



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, November 16, 2015
Council Room, 2nd Floor, City Hall, 4:30 p.m.**

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Darrell Duncan
Alderman Colette George

Alderman Michele Mitchell
Alderman Tommy Olterman
Alderman Tom C. Parham

Leadership Team

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager for Operations
J. Michael Billingsley, City Attorney
Jim Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief
Craig Dye, Fire Chief
Morris Baker, Community Services Director
Lynn Tully, Development Services Director
George DeCroes, Human Resources Director
Heather Cook, Marketing and Public Relations Director

1. Call to Order
2. Roll Call
3. Charter Communications – Nick Pavlis
4. Kingsport Aquatic Center Update – Chris McCartt
5. Review of Items on November 17, 2015 Business Meeting Agenda
6. 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.



AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

Tuesday, November 17, 2015

Large Courtroom – 2nd Floor, City Hall

7:00 p.m.

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Darrell Duncan
Alderman Colette George

Alderman Michele Mitchell
Alderman Tommy Olterman
Alderman Tom C. Parham

City Administration

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager for Operations
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief
Craig Dye, Fire Chief
Morris Baker, Community Services Director
Lynn Tully, Development Services Director
George DeCroes, Human Resources Director
Heather Cook, Marketing and Public Relations Director

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG

II.B. INVOCATION – Mitch Whisnant, Minister of Education/Outreach, First Baptist Church, Kingsport

III. ROLL CALL

IV. RECOGNITIONS & PRESENTATIONS

None

V. APPROVAL OF MINUTES

1. ONEKingsport Mayor's Summit – October 29 & 30, 2015
2. Work Session – November 3, 2015
3. Business Meeting – November 3, 2015

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

None

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. Ordinance to Increase Retiree Health Insurance (AF: 289-2015) (Chris McCartt)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Budget Cleanup Ordinance for FY16 (AF 278-2015) (Jeff Fleming)
 - Ordinance – **Second Reading & Final Adoption**
2. Amend the FY 2016 General Purpose School Fund Budget (AF: 285-2015) David Frye
 - Ordinance – **Second Reading & Final Adoption**
3. Amendment the FY 2016 Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance (AF: 286-2015) (David Frye)
 - Ordinance – **Second Reading & Final Adoption**
4. Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2015A (AF: 283-2015) (Jeff Fleming)
 - Ordinance – **Second Reading & Final Adoption**

D. OTHER BUSINESS

None

E. APPOINTMENTS

None

VII. CONSENT AGENDA

1. Contract Amendment with the TDOT Accepting Federal Transportation Planning Funds on Behalf of the Kingsport MTPO (AF: 257-2015) (Bill Albright)
 - Resolution

2. Award of Bid for Beaded Yogurt Items for the Kingsport City Schools Nutrition Services (AF: 270-2015) (Jennifer Walker)
 - Resolution
3. Maintenance Agreement with TDOT Related to Installation of a Traffic Signal at SR-357 from Hospitality Place / Flagship Drive to I-81 Northbound Ramps (AF: 290-2015) (Ryan McReynolds)
 - Resolution
4. Amend Agreement with Flores and Associates to Provide Medical Flexible Spending Debit Cards to Enrolled Employees (AF: 292-2105) (Terri Evans)
 - Resolution
5. Renew the Property Insurance Coverage through Travelers (AF: 288-2015) (Terri Evans)
 - Resolution
6. Awarding the Bid for the Purchase of a 72 Passenger School Bus to Central States Bus (AF: 294-2015) (Steve Hightower)
 - Resolution
7. Awarding the Bid for the Purchase of a 41 Passenger School Bus to Central States Bus (AF: 295-2015) (Steve Hightower)
 - Resolution
8. Renewal of an Agreement with Humana as Third Party Administrator for the City's Self-Funded Health Insurance Program (AF: 293-2015) (Terri Evans)
 - Resolution
9. Amend the Agreement with Barge Waggoner Sumner and Cannon for Design Services Related to Centennial Park to Include Water Feature Design Services (AF: 296-2015) (Justin Steinmann)
 - Resolution
10. Accept TDOT's Revised Proposal Related to S.R. 36 Intersection at Moreland Drive and Hemlock Road Improvements (AF: 297-2015) (Ryan McReynolds)
 - Resolution

VIII. COMMUNICATIONS

- A. City Manager
- B. Mayor and Board Members
- C. Visitors
- D. City Recorder, Acknowledgement of report on debt obligation for the issuance of \$15,105,000 General Obligation Refunding and Improvement Bonds Series 2015A

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

Minutes of the Mayor's Summit of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Thursday-Friday, October 29-30, 2015
Meadowview Conference and Convention Center

PRESENT: Board of Mayor and Aldermen

Mayor John Clark

Vice-Mayor Mike McIntire

Alderman Darrell Duncan

Alderman Michele Mitchell

Alderman Colette George

Alderman Tommy Olterman

Alderman Tom C. Parham

City Administration

Jeff Fleming, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

The BMA attended a two-day summit entitled ONEKingsport hosted by Mayor Clark to develop a road map for the City of Kingsport for the next five years. Also in attendance were City Staff and many citizens from the community. On day one (12:15 pm – 5:30 pm), presentations were made by staff as well as special guests to lay the groundwork for the seven focus areas. These areas included Health and Wellness, Downtown Revitalization, Destination City Investments, Housing, Arts and Entertainment, Higher Education Innovation, and Job Creation/ Entrepreneurship. On day two (8:00 Am – 2:30 pm), attendees dispersed into seven groups to individually discuss the focus areas. Each member of the BMA went to a different group. The summit ended with the groups reporting and live voting from those present as well as those participating elsewhere. The post-summit process was established to allow groups to follow up the goals that have been set.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Tuesday, November 3, 2015, 4:00 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor John Clark

Vice-Mayor Mike McIntire

Alderman Darrell Duncan

Alderman Michele Mitchell

Alderman Colette George

Alderman Tommy Olterman

Alderman Tom C. Parham

City Administration

Jeff Fleming, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:00 p.m. by Mayor Clark.
2. **ROLL CALL:** By Deputy City Recorder Marshall.
3. **DOWNTOWN KINGSFORT ASSOCIATION UPDATE.** Ms. Sherri Mosley gave a presentation on this item.
4. **MOVE TO KINGSFORT UPDATE.** Mr. Jud Teague presented this item, pointing out that “Move to Kingsport” has now relocated to the Kingsport Convention and Visitors Bureau. He explained the justification behind this move and answered questions.
5. **ONEKINGSFORT MAYOR’S SUMMIT/SUMMARY AND POST-SUMMARY PROCESS.** Development Services Director Lynn Tully summarized the events of the Mayor’s Summit last week. City Planner Justin Steinmann then provided details on the follow-up activities to reach the goals that were set. Discussion followed.
6. **REVIEW OF AGENDA ITEMS ON THE NOVEMBER 3, 2015 REGULAR BUSINESS MEETING AGENDA.** City Manager Fleming and members of staff gave a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.B.2 Amend the FY16 General Purpose School Fund Budget (AF: 285-2015). David Frye with Kingsport City Schools, provided information on these amendments, noting there were 102 additional teachers than were originally budgeted for. Some discussion followed.

VI.B.4 Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2015A (AF: 283-2015). City Recorder Jim Demming discussed this item and answered questions. City Manager Fleming provided slides with further details.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Tuesday, November 3, 2015

BOARD COMMENT. None.

PUBLIC COMMENT. A citizen commended the fire department after a recent fire in her apartment, stating they were very professional and compassionate..

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Clark adjourned the meeting at 5:10 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, November 3, 2015, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Darrell Duncan
Alderman Colette George

Alderman Michele Mitchell
Alderman Tommy Olterman
Alderman Tom C. Parham

City Administration

Jeff Fleming, City Manager
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor John Clark.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** New Vision Youth Group.
- II.B. **INVOCATION:** Alderman Michele Mitchell.
- III. **ROLL CALL:** By City Recorder Demming. All Present.
- IV. **RECOGNITIONS AND PRESENTATIONS.**
 1. Kingsport Police Department Citizens Academy Graduation – Chief Quillin.
- V. **APPROVAL OF MINUTES.**

Motion/Second: Parham/McIntire, to approve minutes for the following meetings:

- A. October 19, 2015 Regular Work Session
- B. October 20, 2015 Regular Business Meeting

Approved: All present voting “aye.”

VI. **COMMUNITY INTEREST ITEMS.**

- A. **PUBLIC HEARINGS.** None.

PUBLIC COMMENT. Mayor Clark invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

B. **BUSINESS MATTERS REQUIRING FIRST READING.**

1. **Budget Cleanup Ordinance for FY16** (AF: 278-2015)
(Jeff Fleming).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, November 3, 2015**

Motion/Second: McIntire/George, to pass:

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR THE YEAR ENDING JUNE 30, 2016; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

2. Amend the FY16 General Purpose School Fund Budget (AF: 285-2015) (David Frye).

Motion/Second: Parham/McIntire, to pass:

AN ORDINANCE TO AMEND THE FY 2015-16 GENERAL PURPOSE SCHOOL FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

3. Amend the FY16 Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance (AF: 286-2015) (David Frye).

Motion/Second: McIntire/Mitchell, to pass:

AN ORDINANCE TO AMEND THE FY 2015-16 BUDGETS FOR KINGSFORT CITY SCHOOLS ACTIVE EMPLOYEES HEALTH INSURANCE FUND AND RETIREE HEALTH INSURANCE FUND; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

4. Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2015A (AF: 283-2015) (Jeff Fleming).

Motion/Second: Olterman/McIntire, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, THE WATER FUND AND SEWER FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2015A; FOR THE FISCAL YEAR ENDING JUNE 30, 2016; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION. None.

