards were due back 6-6-08. As of this writing the results are as follows: Vote included 170 parcels. Votes received back were 62 'yes' for traffic calming and 71 'no' for to traffic calming. The post cards sent to each resident stated all non-responses would be counted as a 'yes' vote and they totaled 37 votes. The NO vote totals 41.8% and therefore is over the 30% maximum established in the Neighborhood Traffic Management Plan. Therefore the affected area residents have chosen to not install traffic calming devices on Shadyside Drive. - Essex / Suffolk Traffic Calming – Met with representatives on 6-11-08 to discuss traffic calming plan to present at public hearing. - Overall Program – 18 traffic calming requested have been evaluated. 12 of these projects were declined because they did not meet the minimum requirements set forth in the Neighborhood Traffic Management Plan approved by the BMA June 5, 2007. Of the 12 declined, 4 were turned down due not meeting speed or traffic volumes, 4 due to not meeting speed criteria, 2 for not meeting volume criteria and 2 due to classification as an arterial roadway. Please see attached summary.
- **Energy Efficiency Measures – (Ryan McReynolds) — NO UPDATE June 13, 2008 –**

- **Higher Education - (Jeff Fleming) – NO UPDATE June 13, 2008 -**
 - May 6 - The Design Development Drawings were delivered and reviewed by the City.
 - May 9 - MHM Architects met with representatives of Northeast State, King College, and UT to finalize design issues.
 - May 9 - Morris Baker submitted the final EDA Grant application.
 - May 23 – Meeting with Wilbur Smith Associates, AEP, City Engineering Dept., and David Mason to review utility relocations. Determined that the acquisition of the Fireman’s Hall and Pete’s Generator shop are critical to maintaining the project schedule.
 - May 27 – Meeting with Dr. Locke, Mayor Phillips, John Campbell, Jeff Fleming, David Mason, and additional NSTCC reps. to discuss furniture and equipment budget. Identified some items that could be included in the building project costs.
 - June 4 – Design Development Estimate will be ready. Meeting scheduled to review with MHM, City, & J.A. Street.

- **Dog Park – (Kitty Frazier) — UPDATED FOR June 16, 2008 –**
 - Surveying of the site has been completed by city engineering. Excavation is scheduled to begin, by Eastman Chemical company, June 27, 2008. Final preparations and cost estimates for fencing and paving are being developed by city engineering. The Committee is developing logo designs and promotional materials for the proposed name. The Dog park committee will participate in an upcoming event in Johnson City to promote the new Kingsport Park.

- **Netherland Terrace Street Lighting – (Michael Thompson) – UPDATED June 11th -**
 - Staff is still awaiting response from CSX for approval to place the street lights on CSX property. We have talked with CSX staff and they are working to grant us approval. At this time we have been told there may be cost for a permit from CSX but that has not been confirmed.

- **KAHR Program – (Chris McCartt) – NO UPDATE June 13, 2008**

- **Netherland Inn Bank Barn – (Bill Albright) – NO UPDATE June 13, 2008 -**
 - The Netherland Inn bank Barn project is now under construction.



AGENDA

BOARD OF MAYOR AND ALDERMEN

REGULAR BUSINESS MEETING

**Tuesday, June 17, 2008
Large Court Room – City Hall
7:00 P.M.**

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Alderman Valerie Joh
Vice Mayor Benjamin K. Mallicote
Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey
Alderman Patrick W. Shull
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
James Demming, City Recorder

- I. CALL TO ORDER**
- II.A. PLEDGE OF ALLEGIANCE TO THE FLAG**
- II.B. INVOCATION** – Paul Becker, Pastor, Concordia Lutheran Church
- III.B ROLL CALL**
- IV. RECOGNITIONS AND PRESENTATIONS**
 - A. Keep Kingsport Beautiful Award Sponsored by Blue Ridge Properties
 - B. Proclamation for National Homeownership Month by Mayor Dennis R. Phillips
- V. APPROVAL OF MINUTES**
 - A. Minutes will be at the next Meeting

VI. COMMUNITY INTEREST ITEMS**AA. PUBLIC HEARINGS****COMMENT**

Citizens may speak on agenda items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes. A total of thirty minutes is allocated for public comment during this part of the agenda.

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Consideration of a Resolution Authorizing the Mayor to Execute all documents Necessary and Proper to Apply for and Receive a 319 Watershed Implementation Grant and Consideration of an Ordinance Appropriating Matching Funds (AF: 175-2008)
 - Resolution
 - Ordinance– First Reading
2. Consideration of an Ordinance Authorizing the Collection of Delinquent Real Property Taxes (AF: 192-2008)
 - Ordinance– First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Consideration of an Ordinance to Adopt the FY08-09 Budget (AF: 166 -2008)
 - Ordinance Second Reading (Motion to Amend) and Final Adoption
2. Consideration of an Ordinance to Adopt the FY08-09 Water Fund Budget (AF: 167 -2008)
 - Ordinance Second Reading and Final Adoption
3. Consideration of an Ordinance to Adopt the FY08-09 Sewer Fund Budget (AF: 168 -2008)
 - Ordinance Second Reading and Final Adoption

D. OTHER BUSINESS

1. Consideration of a Resolution Awarding the Bid for the Purchase of a Tri Axle Tanker Truck for Use at the Water Filter Plant to Worldwide Equipment, Inc. (AF: 171 -2008)
 - Resolution

2. Consideration of a Resolution Authorizing the Award of Bid of Civil and Mechanical Installation Packages to W & O Construction Company Through Camp Dresser and McKee on Behalf of the City for Phase II of the Wastewater Treatment Plant Improvements (AF: 185 -2008)
 - Resolution
3. Consideration of a Resolution Authorizing the Mayor to Execute Agreements with Various Agencies and Organizations for Community Development Block Grant and Emergency Shelter Grant Funding in Fiscal Year 2008-2009 (AF: 189 -2008)
 - Resolution
4. Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 217 Revere Street (AF: 188 -2008)
 - Resolution
5. Consideration of a Resolution Authorizing the Mayor to Sign a Contract with the Virginia Department of Transportation Accepting Federal and State Transportation Planning Funds on Behalf of the Kingsport MPO (AF: 183 -2008)
 - Resolution
6. Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 214 Clay Street (AF: 191 -2008)
 - Resolution
7. Consideration of a Resolution Authorizing the Mayor to Execute Lease Agreements with the Arts Council of Greater Kingsport, The Kingsport Art Guild, The Kingsport Theatre Guild and Symphony of the Mountains for Spaces in the Renaissance Center (AF: 177 -2008)
 - Resolution

E. APPOINTMENTS

1. Consideration of Reappointments for Mr. Gary Mayes, Mrs. Ruth Montgomery, Mr. Richard Currie, and Mr. John Vogt to the Senior Center Advisory Council to Serve an Additional Two-Year Term (AF: 37-2008)
 - Approve Reappointment

VII. CONSENT AGENDA

All matters listed under the Consent Agenda are considered in the ordinary course of business by the Board of Mayor and Aldermen and will be enacted on by one motion in the form listed. If discussion is desired by either the Board or the audience, the item in question will be removed from the Consent Agenda and considered separately.

1. Consideration of an Ordinance Amending the FY 2007-2008 General Purpose School Fund Budget and the General Project Fund Budgets (AF: 149 -2008)
 - Ordinance-- Second Reading and Final Adoption
2. Consideration of an Ordinance Amend Various Revenue and Expenditure Accounts With in the School's Federal Projects Fund (AF: 150 -2008)
 - Ordinance-- Second Reading and Final Adoption
3. Consideration of an Ordinance to Amend Various Revenue and Expenditure Accounts With in the School's Special Projects Fund (AF: 151 -2008)
 - Ordinance-- First Reading
4. Consideration of an Ordinance Providing for the FY09 Community Development Block Grant Budget (AF: 156 -2008)
 - Ordinance-- Second Reading and Final Adoption
5. Consideration of an Ordinance Providing for the FY09 Emergency Shelter Grant Budget (AF: 157 -2008)
 - Ordinance-- Second Reading and Final Adoption
6. Consideration of an Ordinance to Amend the Meadowview Conference Center's Budget by Appropriating Funds From the FF&E Sinking Fund (AF: 159 -2008)
 - Ordinance-- Second Reading and Final Adoption
7. Consideration of an Ordinance to Amend the Cattails Golf Course by Increasing the Revenue and Expenditures to Reflect Cattails Golf Course Operations (AF: 160 -2008)
 - Ordinance-- Second Reading and Final Adoption
8. Consideration of an Ordinance to Adopt the FY08-09 Metropolitan Planning Project Grant Budget (AF: 161 -2008)
 - Ordinance-- Second Reading and Final Adoption
9. Consideration of an Ordinance to Adopt the FY08-09 School Public Law 93-380 Grant Project Fund Budget (AF: 163 -2008)
 - Ordinance-- Second Reading and Final Adoption

10. Consideration of an Ordinance to Adopt the FY08-09 Special Schools Projects Grant Fund Budget (AF: 164 -2008)
 - Ordinance– Second Reading (Motion to Amend) and Final Adoption
11. Consideration of an Ordinance to Amend the General Project Fund, Debt Service Fund, Water Project Fund and Water Fund by Appropriating the 2008 Bond Issue (AF: 158 -2008)
 - Ordinance– Second Reading and Final Adoption
12. Consideration of an Ordinance to Adopt the FY08-09 Urban Mass Transit Budget (AF: 162-2008)
 - Ordinance–Second Reading and Final Adoption
13. Consideration of an Approval of Offer for Easements and Right-of-Ways for the Orebank Road Storm Water Drainage Project (AF: 184-2008)
 - Approval
14. Consideration of Authorization for City Recorder to Reconcile and Adjust Uncollectible Property Tax for Year 1997 (AF: 182-2008)
 - Authorization of Reconciliation

VIII. COMMUNICATIONS

- A. CITY MANAGER
- B. MAYOR AND BOARD MEMBERS
- C. VISITORS

Citizens may speak on issue-oriented items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non- personal in nature, and they should be limited to five minutes.

IX. ADJOURN

**There will be no
minutes for
June 2, 2008
Work Session
meeting to be
approved until the
next Work Session
meeting on
June 30, 2008**

**There will be no
minutes for
June 3, 2008
BMA Regular
meeting to be
approved until the
next BMA Regular
meeting on
July 1, 2008**



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute all Documents Necessary and Proper to Apply for and Receive a 319 Watershed Implementation Grant and Consideration of an Ordinance Appropriating Matching Funds.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF-175-2008
 Work Session: June 16 2008
 First Reading: June 17 2008

Final Adoption: July 1 2008
 Staff Work: Dan Wankel
 Presentation: Dan Wankel

Recommendation:

Approve the resolution and Ordinance

Executive Summary:

This resolution and ordinance provides for the funding of a new project involving the Tennessee Department of Agriculture's 319 Watershed Implementation Grant Program. A contract has been drawn up to provide for a cash match of \$18,000 to fund the installation of a stormwater treatment device in conjunction with the Exxon/Zoomers redevelopment at the intersection of Fort Henry Drive and Eastman Road. This device is designed to remove at least 80 percent of the targeted pollutants and debris which contribute to the stream's degradation, placing it on the State's list of impaired waters due to urban stormwater runoff. A Resolution and Ordinance are presented to facilitate the funding of the match. In addition, the owner of the Fort Henry Mall, Somera Capital Management, will be providing the remaining match to take advantage of the grant to partially fund the installation of required stormwater treatment devices as the transformation to Kingsport Town Center takes place.

Attachments:

1. Resolution
2. Ordinance

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE TENNESSEE DEPARTMENT OF AGRICULTURE 319 WATERSHED IMPLEMENTATION GRANT FUNDS AND ACCEPTING CORPORATE DONATIONS FOR MATCHING FUNDS

WHEREAS, the city desires to apply for and receive Tennessee Department of Agriculture 319 Watershed Implementation Grant funds, in an amount up to \$89,657.48 including required matching funds, for Mad Branch Phase II Watershed Plan Implementation; installation of a stormwater treatment device in conjunction with the Exxon/Zoomers redevelopment at the intersection of Fort Henry Drive and Eastman Road; and installation of required stormwater treatment devices as the transformation to Kingsport Town Center from Fort Henry Mall takes place; and

WHEREAS, the city will provide 20% of the required matching funds from GP0702; and

WHEREAS, Somera Capital Management desire to donate the remaining 20% required matching funds; and

WHEREAS, certain documents must be completed and executed to receive the grant funds.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, all documents necessary and proper to apply for and receive Tennessee Department of Agriculture 319 Watershed Implementation Grant funds, in an amount up to \$89,657.48 including 40% required matching funds, for Mad Branch Phase II Watershed Plan Implementation; installation of a stormwater treatment device in conjunction with the Exxon/Zoomers redevelopment at the intersection of Fort Henry Drive and Eastman Road; and installation of required stormwater treatment devices as the transformation to Kingsport Town Center from Fort Henry Mall takes place.

SECTION III. That the Board of Mayor and Aldermen accepts the donations from Somera Capital Management providing 20% of the required 40% matching funds.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING FUNDS RECEIVED FROM THE TENNESSEE DEPARTMENT OF AGRICULTURE FOR THE MADD BRANCH PHASE II STORMWATER TREATMENT DEVICE INSTALLATIONS GRANT; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Project Fund Budget be amended by appropriating funds received from the Tennessee Department of Agriculture in the amount of \$53,657 for Mad Branch Phase II Storm-Water Treatment Device Installations grant to establish the Mad Branch Storm Water Device project (GP0817). A 40% local match is required and will be provided for through the Public Works Storm Water Facility project (GP0702) in the amount of \$18,000 and through donations from corporations in the amount of \$18,000.

Account Number/Description:

Budget Incr/<Decr> New Budget

Fund 311: General Project Fund

Public Works Storm Water Facility(GP0702)

Revenues:

311-0000-391-0100 From the General Fund

Totals:

\$		\$		\$	
	50,000		(18,000)		32,000
	50,000		(18,000)		32,000

Expenditures:

311-0000-601-2022 Construction Contracts

311-0000-601-2023 Arch/Eng/Landscaping

Totals:

\$		\$		\$	
	43,000		(18,000)		25,000
	7,000		0		7,000
	50,000		(18,000)		32,000

Fund 311: General Project Fund

Mad Branch Storm Water Device Proj (GP0817)

Revenues:

311-0000-391-0100 From the General Fund

311-0000-364-3020 Contributions/From Corp.

311-0000-332-6100 TN. Dept of Agriculture

Totals:

	0		18,000		18,000
	0		18,000		18,000
	0		53,657		53657
	0		89,657		89,657

Expenditures:

311-0000-601-2022 Construction Contracts

Totals:

	0		89,657		89,657
	0		89,657		89,657

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

ATTEST:

DENNIS R. PHILLIPS, Mayor

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance Authorizing the Collection of Delinquent Real Property Taxes

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-192-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: July 1, 2008
 Staff Work By: Pam Halbrook
 Presentation By: Joe May

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #: N/A

KSF #4: Stewardship of the Public Funds

KSO #6: Provide Sound Financial Management

Recommendation: Request Board of Mayor and Aldermen approve an ordinance authorizing the collection of delinquent real property taxes. In addition to the collection of real property taxes, it is recommended that the Board also consider having the Delinquent Tax Attorney take on a detailed review of the unpaid personal property taxes which remain due and owing. These tax accounts may in many, if not most, instances be uncollectible. For example, even before it can be determined whether an individual tax account can be collected, it will require substantial time and effort to make even the determination of whether the tax owed by an out of state trucking company is less than or greater than the cost of collection. With the approval of the Board, this review will be undertaken by the Delinquent Tax Attorney this year.

Executive Summary:

Article XI of the Charter of the City of Kingsport sets forth matters relating to taxation and revenue. The procedure for the initiation of the collection process for real property taxes is found in Section 9 of the Article. Unlike some other powers exercised by the Board of Mayor and Aldermen, the collection of delinquent taxes must be directed by ordinance duly adopted by the Board of Mayor and Aldermen. This ordinance complies with that requirement.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

PRE-FILED
ORDINANCE NO. _____ CITY RECORDER

AN ORDINANCE TO PROVIDE FOR THE COLLECTION OF DELINQUENT REAL PROPERTY TAXES, PENALTIES AND INTEREST DUE THE CITY OF KINGSPORT FOR THE YEARS 2006 AND PRIOR; BY REFERRING SAME TO THE DELINQUENT TAX ATTORNEY; TO ESTABLISH PROCEDURES FOR SUCH COLLECTION; TO RATIFY AND CONFIRM ALL ACTIONS HERETOFORE TAKEN FOR SUCH COLLECTION; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, TENNESSEE as follows:

SECTION I. That the City Recorder is hereby directed to submit to Joseph E. May, Attorney at Law, as the Delinquent Tax Attorney, a certified list of all delinquent real property taxes due the City for the years 2006 and prior as provided by Article XI of the Charter of the City of Kingsport; and, any and all acts of the City Recorder heretofore taken by said Recorder in this regard are expressly ratified and confirmed in all ways.

SECTION II. That the Delinquent Tax Attorney, shall upon receipt of said certified list, as such, be authorized and directed, to send two letters to each delinquent taxpayer, the second of which shall state that thereafter, the Delinquent Tax Attorney shall cause to have published in the largest newspaper of general circulation within the City of Kingsport, a notice, including the listing set out in Section I hereinabove, to the delinquent taxpayers shown, that he will on or before September 30, 2008, commence suit in Chancery Court to enforce the City's liens on such property and to collect the taxes, penalties, interest and fees due there-on; and, any and all acts of the Delinquent Tax Attorney heretofore taken by said Attorney in this regard are expressly ratified and confirmed in all ways.

SECTION III. That after receipt of said delinquent list by the Delinquent Tax Attorney, and before filing any bill as herein provided, he is authorized to accept payment of all delinquent taxes, interests, penalties, costs and fees that have accrued, and, he may charge a fee of ten (10) per centum on the whole amount of taxes and interest collected as compensation for his services; and, any and all acts of the Delinquent Tax Attorney heretofore taken by said Attorney in this regard are expressly ratified and confirmed in all ways. Upon receipt by the City of the original tax and interest due, all claims or liens for taxes due the city shall be released.

SECTION IV. That after the bill is filed and at any time before sale under the suit, payment may be made to the Clerk & Master of the appropriate Chancery Court, and upon payment of the amount of taxes and interest, with such fees, penalties and costs if any, as have accrued when said payment is made, the Delinquent Tax Attorney shall be allowed to charge a fee of ten (10) per centum on the whole amount of taxes and interest collected, as compensation for his services; and, any and all acts of the Delinquent Tax Attorney heretofore taken by said Attorney in this regard are expressly ratified and confirmed in all ways.

SECTION V. That the Clerk and Master of the Chancery Court having jurisdiction is authorized to collect, on behalf of the City, all delinquent taxes, interest, fees, penalties, and court costs that is now due, or that shall come due, from the date of filing of an action for collection of same; and, to pay to the Delinquent Tax Attorney the costs as established by Order

of the Court, and, fees as set by this Ordinance; and, any and all acts of the Clerk and Master of the Chancery Court having jurisdiction heretofore taken by said Clerk and Master in this regard are expressly ratified and confirmed in all ways.

SECTION VI. That at filing of said tax suit, the Delinquent Tax Attorney is further empowered, authorized and directed to move the appropriate Chancery Court to take any and all necessary steps to collect said taxes; and, any and all acts of the Delinquent Tax Attorney heretofore taken by said Attorney in this regard are expressly ratified and confirmed in all ways.

SECTION VII. That the Delinquent Tax Attorney shall not expunge or reduce the amount of taxes due and payable for any reason without the prior written consent of the City Recorder.

SECTION VIII. That the Delinquent Tax Attorney shall pursue the matter until such time as all monies are collected and remitted to the City, all court costs, and other costs, are paid, and a final order closing out the case has been entered.

SECTION IX. That upon execution by the Clerk and Master of a deed to the City, pursuant to a final Decree Confirming Sale of the Court, any real property so conveyed to the City in settlement of the lien of taxes shall be taken in custody by the City Recorder, and held or disposed of in the manner provided by statute.

SECTION X. That this ordinance shall take effect from and after its date of passage, the welfare of the City of Kingsport requiring it.

DENNIS R. PHILLIPS, Mayor

ATTEST:

ELIZABETH A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Budget

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

A handwritten signature in blue ink, which appears to be "John G. Campbell", is written over the printed name.

Action Form No.: AF166-2008
Work Session: June 02, 2008
First Reading/(Public Hearing Held): June 03, 2008

Final Adoption: June 17, 2008
Staff Work By: Judy Smith
Presentation By: Smith, Campbell

Recommendation: Approve the ordinance.

Executive Summary:

The ordinance passed on first reading needs to be amended due, in part, to some changes in funding from the state. The revised FY08-09 budget ordinance incorporates a \$1,008,000 reduction in the school's operating budget in Section I. It also revises Section VIII to clarify the intent of the changes made to the retiree's health insurance. The ordinance should be amended on second reading to reflect these changes. A revised ordinance with the described amendment is attached, along with a suggested motion to amend the ordinance.

Attachments:

1. Ordinance
2. Revised ordinance
3. Suggested motion to amend

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

Motion to Amend FY09 Budget Ordinance in Item Revised AF 166-2008 for the June 17, 2008 business meeting

After the motion and the second to pass the budget ordinance on second reading the following motion should be made:

I move to amend the current ordinance by substituting in its place the ordinance marked “Revised Budget Ordinance for Revised AF: 166-2008 - 6/17/08” provided in the board packet by the city manager’s office and discussed at the work session last evening. Essentially the language in the revised ordinance incorporates a \$1,008,000 reduction in the school’s operating budget in Section I and provides for some changes in the language in Section VIII pertaining to retiree’s health insurance to clarify the intent.

Members of the board,

For your convenience I have set out the procedure to amend the ordinance once a motion to pass the ordinance on second reading has been made and seconded.

1. Receive the motion to amend the ordinance and the second to the motion.
2. Once the motion to amend and seconded it would be proper to ask if there is any discussion on the amendment.
3. When the discussion is finished or if there is none, call for a vote on the amendment.
4. Assuming the amendment passes, announce that it has passed and that we are back on the main motion as amended.
5. Ask if there is discussion on the motion as amended.
6. When the discussion is completed or if there is none, call for a roll call vote.

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE, ADOPTING A FINAL BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009, AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT as follows:

Section I. That the revenue received from the sources of income shown in the following summary of estimated revenues and expenditures for each fund of the City's annual operating budget for the fiscal year beginning July 1, 2008 and ending June 30, 2009 are hereby appropriated for the various purposes set out in the budget detail on file in the Offices of the City Manager and Chief Financial Officer.

The estimated revenues for the total FY08-09 Budget of \$168,307,850 less inter-fund transfers, \$43,566,100, Net Total Budget Revenues \$124,741,750 are hereby appropriated.

The estimated expenditures for the Total FY08-09 Budget of \$168,307,850 less inter-fund transfers \$43,566,100, Net Total Budget Expenditures \$124,741,750 are hereby appropriated.

Estimated Revenues and Appropriations for the Fiscal Period July 1, 2008 - June 30, 2009

110- General Fund

<u>Revenues</u>		<u>Expenditures</u>	
Property Taxes	\$31,551,600	Legislative	\$188,200
Gross Receipts Taxes	4,304,200	General Government	7,732,950
Licenses & Permits	811,700	Development Services Dept.	1,643,200
Fines & Forfeitures	2,025,700	Leisure Services Dept.	4,803,500
Investments	546,000	Police Department	10,637,300
Charges for Services	2,977,400	Fire Department	7,260,900
Miscellaneous	771,000	Public Works Department	8,331,700
From Other Agencies	15,110,800	Miscellaneous/Transfers	24,453,450
State Shared	5,232,800		
Fund Balance	920,000		
From Regional Sales Tax	800,000		
Total Revenues	\$65,051,200	Total Expenditures	\$65,051,200

211- Debt Service Fund

<u>Revenues</u>		<u>Expenditures</u>	
From General Fund	\$2,298,100	Redemption of Serial Bonds	\$7,750,100
From School Fund	6,171,900	Interest on Bonds/Notes	2,525,900
From General Proj. Fund	1,343,600	Misc	31,300
From Eastman Long Island	460,400	Bank Service Charges	6,000
Interest on Investments	39,300		
Total Revenues	\$10,313,300	Total Expenditures	\$10,313,300

415- Solid Waste Management Fund

<u>Revenues</u>		<u>Expenditures</u>	
Commercial/Inds. Fees	\$312,000	Yardwaste Trash Coll.	\$638,000
Tipping Fees	400,000	Household Refuse Coll.	1,640,400
Backdoor Collection	25,000	Demolition Landfill	849,100
Tire Disposal	2,000	Recycling	455,600
Investments	21,000	Miscellaneous	53,900
From General Fund	2,622,000	Other Expenses	235,200
Fund Balance	490,200		
Total Revenues	\$3,872,200	Total Expenditures	\$3,872,200

120- MeadowView Conference Center Fund

<u>Revenues</u>		<u>Expenditures</u>	
Room Surcharge	\$107,900	Operations	1,067,400
Investments	9,000	Capital	777,900
From Regl Sales Tx Fund	1,233,500		

	FF&E Fees	157,900		
	From Sinking Fund	337,000		
	Total Revenues	\$1,845,300	Total Expenditures	\$1,845,300
-	Cattails Golf Course Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Sales & Fees	\$989,000	Operations	\$1,037,100
	Investments	1,000	Debt Service	660,700
	From Regional Sales Tax Fund	783,100	Capital Outlay	105,300
	From Sinking Fund	30,000		
	Total Revenues	\$1,803,100	Total Expenditures	\$1,803,100
511-	Fleet Internal Service Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Charges/Sales & Serv.	\$3,764,400	Operations	\$7,224,600
	Depreciation Recovery	1,570,300	Motor Pool	25,100
	Investments	130,000	Transfers	0
	From Fleet Reserve	1,785,000		
	Total Revenues	\$7,249,700	Total Expenditures	\$7,249,700
615-	Risk Management Service Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Charges/Sales & Serv.	\$2,085,600	Administration & Prem	\$812,500
			Insurance Claims	1,273,100
	Total Revenues	\$2,085,600	Total Expenditures	\$2,085,600
625-	Health Insurance Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	City Contribution	\$3,750,000	Administration	\$753,600
	Employee Contributions	1,600,200	Insurance Claims	4,901,400
	Fund Balance	238,800		
	Investments	66,000		0
	Total Revenues	\$5,655,000	Total Expenditures	\$5,655,000
126-	Criminal Forfeiture Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Contributions	8,000	Special Investigations	8,000
	Total Revenues	\$8,000	Total Expenditures	\$8,000
127-	Drug Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Fines/Forfeitures	\$12,000	Investigations	\$32,000
	Judicial District	9,000	Supplies & Equipment	33,000
	Court Fines & Costs/Local	74,000	Personal Services	8,600
	Fund Balance	33,600	Capital Outlay	55,000
	Total Revenues	\$128,600	Total Expenditures	\$128,600
141	General Purpose School Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Taxes	\$20,632,000	Educational Services	\$51,171,700
	From State of TN	21,687,250	To Debt Service Fund	6,171,900
	From Federal Government	200,000	Transfers	1,703,300
	Charges for Services	1,048,700		
	Direct Federal	56,500		
	Miscellaneous	150,000		
	From General Fund-MOE	8,721,400		
	From General Fund-Debt	5,648,700		
	Fund Balance Approp.	379,150		
	From Eastman Annex Fund	523,200		
	Total Revenues	\$59,046,900	Total Expenditures	\$59,046,900

147	School Food & Nutrition Services Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Meals	\$2,774,250	Personnel Services	\$1,382,100
	Investments	9,700	Commodities	1,427,650
	From State of TN	28,400	Fixed Charges	14,600
	Unrealized Commodity Value	172,000	Capital Outlay	160,000
	Total Revenues	\$2,984,350	Total Expenditures	\$2,984,350
121	State Street Aid Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	From State of TN	\$1,298,700	Maintenance	\$1,908,700
	From General Fund	780,000	Street s & Sidewalks	170,000
	Total Revenues	\$2,078,700	Total Expenditures	\$2,078,700
130-	Regional Sales Tax Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Local Option Sales Tax	\$2,790,600	To MeadowView Fund	\$1,233,500
	Investments	26,000	To Cattails Fund	783,100
	Total Revenues	\$2,816,600	To General Fund	800,000
			Total Expenditures	\$2,816,600
133	Eastman Long Island Tax Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	From the Gen Fund	\$1,422,400	To School Fund	\$523,200
	Fund Balance	\$0	To Debt Service	\$460,400
	Total Revenues	\$1,422,400	To Other Funds	\$438,800
			Total Expenditures	\$1,422,400
620	Allendale Trust Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Investments	\$6,000	Maintenance	\$6,000
	Total Revenues	\$6,000	Total Expenditures	\$6,000
612	Bays Mountain Park Commission Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Investments	\$4,000	Maintenance	\$8,000
	Donations	20,000	Contracts	38,000
	Fund Balance	36,000	Capital Outlay	14,000
	Total Revenues	\$60,000	Total Expenditures	\$60,000
617	Palmer Center Trust Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Investments	\$500	Donations & Grants	\$500
	Total Revenues	\$500	Total Expenditures	\$500
611	Public Library Commission Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Investments	\$500	Supplies & Materials	\$500
	Total Revenues	\$500	Total Expenditures	\$500
616	Senior Center Advisory Council Fund			
	<u>Revenues</u>		<u>Expenditures</u>	
	Fees	\$73,800	Supplies & Services	\$15,300
	Donations	7,000	Contractual	72,500
	Fund Balance Appropriations	6,200		
	Investments	• 800		
	Total Revenues	\$87,800	Total Expenditures	\$87,800

621	Steadman Cemetery Trust Fund			
	<u>Revenues</u>			<u>Expenditures</u>
	Investments	\$100	Maintenance	\$100
	Total Revenues	\$100	Total Expenditures	\$100
135	Visitor's Enhancement Fund			
	<u>Revenues</u>			<u>Expenditures</u>
	Tax –Other-Room Occupancy	\$320,700	Operations	\$218,100
	Reserves	44,300	Transfers	146,900
	Total Revenues	\$365,000	Total Expenditures	\$365,000
626	Retiree's Insurance Fund			
	<u>Revenues</u>			<u>Expenditures</u>
	City Contributions	\$600,000	Administration	\$628,400
	Employee Contributions	327,000	Insurance Claims	798,600
	Reserves	500,000		
	Total Revenues	\$1,427,000		\$1,427,000
	<u>ALL FUNDS' REVENUE SUMMARY</u>		<u>ALL FUNDS' EXPENDITURE SUMMARY</u>	
	Gross Revenues	\$169,315,850	Gross Expenditures	\$169,315,850
	Less Interfund Transfers	\$43,566,100	Less Interfund Transfers	\$43,566,100
	Total FY08 Revenues	\$125,749,750	Total FY08 Expenditures	\$125,749,750

Section II. That the books, accounts, orders, vouchers or other official documents relating to items of appropriation covered shall indicate the items involved either by name or by symbol or code number as prefixed in the budget detail.

Section III. That authority be and the same is hereby given to the City Manager to issue vouchers in payment of the items of appropriations or expenditures, as they become due or necessary as covered by the foregoing sections and to make expenditures for items exceeding an aggregate cost of \$15,000 when such items are explicitly listed as individually budgeted items in the budget detail.

Section IV. That authority be and the same is given to the City Manager to transfer part or all of any unencumbered appropriations balance among programs within a department and between departments within any given fund, and across departments and/or funds for fleet, risk management or health insurance matters. The Board of Mayor and Aldermen may by Ordinance transfer part or all of any unencumbered appropriations balance from one fund to another.

Section V. That authority be and the same is hereby given to the City Manager to transfer an employee from one class title (position) to any other class title (position) listed on the Pay and Classification Plan at the budgeted salary fixed for that Class Title (position) by the Pay Schedule and Wage Projections for the City's Employees incorporated in this ordinance by specific reference; for such purpose, to, as the same may from time to time become necessary or desirable, add to or delete from a division listed on the Personnel Detail any class title or titles. The Board of Mayor and Aldermen shall establish a salary range for each class title (Position) and the steps from entry level to maximum appearing on the Pay Schedule.

Section VI. The General Fund Capital Improvements Plan (FY09-FY13) is hereby approved. See exhibit B, attached hereto and incorporated herein by reference.

Section VII. The pay plan step increases, the performance bonus, and 2% pay adjustment is applicable to all employees of the City and is hereby approved, effective July 1, 2008. The city manager will receive a 2% pay plan increase, the performance bonus and a 2% pay adjustment and is hereby approved, effective July 1, 2008.

Section VIII. The Retiree Health Insurance will be in a separate fund effective July 1, 2008. The City's contribution to the Retiree's Health Insurance fund is \$600,000 for FY09 and the City will designate \$600,000 from the General Fund reserve as a reserve for the Retiree's Health Insurance Fund. The retiree's contribution amount for the retiree will be based upon the claims experience, excess risk insurance cost, and administrative cost for the group. The retiree's contribution rate will be based upon years of service and will be increased by the following percentages above the active employees: Thirty years of service will pay 5% more, twenty-nine years of service will pay 6% more, twenty-eight years of service will pay 7% more, twenty-seven years of service will pay 8% more, twenty-six years of service will pay 9% more, twenty-five years will pay 10% more than active employees. Twenty-four years will pay 11.5% more than active employees and this contribution from the retiree will increase by an additional 1.5% for each year less than 24 years of service.

Section IX. That this ordinance shall take effect on July 1, 2008, the welfare of the City of Kingsport requiring it.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Water Fund Budget

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF167-2008
Work Session: June 02, 2008
First Reading/(Public Hearing Held): June 03, 2008
Final Adoption: June 17, 2008
Staff Work By: Judy Smith
Presentation By: Smith, Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

The ordinance for the water fund budget includes a water rate increase of 3.5% for outside city customers.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: _____

Table with columns Y, N, O and rows for council members: Joh, Mallicote, Marsh, Munsey, Shull, Shupe, Phillips.



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Sewer Fund Budget

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

A handwritten signature in blue ink, appearing to read "John G. Campbell", is written over the printed name of the City Manager.

Action Form No.: AF168-2008
 Work Session: June 02, 2008
 First Reading/(Public Hearing Held): June 03, 2008

Final Adoption: June 17, 2008
 Staff Work By: Judy Smith
 Presentation By: Smith, Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: *Stewardship of Public Funds; Reliable and Dependable Infrastructure*

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

The ordinance for the Sewer fund budget includes a sewer rate increase of 2.8% for inside the city customers and an 8% increase for outside city customers.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for the Purchase of a Tri Axle Tanker Truck for Use at the Water Filter Plant to Worldwide Equipment, Inc.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-171-2008
 Work Session: June 16, 2008
 First Reading: N/A

Final Adoption: June 17, 2008
 Staff Work By: Committee
 Presentation By: S. Crawford/R. McReynolds

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #: N/A

KSF #4: Stewardship of Public Funds

KSO #: N/A

Recommendation: Approve the resolution.

Executive Summary: Bids were opened on May 20, 2008 for the purchase of a tri axle tanker truck for use at the Water Filter Plant. It is the recommendation of the Committee to accept the apparent low bid from Worldwide Equipment, Inc. in the amount of \$149,022.00 for a 2009 Kenworth T800 with Imperial Ind. Tank. It is the opinion of the Committee that the recommended bid from Worldwide Equipment, Inc. is the lowest, responsible, compliant bidder meeting specifications for the particular grade or class of material, work or service desired in the best interest and advantage to the City.

Funding is identified in the Fleet Replacement Fund Account Number 511-5008-501-90-10.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo
4. Summary

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR PURCHASE OF
A TRI AXLE TANKER TRUCK FOR USE AT THE WATER
FILTER PLANT TO WORLDWIDE EQUIPMENT, INC.

WHEREAS, bids were opened May 20, 2008 for the purchase of a tri axle tanker truck for use at the city's water filter plant; and

WHEREAS, upon review of the bids, the board finds Worldwide Equipment, Inc. is the lowest responsible compliant bidder in the best interest and advantage to the city, and the City of Kingsport desires to purchase a 2009 Kenworth T800 tri axle tanker truck from Worldwide Equipment, Inc. at a cost of \$149,022.00; and

WHEREAS, funding is identified in Fleet Replacement Fund Account number 511-5008-501-90-10.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bid for purchase of a 2009 Kenworth T800 tri axle tanker truck, in the amount of \$149,022.00, is awarded to Worldwide Equipment, Inc. and the City Manager is authorized to execute a purchase order for same.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
 BID OPENING
 May 20, 2008
 4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Brent Morelock, Assistant Procurement Manager

The Bid Opening was held in the Council Room, City Hall.

The Assistant Procurement Manager opened with the following bids:

TRI-AXLE TANKER TRUCK				
Vendor:	Base Bid:	Alternate Bid:	Option B:	Model/Type
Rodders & Jet Supply Co.	No Bid	N/A	N/A	N/A
Municipal Equipment, Inc.	No Bid	N/A	N/A	N/A
Stringfellow, Inc.	No Bid	N/A	N/A	N/A
Premier Equipment	\$177,977.00	36" Rear Clean Out Hatch - \$450.00	\$720.00	2008 Auto Car ACX64/With Imperial Inds. Model V4000TM Tanker
Premier Equipment	\$194,475.00	N/A	\$720.00	2008 Auto Car ACX64/With Keith Huber Dominator Tanker
Goodpasture Motor Co.	\$163,750.00	N/A	\$775.00	2009 Intl. 7500 SBA 6 x 4/With Keith Huber
Goodpasture Motor Co.	\$150,500.00	N/A	\$775.00	2009 Intl. 7500 SBA 6 x 4
Smoky Mountain Truck Center	\$167,760.00	N/A	\$650.00	2009 Frtliner M2 112/With Keith Huber
World Wide Equipment Co.	\$164,309.00	N/A	\$300.00	Kenworth T800 2009 Dominator Tank
World Wide Equipment Co.	\$148,722.00	Add \$450.00 for 36" Rear Clean Out Hatch	\$300.00	Kenworth T800 2009 Imperial Inds. Tank
World Wide Equipment Co.	\$154,778.00	N/A	\$300.00	Kenworth T800 2009 Abernathy Tank

The submitted bids will be evaluated and a recommendation made at a later date.

MEMORANUM

To: Brent Morelock, Assistant Buyer
From: Steve Hightower, Fleet Manager
Date: May 22, 2008
Subject: Recommendation for the Purchase of Tanker Truck

I have reviewed the bids of the tanker truck documents with Nikki Ensor. We are recommending the low bidder, World Wide Equipment, be awarded the bid. Please add the A/C option to the purchase. If you have questions regarding this recommendation, please contact me.

Thank you

Memo

To: Ryan McReynolds, Public Works Director
From: Niki Ensor, W/WW Facilities Manager
Date: May 30, 2008
Re: Kenworth T800 Pumper Truck

This pumper truck is a replacement vehicle for vehicle 1057. The pumper truck's primary purpose is to haul water plant residuals from the water plant to the wastewater plant to for dewatering. It can also used to pump lift station wet wells in areas that the Vactor truck can not reach. The tanker capacity is being increased from 4000 gallons to 6000 gallons to help reduce the number of trips and fuel usage.





AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Award of Bid of Civil and Mechanical Installation Packages to W & O Construction Company Through Camp Dresser and McKee on Behalf of the City for Phase II of the Wastewater Treatment Plant Improvements

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-185-2008
 Work Session: June 16, 2008
 First Reading: n/a

Final Adoption: June 17, 2008
 Staff Work By: R. McReynolds/N. Ensor
 Presentation By: R. McReynolds/N. Ensor

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #:

KSF #4: Stewardship of Public Funds

KSO #6: Reliable and Dependable Infrastructure

Recommendation: Approve resolution.

Executive Summary:

On July 18, 2006 the City entered into an EPCM contract with Camp Dresser and McKee for engineering, procurement and construction management services related to the required improvements at the wastewater treatment plant.

On August 20, 2007 the Board of Mayor and Aldermen authorized amendment number two for phase II of the wastewater treatment plant improvement project adjusting the Guaranteed Maximum Price to \$22,341,397. The wastewater treatment plant improvements are essential to ensure compliance with state and federal regulations. Mechanical and Civil Installation packages are 9% below engineer's estimates. Total project cost is approximately 14% below engineer's estimate. Equipment cost is identified in project #SW0603

Attachments:

1. Resolution :
 Civil Installation Package – W & O Construction, \$3,849,000.00
 Mechanical Installation – W & O Construction, \$2,503,000.00
2. Bid Tabulation and Engineers Recommendation Package

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Maness	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE AWARD OF BID FOR CIVIL AND MECHANICAL INSTALLATION PACKAGES TO W & O CONSTRUCTION COMPANY THROUGH CAMP DRESSER AND MCKEE FOR PHASE II OF THE WASTEWATER TREATMENT PLANT IMPROVEMENTS

WHEREAS, on July 18, 2006 the city entered into an EPCM contract with Camp Dresser and McKee for engineering, procurement and construction management services related to the required improvements at the wastewater treatment plant; and

WHEREAS, on August 20, 2007 the Board of Mayor and Aldermen authorized amendment number two for phase II of the wastewater treatment plant improvement project adjusting the Guaranteed Maximum Price to \$22,341,397; and

WHEREAS, bids were opened May 14, 2008 for Civil and Mechanical installation packages for phase II wastewater treatment plant improvements equipment essential to ensure compliance with state and federal regulations; and

WHEREAS, upon review of the bids, the board finds W & O Construction Company, is the lowest responsible compliant bidder in the best interest and advantage to the city for the following Civil and Mechanical installation packages:

1. Civil Installation Package \$3,849,000.00
2. Mechanical Installation Package \$2,503,000.00; and

WHEREAS, the city desires to authorize the purchase of the Civil and Mechanical installation packages through Camp Dresser and McKee on behalf of the city; and

WHEREAS, cost of primary equipment is identified in project SW0603.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bids for a Civil Installation Package, in the amount of \$3,849,000.00, and a Mechanical Installation Package, in the amount of \$2,503,000.00, for the phase II wastewater treatment plant improvements project are awarded to W & O Construction Company.

SECTION II. That Camp Dresser and McKee is authorized to purchase a Civil Installation Package, in the amount of \$3,849,000.00, and a Mechanical Installation

Package, in the amount of \$2,503,000.00, from W & O Construction Company for the phase II wastewater treatment plant improvements project.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

City of Kingsport, TN
Kingsport WWTP Improvements
State Revolving Loan Project No. 2007-197

Installation Packages	Budget Price	Recommended	Difference	Low Bid	High Bid	Vendor
Mechanical	\$3,000,000	\$2,503,000	\$497,000	\$2,503,000	Single Bid	W & O
Civil	\$4,000,000	\$3,849,000	\$151,000	\$3,989,000	Single Bid	W & O
	\$7,000,000	\$6,352,000	\$648,000			

9% Below Engineers Estimation

City of Kingsport, TN
 Kingsport WWTP Improvements
 State Revolving Loan Project No. 2007-197

List of Large Equipment Purchases (sealed bid process)

Equipment Package	Budget Price	Recommended	Difference	Low Bid	High Bid	% Difference
1 Submersible Solids Handling Pumps (RAS, WAS and Intern	\$ 606,193.00	\$ 277,128.00	\$ 329,065.00	\$277,128	\$639,358	56.66%
2 Pump Replacement - Influent Pumps	\$ 185,220.00	\$ 241,530.00	\$ (56,310.00)	\$241,530		
3 Final Clarifiers Sludge Collection Equipment	\$ 701,550.00	\$ 396,223.00	\$ 305,327.00	\$425,000	\$728,900	41.69%
4 Rectangular Intermediate Basin Sludge Collection Equipmer	\$ 196,273.00	\$ 176,300.00	\$ 19,973.00	\$132,690	\$176,300	24.74%
5 Hydraulic Mixing System	\$ 213,190.00	\$ 162,575.00	\$ 50,615.00	\$159,467	\$162,575	1.91%
6 Fine Bubble Disk-Type Membrane Diffusers	\$ 209,000.00	\$ 179,800.00	\$ 29,200.00	\$109,950	\$179,800	38.85%
7 Trickling Filters Rotating Distributors	\$ 492,990.00	\$ 288,723.00	\$ 204,267.00	\$288,723	\$468,200	38.33%
8 Dual Membrane Digester Cover	\$ 815,750.00	\$ 763,600.00	\$ 52,150.00	\$507,000	\$810,000	37.41%
9 Valves	\$ 236,880.00	\$ 274,645.00	\$ (37,765.00)	\$265,008	\$274,645	3.51%
	\$ 3,657,046.00	\$ 2,760,524.00	\$ 896,522.00			
			25%			

City of Kingsport, TN
 Kingsport WWTP Improvements
 State Revolving Loan Project No. 2007-197

List of Large Equipment Purchases (sealed bid process)

	Equipment Package	Spec Section	Budget Price	Recommended	Difference	Low Bid	High Bid	% Difference	Vendor
1	Activated Carbon Absorption Odor Control System	11257	\$ 78,000.00	\$ 83,000.00	\$ (5,000.00)	\$68,455	\$118,900	42.43%	Pure Air
2	Slide Gates and Weir Gates	11282	\$ 52,915.00	\$ 27,985.00	\$ 24,930.00	\$27,985	\$42,695	34.45%	Whipps / Gutherie Sales & Service Roy Smith
3	Submersible Solids Handling Pumps (RAS, WAS and Intern	11306	\$ 606,193.00	\$ 277,128.00	\$ 329,065.00	\$277,128	\$639,358	56.66%	ABS / Southern Sales -Bill Allen
4	Pump Replacement - Influent Pumps	11310	\$ 185,220.00	\$ 241,530.00	\$ (56,310.00)	\$241,530			Fairbanks Morse / Roy Smith Gutherie Sales and Service
5	Progressing Cavity Pumps	11311	\$ 229,643.00	\$ 94,968.00	\$ 134,677.00	\$107,816	\$156,857	31.26%	Nemo (Nedrow & Associates) / Todd Nedrow (murfreesbough)
6	Sludge Grinders	11333	\$ 57,000.00	\$ 47,760.00	\$ 9,240.00	\$47,760	\$61,351	22.15%	Moyno (Carl Eric Johnson)
7	Final Clarifiers Sludge Collection Equipment	11341	\$ 701,550.00	\$ 396,223.00	\$ 305,327.00	\$425,000	\$728,900	41.69%	Hi Tech's / Louie
8	Rectangular Intermediate Basin Sludge Collection Equipmer	11351	\$ 196,273.00	\$ 176,300.00	\$ 19,973.00	\$132,690	\$176,300	24.74%	Siemens / Bill Allen
9	Fiberglass Weirs, Density Current Baffles and Troughs	11355	\$ 105,619.00	\$ 71,040.00	\$ 34,579.00	\$70,930	\$74,040	4.20%	NEFCO / Dickson Pearson
10	Gravity Thickener Tank Equipment	11380	\$ 97,080.00	\$ 63,143.00	\$ 33,937.00	\$53,675	\$90,300	40.56%	Hi Tech's / Louie
11	Hydraulic Mixing System	11370	\$ 213,190.00	\$ 162,575.00	\$ 50,615.00	\$159,467	\$162,575	1.91%	Vaughan Company / Louie
12	Fine Bubble Disk-Type Membrane Diffusers	11375	\$ 209,000.00	\$ 179,800.00	\$ 29,200.00	\$109,950	\$179,800	38.85%	Sanitaire / TDH Todd BlackMand
13	Trickling Filters Rotating Distributors	11400	\$ 492,990.00	\$ 286,723.00	\$ 204,267.00	\$286,723	\$466,200	38.33%	Eimco Water Technologies / John Hayward Principle Environmental
14	Dual Membrane Digester Cover	13208	\$ 815,750.00	\$ 763,600.00	\$ 52,150.00	\$507,000	\$810,000	37.41%	Siemens / Bill Allen
15	Digester Sludge Heating System	13232	\$ 246,500.00	\$ 498,997.00	\$ (252,497.00)	\$498,997	\$649,322	23.15%	MECO / Charlotte
16	Shaftless Screw Conveyor and Appurtenances	14551	\$ 143,250.00	\$ 66,400.00	\$ 76,850.00	\$66,400	\$100,372	33.85%	Spirac / Gutherie
17	Valves	15100	\$ 236,880.00	\$ 274,645.00	\$ (37,765.00)	\$265,008	\$274,645	3.51%	Eco -Tech's (Dezurik)
18	480 V Motor Control Center	16480	\$ 201,719.00	\$ 73,000.00	\$ 128,719.00	\$73,000	\$91,464	20.19%	Summit Electrical Supply (Eaton)
19	Digester Gas Handling and Safety Equipment	13238	\$ 50,000.00	\$ 105,663.00	\$ (55,663.00)	\$105,663	\$124,000	14.79%	Varec Blogas / Lynn Green (w/Louie) Asherman
			\$ 4,918,772.00	\$ 3,892,478.00	\$ 1,026,294.00				

21%

List of Small Equipment Purchases

	Equipment Package	Spec Section	Budget Price	Recommended	Difference	Low Bid	High Bid	% Difference	Vendor
1	Horizontal Self-Priming Centrifugal Pump (Residuals Thickener Pump)	11210		\$4,520		\$4,520	\$13,250	65.69%	Walter Wood Supply - All Prime Pump
2	Torque Flow Pumps (Primaries)	11314		\$41,730		\$41,730	\$112,899	63.04%	Walter Wood Supply - Chicago Pump
3	Chopper Pumps	11317		\$24,858		\$30,250	\$22,886	-32.18%	Appalachin Environmental - Vaughan Louie
4	Magnetic Flowmeters - (2) 24" Influent & effluent, (1) 16" Aeration flow splitter, (3) 4" dewatering, (1) 4" return sludge	13315		\$19,438		\$19,438	\$40,418	51.91%	W. Anderton Company



2301 Maitland Center Parkway, Suite 300
Maitland, Florida 32751
tel: 407 660-2552
fax: 407 875-1161

June 6, 2008

Ms. Sandy Crawford
Procurement Manager
City of Kingsport
625 West Industry Drive
Kingsport, Tennessee 37660

**Subject: Kingsport, Tennessee
Wastewater Treatment Plant Improvements
State Revolving Loan Project No. 2007-197
Civil and Mechanical Installation Bid Packages
Authority to Award Package**

Dear Sandy,

CDM Constructors Inc. (CDM) has completed the review and evaluation of the following Installation Bid Packages received on May 14, 2008:

- Civil Installation Bid Package
- Mechanical Installation Bid Package

We recommend selecting W&O Construction Company, Inc., as the Mechanical and Civil Subcontractor for this project.

Enclosed please find, for your review and approval, all the required documentation as required by SRF regulations as comprising the Authority to Award Package:

- Copy of the Advertisement for Bids
- An original, notarized certification of the bid advertisement publication
- Certified bid tabulations per equipment bid package as listed above
- Copies of signed bid proposal of the apparent successful equipment bidders per equipment bid package as listed above
- Completed Minority Business Enterprise and Women Business Enterprise (MBE/WBE) Certification and Participation Summary
- CDM's award recommendations together with all the necessary documentation, per equipment bid package as listed above



SRF Authority to Award Package

June 6, 2008

Page 2

If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Yaribell Hernandez'.

Yaribell Hernandez, DBIA

Project Manager

CDM Constructors Inc.