D. OTHER BUSINESS. None.

E. APPOINTMENTS/REAPPOINTMENTS.

1. Reappointment to the Aquatic Center Advisory Board (AF: 281-2015) (Mayor Clark).

Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, November 3, 2015

Motion/Second: Parham/Duncan, to approve:

REAPPOINTMENT OF MS. DETRA CLEVEN TO SERVE A TWO-YEAR TERM ON THE **ACQUATIC CENTER ADVISORY BOARD** EFFECTIVE IMMEDIATELY AND EXPIRING ON NOVEMBER 30, 2017.

Passed: All present voting "aye."

VII. CONSENT AGENDA. (These items are considered under one motion.)

Motion/Second: McIntire/Parham, to adopt:

1. **Signature Authority Form for the U.S. Department of Justice** (AF: 279-2015) (David Quillin).

Pass:

Resolution No. 2016-077, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE SIGNATURE AUTHORITY CONSENT FORMS AND OTHER DOCUMENTS NECESSARY AND PROPER TO THE UNITED STATES DEPARTMENT OF JUSTICE AND TO DESIGNATE THE CHIEF OF POLICE AS HIS DESIGNEE TO EXECUTE GRANT REPORTS AND OTHER DOCUMENTS REQUIRED BY THE GRANTS FROM THE UNITED STATES DEPARTMENT OF JUSTICE

Passed: All present voting "aye."

2. **Bid Award and Purchase Order for One (1) Caterpillar D8N Equipment Rebuild** (AF: 284-2015) (Chris McCartt, Ryan McReynolds, Steve Hightower).

Pass:

Resolution No. 2016-078, A RESOLUTION AWARDED THE BID FOR THE PURCHASE OF ONE CATERPILLAR D8N BULL DOZER EQUIPMENT REBUILD TO STOWERS MACHINERY CORPORATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed: All present voting "aye."

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. Fleming stated it was the goal of the BMA to complete the Veteran's Memorial before Veteran's Day. The ceremony will be held on Veteran's Day (11/11) at 11:00 am.

B. MAYOR AND BOARD MEMBERS. Alderman Duncan stated his tie tonight was signed by the Dobyys Bennet band, noting they have had a phenomenal season. Alderman Mitchell thanked the fire department for the opportunity to learn about the job. She also mentioned Downtown Kingsport Open House will be held Thursday night. Alderman Parham expressed appreciation for the Summit. Alderman Olterman stated the Summit was an eye-opener and

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, November 3, 2015**

pointed out there were only six Mondays before Christmas. Alderman George thanked city staff for their work that allowed the Summit to run smoothly. She also commented on the new Christmas decorations downtown. Vice-Mayor McIntire recognized staff who played a major role in the Summit, specifically Lynn Tully, Justin Steinmann, Heather Cook, and the Mayor, as well as those who participated. Lastly the Mayor made comments on the Summit also, pointing out the Kingsport spirit was alive and well.

C. VISITORS. Former Alderman Valerie Joh commented on the carousel.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Clark adjourned the meeting at 7:48 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor



AGENDA ACTION FORM

Ordinance to Increase Retiree Health Insurance

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager 

Action Form No.: AF-289-2015
 Work Session: November 16, 2015
 First Reading: November 17, 2015

Final Adoption: December 1, 2015
 Staff Work By: Smith, McCart
 Presentation By: Chris McCart

Recommendation:

Approve the Ordinance.

Executive Summary:

Based on the recommendations developed by the benefit consultants, the Retiree Health Insurance Fund will be amended by increasing the Retirees Health Insurance premiums and benefits effective January 1, 2016.

This increase excludes the retirement incentive agreements.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available:  _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

PRE-FILED
CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE RETIREE HEALTH INSURANCE FUND BUDGET BY INCREASING THE RETIREE HEALTH INSURANCE FOR FISCAL YEAR ENDING JUNE 30, 2016; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Retiree Health Insurance budget be amended by increasing the Retiree Health Insurance premiums and benefits based upon the recommendations developed by the benefit consultant and implemented by the Risk Management Department.

SECTION II. The increase excludes all retirement incentive agreements.

SECTION III. That this ordinance shall take effect January 1, 2016.

JOHN CLARK, 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

Budget Cleanup Ordinance for FY16

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-278-2015
 Work Session: November 3, 2015
 First Reading: November 3, 2015

Final Adoption: November 17, 2015
 Staff Work By: Judy Smith
 Presentation By: Jeff Fleming

Recommendation:

Approve the Ordinance.

Executive Summary:

The ordinance will transfer \$90,000 from the Borden Park Improvement project to the Farmers Market/Carousel project to complete the renovations on the second floor and other improvements at the Farmers Market and it will transfer \$50,000 from the Land Acquisition project to the Police Storage Lot project for improvements to the property behind the Animal Shelter at the landfill to store Police seized vehicles.

The ordinance will transfer \$91,845 from the Waste Water Treatment Plant project and \$29,000 from the MCC Control project to the Waste Water Treatment Plant Centrifuge project in the amount of \$29,000 to complete the project and it will transfer \$91,845 to the Waste Water Treatment Plant Storage Building project. The Waste Water Treatment Plant project will be closed.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: *JF*

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Budget Cleanup Ordinance for FY16

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager 

Action Form No.: AF-278-2015
Work Session: November 3, 2015
First Reading: November 3, 2015

Final Adoption: November 17, 2015
Staff Work By: Judy Smith
Presentation By: Jeff Fleming

Recommendation:

Approve the Ordinance.

Executive Summary:

The ordinance will transfer \$90,000 from the Borden Park Improvement project to the Farmers Market/Carousel project to complete the renovations on the second floor and other improvements at the Farmers Market and it will transfer \$50,000 from the Land Acquisition project to the Police Storage Lot project for improvements to the property behind the Animal Shelter at the landfill to store Police seized vehicles.

The ordinance will transfer \$91,845 from the Waste Water Treatment Plant project and \$29,000 from the MCC Control project to the Waste Water Treatment Plant Centrifuge project in the amount of \$29,000 to complete the project and it will transfer \$91,845 to the Waste Water Treatment Plant Storage Building project. The Waste Water Treatment Plant project will be closed.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR
THE YEAR ENDING JUNE 30, 2016; 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 budgets be amended by transferring \$90,000 from the Borden Park Improvement Project (GP1510) to the Farmers Market/Carousel Improvement Project (GP1608), by transferring \$50,000 from the Land Acquisition project (GP1515) to the Police Storage Lot project (GP1609) and by transferring \$3,600 from the Cultural Arts operating budget to the Kingsport Art & Sculpture Walk project (NC0710) and to close the project.

SECTION II. That the Sewer Project Fund budgets be amended by transferring \$29,000 from MCC Control project (SW1506) to the Waste Water Treatment Storage Building project (SW1607) and by transferring \$91,845 from the Wastewater Treatment Plant project (SW603) to the Wastewater Treatment Plant Storage Building in the amount of \$62,845 (SW1607) and by transferring \$29,000 to the WWTP Centrifuge project (SW1605) and close SW603.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 311: General Project Fund			
<u>Borden Park Improvements (GP1510)</u>			
<u>Revenues:</u>	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	402,751	(90,000)	312,751
311-0000-368-2101 Premium From Bond Sale	47,986	0	47,986
Totals:	450,737	(90,000)	360,737
<u>Expenditures:</u>	\$	\$	\$
311-0000-601-4041 Bond Sale Exp.	6,237	0	6,237
311-0000-601-9003 Improvements	444,500	(90,000)	354,500
Totals:	450,737	(90,000)	360,737
Fund 311: General Project Fund			
<u>Farmers Market/Carousel Imp. (GP1608)</u>			
<u>Revenues:</u>	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	0	90,000	90,000
Totals:	0	90,000	90,000
<u>Expenditures:</u>	\$	\$	\$
311-0000-601-2023 Arch/Eng/Landscaping	0	20,000	20,000
311-0000-601-9003 Improvements	0	70,000	70,000
Totals:	0	90,000	90,000

Fund 311: General Project Fund

Land Acquisitions (GP1515)

Revenues:	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	54,465	(23,500)	30,965
311-0000-368-2101 Premium From Bond Sale	11,096	0	11,096
311-0000-391-0100 From General Fund	26,500	(26,500)	0
Totals:	92,061	(50,000)	42,061

Expenditures:	\$	\$	\$
311-0000-601-4041 Bond Sale Exp.	1,442	0	1,442
311-0000-601-9001 Land	90,619	(50,000)	40,619
Totals:	92,061	(50,000)	42,061

Fund 311: General Project Fund

Police Storage Lot Imp. (1609)

Revenues:	\$	\$	\$
311-0000-368-1047 Series 2014A GO Bonds	0	23,500	23,500
311-0000-391-0100 From General Fund	0	26,500	26,500
Totals:	0	50,000	50,000

Expenditures:	\$	\$	\$
311-0000-601-9003 Improvements	0	50,000	50,000
Totals:	0	50,000	50,000

Fund 111: General Project-Special Rev. Fund

KPRT Art & Sculpture Walk (NC0710)

Revenues:	\$	\$	\$
111-0000-332-3200 TN Arts Commission	33,253	(3,600)	29,653
111-0000-364-1000 Contributions/Individuals	5,200	0	5,200
111-0000-364-1020 Contributions/Corporations	21,250	0	21,250
111-0000-364-1030 Contributions/Non-Profit	53,235	0	53,235
111-0000-391-0100 From General Fund	109,758	3,600	113,358
Totals:	222,696	0	222,696