Enclosures

**cc: Dr. Bagher Sami – SRF
Ms. Niki Ensor, Water/Wastewater Facilities Manager
Mr. Steve King, PE, BCEE – CDM
Mr. Bruce Duff – CDM**

**CITY OF KINGSPORT WASTEWATER TREATMENT PLANT IMPROVEMENTS
Civil Installation Bid Package**

BID TABULATION

Line Item	Description	Line Item Bid Price
W & O Construction Company, Inc.		
1	Mobilization	\$150,000.00
2	De-Mobilization	\$29,000.00
3	Bonds & Insurance	\$30,000.00
4	Demolition and disposal as specified and as shown on the Drawings	\$5,000.00
5	Sitework as specified and as shown on the Drawings	\$42,000.00
6	Influent Pump Station Modifications as specified and as shown in the Drawings	\$109,000.00
7	Grit Structure Modifications as specified and as shown in the Drawings	\$22,000.00
8	Grit to Primaries Flow Splitter Box as specified and as shown in the Drawings	\$203,000.00
9	Primary Clarifier Modifications as specified and as shown on the Drawings	\$82,000.00
10	Trickling Filters Surge Chamber Modifications as specified and as shown on the Drawings	\$2,000.00
11	Intermediate Settling Tanks Modifications as specified and as shown on the Drawings	\$8,000.00
12	Aeration Basin Flow Splitter Box as specified and as shown on the Drawings	\$205,000.00
13	Aeration Basins Modifications as specified and as shown on the Drawings	\$38,000.00
14	Final Clarifiers Flow Splitter Box as specified and as shown on the Drawings	\$94,000.00
15	New Final Clarifier No. 4 as specified and as shown on the Drawings	\$1,106,000.00
16	Existing Chlorine Contact Basins Modifications as specified and as shown on the Drawings	\$71,000.00
17	Abandoned Chlorine Contact Basins Modifications as specified and as shown on the Drawings	
a	Structure Modifications	\$5,000.00
b	Tide Flex Valve Installation	\$19,000.00
18	New Sludge Thickener No. 3 as specified and as shown on the Drawings	\$249,000.00
19	75' Digester Piping as specified and as shown on the Drawings	\$5,000.00
20	100' Digester & Head House Modifications as specified and shown on the Drawings	\$110,000.00
21	Dewatering Building Pipe Connection	\$5,000.00
22	All yard piping as specified and as shown on the Drawings	\$1,362,000.00
23	All temporary works as required or specified	\$38,000.00
24	TOTAL BID AMOUNT	3,988,000.00

SUPPLEMENTAL BID FORM

1	Discount for payment Net 7 Days on receipt of a correct invoice	0.5%
2	Deduct for award of Mechanical and Civil Packages together	\$140,000.00

This bid was opened on May 14, 2008 in the presence of Sandy Crawford, Brent Morelock, Niki Ensor, Tom Hensley (City of Kingsport), Steve King & Yari Hernandez (CDM). These are the official bid results for the City of Kingsport WWTP Improvements Civil Installation Bid Package.



Construction Manager



Date

CITY OF KINGSPORT WASTEWATER TREATMENT PLANT IMPROVEMENTS
Mechanical Installation Bid Package

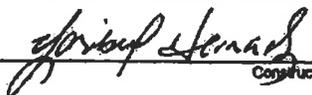
BID TABULATION

Line Item	Description	Line Item Bid Price
		W. R. O. Construction Company, Inc.
1	Mobilization	\$118,000.00
2	De-Mobilization	\$18,000.00
3	Bonds	\$19,000.00
4	Install new Odor Control System as specified and shown on the Drawings	\$88,000.00
5	Replace the existing Influent Pumps as specified and shown on the Drawings	\$100,000.00
6	Install weir slide gates in Orft to Primary Flow Splitter Box as specified and shown on the Drawings	\$11,000.00
7	Replace/New Primary Sludge Pumps and Grinders as specified and shown on the Drawings	\$112,000.00
8	Replace the existing trickling filters distribution arms and seats as specified and shown on the Drawings	\$100,000.00
9	Replace sludge collection equipment in Intermediate basin no. 1 as specified and shown on the Drawings	\$111,000.00
10	Install weir plates, weir slide gate and slide gates in new Aeration Basin Flow Splitter Box as specified and shown on the Drawings	\$27,000.00
11	Replace aeration basin coarse bubble diffuser system with new fine bubble diffuser system as specified and shown on the Drawings	\$212,000.00
12	Install new knife gate valves in Final Clarifier Flow Splitter Box as specified and shown on the Drawings	\$21,000.00
13	Install sludge collection mechanism, scum box, piping, baffles, spray piping nozzles, hose bibs and appurtenant equipment in each of the final clarifiers as specified and shown on the Drawings	\$702,000.00
14	Replace the existing Submersible Solids Handling Pumps as specified and shown on the Drawings.	
a	RAS Pumps	\$38,000.00
b	WAS Pumps	\$58,000.00
c	Intermediate Pumps	\$89,000.00
15	Replace the existing centrifuge feed pumps and piping in the Dewatering Building as specified and shown on the Drawings	\$54,000.00
16	Replace the existing belt conveyor with new shaftless screw conveyor as specified and shown on the Drawings	\$78,000.00
17	Replace thickened sludge/centrifuge feed pumps in Sludge Thickener No.1 as specified and shown on the Drawings	\$52,000.00
18	Install new horizontal self-priming centrifugal pump adjacent to Sludge Thickener No.1 as specified and shown on the Drawings	\$21,000.00
19	Install new gravity thickener tank No. 3 equipment and weirs and scum baffles in Sludge Thickener No. 3 as specified and shown on the Drawings	\$63,000.00
20	Install new thickened sludge feed pumps for Sludge Thickener No. 3 as specified and shown on the Drawings	\$43,000.00
21	Modifications to 75' Digester as specified and shown on the Drawings	\$35,000.00
22	Replace the existing sludge recirculation and sludge transfer pumps as specified and shown on the Drawings	\$81,000.00
23	Modifications to 180' Digester as specified and shown on the Drawings	\$140,000.00
24	All required demolition and disposal work	\$106,000.00
25	All temporary works required or specified	\$7,000.00
26	All other mechanical work required to make the mechanical systems complete and functional	\$74,000.00
27	Allowance for structural damages repairs in basins	\$28,000.00
28	TOTAL BID AMOUNT	2,603,000.00

SUPPLEMENTAL BID FORM

1	Discount for payment Net 7 Days on receipt of a correct invoice	0.5%
2	Deduct for award of Mechanical and Civil Packages together	See Civil

This bid was opened on May 14, 2008 in the presence of Sandy Crawford, Brent Murelock, Hill Esser, Tom Hensley (City of Kingsport), Steve King & Yuri Hernandez (CDM). These are the official bid results for the City of Kingsport WWTTP Improvements Mechanical Installation Bid Package.


4/16/08
 Construction Manager Date

**Kingsport Wastewater Treatment Plant Improvements
Installation Bid Packages**

Civil Installation

Evaluation:

W&O Construction Company, Inc.	\$3,989,000.00
- Deduct for award of Mechanical and Civil Packages together -	\$140,000.00
- Exceptions-	
No exceptions taken to the plans or specifications	

Recommendation:

We recommend selecting W&O Construction Company, Inc., the low bidder, as the Civil Subcontractor for this project. Award contract to W&O Construction Company, Inc., in the amount of \$3,849,000.

Mechanical Installation

Evaluation:

W&O Construction Company, Inc. \$2,503,000.00

- Exceptions-

No exceptions taken to the plans or specifications

Recommendation:

We recommend selecting W&O Construction Company, Inc., the low bidder, as the Mechanical Subcontractor for this project. Award contract to W&O Construction Company, Inc., in the amount of \$2,503,000.



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute Agreements with Various Agencies and Organizations for Community Development Block Grant and Emergency Shelter Grant Funding in Fiscal Year 2008-2009

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF-189-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: June 17, 2008
 Staff Work: Mark Haga
 Presentation: Judy Smith

Recommendation:

- Approve the Resolution.

Executive Summary:

The City of Kingsport desires to enter into agreements with various agencies and organizations for services in fiscal year 2008-2009 through Community Development Block Grant and Emergency Shelter Grant funding. The attached agreements represent funding approved by the BMA during the Consolidated Annual Action Planning process in April 2008.

Attachments:

1. Resolution
2. Agreements

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS WITH VARIOUS AGENCIES AND ORGANIZATIONS FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND EMERGENCY SHELTER GRANT FUNDING IN FISCAL YEAR 2008-2009

WHEREAS, the City of Kingsport desires to enter into agreements for services in fiscal year 2008-2009 benefiting the general welfare of city residents with the Kingsport Housing and Redevelopment Authority for the Learning Center of KHRA; CASA of Sullivan County; South Central Kingsport Community Development Corporation; Salvation Army of Kingsport; and Greater Kingsport Alliance for Development..

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, agreements for services in fiscal year 2008-2009 benefiting the general welfare of City of Kingsport residents with the Kingsport Housing and Redevelopment Authority for the Learning Center of KHRA; CASA of Sullivan County; South Central Kingsport Community Development Corporation; Salvation Army of Kingsport; and Greater Kingsport Alliance for Development.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE

AND

CASA (COURT APPOINTED SPECIAL ADVOCATES) OF SULLIVAN COUNTY

THIS AGREEMENT, made and entered into this 1st day of July 2008, by and between the City of Kingsport, Tennessee, with principal offices at 225 West Center Street, Kingsport, Tennessee, hereinafter called the "CITY", and **CASA of Sullivan County** (non-profit), having its principal offices at 317 Shelby Street, Suite 206, Kingsport, Tennessee, hereinafter called "CASA".

WITNESSETH:

WHEREAS, the CITY expects to receive FY 2008/09 Community Development Block Grant funds to be used for activities eligible under the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the CITY has determined that the creation and operation of CASA to administer Advocacy Services is an eligible activity under 24 CFR 570.204 (c); and

WHEREAS, CASA has the personnel, experience and ability required for the management program; and

WHEREAS, CASA is agreeable to undertake the management services for the program under conditions satisfactory to the CITY.

NOW, THEREFORE, the parties of this agreement, for the considerations set forth below, do here and now agree and bind themselves to the following terms and conditions;

I. PROJECT DESCRIPTION/STATEMENT OF WORK

A. Purpose of Project.

CASA of Sullivan County will provide Advocacy Services for abused and/or neglected children and youth appointed to the program by Juvenile Court. These

funds will enable this program to affect necessary training for volunteers equipping them to provide advocacy services to include case investigations, reporting of findings to Juvenile Courts, representation of children in court and continued monitoring until the child is placed in a Safe House.

B. Method of Operation.

The program will be available to residents of Kingsport, consisting primarily of low and very low-income persons. The program will be administered by CASA of Sullivan County and will provide funding to expand advocacy provided specifically through staff support for record keeping, disbursement of funds, approval of participants and facility rental.

C. Timetable and Budget For Completion of Activity.

Community Development Block Grant funds in the amount of \$16,587 will be available upon notification to the CITY by the Department of Housing and Urban Development (HUD) that its 2008/09 Action Plan is approved. Funds will be used as follows:

Personnel	
Program Assistant	\$ 9,387
Rent	\$ 7,200
TOTAL FOR GRANT	\$ 16,587

The term of this agreement will expire on June 30, 2009.

II. RECORDS AND REPORTS.

- A. In order to document the low and moderate-income benefit required in 24 CFR 570.200 (a)(2), CASA will maintain records that document all clients served by the Subrecipient with CDBG funds. In addition to records that document the number of clients served, CASA will also document each client's race, family size, annual household income and whether or not the family is female headed.
- B. CASA will prepare and submit to the CITY on a semi-annual basis, during the term of this agreement, a report describing CASA's progress in meeting the Statement of Work as stated in Article I. CASA will prepare and submit on a monthly basis a report of expenditures and invoice for reimbursement for each month of the contract term.

- C. **CASA** will maintain books, records and documents in accordance with accounting procedures and practices which sufficiently and properly reflect all expenditures of funds provided by the **CITY** under this agreement.
- D. **CASA** will make all records/reports readily available for inspection by the **CITY**, U.S. Department of Housing and Urban Development, or any of their duly authorized representatives for the purpose of making audit, examination, excerpts and transcriptions.
- E. **CASA** will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by **CITY** to **CASA** assist in carrying out the **City's** Strategic Plan.

III. **PROGRAM INCOME.**

Program income derived from the project will be governed by the provisions of Program Income defined at 24 CFR 570.504. **CASA** will maintain a detailed listing of administrative costs for monitoring the program. Any other program income derived from the **CITY's** share of funds will revert back to the **CITY** upon cessation of the program.

IV. **UNIFORM ADMINISTRATIVE AND OTHER REQUIREMENTS.**

- A. **CASA**, in compliance with Title VI of the Civil Rights Act of 1964 and of the Housing and Community Development Act of 1974, agrees that no person will on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity funded in whole or in part with Community Development funds.
- B. **CASA** agrees that it will indemnify and hold the **CITY** harmless from and against any and all claims, damages, liabilities and expenses, including attorney fees and court costs arising out of or in connection with this agreement or due to the failure of **CASA** to comply with any and all statutes and regulations applicable under this agreement.
- C. **CASA** agrees to prohibit discrimination against an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

CASA will comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with

State, Local and Federally recognized Indian Tribal Governments". OMB Circular A-128, "Audits of State and Local Governments" (24 CFR 44), and with the following sections of 24 CFR 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments":

1. Section 85.3, "Definitions";
2. Section 85.6, "Exceptions";
3. Section 85.12, "Special Grant or Subgrant Conditions for 'High-Risk' Grantees";
4. Section 85.20, "Standards for Financial Management Systems", except paragraph (a);
5. Section 85.21, "Payment", except as modified by 24 CFR 570.513;
6. Section 85.22, "Allowable Costs";
7. Section 85.26, "Non-Federal Audits";
8. Section 85.32, "Equipment", except in all cases in which the equipment is sold, the proceeds will be program income;
9. Section 85.33, "Supplies";
10. Section 85.34, "Copyrights";
11. Section 85.35, "Subawards to Debarred and Suspended Parties";
12. Section 85.36, "Procurement", except paragraph (a);
13. Section 85.37, "Subgrants";
14. Section 85.40, "Monitoring and Reporting Program Performance", except paragraphs (b) through (d) and paragraph (f);
15. Section 85.41, "Financial Reporting", except paragraphs (a), (b), and (e);
16. Section 85.42, "Retention and Access Requirements or Records";
17. Section 85.43, "Enforcement";
18. Section 85.44, "Termination for Convenience";
19. Section 85.51, "Later Disallowances and Adjustment"; and
20. Section 85.52, "Collection of Amounts Due".

V. REVERSION OF ASSETS.

This agreement will be governed by the reversion of assets clause as required by 24 CFR 570.503(b) (8).

VI. SUSPENSION AND TERMINATION.

If **CASA** fails to comply with the terms of this agreement the **CITY** may, on reasonable notice to **CASA**, suspend the grant and withhold further payments pending corrective action by **CASA** and/or a decision to terminate in accordance with the following:

- A. This agreement may be terminated by the **CITY** in accordance with this clause, in whole or from time to time in part, whenever **CASA** defaults in the performance of activities specified in this agreement and fails to cure such defaults within a period of fifteen (15) days or such longer period as the **CITY** and **CASA** will mutually agree provided that the **CITY** will serve notice of default in writing upon **CASA**.
- B. The **CITY** or **CASA** may terminate the grant in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds (termination for convenience). The parties will agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.

VII. METHOD OF PAYMENT.

Payment to **CASA** of **CITY/CDBG** funds will be on a reimbursement schedule. **CASA** will submit at least quarterly an invoice and documentation detailing expenses of the program to be reimbursed by the **CITY**.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

Dennis R. Phillips, Mayor

Date

ATTEST:

Elizabeth Gilbert, City Clerk

Date

CASA OF SULLIVAN COUNTY

Connie Steere, Director

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

AGREEMENT

BETWEEN

THE CITY OF KINGSPORT, TENNESSEE

AND

THE GREATER KINGSPORT ALLIANCE FOR DEVELOPMENT

THIS AGREEMENT, made and entered into this 1st day of July 2008, by, between the City of Kingsport, Tennessee, a municipal corporation (hereinafter referred to as “the **City**”, and THE GREATER KINGSPORT ALLIANCE FOR DEVELOPMENT (hereinafter referred to as “**GKAD**”).

WITNESSETH

WHEREAS, the **City** is eligible to apply to the State of Tennessee under the Emergency Shelter Grant Program (ESGP) for a grant of \$ 29,657, which funds may be distributed by the City, in whole or part, to eligible non-profit recipients for emergency shelter grant activities;

WHEREAS, **GKAD** is a private sector, non-profit organization dedicated to providing quality services to homeless individuals;

WHEREAS, **GKAD** is an eligible recipient for ESGP funds; and

WHEREAS, the **City** desires to apply for ESGP funds to be administered by the **City** for the benefit of **GKAD**.

NOW, THEREFORE, for and in consideration of the mutual promises and the benefits to be derived therefrom, the **City** and **GKAD** agree as follows:

1. The **City** will apply to the State of Tennessee for funds under the Emergency Shelter Grant Program for the benefits of **GKAD**.
2. In the event such grant funds are received by the **City**, it will administer the same on behalf of **GKAD**, with such funds to be disbursed according to guidelines required by the Tennessee Housing Development Agency (funding source).

3. Grant funds will be administered in accordance with the requirements of the Final Rule of the United States Department of Housing and Urban Development as set forth in Part 576 of Title 24 of the Code of Federal regulations, and in accordance with all other applicable laws and regulations (including those of the Tennessee Housing Development Agency).
4. **GKAD** acknowledges and agrees that such grant funds cannot be used for religious activities.
5. **GKAD** will identify to the **City** the matching amounts or expenditures or in-kind support received from non-ESGP sources.
6. **GKAD** will submit to the **City** invoices requesting reimbursement on a monthly basis.
7. **GKAD** will administer, in good faith, a policy designed to ensure that each assisted homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.
8. **GKAD** will provide ongoing assistance to homeless persons in obtaining appropriate supportive service, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living.
9. **GKAD** will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by **City** to **GKAD** assist in carrying out the **City's** Strategic Plan, in particular Key Success Factor #5: Superior Quality of Life.
10. Reimbursement from grant funds for eligible activities will cover the period from July 1, 2008, through June 30, 2009.
11. Subcontracting – **GKAD** shall not assign this grant contract or enter into a subcontract for any of the services performed under this grant contract without obtaining the prior written approval of the **City** and the State of Tennessee. If such subcontracts are approved by the **City** and State of Tennessee, they shall contain, at a minimum, sections of this grant contract pertaining to Conflicts of Interest, Lobbying, Nondiscrimination, Public Accountability, and Public Notice (Sections 12, 13, 14, 15 and 16). Notwithstanding any use of approved subcontractors, **GKAD** shall be the prime contractor and shall be responsible for all work performed.
12. Conflicts of Interest – **GKAD** warrants that no part of the total grant amount shall be paid directly or indirectly to an employee or official of the **City** or State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent,

employee, subcontractor, or consultant to **GKAD** in connection with any work contemplated or performed relative to this grant contract.

13. Lobbying – **GKAD** certifies, to best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of **GKAD**, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, **GKAD** shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- c. **GKAD** shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

14. Nondiscrimination – **GKAD** hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this grant contract or in the employment practices of **GKAD** on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. **GKAD** shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

15. Public Accountability – If this grant contract involves the provision of services to citizens by **GKAD** on behalf of the City or State of Tennessee, **GKAD** agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and Salvation Army agrees to display a sign stating:

“NOTICE: **GKAD** is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller’s toll free hotline: 1-800-232-5454.”

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public enters in order to receive grant supported services.

16. Public Notice – All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by **GKAD** shall include the statement, “This project is funded under an agreement with the **City of Kingsport** and State of Tennessee.” Any such notices by **GKAD** shall be approved by the **City** and State.
17. By executing this agreement, each party represents its respective governing body had duly approved the terms of this agreement and has authorized its execution by the officer signing below.

IN WITNESS WHEREOF, the parties have affixed their respective signatures by their authorized officers as of the day and year first above written.

CITY OF KINGSPORT, TENNESSEE

Dennis R. Phillips, Mayor

ATTEST:

Elizabeth Gilbert, City Clerk

Greater Kingsport Alliance for Development

Terry Cunningham, Executive Director

APPROVED AS TO FORM:

J. Michael Billingsley, City Attorney

AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
THE KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY

This agreement, made and entered into this 1st day of July 2008, by and between the City of Kingsport, Tennessee, with principal offices at 225 West Center Street, Kingsport, Tennessee, hereinafter called the "**City**", and the **Kingsport Housing and Redevelopment Authority** (non-profit), having its principal offices at 906 East Sevier Avenue, Kingsport, Tennessee, hereinafter called "**KHRA**", and acting as Administrator on behalf of the **Learning Centers of KHRA**, hereinafter called "**Learning Centers**".

WITNESSETH:

WHEREAS, the **City** expects to receive FY 2008/09 Community Development Block Grant funds to be used for activities eligible under the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the **City** has determined that the creation and operation of the **Learning Centers** to administer literacy programs is an eligible activity under 24 CFR 570.204 (c); and

WHEREAS, management services are necessary to effectively operate and maintain the **Learning Centers**; and

WHEREAS, the **KHRA** has the personnel, experience and ability required for the management of the **Learning Centers**; and

WHEREAS, the **KHRA** is agreeable to undertake the management services for the **Learning Centers** under conditions satisfactory to the **City**; and

WHEREAS, the **KHRA** will report all activities for the **Learning Centers** to the **City**;

NOW, THEREFORE, the parties of this agreement, for the considerations set forth below, do here and now agree and bind themselves to the following terms and conditions:

I. PROJECT DESCRIPTION/STATEMENT OF WORK

A. Purpose of Project

Learning Centers of KHRA's Literacy Program will provide adult basic literacy instruction, parenting skills and support programs, and literacy intensive schedule for children and teenagers aged 5 to 18 years. These funds will aid participants to expand economic skills, by improving their literacy skills so that they can earn a GED (or in the case of the children, graduate from high school) undertake meaningful job training, find appropriate employment and lead proud, productive lives.

B. Method of Operation

The program will be available to tenants of Kingsport Public Housing facilities and low and very low-income persons. The program will be administered by **KHRA** and will provide staff support for record keeping, disbursement of funds and approval of participants.

C. Timetable and Budget For Completion of Activity

Community Development Block Grant funds in the amount of \$43,754 will be available upon notification to the City by the Department of Housing and Urban Development (HUD) that its 2008/09 action plan is approved. Funds shall be used as follows:

Personnel	
Program Coordinator	\$20,457
Employee Benefits	\$ 8,379
Contract Services	\$ 4,289
Supplies	\$ 2,340
Contractors	\$ 7,649
Travel	\$ 640
TOTAL FOR GRANT	\$43,754

The term of this agreement shall expire on June 30, 2009.

II. RECORDS AND REPORTS

- A. In order to document the low and moderate income benefit required in 24 CFR 570.200(a)(2), **KHRA** will maintain records that document all clients served by **KHRA** with CDBG funds. In addition to records that document

the number of clients served, **KHRA** will also document each client's race, family size, annual household income, and whether or not the family is female headed.

- B. **KHRA** will prepare and submit to the **City** on a monthly basis during the term of this contract a report describing **KHRA's** progress in meeting the Statement of Work as stated in Article I and reflecting data described in Article II, Section A above.
- C. **KHRA** will maintain books, records and documents in accordance with accounting procedures and practices which sufficiently and properly reflect all expenditures of funds provided by the **City** under this agreement.
- D. **KHRA** will make all records/reports readily available for inspection by the **City**, U.S. Department of Housing and Urban Development, or any of their duly authorized representatives for the purpose of making audit, examination, excerpts and transcriptions.
- E. The **KHRA** will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by **City** to the **KHRA** assist in carrying out the **City's** Strategic Plan.

III. **PROGRAM INCOME**

Program income derived from the project will be governed by the provisions of Program Income defined at 24 CFR 570.504. **KHRA** will maintain a detailed listing of administrative costs for monitoring for the **Learning Centers**. Any other program income derived from the **City's** share of funds will revert back to the **City** upon cessation of the program.

IV. UNIFORM ADMINISTRATIVE AND OTHER REQUIREMENTS

- A. The **KHRA**, in compliance with Title VI of the Civil Rights Act of 1964 and of the Housing and Community Development Act of 1974, agrees that no person shall on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity funded in whole or in part with Community Development funds.
- B. The **KHRA** agrees that it will indemnify and hold the **City** harmless from and against any and all claims, damages, liabilities and expenses, including attorney fees and court costs arising out of or in connection with this agreement or due to the failure of the **KHRA** to comply with any and all statutes and regulations applicable under this agreement.
- C. The **KHRA** agrees to prohibit discrimination against an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

The **KHRA**, as a governmental entity, will comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally recognized Indian Tribal Governments". OMB Circular A-128, "Audits of State and Local Governments" (24 CFR 44), and with the following sections of 24 CFR 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments":

- 1. Section 85.3, "Definitions";
- 2. Section 85.6, "Exceptions";
- 3. Section 85.12, "Special Grant or Subgrant Conditions for 'High-Risk' Grantees";
- 4. Section 85.20, "Standards for Financial Management Systems", except paragraph (a);
- 5. Section 85.21, "Payment", except as modified by 24 CFR 570.513;
- 6. Section 85.22, "Allowable Costs";
- 7. Section 85.26, "Non-Federal Audits";
- 8. Section 85.32, "Equipment", except in all cases in which the equipment is sold, the proceeds shall be program income;
- 9. Section 85.33, "Supplies";
- 10. Section 85.34, "Copyrights";

11. Section 85.35, "Subawards to Debarred and Suspended Parties";
12. Section 85.36, "Procurement", except paragraph (a);
13. Section 85.37, "Subgrants";
14. Section 85.40, "Monitoring and Reporting Program Performance", except paragraphs (b) through (d) and paragraph (f);
15. Section 85.41, "Financial Reporting", except paragraphs (a), (b), and (e);
16. Section 85.42, "Retention and Access Requirements or Records";
17. Section 85.43, "Enforcement";
18. Section 85.44, "Termination for Convenience";
19. Section 85.51, "Later Disallowances and Adjustment"; and
20. Section 85.52, "Collection of Amounts Due".