Expenditures:	\$	\$	\$
111-0000-601-1010 Salary & Wages	7,302	0	7,302
111-0000-601-1020 Social Security	864	0	864
111-0000-601-1040 Retirement	213	0	213
111-0000-601-1060 Workers Comp.	103	0	103
111-0000-601-1061 Unemployment	5	0	5
111-0000-601-2010 Advertising & Publication	11,048	0	11,048
111-0000-601-2020 Professional Consultant	175,578	0	175,578
111-0000-601-2040 Travel	4,538	0	4,538
111-0000-601-2099 Miscellaneous	1,240	0	1,240

111-0000-601-3012 Food	1,180	0	1,180
111-0000-601-3020 Operating Supplies & Tools	6,637	0	6,637
111-0000-601-3022 Maintenance Supplies	13,988	0	13,988
Totals:	222,696	0	222,696

Fund 110: General Fund

Expenditures:

110-4505-471-2020 Professional Consultant	23,000	(3,600)	19,400
110-4804-481-7035 To Gen. Proj. Spec. Rev.	773,903	3,600	777,503
Totals:	796,903	0	796,903

Fund 452: Sewer Project Fund

Wastewater Treatment Plant (SW0603)

Revenues:

	\$	\$	\$
452-0000-368-0942 CW SRF 2007-197	19,366,647	(19,366,647)	0
452-0000-391-0519 2005 WA & SW RT	1,753,200	0	1,753,200
452-0000-391-2942 SRF Loan 2007-197	0	19,366,647	19,366,647
452-0000-391-4200 From Sewer Fund	1,353,100	(91,845)	1,261,255
Totals:	22,472,947	(91,845)	22,381,102

Expenditures:

452-0000-606-2022 Construction	20,730,758	(91,845)	20,638,913
452-0000-606-2023 Arch/Eng/Landscaping	1,724,696	0	1,724,696
452-0000-606-2040 Travel Exp.	13,803	0	13,803
452-0000-606-2041 Registration Fees/Tuition	3,690	0	3,690
Totals:	22,472,947	(91,845)	22,381,102

Fund 452: Sewer Project Fund

WWTP Storage Building (SW1607)

Revenues:

	\$	\$	\$
452-0000-391-0531 Series 2014B Go Bonds	0	29,000	29,000
452-0000-391-4200 From Sewer Fund	0	62,845	62,845
Totals:	0	91,845	91,845

Expenditures:

	\$	\$	\$
452-0000-606-9006 Equipment	0	91,845	91,845
Totals:	0	91,845	91,845

Fund 452: Sewer Project Fund

Motor Contro CTR Replace (SW1506)

Revenues:

	\$	\$	\$
452-0000-391-0531 Series 2014B Go Bonds	500,000	(29,000)	471,000
Totals:	500,000	(29,000)	471,000

Expenditures:

	\$	\$	\$
--	----	----	----

452-0000-606-2023 Arch/Eng/Landscaping	30,000	0	30,000
452-0000-606-9003 Improvements	470,000	(29,000)	441,000
Totals:	500,000	(29,000)	471,000

Fund 452: Sewer Project Fund
WWTP Centrifuge (SW1605)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	25,000	29,000	54,000
Totals:	25,000	29,000	54,000

Expenditures:	\$	\$	\$
452-0000-606-9003 Improvements	0	29,000	29,000
452-0000-606-9006 Purchases Over \$5,000	25,000	0	25,000
Totals:	25,000	29,000	54,000

SECTION III. 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.

 JOHN CLARK, 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

Amend the FY 2016 General Purpose School Fund Budget

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *[Signature]*

Action Form No.: AF-285-2015
 Work Session: November 3, 2015
 First Reading: November 3, 2015

Final Adoption: November 17, 2015
 Staff Work By: David Frye
 Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved fiscal year 2016 budget amendment number two at a called meeting on October 20, 2015. This amendment appropriates \$1,200,000 of Sullivan County Property Tax funds. This will fund 2 teaching positions (\$130,000), retiree health insurance premiums (\$325,000), and capital outlay (\$745,000). The amendment also appropriates \$6,321 of Tennessee Arts Commission funds for student ticket subsidies. The amendment returns \$481,667 to the Unreserved Fund Balance. These are funds that were budgeted for the first year lease payment for student laptops that will not be needed since the computers were purchased and not leased. The amendment also appropriates \$1,000,000 from the Unreserved Fund Balance to be transferred to the Health Insurance funds. This will fund a projected deficit for the 2015 plan year. Approval of this amendment will result in an Unreserved Fund Balance of approximately \$2,730,000. This is 4.0% for the FY 2016 operating budget.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Two – FY 2016

Funding source appropriate and funds are available: *[Signature]*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Oltzman	—	—	—
Parham	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Amend the FY 2016 General Purpose School Fund Budget

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager 

Action Form No.: AF-285-2015
Work Session: November 3, 2015
First Reading: November 3, 2015

Final Adoption: November 17, 2015
Staff Work By: David Frye
Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved fiscal year 2016 budget amendment number two at a called meeting on October 20, 2015. This amendment appropriates \$1,200,000 of Sullivan County Property Tax funds. This will fund 2 teaching positions (\$130,000), retiree health insurance premiums (\$325,000), and capital outlay (\$745,000). The amendment also appropriates \$6,321 of Tennessee Arts Commission funds for student ticket subsidies. The amendment returns \$481,667 to the Unreserved Fund Balance. These are funds that were budgeted for the first year lease payment for student laptops that will not be needed since the computers were purchased and not leased. The amendment also appropriates \$1,000,000 from the Unreserved Fund Balance to be transferred to the Health Insurance funds. This will fund a projected deficit for the 2015 plan year. Approval of this amendment will result in an Unreserved Fund Balance of approximately \$2,730,000. This is 4.0% for the FY 2016 operating budget.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Two – FY 2016

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

ORDINANCE NO. ****

**PRE-FILED
CITY RECORDER**

AN ORDINANCE TO AMEND THE FY 2015-16 GENERAL PURPOSE SCHOOL FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Purpose School Fund budget be amended to ratify the Kingsport Board of Education approval of Budget Amendment Number Two by increasing the estimated revenue for Current Year Property Taxes by \$1,200,000; the estimated revenue for Other State Grants by \$6,321; the estimated revenue for Fund Balance Appropriations by \$518,333. The expenditure budget will be changed by increasing the appropriations for Regular and Special Education Teacher Salaries and Benefits by \$130,000; the appropriations for Principal's Office – Other Charges by \$6,321; the appropriations for Health Insurance by \$1,325,000; the appropriation for Building Improvements by \$745,000 and by decreasing the appropriation for Technology Instructional Equipment by \$481,667.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 141: School Fund			
Revenues:	\$	\$	\$
141-0000-338-6980 Other State Grants	0	6,321	6,321
141-0000-339-0110 Current Year Property Taxes	16,730,000	1,200,000	17,930,000
141-0000-399-9811 Fund Balance Appropriations	2,220,358	518,333	2,738,691
Totals:	18,950,358	1,724,654	20,675,012

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:			
	\$	\$	\$
141-7150-711-0116 Reg Ed – Teacher Salaries	22,374,824	49,500	22,424,324
141-7150-711-0201 Reg Ed – Social Security	1,392,400	3,100	1,395,500
141-7150-711-0204 Reg Ed – State Retirement	2,085,200	4,500	2,089,700
141-7150-711-0206 Reg Ed – Life Insurance	93,900	200	94,100
141-7150-711-0207 Reg Ed – Health Insurance	3,804,300	6,700	3,811,000
141-7150-711-0209 Reg Ed – L-T Disability	46,100	200	46,300
141-7150-711-0210 Reg Ed – Unemployment	25,200	100	25,300
141-7150-711-0212 Reg Ed – Medicare	325,600	700	326,300
141-7150-721-0116 Sp Ed – Teacher Salaries	3,413,700	49,500	3,463,200
141-7150-721-0116 Sp Ed – Social Security	228,000	3,100	231,100
141-7150-721-0116 Sp Ed – State Retirement	326,600	4,500	331,100
141-7150-721-0116 Sp Ed – Life Insurance	12,500	200	12,700
141-7150-721-0116 Sp Ed – Health Insurance	528,900	6,700	535,600
141-7150-721-0116 Sp Ed – L-T Disability	7,300	200	7,500
141-7150-721-0116 Sp Ed – Unemployment	4,700	100	4,800
141-7150-721-0116 Sp Ed – Medicare	53,500	700	54,200

141-7212-801-0599	Principal's Office-Other Chrgs	0	1,500	1,500
141-7220-801-0599	Principal's Office-Other Chrgs	0	1,500	1,500
141-7225-801-0599	Principal's Office-Other Chrgs	0	1,500	1,500
141-7235-801-0599	Principal's Office-Other Chrgs	0	1,821	1,821
141-7161-711-0722	Technology Inst. Equipment	1,947,185	(481,667)	1,465,518
141-7150-711-0207	Reg Ed-Health Ins	3,811,000	630,700	4,441,700
141-7150-715-0207	Alt Ed-Health Ins	52,100	8,600	60,700
141-7150-721-0207	Sp Ed-Health Ins	528,900	87,700	616,600
141-7150-731-0207	Voc Ed-Health Ins	126,500	21,000	147,500
141-7250-772-0207	Health Services-Health Ins	71,100	11,800	82,900
141-7250-773-0207	Oth Std Support-Health Ins	173,400	28,800	202,200
141-7250-781-0207	Reg Ed Support-Health Ins	281,900	46,700	328,600
141-7050-782-0207	Sp Ed Support-Health Ins	43,100	7,100	50,200
141-7250-783-0207	Voc Ed Support-Health Ins	19,000	3,200	22,200
141-7250-792-0207	Supt's Office-Health Ins	32,700	5,400	38,100
141-7250-801-0207	Principal's Office-Health Ins	272,800	45,200	318,000
141-7250-811-0207	Fiscal Services-Health Ins	31,200	5,200	36,400
141-7250-812-0207	Human Resources-Health Ins	34,200	5,700	39,900
141-7250-821-0207	Operation of Plant-Health Ins	307,400	51,000	358,400
141-7250-822-0207	Maint. of Plant-Health Ins	136,200	22,600	158,800
141-7250-831-0207	Transportation-Health Ins	116,300	19,300	135,600
141-7150-711-0207	Reg Ed – Health Insurance	4,441,800	325,000	4,766,800
141-7650-871-0707	Building Improvements	531,652	745,000	1,276,652
Totals:		47,681,161	1,724,654	49,405,815

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.