V. REVERSION OF ASSETS

This agreement will be governed by the reversion of assets clause as required by 24 CFR 570.503(b) (8).

VI. SUSPENSION AND TERMINATION

If the **KHRA** fails to comply with the terms of this agreement the **City** may, on reasonable notice to the **KHRA**, suspend the grant and withhold further payments pending corrective action by the **KHRA** and/or a decision to terminate in accordance with the following:

- A. This agreement may be terminated by the **City** in accordance with this clause, in whole or from time to time in part, whenever **KHRA** will defaults in the performance of activities specified in this agreement and fails to cure such defaults within a period of fifteen (15) days or such longer period as the **City** and **KHRA** will mutually agree, provided that the **City** shall serve notice of default in writing upon the **KHRA**.
- B. The **City** or the **KHRA** may terminate the grant in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds (termination for convenience). The parties will agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.

VII. METHOD OF PAYMENT

Payment to **KHRA** of **City/CDBG** funds will be on a reimbursement schedule. **KHRA** will submit at least quarterly an invoice and documentation detailing expenses of the program to be reimbursed by the **City**.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

Dennis R. Phillips, Mayor

Date

ATTEST:

Elizabeth Gilbert, City Clerk

Date

KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY

Terry Cunningham, Director

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date

AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
THE SALVATION ARMY

THIS AGREEMENT, made and entered into this 1st day of July 2008, by, between the City of Kingsport, Tennessee, a municipal corporation (hereinafter referred to as “the **City**”, and THE SALVATION ARMY, a Georgia corporation (hereinafter referred to as the “**Salvation Army**”).

WITNESSETH

WHEREAS, the **City** is eligible to apply to the State of Tennessee under the Emergency Shelter Grant Program (ESGP) for a grant of \$ 43,000, which funds may be distributed by the City, in whole or part, to eligible non-profit recipients for emergency shelter grant activities;

WHEREAS, the **Salvation Army** is a private sector, non-profit organization dedicated to providing quality services to homeless individuals;

WHEREAS, the **Salvation Army** is an eligible recipient for ESGP funds; and

WHEREAS, the **City** desires to apply for ESGP funds to be administered by the **City** for the benefit of **Salvation Army**.

NOW, THEREFORE, for and in consideration of the mutual promises and the benefits to be derived therefrom, the **City** and **Salvation Army** agree as follows:

1. The **City** will apply to the State of Tennessee for funds under the Emergency Shelter Grant Program for the benefits of the **Salvation Army**.
2. In the event such grant funds are received by the **City**, it will administer the same on behalf of **Salvation Army**, with such funds to be disbursed according to guidelines required by the Tennessee Housing Development Agency (funding source).

3. Grant funds will be administered in accordance with the requirements of the Final Rule of the United States Department of Housing and Urban Development as set forth in Part 576 of Title 24 of the Code of Federal regulations, and in accordance with all other applicable laws and regulations (including those of the Tennessee Housing Development Agency).
4. **Salvation Army** acknowledges and agrees that such grant funds cannot be used for religious activities.
5. **Salvation Army** will identify to the **City** the matching amounts or expenditures or in-kind support received from non-ESGP sources.
6. **Salvation Army** will submit to the **City** invoices requesting reimbursement on a monthly basis.
7. **Salvation Army** will administer, in good faith, a policy designed to ensure that each assisted homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.
8. **Salvation Army** will provide ongoing assistance to homeless persons in obtaining appropriate supportive service, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living.
9. **Salvation Army** will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by **City** to **Salvation Army** assist in carrying out the **City's** Strategic Plan, in particular Key Success Factor #5: Superior Quality of Life.
10. Reimbursement from grant funds for eligible activities will cover the period from July 1, 2008, through June 30, 2009.
11. Subcontracting – **Salvation Army** shall not assign this grant contract or enter into a subcontract for any of the services performed under this grant contract without obtaining the prior written approval of the **City** and the State of Tennessee. If such subcontracts are approved by the **City** and State of Tennessee, they shall contain, at a minimum, sections of this grant contract pertaining to Conflicts of Interest, Lobbying, Nondiscrimination, Public Accountability, and Public Notice (Sections 12, 13, 14, 15 and 16). Notwithstanding any use of approved subcontractors, **Salvation Army** shall be the prime contractor and shall be responsible for all work performed.
12. Conflicts of Interest – **Salvation Army** warrants that no part of the total grant amount shall be paid directly or indirectly to an employee or official of the **City** or State of Tennessee as wages, compensation, or gifts in exchange for acting as an

officer, agent, employee, subcontractor, or consultant to **Salvation Army** in connection with any work contemplated or performed relative to this grant contract.

13. Lobbying – **Salvation Army** certifies, to best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of **Salvation Army**, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, **Salvation Army** shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
 - c. **Salvation Army** shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

14. Nondiscrimination – **Salvation Army** hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this grant contract or in the employment practices of **Salvation Army** on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. **Salvation Army** shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

15. Public Accountability – If this grant contract involves the provision of services to citizens by **Salvation Army** on behalf of the City or State of Tennessee, **Salvation Army** agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and **Salvation Army** agrees to display a sign stating:

“NOTICE: **Salvation Army** is a recipient of taxpayer funding. If you observe and employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller’s toll free hotline: 1-800-232-5454.”

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public enters in order to receive grant supported services.

16. Public Notice – All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by **Salvation Army** shall include the statement, “This project is funded under an agreement with the **City of Kingsport** and State of Tennessee.” Any such notices by **Salvation Army** shall be approved by the **City** and State.

17. By executing this agreement, each party represents its respective governing body had duly approved the terms of this agreement and has authorized its execution by the officer signing below.

IN WITNESS WHEREOF, the parties have affixed their respective signatures by their authorized officers as of the day and year first above written.

CITY OF KINGSPORT, TENNESSEE

Dennis R. Phillips, Mayor

ATTEST:

Elizabeth Gilbert, City Clerk

THE SALVATION ARMY, A GEORGIA CORPORATION

David Mothershed, Assist. Treasurer

APPROVED AS TO FORM:

J. Michael Billingsley, City Attorney

AGREEMENT

BETWEEN

THE CITY OF KINGSPORT, TENNESSEE

AND

SOUTH CENTRAL KINGSPORT COMMUNITY DEVELOPMENT CORPORATION

This agreement, made and entered into this 1st day of July 2008, by and between the City of Kingsport, Tennessee, with principal offices at 225 West Center Street, Kingsport, Tennessee, hereinafter called the "**City**", and the **South Central Kingsport Community Development Corporation**, hereinafter called "**South Central**" (non-profit), having its principal offices at 301 Louis Street, Kingsport, Tennessee.

WITNESSETH:

WHEREAS, the **City** expects to receive FY 2008/09 Community Development Block Grant funds to be used for activities eligible under the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the **City** has determined that the Riverview Employment Outreach and Weed & Seed programs are eligible activities under 24 CFR 570.204 (c); and

WHEREAS, management services are necessary to effectively operate and maintain the programs by **South Central**; and

WHEREAS, **South Central** is agreeable to undertake the management services for the program under conditions satisfactory to the **City**; and

WHEREAS, **South Central** will report all activities for the program to the **City**;

NOW, THEREFORE, the parties of this Agreement, for the considerations set forth below, do here and now agree and bind themselves to the following terms and conditions:

I. PROJECT DESCRIPTION/STATEMENT OF WORK

A. Purpose of Project

The 2008 South Central Kingsport CDC project will conduct a program to improve employment assistance for low-income residents through the Riverview Employment Outreach Program located at V. O. Dobbins Community Center, provide staffing for the South Central Weed and Seed Program, and support the Step-up/Rites of Passage program

B. Method of Operation

The programs will be available to Riverview Neighborhood residents, tenants of Kingsport Public Housing facilities, primarily consisting of Riverview Apartment residents, and low and very low-income persons within the South Central target area. The programs will be administered by **South Central**, which will provide staff support for record keeping, disbursement of funds and approval of participants.

C. Timetable and Budget For Completion of Activity

Community Development Block Grant funds in the amount of \$50,000 shall be available upon notification to the City by the Department of Housing and Urban Development (HUD) that its 2008/09 action plan is approved. Funds shall be used as follows:

Salaries	
Employment Office/ Weed and Seed	\$36,960
Benefits	\$ 4,620
Contractual Services	\$ 2,000
Supplies	\$ 6,420
TOTAL FOR GRANT	\$50,000

The term of this agreement will expire on June 30, 2009.

II. RECORDS AND REPORTS

- A. In order to document the low and moderate income benefit required in 24 CFR 570.200(a)(2), **South Central** will maintain records that document all clients served by **South Central** with CDBG funds. In addition to

records that document the number of clients served, **South Central** will also document each client's race, family size, annual household income, and whether or not the family is female headed.

- B. **South Central** will prepare and submit to the **City** on a monthly basis during the term of this contract a report describing the Subrecipient's progress in meeting the Statement of Work as stated in Article I and reflecting data described in Article II, Section A above.
- C. **South Central** will maintain books, records and documents in accordance with accounting procedures and practices which sufficiently and properly reflect all expenditures of funds provided by the **City** under this Agreement.
- D. **South Central** will make all records/reports readily available for inspection by the **City**, U.S. Department of Housing and Urban Development, or any of their duly authorized representatives for the purpose of making audit, examination, excerpts and transcriptions.
- E. **South Central** will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by **City** to **South Central** assist in carrying out the **City's** Strategic Plan.

III. **PROGRAM INCOME**

Program income derived from the project shall be governed by the provisions of Program Income defined at 24 CFR 570.504. **South Central** will maintain a detailed listing of administrative costs for monitoring for the **South Central Kingsport CDC** program. Any other program income derived from the **City's** share of funds will revert back to the **City** upon cessation of the program.

IV. **UNIFORM ADMINISTRATIVE AND OTHER REQUIREMENTS**

- A. **South Central**, in compliance with Title VI of the Civil Rights Act of 1964 and of the Housing and Community Development Act of 1974, agrees that no person shall on the grounds of race, color, national origin, sex, or age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity funded in whole or in part with Community Development funds.
- B. **South Central** agrees that it will indemnify and hold the **City** harmless from and against any and all claims, damages, liabilities and expenses, including attorney fees and court costs arising out of or in connection with this agreement or due to the failure of **South Central** to comply with any and all statutes and regulations applicable under this agreement.
- C. **South Central** agrees to prohibit discrimination against an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

In the execution of this contract, **South Central** will comply with the requirements and standards of OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally recognized Indian Tribal Governments". OMB Circular A-128, "Audits of State and Local Governments" (24 CFR 44), and with the following sections of 24 CFR 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments":

- 1. Section 85.3, "Definitions";
- 2. Section 85.6, "Exceptions";
- 3. Section 85.12, "Special Grant or Subgrant Conditions for 'High-Risk' Grantees";
- 4. Section 85.20, "Standards for Financial Management Systems", except paragraph (a);
- 5. Section 85.21, "Payment", except as modified by 24 CFR 570.513;
- 6. Section 85.22, "Allowable Costs";
- 7. Section 85.26, "Non-Federal Audits";
- 8. Section 85.32, "Equipment", except in all cases in which the equipment is sold, the proceeds shall be program income;
- 9. Section 85.33, "Supplies";
- 10. Section 85.34, "Copyrights";

11. Section 85.35, "Subawards to Debarred and Suspended Parties";
12. Section 85.36, "Procurement", except paragraph (a);
13. Section 85.37, "Subgrants";
14. Section 85.40, "Monitoring and Reporting Program Performance", except paragraphs (b) through (d) and paragraph (f);
15. Section 85.41, "Financial Reporting", except paragraphs (a), (b), and (e);
16. Section 85.42, "Retention and Access Requirements or Records";
17. Section 85.43, "Enforcement";
18. Section 85.44, "Termination for Convenience";
19. Section 85.51, "Later Disallowances and Adjustment"; and
20. Section 85.52, "Collection of Amounts Due".

V. REVERSION OF ASSETS

This agreement will be governed by the reversion of assets clause as required by 24 CFR 570.503(b) (8).

VI. SUSPENSION AND TERMINATION

If **South Central** fails to comply with the terms of this agreement the **City** may, on reasonable notice to **South Central**, suspend the grant and withhold further payments pending corrective action by **South Central** and/or a decision to terminate in accordance with the following:

- A. This agreement may be terminated by the **City** in accordance with this clause, in whole or from time to time in part, whenever **South Central** defaults in the performance of activities specified in this agreement and fails to cure such defaults within a period of fifteen (15) days or such longer period as the **City** and **South Central** will mutually agree provided that the **City** will serve notice of default in writing upon **South Central**.
- B. The **City** or **South Central** may terminate the grant in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds (termination for convenience). The parties will agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.

VII. METHOD OF PAYMENT

Payment to **South Central** of **City/CDBG** funds will be on a reimbursement schedule. **South Central** will submit at least quarterly an invoice and documentation detailing expenses of the program to be reimbursed by the **City**.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

CITY OF KINGSPORT

Dennis R. Phillips, Mayor

Date

ATTEST:

Elizabeth Gilbert, City Clerk

Date

SOUTH CENTRAL KINGSPORT COMMUNITY DEVELOPMENT CORPORATION

Kenneth Calvert, Chairperson

Date

APPROVED AS TO FORM:

Michael Billingsley, City Attorney

Date



AGENDA ACTION FORM

Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 217 Revere Street

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-188-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: June 17, 2008
 Staff Work By: D. Phillips/J. Campbell
 Presentation By: J. Campbell

Recommendation: Approve the resolution.

Executive Summary:

The city has the opportunity at this time to purchase 217 Revere Street for use as a portion of the future Higher Education site. An appraisal of the property was prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicated the fair market value of \$86,000.00. The property owner, Mike Peters, has agreed to sell the property to the city for a total purchase price of \$119,527.53 payable in seven annual payments of \$17,075.36 with the first payment due June 16, 2009. Upon discussion with Designated Alderman Valerie Joh, it is recommended that the Board of Mayor and Aldermen approve the acquisition in the amount of \$100,620.00.

Attachments:

1. Resolution
2. Purchase Agreement

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN OFFER AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT FOR THE PURCHASE OF 217 REVERE STREET

WHEREAS, the city has the opportunity to purchase from Mike Peters the property located at 217 Revere Street for future use as the Higher Education site; and

WHEREAS, such acquisition would be in accordance with the city's acquisition policy.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That pursuant to the appraisal of property indicating the fair market value of \$86,000.00, the designated alderman is authorized to offer a total purchase price of \$119,527.53, payable in seven annual payments of \$17,075.36 for the purchase of 217 Revere Street, subject to such conditions as deemed appropriate by the designated alderman in consultation with the city attorney, including such conditions as usually required by the city for acquisition of real property.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, an agreement and all other documents necessary and proper to effectuate the purpose of the agreement, to purchase 217 Revere Street subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport.

SECTION II. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AGREEMENT

THIS PURCHASE AGREEMENT (herein "Agreement") made and entered into on the date of the notary acknowledgment of the seller's signature between **THOMAS MICHAEL PETERS**, (hereinafter referred to as the "Seller"), and **THE CITY OF KINGSPORT, TENNESSEE**, a municipality organized under the laws of the State of Tennessee (hereinafter referred to as the "Buyer").

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. **SALE.** Seller agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Seller, subject to the terms and conditions of this Agreement all that real property situate, lying and being located at 217 Revere Street, Kingsport, Sullivan County, Tennessee, known as Tax Map 046I; Group G; Parcel 008.00, more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all improvements and fixtures situated thereon, if any, and also together with all hereditaments and appurtenances thereunto belonging or in any way appertaining (the "Real Property").

2. **PURCHASE PRICE.** The purchase price to be paid by Buyer to Seller for the Real Property shall be One Hundred Nineteen Thousand Five Hundred Twenty-seven and 53/100 Dollars (\$119,527.53) (the "Purchase Price"). Buyer hereby agrees to pay the purchase price to Seller in seven (7) equal payments in the sum of Seventeen Thousand Seventy-five and 36/100 (\$17,075.36) payable annually on or before the sixteenth day of June with the first payment being payable on June 16, 2009. Subject to the adjustment provided for herein the Purchase Price, less the prorated property taxes as of the date of closing, shall be paid by Buyer to Seller in cash or certified funds payable to Seller as indicated above.

3. **CLOSING.** The closing shall occur on or before sixty (60) days after the date of this Agreement, (the "Closing Date"), at a time and location mutually agreed upon by the parties or, upon failure of the parties to agree, at a time and place specified by the Buyer (the "Closing"). Buyer and Seller agree to deliver and execute such documents as may be reasonable and necessary in the opinion of counsel for Seller and Buyer to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions hereof.

4. **SURVEY.** Immediately upon the execution of this Agreement, Buyer shall, at Buyer's cost, cause a survey and surveyor's certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in Section 5 hereof, to be prepared on the Real Property by a licensed surveyor acceptable to Buyer. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title surveys for a Class A survey. Such survey shall show the total area of the Real Property in square feet, easements, if any, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by

Buyer. Once prepared, the survey description will replace Exhibit A and will become a part of this Agreement identified as Exhibit A-1, and such survey description shall be insurable (and shall be insured) by the title insurance company. If the survey (i) is for good cause not acceptable to Buyer's title insurance company; or (ii) shows the dimensions of the Real Property to be other than as set forth on Exhibit A; or (iii) shows any materially adverse conditions or matters affecting the Real Property which are not approved by Buyer, then Buyer, within twenty (20) days from receipt of such survey, shall notify Seller in writing of Buyer's objections to the survey and Seller shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of the Buyer and the title company. If Seller fails to satisfy such objections with the time specified, Buyer shall have the right to (i) terminate this Agreement; (ii) extend the time period for removing or curing any objectionable item by written notice to Seller; or (iii) close this purchase and sale without reduction in the Purchase Price.

5. **TITLE INSURANCE.** Buyer, at its expense, shall secure an owner's title insurance commitment to issue a title insurance policy insuring Buyer's fee simple interest in the Real Property to the extent of the Purchase Price. The title insurance commitment will be issued by a reputable title insurance company chosen by Buyer and will contain exceptions only for real estate taxes and assessments for the current year which are not yet due and payable, and any other exceptions Buyer may approve in writing. If the commitment contains other exceptions, not acceptable to Buyer, then Buyer shall so notify Seller of such exceptions within twenty (20) days of Buyer's receipt of the commitment, and Seller shall have twenty (20) days from receipt of the Buyer's objections, to resolve such exceptions to the satisfaction of the Buyer. If Seller is unable to cure or resolve such exceptions to Buyer's satisfaction within the time specified, Buyer shall have the right to terminate this Agreement, extend the cure period, or proceed to close this Agreement. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, then this Agreement shall be cancelled, and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

6. **FEASIBILITY STUDY AND INSPECTIONS.** Buyer shall have the right to conduct a feasibility and engineering study of the Real Property for a period of forty-five (45) days from the latest of the dates of execution by the parties hereto ("Feasibility Period"). Buyer and its agents or representatives shall be entitled to enter upon the Real Property at all reasonable times during the Feasibility Period in order to conduct engineering studies, environmental assessments (including, but not limited to, an Environmental Phase I Assessment), water quality tests, soil tests, and any other inspections and/or tests that Buyer may deem necessary or advisable. In the event the results of Buyer's studies or inspection of the Real Property determine that the Real Property is unacceptable to Buyer, in Buyer's sole discretion, then Buyer may elect to terminate this Agreement and shall so notify Seller in writing on or before twenty (20) days after the expiration of the aforesaid forty-five (45) day period. If Buyer shall provide written notice of cancellation to Seller within this sixty (60) day period, then this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

7. **DEED AND TITLE.**

(a) Seller hereby agrees to convey to Buyer a good and marketable fee simple title to the Real Property, without exceptions, except as expressly provided herein, by a good and valid general warranty deed, in statutory form, suitable for recordation. Title to the Real Property shall not be subject

to any easements, encumbrances or other exceptions which Buyer, in its sole discretion, deems unacceptable.

(b) In the event, as of the Closing Date, Seller is unable to convey marketable title to the Real Property due to defects in Seller's title, or Seller is unable to convey title due to exceptions Buyer finds unacceptable, then Closing shall be postponed for a reasonable period of time not to exceed thirty (30) days until Seller shall remove said title defects or exceptions. If Seller is unable to cure such title defects or exceptions within said thirty (30) days, this Agreement shall be null and void and there shall be no further obligations between the parties. If Buyer shall waive such title defects or exceptions by so notifying the Sellers in writing, or if Seller shall have cured such defects or exceptions, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, there shall be no abatement or reduction of the Purchase Price, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects or exceptions that are waived by Buyer, if any, shall be set forth as exceptions in the deed.

8. CONDITION OF PROPERTY. Seller represents that to the best of his knowledge there has been no storage, disposal, treatment or release of hazardous substances during the period of Seller's ownership, and to the best of Seller's knowledge, the Real Property has not been used, and is not presently being used, and will not through the Closing Date, be used for the storage or disposal of hazardous substances. (The term "hazardous substances" shall have the broadest meaning given under applicable state and federal law, including without limitation that given in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq. Seller is not aware of any facts, conditions or circumstances indicating any form of environmental contamination affecting any properties which are adjacent to the Real Property. There are no encumbrances, liens, or charges of any kind upon the Real Property that will not be satisfied and discharged in full by Seller and released at or before Closing in a form satisfactory to Buyer. There are no contracts, agreements, or arrangements relating to the use and operation of the Real Property not disclosed herein. Seller represents that there is no pending or threatened litigation that does or will materially and adversely affect the Real Property or its value.

9. CONDITIONS PRECEDENT.

Buyer's obligations pursuant to this Agreement are contingent upon and subject to the satisfaction, as of Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by the Buyer at, or prior to Closing):

(1) The results of the title examination report and title insurance commitment described in Section 5 shall be acceptable to Buyer in its sole discretion as of Closing. There shall be no change in the matters reflected in the title insurance commitment described in Section 5 hereof, and there shall not exist any encumbrances or title defects affecting the Real Property not described in such title insurance commitment.

(2) The results of the feasibility study, engineering and related inspections, water quality and environmental testing described in Section 6 shall be acceptable to Buyer in its sole discretion.

(3) All of the representations, warranties and conditions of Seller set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing Date, and Seller shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Seller's part required by the terms of this Agreement.

(4) There shall be no change in the matters reflected in the survey described in Section 4 hereof, and there shall not exist any easement, right of way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the Real Property not shown on the survey.

(5) No material and substantial change shall have occurred with respect to the Real Property which would in any way affect the findings made in the feasibility and engineering studies or inspections described in Section 6, if such studies or inspections have been conducted.

If any condition specified in this Section 9 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, Buyer may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to Seller, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement. It shall be the right of the Buyer at its sole discretion and upon written notice to the Seller to terminate this Agreement at any time prior to the closing of the property if it shall deem the property not suitable for its needs, and upon such termination, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement

10. **NOTICE.** Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by Certified Mail, Return Receipt Requested, postage prepaid at the addresses set forth below:

SELLER: Thomas Michael Peters
422 Chadwell Road
Kingsport, Tennessee 37660

BUYER: City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660
Attention: J. Michael Billingsley

11. **PRORATIONS.** All real estate taxes and assessments shall be prorated as of the Closing Date, using for such purpose the rate and valuation shown on the latest available tax notice.

12. **EXPENSES OF SELLER.** In closing this transaction, Seller shall be charged with the following:

- (a) The cost of preparation of the warranty deed;

(b) The fees and expenses of any attorney or other advisor engaged by Seller in connection with this transaction;

(c) The commission or fees charged by any real estate broker or agent retained or used by the Seller in connection with this transaction; and

(d) All expenses incurred in connection with the release of any prior existing indebtedness, including without limitation any prepayment penalties.

13. **EXPENSES OF BUYER.** In closing this transaction, Buyer shall be charged with the following:

(a) The cost of any title search and title insurance policy;

(b) The cost of recording the deed and any transfer tax associated with such deed;

(c) Any fees charged in connection with any attorney or other advisor engaged by Buyer in connection with this transaction; and

(d) The cost of the survey provided pursuant to Section 4;

14. **RISK OF LOSS.** The risk of loss or damage to any of the Real Property described above by fire, vandalism, or other casualty shall remain with the Seller until Closing. In the event of such loss before Closing, this Agreement shall be voidable at the option of Buyer. Should Buyer elect to continue with the purchase following such loss or damage before Closing, Buyer shall have the option to (a) negotiate an equitable reduction in the Purchase Price or (b) close this Agreement at the stated Purchase Price and accept all insurance funds and other monies payable to Seller regarding such loss or damage. If action is necessary to recover under any casualty policy, Seller shall cooperate with Buyer in bringing such action in Seller's name and Seller shall reimburse Buyer for the attorney's fees and other expenses incurred by Buyer to pursue such claim.

15. **TIME IS OF THE ESSENCE.** Time is of the essence to the performance of this Agreement.

16. **MERGER CLAUSE.** All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other, or by any agent, employee, servant, or other person representing or purporting to represent the Seller. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein.

17. **POSSESSION.** Delivery of possession of the Real Property shall occur at Closing.

18. **CAPTIONS.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

19. **ENTIRE AGREEMENT; MODIFICATIONS.** This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Real Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

20. **CONTROLLING LAW; VENUE.** This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Sullivan County, Tennessee.

21. **BINDING EFFECT.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

22. **FURTHER ACTS.** Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances and instruments that may reasonably be required to fully effectuate the transactions contemplated in this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands in duplicate originals the day and year first written above.