JOHN CLARK, 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

Amendment the FY 2016 Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-286-2015
Work Session: November 3, 2015
First Reading: November 3, 2015

Final Adoption: November 17, 2015
Staff Work By: David Frye
Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved an amendment to the fiscal year 2016 Health Insurances Funds budgets at their called meeting on October 20, 2015. This amendment increases the estimated revenue for Transfers from the School Fund and increases the appropriations for Claim expenditures. The Active Employee Health Insurance Fund will be increased by \$500,000 and the Retiree Health Insurance Fund will be increased by \$825,000.

Attachments:

- 1. Ordinance
- 2. BOE Budget Amendment Number Two – FY 2016

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Amendment the FY 2016 Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager 

Action Form No.: AF-286-2015
 Work Session: November 3, 2015
 First Reading: November 3, 2015

Final Adoption: November 17, 2015
 Staff Work By: David Frye
 Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved an amendment to the fiscal year 2016 Health Insurances Funds budgets at their called meeting on October 20, 2015. This amendment increases the estimated revenue for Transfers from the School Fund and increases the appropriations for Claim expenditures. The Active Employee Health Insurance Fund will be increased by \$500,000 and the Retiree Health Insurance Fund will be increased by \$825,000.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Two – FY 2016

Funding source appropriate and funds are available: 

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

ORDINANCE NO. ****

AN ORDINANCE TO AMEND THE FY 2015-16 BUDGETS FOR KINGSPORT CITY SCHOOLS ACTIVE EMPLOYEES HEALTH INSURANCE FUND AND RETIREE HEALTH INSURANCE FUND; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Kingsport City Schools Active Employee Health Insurance Fund budget be established by ratifying the Kingsport Board of Education approval of Budget Amendment Number Two to increase the estimated revenue for Employer Contributions by \$500,000 and to increase the appropriation for the Claim expenses by \$500,000.

In addition the Kingsport City Schools Retiree Health Insurance Fund budget will be amended by increasing the estimated revenue for Employer Contributions by \$825,000 and to increase the appropriations for the Claim expenses by \$825,000.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 627: School Employee Insurance Fund			
Revenues:			
627-0000-363-1535 Employer Contributions	\$ 5,640,000	\$ 500,000	\$ 6,140,000
Totals:	5,640,000	500,000	6,140,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:			
627-1704-413-5100 Claims-Insurance Claims	\$ 6,000,000	\$ 500,000	\$ 6,500,000
Totals:	6,000,000	500,000	6,500,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 628: School Retiree Insurance Fund			
Revenues:			
628-0000-363-1532 Employer Contributions	\$ 408,000	\$ 825,000	\$ 1,233,000
Totals:	408,000	825,000	1,233,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:			
628-1704-413-5100 Claims-Insurance Claims	\$ 850,000	\$ 825,000	\$ 1,675,000
Totals:	850,000	825,000	1,675,000

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.

JOHN CLARK, 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

Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2015A

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-283-2015
 Work Session: November 3, 2015
 First Reading: November 3, 2015

Final Adoption: November 17, 2015
 Staff Work By: Smith/Winkle
 Presentation By: Jeff Fleming

Recommendation:

Approve the Ordinance.

Executive Summary:

On September 15, 2015, the BMA approved resolution 2016-050 to issue General Obligation Public Improvement Bond Series 2015A not to exceed \$15,650,000 for public works projects, road, street, parking and sidewalk construction, improvement and expansion, including Greenbelt improvements, improvement and renovation of public schools, renovations to the Library and Engineering building, HVAC improvements, acquisition of public works equipment, including firefighting equipment for a fire ladder truck, fire generator, technology system improvements and improvements to the Water system and improvements to the Waste Water system..

This ordinance appropriates the funding for these projects.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2015A

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager 

Action Form No.: AF-283-2015
Work Session: November 3, 2015
First Reading: November 3, 2015

Final Adoption: November 17, 2015
Staff Work By: Smith/Winkle
Presentation By: Jeff Fleming

Recommendation:

Approve the Ordinance.

Executive Summary:

On September 15, 2015, the BMA approved resolution 2016-050 to issue General Obligation Public Improvement Bond Series 2015A not to exceed \$15,650,000 for public works projects, road, street, parking and sidewalk construction, improvement and expansion, including Greenbelt improvements, improvement and renovation of public schools, renovations to the Library and Engineering building, HVAC improvements, acquisition of public works equipment, including firefighting equipment for a fire ladder truck, fire generator, technology system improvements and improvements to the Water system and improvements to the Waste Water system..

This ordinance appropriates the funding for these projects.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: 

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, THE WATER FUND AND SEWER FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2015A; FOR THE FISCAL YEAR ENDING JUNE 30, 2016; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

WHEREAS, Resolution No. 2016-050 was adopted authorizing the issuance of bonded debt Series 2015A in an amount not to exceed \$15,650,000 to provide funding for certain public works projects, consisting of the acquisition of public art; construction, improvement and renovation of public schools, road, street, parking, and sidewalk construction, improvement and expansion, including Greenbelt improvements; acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and engineering building and including HVAC improvements; acquisition of public works equipment, including firefighting equipment for a fire ladder truck, a fire station generator, and improvements to the Municipality's water system, construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs, (collectively, the "Project"); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of Bonds;

Section I. That the General Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2015A to fund the Library Improvements Project (GP1400) in the amount of \$261,778, Facilities & HAVAC Improvements (GP1602) in the amount of \$356,560, Borden Park Improvements (GP1510) in the amount of \$45,843, Engineering Building Renovations (GP1514) in the amount of \$254,686, Greenbelt East Ext. 1 (GP1529) in the amount of \$173,187, Ladder Truck Equipment project (GP1603) in the amount of \$101,874, Generator Fire Station#5 (GP1604) in the amount of \$30,562, Fire Station #3 Improvements (GP1210) in the amount of \$30,562, Technology Improvements (GP1605) in the amount of \$90,668, Enterprise Place Improvements (GP1611) in the amount of \$554,197, Greenbelt Resurfacing (GP1610) in the amount of \$68,765, Park Improvements (GP1534) in the amount of \$12,202, Local Road/Sidewalks (GP1403) in the amount of \$509,372, Main Street Improvements (GP1516) in the amount of \$412,401, Sidewalk Improvements (GP1520) in the amount of \$101,874, Recreation Improvements (GP1214) in the amount of \$15,261, Model City Coalition (GP1224) in the amount of \$477,006, School Improvements (GP1513) in the amount of \$356,560.

Section II. That the Water Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2015A to fund the Master Plan Water System Upgrades (WA1401) in the amount of \$1,730,000.

Section III. That the Sewer Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2015A to fund Colonial Heights Sewer Line Ext. Phase 3 (SW1502) in the amount of \$4,900,000.

**G.O. Public
Improvements Series
20015A**

**General Project
Fund:311
Library Improvements
(GP1400)**

Revenue:

		<u>Budget</u>	<u>Amendments Increase (Decrease)</u>	<u>Amended Budget</u>
311-0000-368-1041	Series 2012 CGO Public Imp.	46,170	0	46,170
311-0000-368-1046	Series 2013B GO Pub. Imp.	156,808	0	156,808
311-0000-368-1047	Series 2014A GO Bonds	97,000	0	97,000
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	252,971	252,971
311-0000-368-2101	Premium From Bond Sale	12,463	8,807	21,270
Total Revenue		312,441	261,778	574,219

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	28,000	10,000	38,000
311-0000-601-4041	Bond Expense	1,941	4,816	6,757
311-0000-601-9003	Improvements	282,500	246,962	529,462
Total Appropriation		312,441	261,778	574,219

**Borden Park
Improvements (GP1510)**

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	402,751	0	402,751
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	44,301	44,301
311-0000-368-2101	Premium from Bond Sale	47,986	1,542	49,528
Total Revenue		450,737	45,843	496,580

Appropriation:

311-0000-601-4041	Bond Sale Expense	6,237	843	7,080
311-0000-601-9003	Improvements	444,500	45,000	489,500
Total Appropriation		450,737	45,843	496,580

Engineering Bldg. Renovations (GP1514)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	458,251	0	458,251
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	246,117	246,117
311-0000-368-2101	Premium from Bond Sale	47,986	8,569	56,555
Total Revenue		506,237	254,686	760,923

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	25,000	0	25,000
311-0000-601-4041	Bond Sale Expense	6,237	4,686	10,923
311-0000-601-9003	Improvements	475,000	250,000	725,000

Total Appropriation

506,237	254,686	760,923
----------------	----------------	----------------

Greenbelt East Ext. Phase I (GP1529)**Revenue:**

311-0000-364-2000	From Corporations	20,000	0	20,000
311-0000-368-1047	Series 2014A GO Bonds	10,000	0	10,000
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	167,360	167,360
311-0000-368-2101	Premium on Sale	0	5,827	5,827
Total Revenue		30,000	173,187	203,187

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	30,000	100,000	130,000
311-0000-601-4041	Bond Sale Expense	0	3,187	3,187
311-0000-601-9001	Land	0	70,000	70,000
Total Appropriation		30,000	173,187	203,187

School Improvements**(GP1513)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	1,053,977	0	1,053,977
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	344,564	344,564
311-0000-368-2101	Premium on Sale	110,367	11,996	122,363
Total Revenue		1,164,344	356,560	1,520,904

Appropriation:

311-0000-601-2022	Construction Contracts	724,356	0	724,356
311-0000-601-2023	Arch/Eng/Landscaping	34,500	0	34,500
311-0000-601-4041	Bond Sale Expense	14,344	6,560	20,904
311-0000-601-9003	Improvements	391,144	350,000	741,144
Total Appropriation		1,164,344	356,560	1,520,904

Facilities & HVAC**Improvements****(GP1602)****Revenue:**

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	344,564	344,564
311-0000-368-2101	Premium on Bond Sale	0	11,996	11,996
Total Revenue		0	356,560	356,560

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	6,560	6,560
311-0000-601-9003	Improvements	0	350,000	350,000
Total Appropriation		0	356,560	356,560

**Ladder Truck
Equipment (GP1603)**

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	98,447	98,447
311-0000-368-2101	Premium on Bond Sale	0	3,427	3,427
Total Revenue		0	101,874	101,874

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,874	1,874
311-0000-601-9004	Equipment	0	25,000	25,000
311-0000-601-9006	Purchases Over \$5,000	0	75,000	75,000
Total Appropriation		0	101,874	101,874

**Generator Fire Station
#5 (GP1604)**

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	29,534	29,534
311-0000-368-2101	Premium on Bond Sale	0	1,028	1,028
Total Revenue		0	30,562	30,562

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	562	562
311-0000-601-9006	Purchases Over \$5,000	0	30,000	30,000
Total Appropriation		0	30,562	30,562

**Fire Station #3
(GP1210)**

Revenue:

311-0000-368-1040	Series 2011 GP Pub Imp.	389,267	0	389,267
311-0000-368-1041	Series 2012 C GO Pub Imp.	42,153	0	42,153
311-0000-368-1047	Series 2014A GO Pub Imp.	3,061	0	3,061
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	29,534	29,534
311-0000-368-2101	Premium on Bond Sale	6,119	1,028	7,147
311-0000-391-0100	From General Fund	136	0	136
Total Revenue		440,736	30,562	471,298

Appropriation:

311-0000-601-2010	Advertising & Publication	166	0	166
311-0000-601-2022	Construction Contracts	0	215	215
311-0000-601-2023	Arch/Eng/Landscaping	1,075	1,926	3,001
311-0000-601-4041	Bond Sale Expense	10,474	562	11,036
311-0000-601-9003	Improvements	429,021	27,859	456,880
Total Appropriation		440,736	30,562	471,298

**Technology
Improvements
(GP1605)**

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	87,618	87,618
311-0000-368-2101	Premium on Bond Sale	0	3,050	3,050
Total Revenue		0	90,668	90,668

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,668	1,668
311-0000-601-9006	Purchases Over \$5,000	0	89,000	89,000
Total Appropriation		0	90,668	90,668

**Enterprise Place
Improvements
(GP1611)**

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	535,551	535,551
311-0000-368-2101	Premium on Bond Sale	0	18,646	18,646
Total Revenue		0	554,197	554,197

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	0	33,000	33,000
311-0000-601-4041	Bond Sale Expense	0	10,197	10,197
311-0000-601-9003	Improvements	0	511,000	511,000
Total Appropriation		0	554,197	554,197

**Greenbelt Resurfacing
(GP1610)**

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	66,452	66,452
311-0000-368-2101	Premium on Bond Sale	0	2,313	2,313
Total Revenue		0	68,765	68,765

Appropriation:

311-0000-601-2022	Construction Contracts	0	67,500	67,500
311-0000-601-4041	Bond Sale Expense	0	1,265	1,265
Total Appropriation		0	68,765	68,765

**Model City Coalition
(GP1224)**

Revenue:

311-0000-364-3000	From Non-Profits	10,000	0	10,000
311-0000-368-1041	Series 2012 C GO Pub Imp.	196,894	0	196,894
311-0000-368-1047	Series 2014A GO Pub Imp.	4,412	0	4,412
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	460,957	460,957
311-0000-368-2101	Premium on Bond Sale	13,493	16,049	29,542

Total Revenue

224,799	477,006	701,805
----------------	----------------	----------------

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	189,943	30,000	219,943
311-0000-601-4041	Bond Sale Expense	9,986	8,776	18,762
311-0000-601-9002	Building	1,210	0	1,210
311-0000-601-9003	Improvements	22,384	438,230	460,614
311-0000-601-9004	Equipment	1,276	0	1,276
Total Appropriation		224,799	477,006	701,805

Recreation Facilities**Imp. (GP1214)****Revenue:**

311-0000-364-3000	From Non-Profit Groups	20,000	0	20,000
311-0000-368-1037	Series 2009D BABS GO	50,000	0	50,000
311-0000-368-1040	Series 2011 GO Pub Imp	605,226	0	605,226
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	14,747	14,747
311-0000-368-2101	Premium on Bond Sale	7,343	514	7,857
Total Revenue		682,569	15,261	697,830

Appropriation:

311-0000-601-2020	Professional Consultant	55,000	(4,103)	50,897
311-0000-601-2022	Construction Contracts	150,000	0	150,000
311-0000-601-2023	Arch/Eng/Landscaping	167,214	2,160	169,374
311-0000-601-4041	Bond Sale Expense	12,569	281	12,850
311-0000-601-9001	Land	64,677	(60,277)	4,400
311-0000-601-9003	Improvements	225,154	77,200	302,354
311-0000-601-9004	Equipment	7,955	0	7,955
Total Appropriation		682,569	15,261	697,830

Park Improvements**(GP1534)****Revenue:**

311-0000-368-1046	Series 2013B GO Pub Imp.	17,999	0	17,999
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	11,791	11,791
311-0000-368-2101	Premium on Bond Sale	0	411	411
Total Revenue		17,999	12,202	30,201

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	225	225
311-0000-601-9003	Improvements	17,999	11,977	29,976
Total Appropriation		17,999	12,202	30,201

Local Roads/Sidewalks

(GP1403)

Revenue:

311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	492,234	492,234
311-0000-368-2101	Premium on Bond Sale	3,742	17,138	20,880
Total Revenue		3,742	509,372	513,114

Appropriation:

311-0000-601-4041	Bond Sale Expense	3,742	9,372	13,114
311-0000-601-9003	Improvements	0	500,000	500,000
Total Appropriation		3,742	509,372	513,114

Main Street Imp.

(GP1516)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	87,239	0	87,239
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	398,526	398,526
311-0000-368-2101	Premium on Bond Sale	14,185	13,875	28,060
Total Revenue		101,424	412,401	513,825

Appropriation:

311-0000-601-4041	Bond Sale Expense	6,237	7,588	13,825
311-0000-601-9003	Improvements	95,187	404,813	500,000
Total Appropriation		101,424	412,401	513,825

Sidewalk Imp. (GP1520)

Revenue:

311-0000-364-2000	From Corporations	11,244	13,469	24,713
311-0000-368-1047	Series 2014A GO Pub Imp.	64,970	0	64,970
311-0000-368-1051	Series 2015A GO (Oct) Pl.	0	98,446	98,446
311-0000-368-2101	Premium on Bond Sale	17,275	3,428	20,703
Total Revenue		93,489	115,343	208,832

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	5,000	0	5,000
311-0000-601-4041	Bond Sale Expense	2,245	1,874	4,119
311-0000-601-9003	Improvements	86,244	113,469	199,713
Total Appropriation		93,489	115,343	208,832

Water Proj. Fund: 451

Master Plan WA SYS

Upgrade (WA1401)

Revenue:

451-0000-391-0529	Series 2013B GO Pub Imp	10,377	0	10,377
451-0000-391-0531	Series 2014B GO Bonds	953,703	0	953,703
451-0000-391-0540	Series 2015A GO (Oct) Pl.	0	1,730,000	1,730,000
451-0000-391-4500	From Water Fund	40,786	0	40,786
Total Revenue		1,004,866	1,730,000	2,734,866

Appropriation:

451-0000-605-2023	Arch/Eng/Landscaping	116,000	210,000	326,000
451-0000-605-2097	State Reviews & Reviews	5,000	0	5,000
451-0000-605-9001	Land	5,000	20,000	25,000
451-0000-605-9003	Improvements	878,866	1,500,000	2,378,866
Total Appropriations		1,004,866	1,730,000	2,734,866

Water Fund 411:

Revenue

411-0000-392-9917	Series 2015A GO (Oct) PI.	0	1,730,000	1,730,000
Total Revenue		0	1,730,000	1,730,000

Expenditure

411-6999-698-7832	Series 2015A (Oct.) GO PI	0	1,730,000	1,730,000
Total Expenditures		0	1,730,000	1,730,000

Sewer Proj Fund:452
Colonial Hgts Phase3
(SW1502)

Revenue:

452-0000-391-0531	Series 2014BGO Pub Imp	1,851,408	0	1,851,408
452-0000-391-0540	Series 2015A GO (Oct) PI.	0	4,900,000	4,900,000
Total Revenue		1,851,408	4,900,000	6,751,408

Appropriation:

452-0000-606-2023	Arch/Eng/Landscaping	250,000	600,000	850,000
452-0000-606-9001	Land	200,000	300,000	500,000
452-0000-606-9003	Improvements	1,401,408	4,000,000	5,401,408
Total Appropriation		1,851,408	4,900,000	6,751,408

Sewer Fund:412

412-0000-392-9917	Series 2015A GO (Oct) PI.	0	4,900,000	4,900,000
Total Revenue		0	4,900,000	4,900,000

Expenditures

412-6999-698-7832	Series 2015A (Oct.) GO PI	0	4,900,000	4,900,000
Total Expenditures		0	4,900,000	4,900,000

SECTION IV. 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.