BUYER:

CITY OF KINGSPORT, TENNESSEE

ATTEST:

Elizabeth A. Gilbert, Deputy City Recorder

By: _____
Dennis R. Phillips, Mayor

APPROVED AS TO FORM:

J. Michael Billingsley, City Attorney

SELLER:

Thomas Michael Peters

STATE OF TENNESSEE
COUNTY OF SULLIVAN

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared the within named bargainor, DENNIS R. PHILLIPS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Mayor of the City of Kingsport, Tennessee, and that he, as the Mayor, executed the foregoing instrument for the purposes therein contained, by signing his name as Mayor.

WITNESS my hand and official seal this _____ day of _____, 2008.

Notary Public

My commission expires:

STATE OF TENNESSEE
COUNTY OF SULLIVAN

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, THOMAS MICHAEL PETERS, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledges that he has executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal this _____ day of _____, 2008.

Notary Public

My commission expires:

EXHIBIT A

Description of Real Property

Situate, lying and being in the 11th Civil District of Sullivan County, Tennessee, and more particularly described as follows:

Parcel 1

BEGINNING at a point in the southeasterly line of Revere Street, distance southwesterly 239.58 feet from the point of intersection of the said line of Revere Street with the southwesterly line of West Center Street, corner for Lots 28 and 29; thence southwesterly with the said line of Revere Street 25.00 feet to its point of intersection with the northeasterly line of a 20-foot alley; thence southeasterly at right angles and with the said line of said alley 141.875 feet to its point of intersection with the northwesterly line of a 25-foot alley; thence northeasterly at right angles and with the said line of said alley 25.00 feet to a point corner for Lots 28 and 29; thence northwesterly at right angles and with the divisional line of Lots 28 and 29, 141.875 feet to the point of BEGINNING, containing three thousand five hundred forty-seven (3,547) square feet, more or less, and being Lot 29, Block 24.

Parcel 2

BEGINNING at a point, said point being the southeasterly corner for Lot 29, Block 24, City of Kingsport. Thence in a northeasterly directions following the rear property line of Lot 29, for a distance of 25 feet to a point, rear corner for Lots 28 and 29, Block 24, City of Kingsport. Thence in a southeasterly direction with a line that is an extension of the divisional line between Lots 28 and 29, for a distance of approximately 12.50 feet to a point. Thence in a southwesterly direction and with a line parallel to and approximately 12.50 feet from the rear line of Lot 29, Block 24, City of Kingsport, for a distance of 25 feet to a point. Thence in a westerly direction for a distance of approximately 12.50 feet to the point of BEGINNING, and being a portion of the public right-of-way that has been vacated by the City of Kingsport pursuant to Ordinance No. 2993, which lies adjacent to the rear line of Lot 29, Block 24, City of Kingsport, to all of which reference is hereby expressly made.

Tax Map 046I; Group G; Parcel 008.00



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Sign a Contract with the Virginia Department of Transportation Accepting Federal and State Transportation Planning Funds on Behalf of the Kingsport MPO

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-183-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: June 17, 2008
 Staff Work By: Chris Campbell
 Presentation By: Chris Campbell

BMA Strategic Plan 2007-2008

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #6: Partnerships – We value regional partnerships and work with national and state organizations

KSF #6: Reliable, Dependable Infrastructure – to provide a sustainable transportation system

KSO #8: Provide a well-maintained and expanding infrastructure that promotes safety

Recommendation: Approve contract and resolution.

Executive Summary:

Each year the Federal Highway Administration (FHWA) provides PL-112 Planning funds for area Metropolitan Transportation Planning Organizations (MPOs). For the Kingsport MPO, which is administered and operated by the City of Kingsport, these funds are used primarily for staff salaries and expenses as well as valuable consultant-based transportation studies. For fiscal year 2009, \$4,000 in federal funds is being passed through the Virginia Department of Transportation (VDOT) to Kingsport MPO, which requires a match of \$1,000. The State of Virginia is providing \$500 of the match. The City of Kingsport is responsible for providing the other \$500 in matching funds (these funds were previously budgeted for). With these federal, state, and local contributions, the total grant is \$5,000. Staff recommends the Board approve the contract accepting the Virginia PL funds. In addition, it is anticipated that federal PL-112 funds will be available in the foreseeable future.

Attachments:

1. Resolution
2. Contract

Funding source appropriate and funds are available: Yes

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
A CONTRACT BETWEEN THE CITY OF KINGSPORT AND
THE VIRGINIA DEPARTMENT OF TRANSPORTATION TO
RECEIVE FEDERAL HIGHWAY ADMINISTRATION PL-112
PLANNING FUNDS FOR USE BY THE KINGSPORT AREA
METROPOLITAN TRANSPORTATION PLANNING
ORGANIZATION FOR THE FISCAL YEAR 2009

WHEREAS, Federal Highway Administration PL-112 Planning Funds, in the amount of \$4,000.00, are available through the Virginia Department of Transportation (VDOT) for use by the Kingsport Area Metropolitan Transportation Planning Organization for fiscal year 2009; and

WHEREAS, matching funds, in the amount of \$1,000.00, are required; and

WHEREAS, \$500.00 of the matching funds will be provided by VDOT and \$500.00 will be provided by the City through previously budgeted staff time; and

WHEREAS, the City of Kingsport must enter into a contract with the Virginia Department of Transportation to receive the funds; and

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a contract with the Virginia Department of Transportation to receive Federal Highway Administration PL-112 Planning Funds, in the amount of \$4,000.00 and requiring \$1,000.00 in matching funds, for use by the Kingsport Area Metropolitan Transportation Planning Organization for the fiscal year 2009.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219 2000

David S. Ekern, P.E.
COMMISSIONER

May 19, 2008

Mr. Chris Campbell
Kingsport MPO Coordinator
City of Kingsport Tennessee
225 West Center Street
Kingsport, TN 37660

RE: FY-09 Letter of Authorization
MPO PL, Federal and/or State Funding for Fiscal Year 2009
Kingsport Urbanized Area
CFDA 20.205, Highway Planning and Construction

Dear Mr. Campbell:

As per Article I of the Kingsport Urbanized Area PL Agreement dated _____, 2008, this is your annual Letter of Authorization for the expenditure of PL, federal and/or state funds for transportation planning activities in Fiscal Year 2009 (July 1, 2008, to June 30, 2009).

These funds are to be used to finance the activities contained in the approved FY 2009 Kingsport Urbanized Area Unified Transportation Planning Work Program in accordance with the above Agreement.

The total amount of Federal and State funds allocated to the Kingsport Urbanized Area for FY 2009 to support approved planning activities that are reimbursable under this Letter of Authorization are as follows:

Fund Type	Federal	State	Total Reimbursable Amount for FY-09	Local Match	Grand Total of Support for FY-09 UPWP Activities
PL	\$4,000	\$500	\$4,500	\$500	\$5,000

Also, as required by the agreement, a listing of City personnel anticipated charging time against the UPWP activities must be attached to this Letter of Authorization. This list should identify personnel by payroll classification only and their present actual payroll rate per hour or annual salary.

Please complete the attached indirect cost certification statement and comply with instructions contained therein as appropriate.

Please have this Letter of Authorization signed and returned to the Department for execution. The Letter of Authorization must be executed prior to July 1, 2008, if work activities are to continue uninterrupted. In the event that it is not executed by this date, any expenditures made or work performed by your MPO after that date and prior to execution will not be eligible for reimbursement. Execution of this Letter of Authorization is being initiated with the understanding that comments on the FY 2009 UPWP will be satisfactorily addressed.

The provisions of the PL Agreement dated _____, 2008, and any amendments thereto shall govern the expenditure of the funds made available through this Letter of Authorization.

Now, therefore, the Department and the _____ have executed this Letter of Authorization on the dates indicated below.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION

By: _____
Chief of Policy, Planning & the Environment

Printed Name

Date: _____

CITY OF KINGSPORT TN

By: _____
Signature

Printed Name

Date: _____

- Attachment 1 - Certifications
- Attachment 2 - Personnel and Salaries
- Attachment 3 - Indirect Cost Certification Statement

ATTACHMENT 1

CERTIFICATION OF THE CITY OF KINGSPORT, TN

I hereby certify that I am the Executive Director of the City of Kingsport, TN, whose address is 225 West Center Street, Kingsport, TN 37660, and that neither I nor the above agency I here represent has been required, directly or indirectly as an expressed or implied condition in connection with obtaining or carrying out this contract to:

- a) employ or retain, or agree to employ or retain, any firm or person, or
- b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Virginia Department of Transportation, and the Federal Highway Administration, U. S. Department of Transportation, in connection with this contract involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

DATE

SIGNATURE

CERTIFICATION OF STATE HIGHWAY AGENCY

I hereby certify that I am the Chief of Policy, Planning & the Environment of the Virginia Department of Transportation of the State of Virginia, and that the above agency or his representative has not been required, directly or indirectly as an expressed or implied condition in connection with obtaining or carrying out this contract to:

- a) employ or retain, or agree to employ or retain, any firm or person, or
- b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Federal Highway Administration, Department of Transportation, in connection with this contract involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

DATE

Chief of Policy, Planning & the Environment

ATTACHMENT 2

PERSONNEL AND SALARIES

(This listing is to be prepared by CITY OF KINGSPORT, TN)

ATTACHMENT 3

Indirect Cost Certification Statement

Section I: Use of Indirect Costs (Check the appropriate box.)

- Do not charge indirect costs. (You have completed the form.)
- Charge indirect costs. (Fill out sections II and III.)

Section II: Indirect Cost Plan

- No change in indirect cost allocation plan previously submitted.
- Indirect cost allocation plan has been revised. **(As soon as possible and under separate cover, the City submits to their VDOT project manager the new indirect cost allocation plan, along with a brief explanation of the changes, for review and approval.)**

Section III: Indirect Cost Rate

- There will be no significant change in the indirect cost rate from that previously used.
- There will be a significant change in the indirect cost rate from that previously used. The proposed rate is _____. **(As soon as possible and under separate cover, the City submits to their VDOT project manager the new rate along with a brief explanation for the rate change, for review and approval.)**

CITY OF KINGSPORT, TN

By: _____

Date: _____

**AN AGREEMENT FOR
THE UTILIZATION OF FEDERAL AND STATE FUNDS TO SUPPORT
METROPOLITAN PLANNING
IN THE KINGSPORT URBANIZED AREA**

THIS AGREEMENT, made this ____ day of _____ in the year 2008, by and between the Commonwealth of Virginia, Department of Transportation, hereinafter called the DEPARTMENT, and the City of Kingsport, Tennessee, hereinafter called the CITY, for the benefit of the Kingsport Urbanized Area Metropolitan Planning Organization, hereinafter called the MPO.

WHEREAS, the MPO has been designated by the Secretary of Transportation on behalf of the Governor of Virginia with the responsibility, together with the State, for carrying out the provisions of Title 23 United States Code, Section 134, the Metropolitan Planning section; and

WHEREAS, the MPO has requested that the CITY act as fiscal agent to administer the Metropolitan Planning Funds (PL) funding, as well as any other federal or state funds used to support the MPO planning process for the KINGSPORT Urbanized AREA provided to the MPO under the provisions of Title 23 United States Code, Section 104(f);

NOW, THEREFORE, the DEPARTMENT and the CITY do hereby agree as follows:

ARTICLE I - PURPOSE OF FUNDS

Any federal or state funds made available under this AGREEMENT are to be used at the direction of the MPO which is responsible, in cooperation with the DEPARTMENT, for the Metropolitan Transportation Planning and Programming Process (CFR Part 450, Subpart C), as required by Section 134, Title 23, United States Code; CFDA 20.205, Highway Planning and Construction. An annual Unified Planning Work Program (UPWP) shall be prepared identifying the use of these funds in accordance with Article III. Any significant modifications or additions to planning activities outlined in the UPWP during the fiscal year (FY) shall trigger the submission of a UPWP amendment by the MPO to the DEPARTMENT. The DEPARTMENT will submit with UPWP amendment to FHWA for review and approval. No reimbursements shall be made to the MPO for work activities conducted prior to FHWA's written approval of the UPWP or amendment.

Subject to annual budgetary appropriation, the DEPARTMENT shall transmit to the MPO, prior to July 1, each year an annual authorization letter stipulating their share of the annual MPO budget. The cost allocations shall conform to the approved UPWP in accordance with the conditions of this AGREEMENT.

ARTICLE II - SOURCE OF FUNDS

PL funds are apportioned to Virginia each fiscal year on the basis of the ratio which Virginia's total urbanized area population bears to the total urbanized area population of all states.

PL funds apportioned to Virginia shall be allocated to the urbanized areas within Virginia as follows:

A portion of the Federal PL funds shall be set aside annually for allocation to the air quality non-attainment/maintenance areas. The amount provided to an area shall be based on the severity of the air quality problem in that area (extreme/maintenance - \$30,000, severe/maintenance - \$25,000, serious - \$20,000, moderate/maintenance - \$15,000, or marginal/maintenance - \$10,000). When a non-attainment/maintenance area contains jurisdictions from more than one metropolitan study area, the allocation for air quality planning shall be proportioned to these study areas based on urbanized area population percentages for the non-attainment/maintenance jurisdictions only. Adjustments shall be made so that the minimum allocation of Federal PL funds available for air quality consideration shall not be less than \$5,000.

The amount to be allocated annually from the remaining Federal PL funds to each of the urbanized areas of the state shall be a base amount equal to \$50,000 times the percent that the area's urbanized population within Virginia is to its total urbanized area population, plus a proportionate share of the balance based on the ratio that each area's urbanized population within Virginia is to the total urbanized area population of the state. Adjustments to the allocations shall be made so that the minimum allocation of Federal funds to an area shall not be less than \$50,000.

Other federal and/or state funding sources used to carry out metropolitan planning activities are subject to the provisions of this agreement as well as any applicable federal and state laws.

ARTICLE III - STATEMENT OF WORK

Metropolitan planning activities will be administered in accordance with the provisions of 23 CFR Part 420, Planning and Research Program Administration.

The activities eligible for reimbursement shall be outlined in the Unified Planning Work Program for the City of Kingsport Urbanized Area. The Unified Planning Work Program and any subsequent amendments must have written approval by the MPO, the DEPARTMENT, the Federal Highway Administration (FHWA), Virginia Department of Rail and Public Transportation, and the Federal Transit Administration.

Any changes to an approved activity, reallocation of funds between activities, or any new activity to be performed with federal or state funds shall require an amendment to the Unified Planning Work Program and approval by the MPO, the DEPARTMENT, and the

Federal Highway Administration. Such requests must be received by March 31 to allow ample time for processing and approval.

Written approvals by the DEPARTMENT and the Federal Highway Administration must be obtained for each study design for activities that were included in, but not authorized by the initial, approved Unified Planning Work Program. These approvals must be obtained prior to initiating work activities for which the MPO will seek reimbursement. Approval by the DEPARTMENT and the FHWA may be made retroactive to the date of MPO action if the proposed work is eligible.

Any work to be undertaken with federal or state funds by any party other than the MPO shall be the subject of a third-party agreement. Such agreements shall incorporate all provisions of this AGREEMENT. The scopes of service and agreements for such work must be submitted for written approval by the DEPARTMENT and FHWA prior to execution of the Agreement. It is recommended that third-party contracts with other participants be developed as soon as possible after the execution of this AGREEMENT.

There will be no reimbursement to third parties for work performed prior to the execution date of such agreements. The administrative procedures contained in ATTACHMENT A of this AGREEMENT must be complied with if a consultant firm is to be engaged directly or under a pass-through agreement. If any federal or state funds are passed through to a local jurisdiction or consultant, the audit requirements in ATTACHMENT B are also applicable.

Those planning activities, description of work, and sources of funds documented in the approved City of Kingsport Area Unified Planning Work Program and any subsequent amendments thereto as approved by the Federal Highway Administration and the DEPARTMENT are hereby approved for funding subject to the conditions of this AGREEMENT.

Acquisition of equipment, as defined in 49 CFR Part 18, with federal or state funds shall be approved by FHWA and the DEPARTMENT prior to acquisition and shall be titled to the CITY. Procurement and property management standards shall be applicable to the acquisition, use, management, and disposition of such equipment.

ARTICLE IV - BASIS OF PAYMENT

For services performed in accordance with the provisions of this AGREEMENT, the DEPARTMENT shall pay to the CITY, on behalf of the MPO, actual costs as defined herein.

In consideration of the fact that exact costs for each of the work program line items (i.e. separately budgeted tasks/subtasks) are difficult to estimate, the DEPARTMENT will allow a maximum of 10% overrun on the total funds budgeted for each work program line item with the following exceptions:

1. For line items for which the budget exceeds \$50,000, the maximum allowable cost overrun will be \$5,000.
2. For line items with a total budget of less than \$1,000, the maximum allowable overrun will be \$100.

It is understood that while such overruns will be allowed, in no case will the reimbursement for Federal or State funds exceed the amount identified in Article II of this AGREEMENT. These allowable line item overruns do not require an UPWP amendment.

Payments shall be made for billings rendered quarterly for actual work completed. Billings for the first, second, and third quarters shall be submitted to the DEPARTMENT within 30 days after the end of each quarter. Acceptable billings shall be honored and paid to the CITY by the DEPARTMENT within thirty (30) days of their receipt. Payment for work performed during the final quarter of the year must be requested from the DEPARTMENT within 60 days after the end of the program year. All vouchers shall be supported by the progress reports specified in Article V. Payment of the fourth quarter (final) billing for the given fiscal year will be made subject to acceptance by the DEPARTMENT of the work performed. All costs are subject to audit by the DEPARTMENT and/or the U.S. Department of Transportation. Any such audit shall be made in accordance with generally accepted auditing standards and procedures and be governed by 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments; OMB Circular A-87, Cost Principles for State and Local Governments.

The CITY, acting as the MPO's financial agent, shall be responsible for obtaining the audit coverage in accordance with the requirements set forth in OMB Circular A-133 and the Federal Audit Guidelines provided by the DEPARTMENT, attached to this Agreement as ATTACHMENT C. Failure to comply with the requirements of OMB Circular A-133 and the Federal Audit Guidelines provided by the DEPARTMENT shall result in the DEPARTMENT not entering into future Agreements with the MPO until auditing procedures are brought into compliance. The CITY will provide the DEPARTMENT with copies of the audit report as specified in ATTACHMENT C within 60 days of the audit being completed.

Any expenditures questioned by the DEPARTMENT in their annual performance review of the program will be discussed with the MPO and/or MPO's staff. In the event that agreement is reached that the exception is proper, the DEPARTMENT will deduct the amount of the exception and attach a copy of the exception to the MPO'S copy of the final billing when paid. In the event that the performance review takes place after payment of the final bill, and agreement is reached that the exception is proper, the CITY will be billed in the amount of the exception and the amount so billed will be promptly paid to the DEPARTMENT by the MPO, through the CITY, acting as the MPO's financial agent.

Should there be disagreement between the DEPARTMENT and the MPO'S staff, the exception will be transmitted in writing by the DEPARTMENT to the MPO and/or MPO's staff and opportunity afforded for review and comment. The Commissioner of the Virginia Department of Transportation with assistance as needed from the Federal Highway Administration, will rule on the exception. If the exception is ruled proper, the CITY will be billed in the amount of the exception and the amount so billed will be promptly paid to the DEPARTMENT by the CITY. Settlement of disputes not related to expenditures are covered by Article X of this AGREEMENT.

The CITY will provide a list of all personnel anticipated to charge time against activities covered by this AGREEMENT as described in ATTACHMENT D. This listing will identify personnel by payroll classification only (planner, technician, etc.) and their present actual payroll rate per hour or annual salary. This list shall be attached to this AGREEMENT.

Actual costs shall include direct salaries, payroll burden, indirect costs or overhead, and direct non-salary costs. Such costs shall be maintained in the MPO'S records in accordance with generally accepted cost accounting procedures and recordation. Payroll burden and overhead costs shall be subject to the DEPARTMENT's review and approval. The CITY shall provide an indirect cost certification as identified in ATTACHMENT E. Sections I, II, & III must be completed with appropriate signatures.

Non-salary direct costs shall include purchase and rental of material, supplies, equipment, and services not normally included in the computation of overhead but necessary for the performance of work specified. Also included as direct non-salary costs shall be costs for certain communications and reproductions charged directly to the work specified plus necessary travel and per diem expenses. Cost for automobile rentals and common carriers shall be at actual cost incurred. Use of CITY or personal automobiles shall be at the mileage rates outlined in ATTACHMENT F, VDOT Travel Guidelines. Cost of meals and lodging shall be the actual cost and within VDOT travel guidelines as outlined in ATTACHMENT F.

Any travel performed in connection with planning activities for which expenses are estimated to exceed \$1,000 must have prior approval by the DEPARTMENT. The request shall include a brief explanation of the purpose for the travel, a cost estimate, and MPO concurrence. The allowability of costs incurred by the MPO shall be determined in accordance with the cost principles of OMB Circular A-87.

Any computer or software purchases over \$500 needs prior approval by the DEPARTMENT. If the amount is \$5,000 or more, FHWA approval is required. These approvals require written documentation.

If work activities are to continue without interruption, this AGREEMENT must be executed prior to July 1, 2008. In the event that it is not executed by this date, any expenditure made or work performed by your CITY after that date and prior to execution will not be eligible for reimbursement. Execution of this AGREEMENT is being initiated with the understanding that comments on the draft FY 2009 UPWP will be satisfactorily addressed.

ARTICLE V - PROGRESS SCHEDULES AND REPORTS

The CITY shall prepare quarterly progress schedules of the various phases of work and written progress reports based on such schedules outlining work accomplished during the quarter. The fourth quarter progress report shall address accomplishments for the entire year. Progress reports shall contain, as a minimum, the information required by 23 CFR Part 420. The schedules and reports shall be submitted to the DEPARTMENT with the billing vouchers as outlined in Article IV.

ARTICLE VI - PERFORMANCE PERIOD

Activities identified in the UPWP shall be conducted on an annual basis, which shall extend from July 1 through June 30 and shall be renewed annually by an authorization letter from the DEPARTMENT to the CITY. The time of performance beyond the fiscal year may be extended by mutual agreement between the CITY and the DEPARTMENT subject to prior approval by the FHWA and/ or the FTA.

This AGREEMENT shall become effective when signed by all parties and shall be reviewed for consistency with all applicable laws and regulations annually but not less frequently than every five (5) years. All terms and conditions of this AGREEMENT shall remain in effect while undergoing the periodic review.

Authorized representatives of the DEPARTMENT and/or the Federal Highway Administration may inspect and review work in progress or completed during the period of this AGREEMENT.

ARTICLE VII - TERMINATION OF AGREEMENT

This AGREEMENT shall be terminated upon the occurrence of any of the following:

1. Withdrawal by the Department from the Metropolitan Transportation Planning and Programming Process in the Kingsport Urbanized Area.
2. Withdrawal of the Section 134 designation to the MPO by the Governor.
3. Withdrawal of the MPO from the Metropolitan Transportation Planning and Programming Process.
4. By mutual agreement of the parties.
5. Cancellation of PL funds for the Metropolitan Transportation Planning and Programming Process by the Federal Government.

In the event of termination under provision 1, at least 30 days written notice shall be given prior to termination. Work completed within this notice period shall be eligible for compensation.

In the event of termination under provisions 2, 3, or 4, said termination shall be effective the date of notification. Work completed up to the date of notification shall be eligible for compensation.

The sum of any payments made under this Article shall be based on actual work completed through the date of termination, subject to final audit.

Upon termination, all data, tabulations, documents and other material prepared under this AGREEMENT by and for the MPO shall become the property of the DEPARTMENT.

ARTICLE VIII - RETENTION OF COST RECORDS

The MPO and its subcontractors shall maintain all books, documents, papers, accounting records, and any other evidence supporting the costs incurred. Such information shall be consistent with the provisions of 49 CFR 18 and shall be made available at their respective offices at all reasonable times during the contract period, and for a period of three (3) years from the date of final payment from the DEPARTMENT to the CITY, acting as the MPO's financial agent, for inspection and audit by any authorized representative of the DEPARTMENT or U.S. Department of Transportation. Copies of such information shall be furnished to the DEPARTMENT upon request.

ARTICLE IX - PUBLICATION PROVISIONS

The MPO shall be free to copyright material developed under this AGREEMENT with the provisions that the DEPARTMENT and the Federal Highway Administration reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, the work for government purposes.

Planning reports developed under this AGREEMENT shall be submitted to the DEPARTMENT and the Federal Highway Administration for review and approval prior to publication and distribution.

All reports published by the MPO or Sub-Recipient shall contain the following:

1. An acknowledgment, "Prepared in cooperation with the U.S. Department of Transportation, Federal Highway Administration and the Virginia Department of Transportation."
2. A disclaimer, "The contents of this report reflect the views of the Kingsport Area MPO. The MPO is responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the Federal Highway Administration, the Virginia Department of

Transportation, or the CITY. This report does not constitute a standard, specification, or regulation.”

The following additional disclaimer statement needs to be included in all reports which identify specific improvements/alternatives: “FHWA or VDOT acceptance of this report as evidence of fulfillment of the objectives of this planning study does not constitute endorsement/approval of the need for any recommended improvements nor does it constitute approval of their location and design or a commitment to fund any such improvements. Additional project level environmental impact assessments and/or studies of alternatives may be necessary.”

ARTICLE X - SETTLEMENT OF DISPUTES

Any factual disputes in connection with the work not disposed of by mutual agreement between the DEPARTMENT and the CITY shall be transmitted in writing to the Commissioner of the Virginia Department of Transportation and a 60 day period provided for his review and decision. The Commissioner, with assistance as needed from the Federal Highway Administration, will rule on the question and his decision shall be final.

Any legal disputes in connection with the work not disposed of by mutual agreement between the DEPARTMENT and the CITY shall be transmitted in writing to the Commissioner of the Virginia Department of Transportation and a 60-day period provided for his review and decision. The Commissioner, with assistance as needed from the Federal Highway Administration, will rule on the question and his decision shall be final unless the legal dispute is adjudicated in court. Exhaustion of the administrative procedure outlined herein above is a prerequisite of and not a substitute for the right of judicial review of the legal dispute.