JOHN CLARK, 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

Contract Amendment with the TDOT Accepting Federal Transportation Planning Funds on Behalf of the Kingsport MTPO

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-257-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Bill Albright
Presentation By: Bill Albright

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 (MTPOs) through the Tennessee Department of Transportation (TDOT).

For the Kingsport MTPO, 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. Funds are allocated using an 80% Federal / 20% Local matching formula. Recently TDOT has been issuing multiple year contracts in order to protect (or obligate) dollars in advance of potential federal cutbacks.

The current contract, which covers Fiscal Years '14 and '15, will now be amended to include Fiscal Years '16, '17, and '18. The federal portion budgeted for FY '16 is \$217,397, with the local match being \$54,476. Both of these figures have already been approved through this past spring's budget process. Matching funds for the remaining years will be considered in future budget deliberations. Staff recommends the Board approve the contract amendment accepting the Tennessee PL funds.

Attachments:

- 1. Resolution
- 2. Contract

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT ONE OF GRANT CONTRACT Z14MPO007 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION TO ADD FISCAL YEARS 2016, 2017 AND 2018 FOR FEDERAL HIGHWAY ADMINISTRATION PL-112 PLANNING FUNDS FOR THE KINGSPORT METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION (MPO) AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, each year the Federal Highway Administration (FHWA) provides PL-112 Planning funds for area Metropolitan Transportation Planning Organizations through the Tennessee Department of Transportation (TDOT); and

WHEREAS, recently TDOT has been issuing multiple year contracts in order to preserve dollars in advance of potential federal cutbacks; and

WHEREAS, on November 5, 2013, the board approved Grant Contract Z14MPO007 accepting Federal Highway Administration Planning funds for fiscal years 2014 and 2015; and

WHEREAS, TDOT would like to amend the grant contract to add Fiscal Years 2016, 2017 and 2018; and

WHEREAS, the total amount of the grant for all years will be \$1,252,062.00, and requires a twenty percent (20%) local match, available through the Tennessee Department of Transportation for the Kingsport Metropolitan Transportation Planning Organization (MPO); and

WHEREAS, the twenty percent (20%) local match is available in the Kingsport MPO budget for the fiscal years 2014, 2015 and 2016; and

WHEREAS, the matching funds for fiscal years 2017 and 2018 will be considered in the city's fiscal year budget process; and

Now therefore,

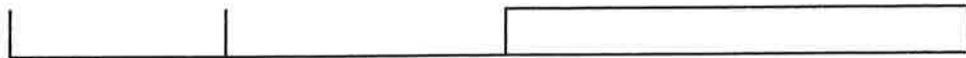
BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed 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, Amendment One to Grant Contract Z14MPO007 with the Tennessee Department of Transportation for Federal Highway Administration Planning funds adding fiscal years 2016, 2017 and 2018 requiring a twenty percent (20%) local match, for the Kingsport Metropolitan Transportation Planning Organization said Amendment being generally as follows:



GRANT AMENDMENT

Agency Tracking # 40100-29014	Edison ID 38616	Contract # Z14MPO007	Amendment # 1		
Contractor Legal Entity Name City of Kingsport			Edison Vendor ID 1562		
Amendment Purpose & Effect(s) To amend the City of Kingsport grant contract to extend the term and increase the maximum liability.					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: September 30, 2018			
TOTAL Contract Amount INCREASE per this Amendment (zero if N/A):			\$825,298.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2014		224,458.00			224,458.00
2015		202,306.00			202,306.00
2016		281,397.00			281,397.00
2017		287,701.00			287,701.00
2018		256,200.00			256,200.00
TOTAL		1,252,062.00			1,252,062.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>OCR USE</i>	
Speed Chart (optional)		Account Code (optional)			



**AMENDMENT ONE
OF GRANT CONTRACT Z14MPO007**

This Grant Contract Amendment is made and entered by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the "State" and the City of Kingsport, hereinafter referred to as the "Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Grant Contract is hereby amended as follows:

1. The following is added to Grant Contract section A. Scope of Services:

A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment One, is incorporated in this Grant Contract.

2. Grant Contract section B.1. CONTRACT PERIOD is deleted in its entirety and replaced with the following:

B. CONTRACT PERIOD

This Grant Contract shall be effective on October 1, 2013 ("Effective Date") and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

3. Grant Contract section C.1. Maximum Liability. is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed One Million Two Hundred Fifty-Two Thousand and Sixty-Two Dollars (\$1,252,062.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment Two is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

4. Grant Contract section D.12. is deleted in its entirety and replaced with the following:

D.12. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control-Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

5. Grant Contract section D.16. is deleted in its entirety and replaced with the following:

D.16. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

6. Grant Contract section D.21. is deleted in its entirety and replaced with the following:

D.21. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

7. Grant Contract section D.22. is deleted in its entirety and replaced with the following:

D. 22. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

8. The following is added as Grant Contract section D.27.:

D.27. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and

regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.

b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.

9. The following is added as Grant Contract section D.28.:

D.28. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.

If the Grantee is subject to an audit under this provision, then the Grantee shall complete Attachment Three Parent Child Information.

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

10. The following is added as Grant Contract section D.29.:

D.29. Tennessee Department of Revenue Registration. The Grantee shall be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material provision of this Grant Contract.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective October 1, 2015. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

[Acknowledgements Deleted for Inclusion in this Resolution]

ATTACHMENT ONE

Federal Award Identification Worksheet

Subrecipient's name (must match registered name in DUNS)	City of Kingsport
Subrecipient's DUNS number	079027579
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	20.205 – Highway Planning & Construction

Grant contract's begin date	October 1, 2013
Grant contract's end date	September 30, 2018
Amount of federal funds obligated by this grant contract	\$1,252,062.00
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	Approximately \$4,500,000 annually
Name of federal awarding agency	Federal Highway Administration (FHWA)
Name and contact information for the federal awarding official	Ms. Theresa Claxton FHWA Tennessee Division Office 404 BNA Drive, Suite 508 Nashville, TN 37212
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	NA

ATTACHMENT TWO

GRANT BUDGET				
KINGSPORT MTPO FY 2014 – FY 2018				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable				
Period: BEGIN: OCTOBER 1, 2013 END: SEPTEMBER 30, 2018				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE- ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes	789,048.00	197,262.00	986,310.00
4, 15	Professional Fee, Grant & Award ²	348,574.00	87,144.00	435,718.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	59,160.00	14,790.00	73,950.00
11. 12	Travel, Conferences & Meetings	47,680.00	11,920.00	59,600.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	400.00	100.00	500.00

16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	7,200.00	1,800.00	9,000.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	1,252,062.00	313,016.00	1,565,078.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

ATTACHMENT ONE

GRANT BUDGET LINE-ITEM DETAIL:

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Redevelopment Corridor Study II	\$58,876.00
Fort Henry Drive Corridor Study	\$73,820.00
Downtown Area Traffic Circulation Study	\$21,746.00
2040 Long Range Transportation Plan	\$240,000.00
Downtown Kingsport (CBD) Circulation and Transportation Master Plan	\$35,376.00
Auditing Fees	\$5,900.00
TOTAL	\$435,718.00

OTHER NON-PERSONNEL	AMOUNT
Advertising	\$5,000.00
Professional Association Membership Dues	\$4,000.00
TOTAL	\$9,000.00

ATTACHMENT THREE

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. *The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year if the Grantee indicates it is subject to an audit on the "Notice of Audit Report" document.*

"Parent" means an entity whose IRS filing contains the information of at least one other entity.
"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number: 1562

Is City of Kingsport a parent? Yes No

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is City of Kingsport a parent? Yes No

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

SECTION II. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the amendment set out herein that do not substantially alter the material provisions of the amendment, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



GRANT AMENDMENT

Agency Tracking # 40100-29014	Edison ID 38616	Contract # Z14MPO007	Amendment # 1
---	---------------------------	--------------------------------	-------------------------

Contractor Legal Entity Name City of Kingsport	Edison Vendor ID 1562
--	---------------------------------

Amendment Purpose & Effect(s)
To amend the City of Kingsport grant contract to extend the term and increase the maximum liability.

Amendment Changes Contract End Date: YES NO **End Date:** September 30, 2018

TOTAL Contract Amount INCREASE per this Amendment (zero if N/A): **\$825,298.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2014		224,458.00			224,458.00
2015		202,306.00			202,306.00
2016		281,397.00			281,397.00
2017		287,701.00			287,701.00
2018		256,200.00			256,200.00
TOTAL:		1,252,062.00			1,252,062.00

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.	<i>OCR USE</i>
---	----------------

Speed Chart (optional)	Account Code (optional)
-------------------------------	--------------------------------

**AMENDMENT ONE
OF GRANT CONTRACT Z14MPO007**

This Grant Contract Amendment is made and entered by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the "State" and the City of Kingsport, hereinafter referred to as the "Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Grant Contract is hereby amended as follows:

1. The following is added to Grant Contract section A. Scope of Services:
 - A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment One, is incorporated in this Grant Contract.
2. Grant Contract section **B.1. CONTRACT PERIOD** is deleted in its entirety and replaced with the following:

B. CONTRACT PERIOD

This Grant Contract shall be effective on October 1, 2013 ("Effective Date") and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

3. Grant Contract section C.1. Maximum Liability. is deleted in its entirety and replaced with the following:
 - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed One Million Two Hundred Fifty-Two Thousand and Sixty-Two Dollars (\$1,252,062.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment Two is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
4. Grant Contract section D.12. is deleted in its entirety and replaced with the following:

D.12. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will

be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

5. Grant Contract section D.16. is deleted in its entirety and replaced with the following:

D.16. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

6. Grant Contract section D.21. is deleted in its entirety and replaced with the following:

D.21. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract

is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

7. Grant Contract section D.22. is deleted in its entirety and replaced with the following:

D. 22. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

8. The following is added as Grant Contract section D.27.:

D.27. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

- a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.
- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.