ARTICLE XI - LIABILITY FOR PLANNING PROCESS AND ADMINISTRATION OF FUNDS

Nothing within this AGREEMENT shall be deemed to waive the DEPARTMENT’s defense of sovereign immunity applicable to any claims which might arise as a consequence of the planning process, and further provides that the CITY will be responsible for the proper administration of funds pursuant to this AGREEMENT, the CITY’s liability being hereby expressly limited to the administrative function performed by the CITY for the benefit of the MPO in accordance with the terms of this AGREEMENT.

ARTICLE XII - COMPLIANCE WITH TITLE VI OF CIVIL RIGHTS ACT

The CITY, its agents, employees, assigns, or successors, and any person, firm, or agency of whatever nature with whom it may contract or make agreement, shall comply with the

provisions of Title VI of the Civil Rights Act of 1964 as set out in ATTACHMENT G, attached hereto, and made a part of this AGREEMENT by reference.

ARTICLE XIII - VIRGINIA FAIR EMPLOYMENT CONTRACTING ACT

The CITY, its agents, employees, assigns, or successors, and any person, firm, or agency of whatever nature, with whom they may contract or make an agreement, shall comply with the provisions of the Virginia Fair Employment Contracting Act (Sections 2.2- 4200 through 2.2-4201 of the Code of Virginia (1950), as amended). Section 2.2-4201 is set out in ATTACHMENT H attached hereto and made part of this AGREEMENT.

ARTICLE XIV - DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES

In connection with the performance of this AGREEMENT, the CITY will cooperate with the DEPARTMENT in meeting its commitments and goals with regard to the utilization of Disadvantaged Business Enterprises (DBEs-inclusive of women). The CITY shall follow the Virginia Department of Transportation's Disadvantaged Business Enterprise program and will use its best efforts to insure that DBEs shall have equal opportunity to compete for contracts under this AGREEMENT.

The CITY, its agents, employees, assigns, or successors, and any person, firm, or agency of whatever nature, with whom they may contract or make an agreement, shall comply with the provisions of 49 CFR Part 26, as amended, and set out in ATTACHMENT I attached hereto, and made part of this AGREEMENT by reference.

Further, the CITY agrees to provide the DEPARTMENT with quarterly reports on the actual dollar amount of funds expended with each DBE contractor.

ARTICLE XV - AMENDMENTS

Amendments to this AGREEMENT, as may be mutually agreed to, may be made by written agreement between the DEPARTMENT and the CITY after review and recommendation by the MPO.

ARTICLE XVI – CERTIFICATIONS

The CITY and the DEPARTMENT in signing the attached certification statement as described in ATTACHMENT J shall acknowledge that neither the representative for the CITY nor the DEPARTMENT has been required, directly or indirectly as an expressed or implied condition in connection with obtaining or carrying out this contract to:

- a) employ or retain, or agree to employ or retain, any firm or person, or

- b) pay, or agree to pay, to any firm, person or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any).

By signing this AGREEMENT, the CITY also certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the MPO, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the MPO shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and,
3. The CITY shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all Sub-Recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

IN WITNESS WHEREOF, the DEPARTMENT and the CITY have executed this AGREEMENT on the day and year first above written.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION

BY: _____
Chief of Policy, Planning and the Environment

Printed Name

DATE: _____

BY: _____
Signature

Printed Name

DATE: _____

- ATTACHMENT A - Administrative Procedures for PL Funded Consultant Contracts
- ATTACHMENT B - Federal Audit Requirements for Sub-Recipients
- ATTACHMENT C - Federal Audit Guidelines
- ATTACHMENT D - Personnel and Salaries
- ATTACHMENT E - Indirect Cost Certification
- ATTACHMENT F - VDOT Travel Guidelines
- ATTACHMENT G - Title VI
- ATTACHMENT H - Virginia Fair Employment Contracting Act
- ATTACHMENT I - Disadvantaged and Women-Owned Business Enterprises
- ATTACHMENT J - Certification Statement

ATTACHMENT A

ADMINISTRATIVE PROCEDURES FOR FEDERALLY FUNDED CONSULTANT CONTRACTS

Work Program

Include a brief statement of work to be performed by consultant and identify total funds needed with a breakdown by fiscal year.

Procurement

The CITY must insure that required federal and state procurement procedures are followed for all contracts and subcontracts.

Statement of Work

Submit draft RFP through VDOT to FHWA with request for approval of scope of service/statement of work. FHWA approval will include a request for copies of all executed contracts, subcontracts and addenda thereto. Any work performed prior to date of FHWA approval of scope/statement of work is not eligible for reimbursement.

Consultant Contract

Submit executed contract/agreement, consultant proposal and, if different from approved draft, RFP/statement of work. The executed agreement and proposal combined are considered to be the consultant contract. The contract does not need FHWA review and approval prior to execution, but must contain all provisions of 23 CFR Part 172.

Subcontracts

Subcontracts do not need prior FHWA approval if the work to be subcontracted is identified in the consultant proposal. If not identified in the proposal, subcontract work is considered to be a change in scope and needs to be processed accordingly. Subcontract work should be approved in writing by the state. A copy of the state approval letter, executed subcontracts, and scopes of work need to be submitted to FHWA. All subcontracts shall contain all required provisions of the prime contract.

Contract Amendments

All contract changes (including subcontract work not previously approved), involving changes in scope of work, require prior approval by the DEPARTMENT and FHWA. Copies of executed amended/supplemental contract/work orders need to be submitted to FHWA.

Reports

Progress reports need to be provided to FHWA when prepared. Draft interim/final reports must be submitted to FHWA with a request for approval prior to publication and distribution of final version unless the FHWA has waived the requirement for prior approval. All reports must contain an acknowledgment, "Prepared in cooperation with the U.S. Department of Transportation, Federal Highway Administration, and the Virginia Department of Transportation," and a disclaimer, "The contents of this report reflect the views of the author(s) who is responsible for the facts and the accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the Federal Highway Administration, the Virginia Department of Transportation, or the CITY. This report does not constitute a standard, specification, or regulation." The following additional disclaimer statement needs to be included in all reports which identify specific improvements/alternatives: "FHWA or VDOT acceptance of this report as evidence of fulfillment of the objectives of this planning study does not constitute endorsement/approval of the need for any recommended improvements nor does it constitute approval of their location and design or a commitment to fund any such improvements. Additional project level environmental impact assessments and/or studies of alternatives may be necessary."

ATTACHMENT B
Federal Audit Requirements for Sub-Recipients

Local Jurisdictions/Commissions

Any local jurisdiction which expends more than \$500,000 in Federal funds from all sources combined is subject to the requirements of OMB Circular A-133. If such a locality receives Federal funds, even if passed through to a consultant, the audit must cover these funds. A copy of the audit report must be provided by the locality within 30 days of completion of the audit, but no later than one year after the end of the audit period unless a longer period is agreed to with the Federal agency, to the CITY for submittal to the Department.

Consultants

Pre-award audits are required for all consultant contracts. These audits will be conducted by the Department at the time that the contracts are submitted for approval in accordance with Article IV of this Agreement. Supporting data used by the consultants to prepare cost proposals may be required for these audits. Securing this data will be the responsibility of the CITY.

Final financial audits are required for cost plus net fee contracts and are optional for lump sum contracts. These audits will be conducted by the Department at the conclusion and acceptance of the consultants' services. Consultant contracts, invoices, and supporting data will be required for these audits. It will be the responsibility of the CITY to secure and provide this data to the Department.

ATTACHMENT C

Federal Audit Guidelines In Accordance with OMB Circular A-133 and OMB Circular A-87

The financial audit should be in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. An annual financial audit is required if the CITY expends \$500,000 or more in federal funds from all sources in its fiscal year.

1. OMB Circular A-87, "Cost Principles for State and Local Governments"
2. 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
3. Government Auditing Standards - "Yellow Book" - 2003 Revision
4. "Compliance Supplement for Single Audits of State and Local Governments"

Additional guidance is as follows:

1. Eligibility of costs is stressed for expenditures made within the grants. OMB Circular A-87 should be referenced and applied. Generally, some of the problems encountered are:
 - a. unacceptable or no cost allocation plan.
 - b. arbitrary allocation of costs.
 - c. the failure to maintain time and attendance records.
 - d. if employee spends time on more than one grant, the failure to keep actual time spent on each grant.
 - e. improper documentation.
2. The report should have sufficient schedules, either main or supplementary, that identify beginning balances, revenues, expenditures by line item and individual grant, and fund balances. VDOT grants should be separated (see attached Exhibit A). A schedule of ineligible costs should also be included if such costs are found. A schedule showing budgeted amounts and expenditures by Unified Transportation Planning Work Program task/activity must be included.
3. The report should present a schedule of indirect costs, and be presented in a manner that indicates the method of developing the costs (including fringe benefits). Indirect costs should be analyzed for eligibility of costs included (interest, taxes, etc.) (See attached Exhibits B and C.)

4. Costs should be classified so as to identify those that are expenditures by the grantee in contrast to those disbursements that are actually passed through to other Sub-Recipients. In addition, the scope of the audit should include the expenditures made by the Sub-Recipients and be identified in the audit report. This would include local jurisdictions, consultants, sub-consultants, and any other recipient of pass through funds.
5. Generally speaking, the question of what constitutes materiality in selection of parameters in sample testing and recognition of errors is left up to the auditor's professional judgment. However, we would like to suggest that the size of each individual grant in the entity be considered when selecting these parameters rather than total overall operation of the entity. (Refer to Subpart E of OMB Circular A-133).

Audit reports shall be submitted by the CITY in accordance with the provisions of Section 320 of OMB Circular A-133.

In addition two copies of the audit reports and two copies of the OIG Review of the report are to be sent to:

Virginia Department of Transportation
Attention: Donny Necessary, Jr.
Bristol District Office
870 Bonham Rd.
Bristol, Virginia 24201

Exhibit A

Changes in Fund Balances
for the Year Ended June 30

	General Fund	FTA	VDOT Transit	VDOT SPR	VDOT PL	All Other Grants (in Detail)	Total
Support and Revenue:							
Support:							
Direct Federal Grants							
Pass-Through Federal Contributions							
State Grants							
Revenue:							
Fees and Assessments							
Investment Income							
Miscellaneous							
Total							
Expenses:							
Direct:							
Salaries							
Fringe Benefits - Schedule 1							
Total Direct Salaries & Fringe							
Benefits							
Travel							
Education and Training							
Printing and Reproduction							
Advertising							
Consultants							
Project Inspection Fee							
Pass-through							
In-Kind							
Total Direct							
Indirect:							
Salaries							
Fringe Benefits - Schedule 1							
Other - Schedule 2							
Total Indirect							
Total Direct and Indirect							
Depreciation - Not Allocated							
Total Expenses							
Excess of Support and Revenue over Expenses							
Fund Balance - Beginning of Year							
Adjustments to Fund							
Annual Leave Accrual							
Fixed Assets							
Fund Balance - End of Year							

The accompanying notes are an integral part of these statements.

Fringe Benefits
For the Year Ended June 30

Employer Contributions - FICA	
Employer Contributions - Health Insurance	
Employer Contributions - Life & Disability Insurance	
Employer Contributions - Retirement	
Workmen's Compensation Insurance	
Unemployment Compensation Insurance	_____
TOTAL FRINGE BENEFITS	_____

The accompanying notes are an integral part of these statements.

Indirect Expenses
For the Year Ended June 30

- Commissioner's Compensation
 - Office Supplies
 - Photographic supplies
 - Office equipment rental & maintenance
 - Office rental
 - Insurance
 - Telephone
 - Postage
 - Recruitment
 - Special meetings
 - Moving expense
 - Dues, subs and membership
 - Copying costs
 - Auditing
 - 1) Legal Services
 - Miscellaneous
 - 2) Interest Expense
- TOTAL INDIRECT EXPENSE
- 1) Subject to approval
 - 2) Ineligible cost

The accompanying notes are an integral part of these statements

ATTACHMENT D

PERSONNEL AND SALARIES

(This listing is to be prepared by the CITY per Article V the Annual Agreement. This listing will identify personnel by payroll classification only (planner, technician, etc.) and their present actual payroll rate per hour or annual salary.).

ATTACHMENT E

Indirect Cost Certification Statement

Section I: Use of Indirect Costs (Check the appropriate box.)

- Do not charge indirect costs. (You have completed the form.)
- Charge indirect costs. (Fill out sections II and III.)

Section II: Indirect Cost Plan

- No change in indirect cost allocation plan previously submitted.
- Indirect cost allocation plan has been revised. (As soon as possible and under separate cover, the CITY submits to their VDOT project manager the new indirect cost allocation plan, along with a brief explanation of the changes, for review and approval.)

Section III: Indirect Cost Rate

- There will be no significant change in the indirect cost rate from that previously used.
- There will be a significant change in the indirect cost rate from that previously used. The proposed rate is _____.
(As soon as possible and under separate cover, the CITY submits to their VDOT project manager the new rate, along with a brief explanation for the rate change, for review and approval.)

CITY OF KINGSPORT, TENNESSEE

By: _____

ATTACHMENT F
(current VDOT Travel Guidelines)

In-State Lodging Rates:			Out-of-State Lodging Rates		
	Lodging	M&IE		Lodging	M&IE
Standard – for places not listed	\$60	\$39	Standard - for places not listed	\$88	\$44
Charlottesville	78	44	Atlanta, GA (Fulton, Cobb, DeKalb Counties)	115	49
Fredericksburg (Spotsylvania & Stafford Counties)	61	49	Baltimore, MD (Baltimore County)	141	59
Lynchburg (Campbell County)	66	44	Boston / Cambridge, MA (Suffolk County)	165	64
Manassas	76	39	Charleston, S.C. (Berkley, Charleston, Dorchester Counties)	78	54
Richmond (Chesterfield, Goochland, Henrico, Richmond Counties)	96	54	Charlotte, NC (Mecklenburg)	70	49
Roanoke	69	44	Chicago, IL (Cook, Lake Counties)		
Tidewater (Chesapeake, Norfolk, Portsmouth, Suffolk, Virginia Beach)			4/1-6/30	152	49
4/1-5/31	84	49	7/1-8/31	127	49
6/1-9/30	124	49	9/1-3/31	136	49
10/1-3/31	62	49	Cincinnati , OH (Hamilton, Clermont Counties)	78	54
Wallops Island (Accomack County)			Cleveland, OH (Cuyahogo)	84	54
6/1-8/31	98	49	Dallas, TX (Dallas County)		
9/1-5/31	70	49	1/1-3/31	104	59
Warrenton (Fauquier County)	67	44	4/1-12/31	95	59
Washington, D.C. (Cities of Alexandria, Falls Church, Fairfax; Virginia counties of Arling- ton, Loudoun, Fairfax; and Mary- land Counties of Montgomery and Prince George)			Denver / Aurora , CO (Adams,, Arapahoe, Jefferson, Douglas Counties)	119	49
1/1-5/31	187	64	Detroit, MI (Wayne County)	90	44
6/1-8/31	145	64	Fort Worth /(Arlington / Grapevine TX (Tarrant County)	117	44
9/1-12/31	166	64	Houston, TX (Fort Bend, Harris, Montgomery Counties, L. B. Johnson Space Center)	92	59
Williamsburg (James City, Hampton, Newport News, Poquoson, York County)			Kansas City, MO (Cass, Clay, Jackson, Platte Counties)	87	49
4/1-8/31	82	54	Las Vegas NV (Clark County)		
9/1-3/31	67	54	5/1-8/31	99	64
Woodbridge (Prince William County)	76	44	9/1-4/30	112	64
			Los Angeles, CA (Orange, Ventura Counties)	96	64
			Miami, FL (Dade County)		
			1/1-4/30	144	59
			5/1-9/30	93	59
			10/1-12-31	108	59
			Minneapolis / St. Paul, MI (Hennepin, Ramsey Counties)	113	64
			Floral Park / Garden City / Glen Cove / Great Neck / Rosylyn NY (Nassau County)	162	64
			Newark, NJ (Essex, Bergen, Hudson, Passaic Counties)	109	49
			New Orleans, LA (Jefferson, Plaquemine, St. Bernard Parishes)		

Out-of-State Lodging Rates:

	<u>Lodging</u>	<u>M&IE</u>
6/1-9/30	103	59
10/1-5/31	133	59
New York City, NY (Boroughs of Manhattan, Bronx, Brooklyn, Queens, Staten Island)		
1/1-5/31	201	64
6/1-8/31	180	64
9/1-12/31	226	64
Orlando, FL (Orange County)		
1/1-3/31	101	49
4/1-12/31	83	49
Philadelphia, PA (Philadelphia County)		
	125	64
Phoenix / Scottsdale, AZ (Maricopa County)		
1/1-3/31	127	59
4/1-5/31	109	59
6/1-12/31	84	59
Pittsburgh, PA (Allegheny)		
	91	54
San Antonio, TX (Bexar County)		
	89	54
San Diego, CA (San Diego County)		
1/1-5-31	127	64
6/1-12/31	120	64
San Francisco, CA (San Francisco County)		
	130	64
Savannah, GA (Chatman)		
	87	49
Seattle, WA (King County) 124		
	64	
St. Louis, MO (St. Louis, St Charles Counties)		
	101	59
Tarrytown / White Plains / New Rochelle / Yonkers, NY (Westchester)		
	130	59

MEALS & INCIDENTAL EXPENSES (M&IE)

Meals and incidental travel expenses are reimbursable but may not be direct billed.

Incidental expenses include tips (bellhop, taxi, etc.) personal phone calls, laundry, travel between lodging and meals, etc.

M&IE Rate Table

Breakfast	\$7	\$8	\$9	\$10	\$11	\$12
Lunch	11	12	13	15	16	18
Dinner	<u>18</u>	<u>21</u>	<u>24</u>	<u>26</u>	<u>29</u>	<u>31</u>
Meals	\$36	\$41	\$46	\$51	\$56	\$61
IE	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u>\$39</u>	<u>\$44</u>	<u>\$49</u>	<u>\$54</u>	<u>\$59</u>	<u>\$64</u>

OTHER MISCELLANEOUS EXPENSES

Other reimbursable travel expenses include

Business Telephone Calls (This includes personal cell phone charges that result from business calls – i.e. the cost of the business calls or the cost of other calls that result from exceeding “free minutes” because of business calls.)

- Telegrams
- Facsimiles
- Toll charges
- Parking
- Taxes

These expenses and any other unusual expenses should be explained on the travel request.

Disallowed expenses include:

- Lost or stolen articles
- Alcoholic beverages
- Damage to personal vehicles or other items
- Services to gain entry to a locked vehicle
- Movie rentals charged to hotel bills
- Any expenses related to personal negligence (e.g. non-canceled reservation, fines, etc.)
- Entertainment expenses
- Towing charges
- Expenses for children, spouses, and companions

EXCEPTIONS FOR MEAL REIMBURSEMENT:

Generally, meals not requiring an overnight stay are not reimbursable. There are 3 exceptions:

Business Meals require:

- Substantive and bona fide business discussion
- Identify all persons involved in the meal
- Be reimbursed for actual expenses, up to amount allowed by the M&IE Rates
- Receipt
- Prior written approval of VDOT Project manager.

Overtime Meals require:

- Working at least 2 hours before and/or after normal work schedule
- At the direction of the Administrator
- Essential to the MPO's mission
- Prior written approval of Administrator

PERSONAL VEHICLE USE

For the first 15,000 miles per fiscal year, the traveler is reimbursed \$.505 per mile when travel averages less than 100 miles per day.

The traveler is reimbursed \$.246 per mile for the first 15,000 miles when travel averages 100 miles or more per day.

Once the traveler is reimbursed for 15,000 miles per fiscal year, reimbursement is reduced to \$.13 per mile.

Parking and tolls are reimbursable; amounts \$10 or more require a receipt.

ATTACHMENT G

NOTICE TO CONTRACTORS
COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964
FOR
FEDERAL-AID CONTRACTS

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

- (1) Compliance with Regulations: The contractor will comply with the Regulations of the Department of Transportation relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (49 CFR, Part 21 and Part 26 hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- (2) Nondiscrimination: The contractor, with regard to the work performed by it after award and prior to completion of the contract work, will not discriminate on the ground of race, religion, color, sex, national origin, age or handicap in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in ATTACHMENT B of the regulations.
- (3) Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor shall be notified of the contractor's obligations under this contract.
- (4) Information and Reports: The contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Virginia Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Virginia Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

- (5) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Virginia Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to,
- (a) withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (b) cancellation, termination or suspension of the contract, in whole or in part.
- (6) Incorporation of Provisions: The contractor will include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order or instructions issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the Virginia Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance; provided however, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor as a result of such direction, the contractor may request the State to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

ATTACHMENT H

VIRGINIA FAIR EMPLOYMENT CONTRACTING ACT

Section 2.2-4201 Code of Virginia (1950) as amended

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause, including the names of all contracting agencies with which the contractor has contracts of over ten thousand dollars.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that such contractor is an equal opportunity employer; provided, however, that notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this chapter.

The contractor will include the provisions of the foregoing paragraphs 1 and 2 in every subcontract or purchase order of over ten thousand dollars, so that such provisions will be binding upon each subcontractor or vendor. Nothing contained in this chapter shall be deemed to empower any agency to require any contractor to grant preferential treatment to, or discriminate against, any individual or any group because of race, color, religion, sex or national origin on account of an imbalance which may exist with respect to the total number or percentage of persons of any race, color, religion, sex or national origin employed by such contractor in comparison with the total number or percentage of persons of such race, color, religion, sex or national origin in any community or in the State.

ATTACHMENT I

PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION PROGRAMS 49 CFR Part 26, as amended

It is the policy of the Department of Transportation that Disadvantaged Business Enterprises (DBEs) as defined in 49 CFR Part 26, as amended, shall have equal opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this agreement. Consequently, 49 CFR Part 26, as amended, applies to this agreement.

The CITY agrees to ensure that DBEs as defined in 49 CFR Part 26, as amended, shall have equal opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard the CITY shall take all necessary and reasonable steps in accordance with 49 CFR Part 26, as amended, to ensure that DBEs have equal opportunity to compete for and perform contracts. The CITY shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT assisted contracts.

The CITY agrees that failure to carry out the requirements set forth herein shall constitute a breach of contract and after the notification of the Department of Transportation, may result in termination of this agreement by the Virginia Department of Transportation (VDOT) or such remedy as the VDOT deems appropriate.

ATTACHMENT J

CERTIFICATION OF THE CITY OF KINGSPORT TENNESSEE

I hereby certify that I am the Mayor of the City of Kingsport, Tennessee, whose address is 225 W. Center Street; Kingsport, Tennessee 37660, and that neither I nor the above agency I here represent has been required, directly or indirectly as an expressed or implied condition in connection with obtaining or carrying out this contract to:

- a) employ or retain, or agree to employ or retain, any firm or person, or
- b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Virginia Department of Transportation, and the Federal Highway Administration, U. S. Department of Transportation, in connection with this contract involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

Date

SIGNATURE

CERTIFICATION OF STATE HIGHWAY AGENCY

I hereby certify that I am the Chief of Policy, Planning and the Environment of the Virginia Department of Transportation of the State of Virginia, and that neither I nor the above agency I here represent has been required, directly or indirectly as an expressed or implied condition in connection with obtaining or carrying out this contract to:

- a) employ or retain, or agree to employ or retain, any firm or person, or
- b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Virginia Department of Transportation, and the Federal Highway Administration, U.S Department Transportation, in connection with this contract involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

Date

Chief of Policy, Planning and the Environment



AGENDA ACTION FORM

Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 214 Clay Street

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

A handwritten signature in blue ink, appearing to read "John G. Campbell", is written over the printed name.

Action Form No.: AF-191-2008

Work Session: June 16, 2008

First Reading: June 17, 2008

Final Adoption: June 17, 2008

Staff Work By: M. Billingsley/ R. Trent

Presentation By: M. Billingsley

Recommendation: Approve the resolution.

Executive Summary:

The city has the opportunity at this time to purchase 214 Clay Street for use as a portion of the future Higher Education site. An appraisal of the property was prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicated the fair market value of \$110,000.00. The property owners, Kingsport Firefighter Association, have obtained an appraisal which indicated the fair market value of \$129,900.00. The property owners have agreed to sell the property to the city for the total purchase price of \$140,000.00. Upon discussion with Designated Alderman Valerie Joh, it is recommended that the Board of Mayor and Aldermen approve the acquisition for the total purchase price of \$140,000.00 and in accordance with the terms in the attached purchase agreement. This price also includes expenses for relocation and a pre-payment penalty.

Attachments:

1. Resolution
2. Purchase Agreement

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN OFFER AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT FOR THE PURCHASE OF 214 CLAY STREET

WHEREAS, the city has the opportunity to purchase from the Kingsport Firefighter Association the property located at 214 Clay Street for future use as the Higher Education site; and

WHEREAS, such acquisition would be in accordance with the city's acquisition policy.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That pursuant to the appraisal of property indicating the fair market value of \$110,000.00, the designated alderman is authorized to offer a total purchase price of \$140,000.00 for the purchase of 214 Clay Street, subject to such conditions as deemed appropriate by the designated alderman in consultation with the city attorney, including such conditions as usually required by the city for acquisition of real property.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, an agreement and all other documents necessary and proper to effectuate the purpose of the agreement, to purchase 214 Clay Street subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport.

SECTION II. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AGREEMENT

THIS PURCHASE AGREEMENT (herein “Agreement”) made and entered into on the date of the notary acknowledgment of the seller’s signature between **KINGSPORT FIREFIGHTER ASSOCIATION**, (hereinafter referred to as the “Seller”), and **THE CITY OF KINGSPORT, TENNESSEE**, a municipality organized under the laws of the State of Tennessee (hereinafter referred to as the “Buyer”).

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, including specifically, without limitation, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. **SALE.** Seller agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Seller, subject to the terms and conditions of this Agreement all that real property situate, lying and being located at 214 Clay Street, Kingsport, Sullivan County, Tennessee, known as Tax Map 046I; Group G; Parcel 004.00, more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all improvements and fixtures situated thereon, if any, and also together with all hereditments and appurtenances thereunto belonging or in any way appertaining (the “Real Property”).

2. **PURCHASE PRICE.**

(a) **Amount.** The purchase price to be paid by Buyer to Seller for the Real Property shall be One Hundred Forty Thousand and No/100 Dollars (\$140,000.00) (the “Purchase Price”).

(b) **Terms of Payment.** Subject to the adjustment provided for herein the Purchase Price, less the prorated property taxes as of the date of closing, shall be paid by Buyer to Seller in cash or certified funds payable to Seller on the Closing Date.

3. **CLOSING.** The closing shall occur on or before ninety (90) days after the date of this Agreement, (the “Closing Date”), at a time and location mutually agreed upon by the parties or, upon failure of the parties to agree, at a time and place specified by the Buyer (the “Closing”). Buyer and Seller agree to deliver and execute such documents as may be reasonable and necessary in the opinion of counsel for Seller and Buyer to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions hereof.

4. **PROPERTY CONDITIONS.** Seller shall be permitted to perform the following:

(a) Seller may prior to closing remove all detachable equipment and parts from the property including but not limited to HVAC systems, kitchen cabinets, toilet, vanity, countertops, custom logs in floors, window treatments, kitchen sink and water filtration system;

(b) Seller may prior to closing dismantle portions of the building such as the metal roof with usable parts being donated to Habitat for Humanity benefiting the community; and

(c) Seller may prior to closing offer the building for use by the Kingsport Fire Department for at the approval of the City Manager and Fire Chief.

5. **SURVEY.** Immediately upon the execution of this Agreement, Buyer shall, at Buyer's cost, cause a survey and surveyor's certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in Section 5 hereof, to be prepared on the Real Property by a licensed surveyor acceptable to Buyer. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title surveys for a Class A survey. Such survey shall show the total area of the Real Property in square feet, easements, if any, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by Buyer. Once prepared, the survey description will replace Exhibit A and will become a part of this Agreement identified as Exhibit A-1, and such survey description shall be insurable (and shall be insured) by the title insurance company. If the survey (i) is for good cause not acceptable to Buyer's title insurance company; or (ii) shows the dimensions of the Real Property to be other than as set forth on Exhibit A; or (iii) shows any materially adverse conditions or matters affecting the Real Property which are not approved by Buyer, then Buyer, within twenty (20) days from receipt of such survey, shall notify Seller in writing of Buyer's objections to the survey and Seller shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of the Buyer and the title company. If Seller fails to satisfy such objections with the time specified, Buyer shall have the right to (i) terminate this Agreement; (ii) extend the time period for removing or curing any objectionable item by written notice to Seller; or (iii) close this purchase and sale without reduction in the Purchase Price.

6. **TITLE INSURANCE.** Buyer, at its expense, shall secure an owner's title insurance commitment to issue a title insurance policy insuring Buyer's fee simple interest in the Real Property to the extent of the Purchase Price. The title insurance commitment will be issued by a reputable title insurance company chosen by Buyer and will contain exceptions only for real estate taxes and assessments for the current year which are not yet due and payable, and any other exceptions Buyer may approve in writing. If the commitment contains other exceptions, not acceptable to Buyer, then Buyer shall so notify Seller of such exceptions within twenty (20) days of Buyer's receipt of the commitment, and Seller shall have twenty (20) days from receipt of the Buyer's objections, to resolve such exceptions to the satisfaction of the Buyer. If Seller is unable to cure or resolve such exceptions to Buyer's satisfaction within the time specified, Buyer shall have the right to terminate this Agreement, extend the cure period, or proceed to close this Agreement. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, then this Agreement shall be cancelled, and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

7. **FEASIBILITY STUDY AND INSPECTIONS.** Buyer shall have the right to conduct a feasibility and engineering study of the Real Property for a period of forty-five (45) days from the latest of the dates of execution by the parties hereto ("Feasibility Period"). Buyer and its agents or representatives shall be entitled to enter upon the Real Property at all reasonable times during the Feasibility Period in order to conduct engineering studies, environmental assessments (including, but not limited to, an Environmental Phase I Assessment), water quality tests, soil tests, and any other

inspections and/or tests that Buyer may deem necessary or advisable. In the event the results of Buyer's studies or inspection of the Real Property determine that the Real Property is unacceptable to Buyer, in Buyer's sole discretion, then Buyer may elect to terminate this Agreement and shall so notify Seller in writing on or before the expiration of the aforesaid sixty (60) day period. If Buyer shall provide written notice of cancellation to Seller within this sixty (60) day period, then this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

8. DEED AND TITLE.

(a) Seller hereby agrees to convey to Buyer a good and marketable fee simple title to the Real Property, without exceptions, except as expressly provided herein, by a good and valid general warranty deed, in statutory form, suitable for recordation. Title to the Real Property shall not be subject to any easements, encumbrances or other exceptions which Buyer, in its sole discretion, deems unacceptable.

(b) In the event, as of the Closing Date, Seller is unable to convey marketable title to the Real Property due to defects in Seller's title, or Seller is unable to convey title due to exceptions Buyer finds unacceptable, then Closing shall be postponed for a reasonable period of time not to exceed 30 days until Seller shall remove said title defects or exceptions. If Seller is unable to cure such title defects or exceptions within said 30 days, this Agreement shall be null and void and there shall be no further obligations between the parties. If Buyer shall waive such title defects or exceptions by so notifying the Sellers in writing, or if Seller shall have cured such defects or exceptions, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, there shall be no abatement or reduction of the Purchase Price, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects or exceptions that are waived by Buyer, if any, shall be set forth as exceptions in the deed.

9. CONDITION OF PROPERTY. There has been no storage, disposal, treatment or release of hazardous substances during the period of Seller's ownership, and to the best of Seller's knowledge, the Real Property has not been used, and is not presently being used, and will not through the Closing Date, be used for the storage or disposal of hazardous substances. (The term "hazardous substances" shall have the broadest meaning given under applicable state and federal law, including without limitation that given in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq. Seller is not aware of any facts, conditions or circumstances indicating any form of environmental contamination affecting any properties which are adjacent to the Real Property. There are no encumbrances, liens, or charges of any kind upon the Real Property that will not be satisfied and discharged in full by Seller and released at or before Closing in a form satisfactory to Buyer. There are no contracts, agreements, or arrangements relating to the use and operation of the Real Property not disclosed herein. Seller represents that there is no pending or threatened litigation that does or will materially and adversely affect the Real Property or its value.

10. CONDITIONS PRECEDENT.

Buyer's obligations pursuant to this Agreement are contingent upon and subject to the satisfaction, as of Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by the Buyer at, or prior to Closing):

(1) The results of the title examination report and title insurance commitment described in Section 5 shall be acceptable to Buyer in its sole discretion as of Closing. There shall be no change in the matters reflected in the title insurance commitment described in Section 5 hereof, and there shall not exist any encumbrances or title defects affecting the Real Property not described in such title insurance commitment.

(2) The results of the feasibility study, engineering and related inspections, water quality and environmental testing described in Section 6 shall be acceptable to Buyer in its sole discretion.

(3) All of the representations, warranties and conditions of Seller set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing Date, and Seller shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Seller's part required by the terms of this Agreement.

(4) There shall be no change in the matters reflected in the survey described in Section 4 hereof, and there shall not exist any easement, right of way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the Real Property not shown on the survey.

(5) No material and substantial change shall have occurred with respect to the Real Property which would in any way affect the findings made in the feasibility and engineering studies or inspections described in Section 6, if such studies or inspections have been conducted.

If any condition specified in this Section 9 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, Buyer may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to Seller, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement. It shall be the right of the Buyer at its sole discretion and upon written notice to the Seller to terminate this Agreement at any time prior to the closing of the property if it shall deem the property not suitable for its needs, and upon such termination, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement

11. NOTICE. Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by Certified Mail, Return Receipt Requested, postage prepaid at the addresses set forth below:

SELLER: Kingsport Firefighter Association
c/o Bruce Shine
Law Offices Shine & Mason
Suite 201
433 East Center Street
Kingsport, Tennessee 37660

BUYER: City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660
Attention: J. Michael Billingsley

12. **PRORATIONS.** All real estate taxes and assessments shall be prorated as of the Closing Date, using for such purpose the rate and valuation shown on the latest available tax notice.

13. **EXPENSES OF SELLER.** In closing this transaction, Seller shall be charged with the following:

- (a) The cost of preparation of the warranty deed;
- (b) The fees and expenses of any attorney or other advisor engaged by Seller in connection with this transaction;
- (c) The commission or fees charged by any real estate broker or agent retained or used by the Seller in connection with this transaction; and
- (d) All expenses incurred in connection with the release of any prior existing indebtedness, including without limitation any prepayment penalties.

14. **EXPENSES OF BUYER.** In closing this transaction, Buyer shall be charged with the following:

- (a) The cost of any title search and title insurance policy;
- (b) The cost of recording the deed and any transfer tax associated with such deed;
- (c) Any fees charged in connection with any attorney or other advisor engaged by Buyer in connection with this transaction; and
- (d) The cost of the survey provided pursuant to Section 4;

15. **RISK OF LOSS.** The risk of loss or damage to any of the Real Property described above by fire, vandalism, or other casualty shall remain with the Seller until Closing. In the event of such loss before Closing, this Agreement shall be voidable at the option of Buyer. Should Buyer elect to continue with the purchase following such loss or damage before Closing, Buyer shall have the option to

(a) negotiate an equitable reduction in the Purchase Price or (b) close this Agreement at the stated Purchase Price and accept all insurance funds and other monies payable to Seller regarding such loss or damage. If action is necessary to recover under any casualty policy, Seller shall cooperate with Buyer in bringing such action in Seller's name and Seller shall reimburse Buyer for the attorney's fees and other expenses incurred by Buyer to pursue such claim.

16. **TIME IS OF THE ESSENCE.** Time is of the essence to the performance of this Agreement.

17. **MERGER CLAUSE.** All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other, or by any agent, employee, servant, or other person representing or purporting to represent the Seller. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein.

18. **POSSESSION.** Delivery of possession of the Real Property shall occur at Closing.

19. **CAPTIONS.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

20. **ENTIRE AGREEMENT; MODIFICATIONS.** This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Real Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

21. **CONTROLLING LAW; VENUE.** This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Sullivan County, Tennessee.

22. **BINDING EFFECT.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

23. **FURTHER ACTS.** Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances and instruments that may reasonably be required to fully effectuate the transactions contemplated in this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands in duplicate originals the day and year first written above.

BUYER:

CITY OF KINGSPORT, TENNESSEE

ATTEST:

Elizabeth A. Gilbert, Deputy City Recorder

By: _____
Dennis R. Phillips, Mayor

APPROVED AS TO FORM:

J. Michael Billingsley, City Attorney

SELLER:

KINGSPORT FIREFIGHTER ASSOCIATION

By: _____
Matthew J. Sorge, President

STATE OF TENNESSEE
COUNTY OF SULLIVAN

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared the within named bargainor, DENNIS R. PHILLIPS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Mayor of the City of Kingsport, Tennessee, and that he, as the Mayor, executed the foregoing instrument for the purposes therein contained, by signing his name as Mayor.

WITNESS my hand and official seal this _____ day of _____, 2008.

Notary Public

My commission expires:

STATE OF TENNESSEE
COUNTY OF SULLIVAN

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared the within named bargainor, MATTHEW J. SORGE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of Kingsport Firefighter Association, and that he President, executed the foregoing instrument for the purposes therein contained, by signing his name as President.

WITNESS my hand and official seal this _____ day of _____, 2008.

Notary Public

My commission expires:

EXHIBIT A

Description of Real Property

Situate, lying and being in the 11th Civil District of Sullivan County, Tennessee, and more particularly described as follows:

PARCEL # 1

BEGINNING at a point in the northwesterly line of Clay Street distant southwesterly two hundred thirty-nine and fifty-eight hundredths (239.58) feet from the point of intersection of the said northwesterly line of Clay Street with the southwesterly line of West Center Street, corner for Lots 33 and 34; thence continuing southwesterly with the said line of Clay Street twenty-five (25) feet to its point of intersection with the northeasterly line of a twenty (20) foot alley, corner for Lot 34; thence northwesterly at right angles and with the said line of said alley one hundred-forty one and eight hundred seventy-five thousandths (141.875) feet to its point of intersection with the southeasterly line of a twenty five (25) foot alley; thence northeasterly at right angles and with the said line of said alley twenty-five (25) feet to a point; corner for Lots 33 and 34; thence southeasterly at right angles and with the divisional line of Lots 33 and 34 one-hundred forty-one and eight hundred seventy-five thousandths (141.875) feet to the point of BEGINNING, containing three thousand five hundred forty-seven (3,547) square feet, more or less, and being Lot 34, Block 24 in the City of Kingsport, Tennessee.

PARCEL #2

BEING a platted but unused and unimproved portion of that certain public right of way located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee, described as follows:

BEGINNING at a point, said point being the southwesterly corner of Lot 34, Block 24, City of Kingsport. Thence in a northeasterly direction following the rear property line of Lot 34, for a distance of 25 feet to a point, said point being the rear corner for Lots 33 and 34, Block 24, City of Kingsport. Thence in a westerly direction with a line that is an extension of the divisional line between Lots 33 and 34, for a distance of approximately 12.50 feet to a point. Thence in a southwesterly direction and with a line parallel to and approximately 12.50 feet from the rear line of Lot 34, Block 24, City of Kingsport, for a distance of 25 feet to a point. Thence in a southeasterly direction for a distance of approximately 12.50 feet to the point of BEGINNING, being a portion of the public right of way that has been vacated by the City of Kingsport pursuant to Ordinance No. 2993 which lies adjacent to the rear line of Lot 34, Block 24, City of Kingsport, to all of which reference is hereby expressly made.

Tax Map 046I; Group G; Parcel 004.00



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute Lease Agreements with the Arts Council of Greater Kingsport, The Kingsport Art Guild, The Kingsport Theatre Guild and Symphony of the Mountains for Space in the Renaissance Center.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF-177-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: June 17, 2008
 Staff Work: Martha Beverly
 Presentation: Martha Beverly

Recommendation: Approve the Resolution.

Executive Summary: The City of Kingsport has leased space to various Arts organizations in the Renaissance Center. It is requested that the leases for four organizations be renewed for a five year period. The rent reflects a 10% increase as was approved in the fee schedule by the BMA on July 1, 2007.

Attachments:

1. Resolution
2. Four Leases

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE LEASE AGREEMENTS WITH THE ARTS COUNCIL OF GREATER KINGSPORT, THE KINGSPORT ART GUILD, THE KINGSPORT THEATRE GUILD AND SYMPHONY OF THE MOUNTAINS FOR CERTAIN SPACES LOCATED IN THE CITY'S RENAISSANCE CENTER

WHEREAS, the city desires to enter into lease agreements for certain spaces in the Renaissance Center located at 1200 East Center Street with the Arts Council of Greater Kingsport, The Kingsport Art Guild, The Kingsport Theatre Guild, and Symphony of the Mountains; and

WHEREAS, the lease agreements are for the period beginning July 1, 2008 and ending June 30, 2009 with the option to renew for four (4) additional one (1) year periods with the final renewal period expiring on June 30, 2013.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, lease agreements for certain spaces in the Renaissance Center, located at 1200 East Center Street, with the Arts Council of Greater Kingsport, The Kingsport Art Guild, The Kingsport Theatre Guild, and Symphony of the Mountains for the period beginning July 1, 2008 and ending June 30, 2009 with the option to renew for four (4) additional one (1) year periods with the final renewal period expiring on June 30, 2013.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 17th day of June, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

RENAISSANCE CENTER

LEASE AGREEMENT

THIS LEASE, made and entered into as of this 1st day of July 2008, by and between the City of Kingsport, a municipal corporation (herein called "Landlord"), and the Kingsport Theatre Guild, a non-profit corporation (herein called "Tenant"). This Lease

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the Parties do hereby agree as follows:

1. Premises. Landlord does hereby lease to Tenant and Tenant leases from Landlord that certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of Four Hundred Fifty-Three (453) square feet of floor areas, described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

2. Term. The term of this Lease shall be until June 30, 2009, and shall commence to run on June 30, 2008. The Parties shall have the option to renew this Lease for four (4) successive renewal terms of twelve (12) months each. Each such renewal term shall be upon the same terms, covenants and conditions hereof, except (a) there shall be no further renewal right after the expiration of said fifth and last renewal term, and (b) compensation shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord prior to the termination of this Lease on June 30, 2009, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal options as set out in this paragraph, the final renewal will expire on June 30, 2013. This Lease may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination.

3. Use. Tenant shall use the Premises for arts-related activities including office functions, classes, workshops, receptions, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. Rent. Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of One Thousand Eight Hundred Seventy-Eight and 61/100 (\$1,878.61) dollars payable in monthly installments of One Hundred Fifty-Six and 55/100 (\$156.55) dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof, The first payment is due on July 1, 2008. Tenant may, from time to time and with Landlord's approval, use additional space at a cost of Three and 37/100 (\$3.37) Dollars per square foot, per year, payable at the time of such use. Cost of each three hour block of time for each additional room space is outlined in Exhibit A.

5. Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof, or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies, as set forth by the Renaissance Center Advisory Board, shall govern all building usage. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.

6. Compliance with Law. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

7. Repairs and Alterations. Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once

become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. Surrendered Premises. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

9. Liens. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.

10. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

11. Hold Harmless. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee,

guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

12. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of one person in any one accident or occurrence and in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of more than one person in any one accident or occurrence. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Insurance required hereunder shall be in companies reasonably acceptable to Landlord.

13. Rules and Regulations. Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.

14. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.

15. Entry by Landlord. Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.

16. Parking and Common Areas. All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise.

The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

KINGSPORT THEATRE GUILD

President

CITY OF KINGSPORT

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

EXHIBIT A

KINGSPORT THEATRE GUILD
(Effective July 1, 2008)

1. Space Rented Full Time:

BASIS: \$3.37 per square foot per year

<u>Room</u>	<u>Square Feet</u>	<u>Cost</u>
50% of Room 211	333	\$1122.21
Closets in Room 209	<u>120</u>	<u>\$ 404.40</u>
Total:	453	\$1526.61

2. Charges for proportionate share of common areas (halls, restrooms, custodial services, parking, electricity, water/sewer, gas, maintenance and contract services):

<u>Description</u>	<u>Cost</u>
Common Area	\$352.00

Total Rent: \$1878.61 (\$156.55 per month)

*** Note:** Use of the gallery, atriums and Room 228 will be allowed for press conferences and board meetings at not charge. The following rooms may be rented in 3-hour time blocks on an "as available" basis.

<u>Room</u>	<u>Cost per 3-hour time block</u>
239	\$ 5.50
310	\$ 7.70
Theatre	\$18.70 or \$56.10 per day
230	\$ 3.30

RENAISSANCE CENTER

LEASE AGREEMENT

THIS LEASE, made and entered into as of this 1st day of July 2008, by and between the City of Kingsport, a municipal corporation (herein called "Landlord"), and the Kingsport Art Guild, a non-profit corporation (herein called "Tenant"). This Lease

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the Parties do hereby agree as follows:

1. Premises. Landlord does hereby lease to Tenant and Tenant leases from Landlord that certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of One Thousand Twenty-Three (1023) square feet of floor areas, described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

2. Term. The term of this Lease shall be until June 30, 2009, and shall commence to run on June 30, 2008. The Parties shall have the option to renew this Lease for four (4) successive renewal terms of twelve (12) months each. Each such renewal term shall be upon the same terms, covenants and conditions hereof, except (a) there shall be no further renewal right after the expiration of said fifth and last renewal term, and (b) compensation shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord prior to the termination of this Lease on June 30, 2009, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal options as set out in this paragraph, the final renewal will expire on June 30, 2013. This Lease may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination.

3. Use. Tenant shall use the Premises for arts-related activities including office functions, classes, workshops, receptions, exhibits, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. Rent. Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of Four Thousand Five Hundred Thirty-Three and 21/100 (\$4,533.21) dollars payable in monthly installments of Three Hundred Seventy-Seven and 77/100 (\$377.77) Dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof, The first payment is due on July 1, 2008. Tenant may, from time to time and with Landlord's approval, use additional space at a cost of Three and 37/100 (\$3.37) Dollars per square foot, per year, payable at the time of such use. Cost of each three hour block of time for each additional room space is outlined in Exhibit A.

5. Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof, or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies, as set forth by the Renaissance Center Advisory Board, shall govern all building usage. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.

6. Compliance with Law. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

7. Repairs and Alterations. Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and

built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. Surrendered Premises. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

9. Liens. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.

10. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

11. Hold Harmless. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this

Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

12. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of one person in any one accident or occurrence and in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of more than one person in any one accident or occurrence. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Insurance required hereunder shall be in companies reasonably acceptable to Landlord.

13. Rules and Regulations. Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.

14. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.

15. Entry by Landlord. Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.

16. Parking and Common Areas. All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise.

The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

KINGSPORT ART GUILD

President

CITY OF KINGSPORT

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

EXHIBIT A

KINGSPORT ART GUILD
(Effective July 1, 2008)

1. Space Rented Full Time:

BASIS: \$3.37 per square foot per year

<u>Room</u>	<u>Square Feet</u>	<u>Cost</u>
50% of Room 211	333	\$1122.21
313	<u>690</u>	<u>\$2325.30</u>
Total:	1023	\$3447.51

2. Charges for proportionate share of common areas (halls, restrooms, custodial services, parking, electricity, water/sewer, gas, maintenance and contract services):

<u>Description</u>	<u>Cost</u>
Common Area	\$1085.70

Total Rent: \$4533.21 (\$377.77 per month)

* **Note:** Use of the gallery, atriums and Room 228 will be allowed for press conferences and board meetings at not charge. The following rooms may be rented in 3-hour time blocks on an "as available" basis.

<u>Room</u>	<u>Cost per 3-hour time block</u>
239	\$ 5.50
310	\$ 7.70
Theatre	\$18.70
230	\$ 3.30

RENAISSANCE CENTER
LEASE AGREEMENT

THIS LEASE, made and entered into as of this 1st day of July 2008, by and between the City of Kingsport, a municipal corporation (herein called "Landlord"), and the Arts Council of Greater Kingsport, a non-profit corporation (herein called "Tenant"). This Lease

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the Parties wish to substitute this Lease for any previous Lease between the Parties and do hereby agree as follows:

1. Premises. Landlord does hereby lease to Tenant and Tenant leases from Landlord that certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of Six Hundred Twenty-Six (626) square feet of floor areas, described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

2. Term. The term of this Lease shall be until June 30, 2009, and shall commence to run on June 30, 2008. The Parties shall have the option to renew this Lease for four (4) successive renewal terms of twelve (12) months each. Each such renewal term shall be upon the same terms, covenants and conditions hereof, except (a) there shall be no further renewal right after the expiration of said fifth and last renewal term, and (b) compensation shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord prior to the termination of this Lease on June 30, 2009, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal options as set out in this paragraph, the final renewal will expire on June 30, 2013. This Lease may be terminated by either party by giving written

notice to the other at least 30 days before the effective date of such termination.

3. Use. Tenant shall use the Premises for arts-related activities including office functions, rehearsals, performances, classes, workshops, receptions, exhibits, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. Rent. Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of Two Thousand Seven Hundred Eighty-Six and 12/100 (\$2,786.12) dollars payable in monthly installments of Two Hundred Thirty-Two and 18/100 (\$232.18) Dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof, The first payment is due on July 1, 2008. Tenant may, from time to time and with Landlord's approval, use additional space at a cost of Three and 37/100 (\$3.37) Dollars per square foot, per year, payable at the time of such use. Cost of each three hour block of time for each additional room space is outlined in Exhibit A.

5. Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof, or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies, as set forth by the Renaissance Center Advisory Board, shall govern all building usage. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.

6. Compliance with Law. Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

7. Repairs and Alterations. Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once

become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. Surrendered Premises. By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

9. Liens. Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.

10. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

11. Hold Harmless. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or

about the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

12. Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of one person in any one accident or occurrence and in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of more than one person in any one accident or occurrence. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Insurance required hereunder shall be in companies reasonably acceptable to Landlord.

13. Rules and Regulations. Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.

14. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.

15. Entry by Landlord. Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.

16. Parking and Common Areas. All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise.

The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

**ARTS COUNCIL OF
GREATER KINGSPORT**

President

CITY OF KINGSPORT

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

EXHIBIT A

ARTS COUNCIL OF GREATER KINGSPORT
(Effective July 1, 2008)

1. Space Rented Full Time:

BASIS: \$3.37 per square foot per year

<u>Room</u>	<u>Description</u>	<u>Square Feet</u>	<u>Cost</u>
212-219	Offices	626	\$2109.62

2. Charges for proportionate share of common areas (halls, restrooms, custodial services, parking, electricity, water/sewer, gas, maintenance and contract services):

<u>Description</u>	<u>Cost</u>
Common Area	\$676.50

Total Rent: \$2786.12 (\$232.18 per month)

* **Note:** Use of the gallery, atriums and Room 228 will be allowed for press conferences and board meetings at not charge. The following rooms may be rented in 3-hour time blocks on an "as available" basis.

<u>Room</u>	<u>Cost per 3-hour time block</u>
239	\$ 5.50
310	\$ 7.70
Theatre	\$18.70
230	\$ 3.30

RENAISSANCE CENTER
LEASE AGREEMENT

THIS LEASE, made and entered into as of this 1st day of July, 2008, by and between the City of Kingsport, a municipal corporation (herein called "Landlord"), and the Symphony of the Mountains, a non-profit corporation (herein called "Tenant").