9. The following is added as Grant Contract section D.28.:

D.28. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.

If the Grantee is subject to an audit under this provision, then the Grantee shall complete

Attachment Three Parent Child Information.

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

10. The following is added as Grant Contract section D.29.:

D.29. Tennessee Department of Revenue Registration. The Grantee shall be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material provision of this Grant Contract.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective October 1, 2015. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS THEREOF,

CITY OF KINGSPORT:

GRANTEE SIGNATURE

DATE

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

CITY ATTORNEY, APPROVED AS TO FORM

DATE

DEPARTMENT OF TRANSPORTATION:

JOHN SCHROER, COMMISSIONER

DATE

**JOHN REINBOLD, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY**

DATE

ATTACHMENT ONE

Federal Award Identification Worksheet

Subrecipient's name (must match registered name in DUNS)	City of Kingsport
Subrecipient's DUNS number	079027579
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	20.205 – Highway Planning & Construction
Grant contract's begin date	October 1, 2013
Grant contract's end date	September 30, 2018
Amount of federal funds obligated by this grant contract	\$1,252,062.00
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	Approximately \$4,500,000 annually
Name of federal awarding agency	Federal Highway Administration (FHWA)
Name and contact information for the federal awarding official	Ms. Theresa Claxton FHWA Tennessee Division Office 404 BNA Drive, Suite 508 Nashville, TN 37212
Is the federal award for research and development?	No
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	NA

GRANT BUDGET				
KINGSPORT MTPO FY 2014 – FY 2018				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: OCTOBER 1, 2013 END: SEPTEMBER 30, 2018				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	789,048.00	197,262.00	986,310.00
4, 15	Professional Fee, Grant & Award ²	348,574.00	87,144.00	435,718.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	59,160.00	14,790.00	73,950.00
11, 12	Travel, Conferences & Meetings	47,680.00	11,920.00	59,600.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	400.00	100.00	500.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	7,200.00	1,800.00	9,000.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	1,252,062.00	313,016.00	1,565,078.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

GRANT BUDGET LINE-ITEM DETAIL:

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Redevelopment Corridor Study II	\$58,876.00
Fort Henry Drive Corridor Study	\$73,820.00
Downtown Area Traffic Circulation Study	\$21,746.00
2040 Long Range Transportation Plan	\$240,000.00
Downtown Kingsport (CBD) Circulation and Transportation Master Plan	\$35,376.00
Auditing Fees	\$5,900.00
TOTAL	\$435,718.00

OTHER NON-PERSONNEL	AMOUNT
Advertising	\$5,000.00
Professional Association Membership Dues	\$4,000.00
TOTAL	\$9,000.00

ATTACHMENT THREE

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year if the Grantee indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number: 1562

Is City of Kingsport a parent? Yes No

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is City of Kingsport a parent? Yes No

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager

3rd Floor, WRS Tennessee Tower

312 Rosa L Parks Avenue

Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____



AGENDA ACTION FORM

Award of Bid for Beaded Yogurt Items for the Kingsport City Schools Nutrition Services

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager 

Action Form No.: AF-270-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Committee
Presentation By: Jennifer Walker

Recommendation:

Approve the Resolution.

Executive Summary:

Kingsport City Schools Nutrition Services administers various contracts to maintain a continual supply of food items. The bids for Beaded Yogurt Dots were opened on September 22, 2015 with one bidder responding. The bid from KBC Distributing, LLC was reviewed by School Nutrition. Jennifer Walker, Supervisor of School Nutrition Services, presented a recommendation to the Board of Education on November 5, 2015 regarding the bid and contract with KBC Distributing, LLC. After review and discussion, the Board of Education approved the recommendation and contract. It is recommended to award the Beaded Yogurt items to KBC Distributing, LLC with a contract not to exceed \$101,250 and authorize the Mayor to sign all applicable documents.

The contract will cover the period of November 18, 2015 thru June 30, 2016. The bid documents include a renewal option on an annual basis in one year increments for up to three additional years providing all terms, conditions and cost are acceptable to both parties.

Funding will be provided by School Nutrition Services budget.

Attachments:

1. Resolution
2. Recommendation
3. Bid Minutes

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR BEADED YOGURT ITEMS FOR USE BY KINGSPORT SCHOOL NUTRITION PROGRAM TO KBC DISTRIBUTING, LLC AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE CONTRACT

WHEREAS, bids were opened September 22, 2015, for beaded yogurt dots for various Kingsport City Schools; and

WHEREAS, upon review of the bids, the board finds KBC Distributing, LLC is the lowest responsive compliant bidder in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract to purchase beaded yogurt dots for various schools from KBC Distributing, LLC at an estimated cost not to exceed \$101,250 for the period of November 18, 2015, through June 30, 2016; and

WHEREAS, funding is available in the School Nutrition Budget.

Now therefore,

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

SECTION I. That the bid for a beaded yogurt dots for use by Kingsport City Schools Nutrition Services is awarded to KBC Distributing, LLC.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a contract with KBC Distributing, LLC for beaded yogurt dots used by School Nutrition Services and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being generally as follows:

CONTRACT

This Contract, made and entered into on this the 18th day of November, 2015, by and between the CITY OF KINGSPORT, TENNESSEE, a municipal corporation, duly organized and existing under and by virtue of the laws of the State of Tennessee, with situs in Sullivan County, Tennessee, hereinafter referred to as the City, party of the first part, and KBC DISTRIBUTING, LLC., hereinafter referred to as the Contractor, party of the second part.

WITNESSETH:

WHEREAS, the City has taken all steps required by law for the purchase of certain commodities, to-wit:

BEADED YOGURT ITEMS FOR THE CITY OF KINGSPORT SCHOOL NUTRITION PROGRAM AS STATED IN BID DOCUMENTS –

all in a proper manner as set forth herein; and has advertised, requested and received bids, as required by law, which bids, being sealed, were opened on the 22nd day of September, 2015; and the City accepted the proposal or bid of the Contractor herein, all of which is set forth in the minutes of said meeting, to which reference is here made.

NOW, THEREFORE, in consideration of the promises, and for the further considerations hereinafter mentioned, this contract is hereby mutually understood and agreed to by and between the parties hereto for themselves, their personal representatives, successors and/or assigns.

SECTION 1. SCOPE OF THE CONTRACT. The second party shall furnish all the materials and will perform all the work as provided by the following enumerated specifications and documents, which are attached hereto and made a part hereof, as it is fully copied and contained herein:

1. Bids Wanted as published in the "Kingsport Times-News" on 9/6/15.
2. Specifications on file in the office of the City Manager and previously sent to the Contractor.

The party of the second part shall defend, indemnify and save harmless the City of Kingsport from any and all claims and suits for injury to person or property arising out of the performance of this Contract, caused by the acts or omissions of the Contractor, its agents, employees or sub-contractors, excepting bodily injury or property damage caused by the sole negligence of the City of Kingsport, its agents or employees.

SECTION 2. CONTRACT TERM. The work to be performed under this Contract shall be from November 18, 2015 to June 30, 2016. The Contract will be awarded with a renewal option on an annual basis in one (1) year increments up to three (3) years providing all terms, conditions and cost are acceptable to both parties. The City reserves the right to re-bid at the end of any contract period. This Agreement shall terminate at the end of the contract year, June 30, 2016. Additional annual term(s), each of which said term shall expire at the end of the then current contract year, shall be at the sole option of the City of Kingsport. If not renewed, for reason of Funding Out (which means school has insufficient funds to pay at June 30), School shall have no obligation to pay any additional costs and School shall surrender all rights and interest in any asset(s) which are not fully owned by School to Company. Except for the Maintenance Component and charges based upon the usage of the Equipment, the balance of the monthly payment owed by the School shall be consistent during the term(s) of the Agreement.

SECTION 3. THE CONTRACT PRICE. The City shall pay, in current fund, the Contractor for the performance of this Contract on the basis of the unit price cost per unit, as set forth in SECTION 1 above, and as set out and stipulated in the bid or proposal of said Contract, and the total cost of CONTRACT VALUE (\$101,250.00) is a not-to-exceed cost, based upon the estimated number of units required for the performance of this Contract and in the event there is any variation in the units actually required in the performance of this Contract, and the estimate made above, then the unit price shall in all things control, so that the total estimated cost of CONTRACT VALUE (\$101,250.00) is subject to being increased in the event the units required for this Contract are greater than that estimated, and is subject to being decreased in the event said units are less than that estimated; which said payment, based upon the unit costs mentioned above, shall be full compensation for all materials and supplies furnished, and all labor done by the Contractor under and pursuant to this Agreement, and said sum shall also pay for all losses or damages of the Contractor arising out of the nature of the work, and for any and all expenses incurred in consequence of the work under this Contract, and for the well and faithful performance of said Contract.