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the Parties do hereby agree as follows:

- 1. Premises.** Landlord does hereby lease to Tenant and Tenant leases from Landlord that certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of certain areas, One Thousand Five Hundred Ninety (1,590) square feet of floor areas and use of other areas more specifically described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

- 2. Term.** The term of this Lease shall be until June 30, 2009, and shall commence to run on June 30, 2008. The Parties shall have the option to renew this Lease for four (4) successive renewal terms of twelve (12) months each. Each such renewal term shall be upon the same terms, covenants and conditions hereof, except (a) there shall be no further renewal right after the expiration of said fifth and last renewal term, and (b) compensation shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord prior to the termination of this Lease on June 30, 2009, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal options as set out in this paragraph, the final renewal will expire on June 30, 2013. This Lease may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such termination.

3. **Use.** Tenant shall use the Premises for symphony including office functions, rehearsals, performances, classes, workshops, receptions, exhibits, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.
4. **Rent.** Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of Seven Thousand Eight Hundred Twelve and 40/100 (\$7812.40) dollars payable in monthly installments of Six Hundred Fifty-One and 03/100 (\$651.03) dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof. The first payment is due on July 1, 2008. Tenant may, from time to time and with Landlord's approval, use additional space at a cost of Three and 37/100 (\$3.37) Dollars per square foot, per year, payable at the time of such use. Cost of each three hour block of time for each additional room space is outlined in Exhibit A.
5. **Uses Prohibited.** Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents, or cause a cancellation of any insurance policy covering said building or any part thereof, or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center, or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies, as set forth by the Renaissance Center Advisory Board, shall govern all building usage. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.
6. **Compliance with Law.** Tenant shall not use the Premises, or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.
7. **Repairs and Alterations.** Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event

Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. **Surrendered Premises.** By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.
9. **Liens.** Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant.
10. **Assignment and Subletting.** Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.
11. **Hold Harmless.** Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. In case any action or

proceeding be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

- 12. Liability Insurance.** Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of one person in any one accident or occurrence and in the amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for injury or death of more than one person in any one accident or occurrence. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Insurance required hereunder shall be in companies reasonably acceptable to Landlord.
- 13. Rules and Regulations.** Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.
- 14. Holding Over.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.
- 15. Entry by Landlord.** Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.
- 16. Parking and Common Areas.** All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise. The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

SYMPHONY OF THE MOUNTAINS

President

CITY OF KINGSPORT

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

EXHIBIT A

SYMPHONY OF THE MOUNTAINS
(Effective July 1, 2008)

1. Space Rented Full Time:

Basis: \$3.37 per square foot per year

<u>Room</u>	<u>Description</u>	<u>Square Feet</u>	<u>Room Cost</u>
311	Symphony	690	\$2325.30
307	Symphony Storage	713	\$2402.81
308	Symphony	<u>187</u>	<u>\$ 630.19</u>
Total:		1590	\$5,358.30

2. Charges for proportionate share of common areas (halls, restrooms, custodial services, parking, electricity, water/sewer, gas, maintenance and contract services):

<u>Description</u>	<u>Cost</u>
Common Area	\$1,730.30

3. Space rented part-time:

<u>Room</u>	<u>Description</u>	<u>Cost</u>
310	Rehearsal Hall	\$ 723.80 (94 Blocks)

Total Rent: \$7,812.40 (\$651.03 per month)

* **Note:** Use of the gallery, atriums and Room 228 will be allowed for press conferences and board meetings at not charge. The following rooms may be rented in 3-hour time blocks on an "as available" basis.

<u>Room</u>	<u>Cost per 3-hour time block</u>
239	\$ 5.50
310	\$ 7.70
Theatre	\$18.70
230	\$ 3.30



AGENDA ACTION FORM

Approve the Reappointments for Mr. Gary Mayes, Mrs. Ruth Montgomery, Mr. Richard Currie, and Mr. John Vogt to the Senior Center Advisory Council to Serve an Additional Two-Year Term.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

A handwritten signature in green ink, which appears to be "John G. Campbell", is written over the printed name of the City Manager.

Action Form No.: AF-37-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008

Final Adoption: June 17, 2008
 Staff Work By: Shirley Buchanan
 Presentation By: Tom Bowman

BMA Strategic Plan 2007-2008

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 7: Superior Quality of Life

KSO #: N/A

Recommendation:

Approve the reappointments

Executive Summary:

Mr. Gary Mayes, Mrs. Ruth Montgomery, Mr. Richard Currie, and Mr. John Vogt have agreed to serve an additional two-year term, if approved by the Board of Mayor and Alderman. Their term is to be retroactive December 31, 2007 and will expire December 31, 2009.

Attachments:

1. Bio on Gary Mayes
2. Bio on Ruth Montgomery
3. Bio on Richard Currie
4. Bio on John Vogt

Funding source appropriate and funds are available: N/A

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

Gary Mayes is Regional Director of the Sullivan County Health Department. A position he has served for five years. Previously Gary was a System Director with Wellmont Health Systems for seven years and served as Emergency Medical Services Director in Sullivan County for 13 years. Gary serves on numerous community boards and held elected positions in Kingsport and Sullivan County. His wife Tammy is a teacher in Sullivan County. They have one son that attends Maryville College.

Gary S. Mayes
Sullivan County Regional Health Department

RUTH C. MONTGOMERY
BIOGRAPHICAL SUMMARY

Ruth Montgomery is an East Tennessee native. She is the wife of Dr. Robert H. Montgomery. They are the parents of two married sons who make their home in Kingsport.

She is a graduate of East Tennessee State University where she was named the outstanding alumna of 1988 and received her M.S. from the University of Tennessee.

Ruth served as a Sullivan County Commissioner from 1972-80. She was elected to four terms as a member of the Tennessee House of Representatives and served four years as a member of the Senate. While in the legislature, she was elected to fiscal review and House Minority Vice-chair. She served on Commerce, General Welfare, Transportation, Calendar and Government Operations Committees.

Mrs. Montgomery was elected Mayor of Kingsport in 1995 and served two terms in that position. She is presently a member of the Senior Center Advisory Board and the Friends of the Senior Center Board.

LEGAL COUNSEL



Mr. Richard M. (Rick) Currie Jr.
Legal Counsel

Mr. Richard M. (Rick) Currie, Jr. is a partner in the law firm of Wilson, Worley, Moore, Gamble and Stout. He received a B.A. from Vanderbilt University in 1965, served in the United States Army from 1965-1968 and received a J.D. from the Vanderbilt University of Law in 1971. He has practiced law in Kingsport since 1971, specializing in civil litigation. He is certified as a Civil Trial Specialist by the Tennessee Commission on Continuing Legal Education and Specialization and he is a Tennessee Supreme Court Rule 31 listed Civil Mediator. He is active in civic affairs and the United Methodist Church.

Buchanan, Shirley

From: John Vogt [johnvogt@embarqmail.com]
nt: Sunday, February 24, 2008 9:48 PM
o: Buchanan, Shirley
Subject: Resume for John Vogt

Shirley--

I hope this is long enough a "resume" to please the city council. Feel free to edit it and shorten it up..quite a bit:

See you at the next meeting!

Enjoy Life Abundantly

--John

423 262-7995

John Vogt spent his childhood years in Michigan and Wisconsin. He was active in Scouting, sports, and science throughout his High school years in Kenosha, WI graduating near the top of his class before heading off to College in 1971. He graduated Magna Cum Laude from Carthage College in May 1975 with a BA in History (honors in the Major), a BS in Natural Science with minors in Biology and political Science. He also was Freshman class president, Varsity Football and Wrestling, and attended the University of London and Heidelberg University his Junior year. Extensive Post college work at the University of Oshkosh and Western Michigan in Public Administration can also be noted.

John started working for the federal Government in March 1976 after nine months working for Milwaukee County Hospital as a lab tech after graduation. John trained as a claims representative in Eau Claire Wisconsin before starting to work in Milwaukee for the Social Security administration. Over the next few years, he worked his way through several advancing jobs in the administration as a field representative, an operations officer, office supervisor, regional training specialist and office manager. During his midwest tour his offices received numerous awards for quality and productivity. In 1988 John got wise and moved his wife and three young children down to Johnson City Tennessee. There he quickly moved his way back into management and became the Social Security office manager in Kingsport in 1994. During his time in Kingsport the local office received several awards for being the top office in the southern region. He retired from Social Security in August 2007 after thirty two years with the US Government. He and his wife Diane hope to soon open "Storybrook Farm Bed and Breakfast" in Jonesborough.

John has proven he enjoys helping in our local community and helped not only as a local scout leader and church member, but also was a leading member and board member of senior council, social service council, wrote a weekly column in the Kingsport Times, went to Brazil on a mission team, Celtic Society board member, Ruritan, and several other organizations. He continues to do volunteer work in retirement with youth both through the church and as the ETSU Pole Vault coach for the track team.



AGENDA ACTION FORM

Consideration of an Ordinance Amending the FY 2007-2008 General Purpose School Fund Budget and the General Project Fund Budgets.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF-149-2008
 Work Session: June 2, 2008
 First Reading/(Public Hearing Held): June 3, 2008

Final Adoption: June 17, 2008
 Staff Work: David Frye
 Presentation: David Frye

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

- KSF #5: Stewardship of Public Funds**
- KSF # 6: Strong Public Education System**

Recommendation:

Approve Ordinance

Executive Summary:

On May 1, 2008, the Board of Education approved budget amendment number five. This amendment decreases the estimated revenues and appropriations in the net amount of \$463,480. There are ten different items that are addressed in this amendment. This amendment also increases the estimated revenues and appropriations for the General Project Funds by \$69,862. Please see the attached Kingsport City Schools – Budget Amendment Number Five for more detail.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Five

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend Various Revenue and Expenditure Accounts With in the School's Federal Projects Fund.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF-150-2008
 Work Session: June 2, 2008
 First Reading/(Public Hearing Held): June 3, 2008

Final Adoption: June 17, 2008
 Staff Work: David Frye
 Presentation: David Frye

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

KSF #5: Stewardship of Public Funds
KSF # 6: Strong Public Education System

Recommendation:

Approve Ordinance

Executive Summary:

On May 1, 2008, the Board of Education approved an amendment to the FY 2007-2008 School's Federal Projects Fund budget. This fund accounts for federal entitlement grants that are administered by the State of Tennessee. An initial budget of \$3,496,392 was approved, based on estimated amounts. Now that the actual grant amounts have been finalized it is necessary to amend the budget for this fund to \$3,492,404.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Five

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend Various Revenue and Expenditure Accounts With in the School's Special Projects Fund.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *John G. Campbell*

Agenda Form No.: AF-151-2008
 Work Session: June 2, 2008
 First Reading(Public Hearing Held):June 3, 2008
 Final Adoption: June 17, 2008
 Staff Work: David Frye
 Presentation: David Frye

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

KSF #5: Stewardship of Public Funds
KSF # 6: Strong Public Education System

Recommendation:

Approve Ordinance

Executive Summary:

On May 1, 2008, the Board of Education approved an amendment to the FY 2007-2008 School's Special Projects Fund budget. This fund accounts for State of Tennessee grants, competitive grants, and any other grants that may be received. The current budget is \$1,481,960, based on estimated amounts. Two new grants have been received and one grant was discontinued. With the inclusion of these new grants and adjusting other grants from estimated amounts to actual amounts it is necessary to amend the budget for this fund to \$1,644,492.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Five

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance Providing for the FY09 Community Development Block Grant Budget

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Agenda Form No.: AF-156-2008
Work Session: June 2, 2008
First Reading(Public Hearing Held):June 3, 2008

Final Adoption: June17, 2008
Staff Work: Mark Haga
Presentation: Judy Smith

Recommendation:

- Approve Ordinance

Executive Summary:

Each year the City receives funding from the US Department of Housing and Urban Development for Community Development Block Grant Funding. The funding for this year's grant was presented to, considered and approved by the BMA in April. Since this grant project runs for the life of the grant funds, it is not appropriate to include these funds in the annual budget. However, it is appropriate to provide for the grant via a capital/grant project budget ordinance.

Attachments:

1. Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance Providing for the FY09 Emergency Shelter Grant Budget

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *John G. Campbell*

Agenda Form No.: AF-157-2008
 Work Session: June 2, 2008
 First Reading(Public Hearing Held):June 3, 2008

Final Adoption: June 17, 2008
 Staff Work: Mark Haga
 Presentation: Judy Smith

Recommendation:

- Approve Ordinance.

Executive Summary:

Each year the City receives funding from the Tennessee Housing Development Agency for Emergency Shelter Grant funding. The funding for this year's grant was presented to, considered and approved by the BMA in April. Since this grant project runs for the life of the grant funds, it is not appropriate to include these funds in the annual budget. However, it is appropriate to provide for the grant via a capital/grant project budget ordinance.

Attachments:

1. Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Meadowview Conference Center's Budget by Appropriating Funds From the FF& E Sinking Fund

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager *John G. Campbell*
Action Form No.: AF 159-2008 Final Adoption: June 17, 2008
Work Session: June 02, 2008 Staff Work By: Judy Smith
First Reading(Public Hearing Held):June 03, 2008 Presentation By: Judy Smith

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

Meadowview management has ask to amend the budget to cover the costs of renovations for the patio, furniture and carpet at the conference center. These funds will be appropriated from the FF&E sinking fund.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available:_____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Cattails Golf Course by Increasing the Revenue and Expenditures to Reflect Cattails Golf Course Operations

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF160-2008
 Work Session: June 02, 2008
 First Reading(Public Hearing Held): June 03, 2008
 Final Adoption: June 17, 2008
 Staff Work By: Judy Smith
 Presentation By: Judy Smith

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

The auditors recommended an accounting change to the Cattails Golf Course budget. This change was made in September 2007. In previous years, we recorded the net commission that was City Income. The auditors recommend that we record Cattails gross sales and operating cost. This ordinance will amend the budget to reflect the change.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Metropolitan Planning Project Grant Budget

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF161-2008
 Work Session: June 02, 2008
 First Reading/(Public Hearing Held): June 03, 2008
 Final Adoption: June 17, 2008
 Staff Work By: Judy Smith
 Presentation By: Smith, Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

Each year the City of Kingsport receives funding from the Federal Highway Administration through the Tennessee Department of Transportation for the Metropolitan Planning Project Grant. The funding for this year's grant was presented in the budget work sessions. Since this grant project runs for the life of the grant funds, it is not included in the annual budget. However, it is provided for through a separate capital/grant budget ordinance.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 School Public Law 93-380 Grant Project Fund Budget

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF163-2008
 Work Session: June 02, 2008
 First Reading/(Public Hearing Held): June 03, 2008
 Final Adoption: June 17, 2008
 Staff Work By: Judy Smith
 Presentation By: Smith, Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

Each year the City of Kingsport School system receives federal funding for the Public Law 93-380 grant for instructional and educational purposes. The funding for this year's grant was presented in the budget work sessions. Since this grant project runs for the life of the grant funds, it is not included in the annual budget. However, it is provided for through a separate capital/grant budget ordinance.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Special Schools Projects Grant Fund Budget

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager *John G. Campbell*

Action Form No.: AF164-2008
Work Session: June 2, 2008
First Reading/(Public Hearing Held): June 3, 2008
Final Adoption: June 17, 2008
Staff Work By: Judy Smith
Presentation By: Smith, Campbell

Recommendation: Approve the ordinance.

Executive Summary:

Each year the City of Kingsport School system receives federal and state funding for the Special School Projects Grant for instructional and educational purposes. The funding for this year's grant was presented in the budget work sessions. Since this grant project runs for the life of the grant funds, it is not included in the annual budget. However, it is provided for through a separate capital/grant budget ordinance.

Since the first reading there has been a reduction of \$124,217 in state funding. The ordinance should be amended on second reading to reflect this change. A revised ordinance with the amendment is attached, along with a suggested motion to amend the ordinance.

Attachments:

1. Ordinance
2. Revised ordinance
3. Suggested motion to amend

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

Motion to Amend Special School Projects Grant ordinance for Revised AF 164-2008 for the June 17, 2008 business meeting

After the motion and the second to pass the budget ordinance on second reading the following motion should be made:

I move to amend the current ordinance by substituting in its place the ordinance marked “Revised Budget Ordinance for Revised AF: 164-2008 - 6/17/08” provided in the board packet by the city manager’s office and discussed at the work session last evening. Essentially the language in the revised ordinance reflects a reduction of \$124,127 in state funding for the Special School Projects Grant.

Members of the board,

For your convenience I have set out the procedure to amend the ordinance once a motion to pass the ordinance on second reading has been made and seconded.

1. Receive the motion to amend the ordinance and the second to the motion.
2. Once the motion to amend and seconded it would be proper to ask if there is any discussion on the amendment.
3. When the discussion is finished or if there is none, call for a vote on the amendment.
4. Assuming the amendment passes, announce that it has passed and that we are back on the main motion as amended.
5. Ask if there is discussion on the motion as amended.
6. When the discussion is completed or if there is none, call for a roll call vote.

ORDINANCE NO. _____

AN ORDINANCE TO ESTABLISH SPECIAL SCHOOL GRANT PROJECT FUND 145 FOR SPECIAL SCHOOL PROJECTS GRANT, TO APPROPRIATE SUCH FUNDS AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT as follows:

SECTION I. That there is hereby created the Special School Grant Project Fund 145 for the Special School Projects Grant.

SECTION II. That funds received from the sources of revenue shown in the following summary of estimated revenues and expenditures for this school grant project budget shall be deposited in the Special School Grant Project Fund 145 as received.

SECTION III. That the Special School Grant Project Fund 145 budget providing for receipt and appropriation of Special School Project Funds is hereby established as follows:

School Grant Projects Fund -- 145

Revenues	Original Budget
Federal Grants	\$ 112,100
State Grant	847,242
Local Revenue	355,600
From School Fund - 141	44,950
Total Revenues	\$ 1,359,892

Expenditures	Original Budget
Instruction	\$ 695,089
Support Services	321,353
Non-Instructional	315,550
Capital Outlay	27,900
Total Expenditures	\$ 1,359,892

SECTION IV. That the books, accounts, orders, vouchers or other official documents relating to items of appropriation covered shall indicate the items involved either by name or by symbol or code number as prefixed in the budget detail on file in the Offices of the City Manager and the City Recorder.

SECTION V. That authority is given to the City Manager to issue vouchers in payment of the items of appropriations or expenditures, as they become due or necessary as set out by the foregoing sections and to make expenditures for items exceeding an aggregate cost of \$15,000 when such items are explicitly listed as individually budgeted items in the budget detail.

SECTION VI. That this ordinance shall take effect on 1 July 2008, the public welfare of the City of Kingsport, Tennessee requiring it.

Attest:

Dennis R. Phillips, Mayor

James H. Demming, City Recorder

Approved as to Form:

J. Michael Billingsley, City Attorney



AGENDA ACTION FORM

Consideration of an Ordinance to Adopt the FY08-09 Urban Mass Transit Budget

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF162-2008
 Work Session: June 02, 2008
 First Reading/(Public Hearing Held): June 03, 2008
 Final Adoption: June 17, 2008
 Staff Work By: Judy Smith, Gary Taylor
 Presentation By: Smith, Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #1: Value Citizens; #2: Integrity

KSF # 4,6: Stewardship of Public Funds; Reliable and Dependable Infrastructure

KSO #: N/A

Recommendation:

Approve the ordinance.

Executive Summary:

Each year the City of Kingsport receives funding from the Federal Transit Administration to the Tennessee Department of Transportation for the Urban Mass Transit Project Grant. The funding for this year's grant was presented in the budget work sessions. Since this grant project runs for the life of the grant funds, it is not included in the annual budget. However, it is provided for through a separate capital/grant budget ordinance.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Approval of Offer for Easements and Right-of-Ways for the Orebank Road Storm Water Drainage Project

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-184-2008
 Work Session: June 16, 2008
 First Reading: June 17, 2008
 Final Adoption: June 17, 2008
 Staff Work By: R. Trent, H. Clabaugh
 Presentation By: R. McReynolds

Recommendation: Approve the offers.

Executive Summary:

In order to improve drainage in the Orebank Road area, the Public Works Department has requested right-of-ways and easements across affected property. An appraisal has been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicates the fair market value as per the attached property owner.

This project is funded under #GP0605.

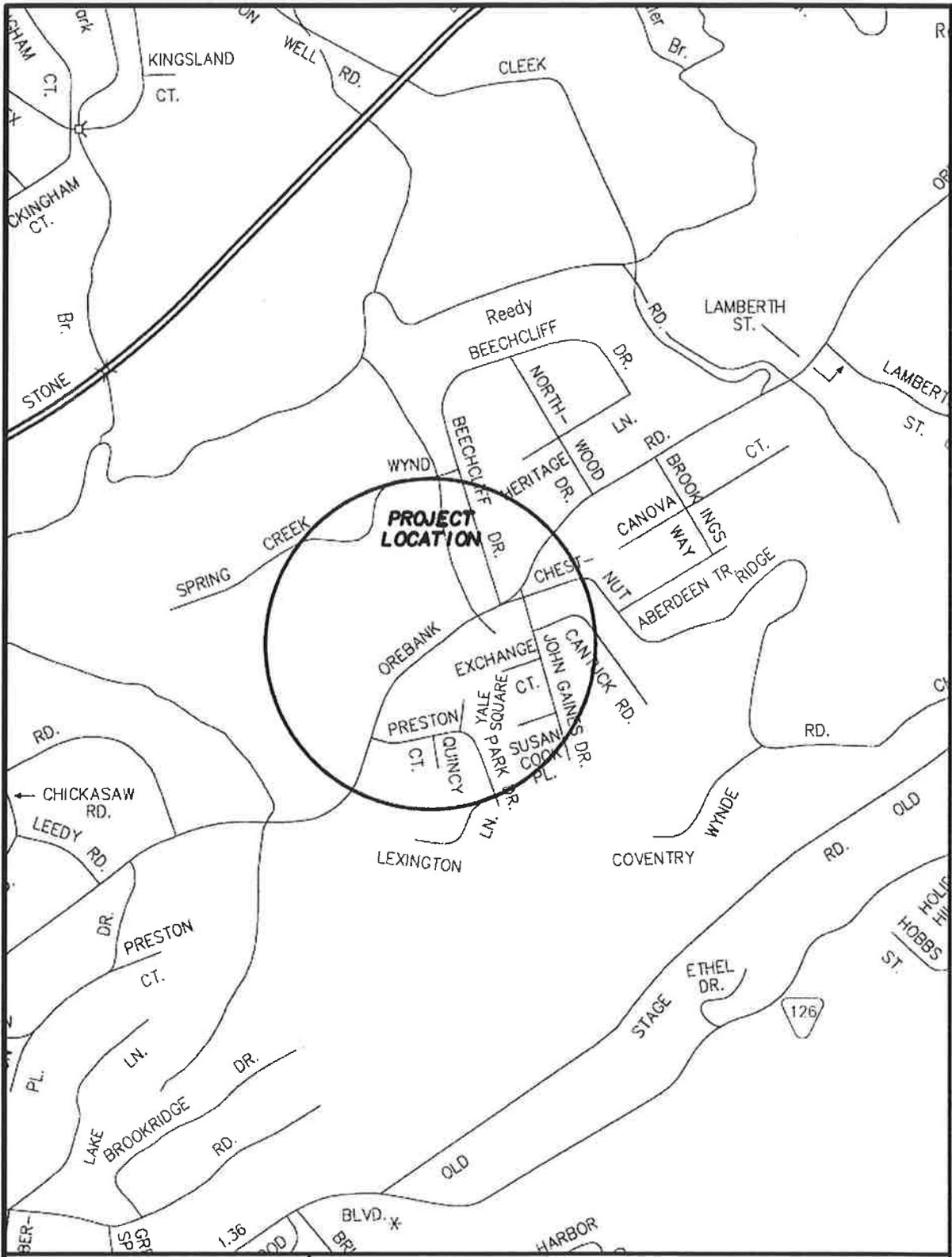
<u>Tax Map & Parcel</u>	<u>Property Owner</u>	<u>Easement Area</u>	
<u>Appraised Value</u>			
#047; #035.80	Netherland Inn Exchange Place Association Inc. P. O. Box 293 Kingsport, Tennessee 37662	Perm. 922 sq. ft.	\$125.00
		Temp. 1,232 sq. ft.	\$ 50.00

Attachments:

- 1. Project Location Map

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



**FIGURE 1 – PROJECT LOCATION MAP
OREBANK ROAD STORM WATER EASEMENT
CITY OF KINGSPORT, TENNESSEE**

NOT TO SCALE



AGENDA ACTION FORM

Consideration of Authorization for City Recorder to Reconcile and Adjust Uncollectible Property Tax for Year 1997

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *John G. Campbell*

Action Form No.: AF-182-2008
 Work Session: June 16, 2008
 First Reading: N/A

Final Adoption: June 17, 2008
 Staff Work By: Pam Halbrook/Joe May
 Presentation By: Pam Halbrook/Joe May

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #: N/A

KSF # 4: Stewardship of the Public Funds

KSO # 6: Provide Sound Financial Management

Recommendation:

Authorize the City Recorder to reconcile and adjust delinquent property tax receivables in FY08 in the amount of \$11,392.09 for tax year 1997 and authorize and direct the Mayor and City Recorder to execute any necessary pleadings on the delinquent tax collection lawsuit.

Executive Summary:

A reconciliation has been made of the personal and real property as well as public utilities such as interstate commerce trucking companies, property tax receivable, estimated uncollectible and deferred revenue accounts and it is recommended that this adjustment be made.

Over the past ten years, a very aggressive campaign has been undertaken to maintain tax collections by the City of Kingsport. During that period, the unpaid accounts have been reduced substantially. The effect of the program is demonstrated in actual figures.

Each year as part of the final accounting, an adjustment is made to recognize uncollectible receivables. This year, the total of real and personal property taxes that meet such criteria represents some 6/100's of 1% of the total. Conversely, 99.94% of the total tax levy has been collected. The original levy in the year 1997 was \$20,415,709.87; of that amount, a total of \$11,392.09 has not been collected; and, one-third (1/3) of that amount is either under the jurisdiction of the bankruptcy court, is a Public Utility or now held by the City of Kingsport.

Attachments:

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—