SECTION 4. METHOD OF PAYMENT. Accounts will close on the last school day of each month. Statements should be forwarded to the office no later than the third working day after closing the month. The vendor will furnish a monthly recap of all purchased items as they are listed on the purchase order by the third working day after closing the month. The vendor will furnish a yearly recap of all purchased items by the third working day after orders have ended for the school. The contractor will provide credit memos monthly no later than the third working day after closing the month.

Invoicing: All invoices and statements will be sent to Kingsport City School Nutrition Services, 400 Clinchfield St. Suite 200, Kingsport, Tennessee 37660.

SECTION 5. INSURANCE. The Contractor aforesaid shall at all times keep in full force and effect, during the life of this Contract, Worker's Compensation Insurance in accordance with Title 50, Tennessee Code Annotated and all Amendatory Acts thereto, covering all of the employees during the progress of said performance of Contract, and to furnish the City satisfactory evidence that he has in full force and effect such insurance on all of his employees used in the execution and carrying out the work under this Contract. Also, the Contractor shall have comprehensive general public liability insurance in amounts acceptable to the City. The Contractor will furnish comprehensive automobile liability insurance and furnish the City with certificates of insurance or policies and maintain the insurance in such form as shall be satisfactory to the City. The Contractor shall obtain and maintain owners liability insurance specifically naming City as the insured to defend, indemnify and save harmless the City of Kingsport from any and all claims and suits for injury to persons, including death, or property damage arising out of the performance of the Contract caused in any way by the acts or omissions of the Contractor or the Contractor's agents, employees, or sub-contractors during or in connection with the Contract performance, excepting bodily injury or death or property damage caused by the sole negligence of the City of Kingsport, its agents or employee.

SECTION 6. SERVICE LEVEL. The contractor shall fill all original orders at a monthly average of 97% or above on the scheduled delivery day. The remaining 3% shall be delivered within 24 hours of the scheduled delivery day.

Reports: Monthly and Year-to-Date utilization reports shall be issued to the City of Kingsport school district monthly. These reports shall be submitted for total quantity delivered per item in terms of bid units per school delivery point and a combined district total.

Records: All contractors are required to keep records for three years after the City of Kingsport makes final payment and all other pending matters are closed. Contractors must agree that the School Food Authority, the State Agency, the United State Department of Agriculture, or Comptroller General may review any books, documents, papers, and records of the contractor which are directly pertinent to all negotiated contracts.

Ice Cream freezers must be provided by the contractor. All service to these boxes is to be done at the contractor's expense. It is estimated that at least four freezers will be needed.

Items are to be delivered to the following schools:

Robinson Middle School	1517 Jessee Street
Sevier Middle School	1200 Wateree Street
Dobyns-Bennett High School	1701 East Center Street

Deliveries shall be made to the schools Monday thru Friday between the hours of 6:30 a.m. and 1:00 p.m. on actual school days. Exceptions to this time frame must be approved on a case by case basis by the School Nutrition Program Supervisor. Deliveries shall not be made after 1:00 p.m. Managers will not be expected to extend working hours to receive late deliveries.

Beaded Yogurt products must be delivered inside the cafeteria/food preparation area. The manager or designee will check the items delivered against the order and invoice at the time of delivery with both the manager or designee and the driver signing the appropriate forms for shortages and errors, and/or obviously damaged goods. The manager must reject deliveries which are left standing on the loading dock and have not been signed for by the manager or his/her designee.

All foods are to be delivered with no evidence of damage. The successful bidder agrees to be responsible for damaged packaging and to pick up and replace any products that are damaged, stale, or out of date - at no charge Kingsport City Schools School Nutrition Services follows the principles of HACCP (Hazard Analysis Critical Control Point) in accepting all deliveries. Therefore, upon deliver temperatures of products may be taken and recorded and overall product condition will be inspected in accordance with the participating school district food safety plan. All products specified herein must be delivered in vehicles which are maintained in a sanitary condition and properly refrigerated. Vendor will be responsible for placing product in freezers at the time of delivery. Product left over from the previous delivery must be rotated in such a manner that will insure that the previous delivery will be used first.

If foreign objects are found in foods purchased from the vendor and such objects result in injury or sickness to customers, vendor will be responsible for all claims resulting from this injury or sickness and the Boards of Education and their employees will not be held responsible.

Each School Nutrition Manager shall retain the right to reject any or all of a delivery that does not meet product specifications. Rejected items are to be picked up at the supplier's expense and credit memo issued.

Delivery schedules will be altered to meet holiday and inclement weather schedules. Holiday shall be defined as any week that has less than five (5) school days. If the holiday falls on a scheduled delivery day, the delivery shall be made on a day to be mutually agreed upon by each school district and the successful contractor. School year 2015-16 calendars are included in the bid packet.

Adjustments for inclement weather, national or local emergencies will include each school utilizing any product delivered prior to the school closing. The systems will notify the vendor as soon as possible about necessary delivery delays.

Each School Nutrition Manager reserves the right to reject the use of any equipment by a carrier if it is not in a clean, sanitary condition, and suitable for hauling of all items.

The successful bidder shall provide the name and telephone contact number of a company contact person, along with a delivery schedule that includes the delivery person's name and contact number.

If applicable, deliveries must be made in mechanically refrigerated truck maintaining an appropriate temperature for the items being shipped (below freezing for frozen goods, 40 degrees F and below for other refrigerated perishables, etc.) and according to HACCP (Hazard Analysis and Critical Control Points). The City of Kingsport reserves the right to reject the use of any equipment by a carrier if it is not in a clean, sanitary condition suitable for the transport of food items, supplies, etc.

To assist drivers and authorize school to expedite receiver accuracy of quantities of each item, brand, and code numbers of each item and condition of merchandise, the invoice will list foods in

order as pulled from truck and placed in the warehouse for delivery verification. Each delivery ticket will be rendered in duplicate and shall be signed by a designated school receiver. No invoice will be paid without designated school receiver or designee's signature. Variations from the norm, i.e., shortages, damages, etc., shall be noted on each ticket by the designated school receiver and initialed by both the truck driver and school receiver. The contractor shall be required to issue credits for errors not detected at the time of delivery.

Special or intermediate deliveries will be required if a contractor fails to deliver a product on a regularly scheduled delivery and/or in emergency situations when meal counts are higher than projected.

Drivers shall wear company uniforms and/or I.D. badges.

A. If a contractor is unable to deliver a prior approved substitute product, the City of Kingsport school district shall, in good faith and in its sole discretion, purchase a product of equal or greater quality from another source. The supplier shall be responsible and liable for the difference in the cost between the amount paid for the substituted product and the amount which would have been paid had the product been delivered. The supplier shall not be entitled to complain that the substitute product could have been purchased at a lower price.

B. Delivering brands that are not pre-approved may be reason for rejection of the product, termination of the contract, and shall be considered non-delivery of product.

Contractor is required to provide a Product Information Sheet and Nutritional Analysis of all products purchased within 30 day calendar days of the award.

Fiscal Funding: If the effective dates of this proposal extend beyond June 30 of the current fiscal year, it shall be understood that purchases in the next fiscal year are conditional on the receipt of federal and/or state funds. In the event of the discontinuance or a decrease in federal and/or state funds, the City of Kingsport school district reserves the right to change the item identifications, decrease the quantities, and/or delete items.

SECTION 7. TERMINATION OF CONTRACT. Failure on the part of the City of Kingsport school district, or the contractor, to comply with the provisions of this contract may result in contract termination.

Each party shall follow the procedure outlined below, if a contract is to be terminated:

Step 1 - Issue warning letter and outline violations and length of time to correct the problem. Step 2

- Issue letter of Intent to Cancel Contract, if problem is not resolved by given date. Step 3 - Issue letter to cancel contract.

SECTION 9. STANDARD CONTRACT CONDITIONS.

A. This contract shall be governed in all respects - as to validity, construction, capacity, performance, or otherwise - by the laws of the State of Tennessee. Any action brought in law or in equity to enforce any provision of the entire agreement shall be filed in the appropriate court in Sullivan County, Tennessee. In any action to enforce this agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorney's fees/

B. Contractors providing service herewith, assures the City of Kingsport school district that they are conforming to the provisions of the Civil Rights Act of 1964, as amended.

C. Contractors shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Labor Regulations (41 CFR Part 60).

D. State Sales and Use Tax Certificate of Exemption form will be issued upon request. Sales tax shall not be included in prices.

E. Contractor shall comply with applicable federal, state, and local laws and regulations pertaining to wages, hours, and conditions of employment. In connection with contractor's performance of work under this contract, contractor agrees not to discriminate against any employee(s) or applicant(s) for employment because of age, race, religious creed, sex, national origin, or handicap.

F. The contractor agrees to retain all books, records, and other documents relative to this agreement for three (3) years after final payment. The City of Kingsport, its authorized agents, and/or state/federal representatives shall have full access to, and the right to examine any of said materials during said period. If an investigation or audit is in progress, records shall be maintained until stated matter is closed.

G. Contractor shall comply with all applicable standards, order, or requirements issued under Section 306 of the Clear Air Act (42 U.S.C. 1857 [h]), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR Part 15), which prohibit the use under nonexempt federal contracts, grants, or loans of facilities included on the EPA List of Violating Facilities.

H. Contractor must comply with mandatory standards and policies related to energy efficiency which are contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act (PL 94-165).

SECTION 10. PRODUCT REQUIREMENTS.

1. Item Identification (ID): The item identifications (descriptions) listed herein are not specifications. Product identifications are limited to requirements which can be verified on delivery or information essential for communication between contractor and City of Kingsport school district. For example, "U.S." Grades are generally not specified unless there is a grade shield on the container or the product is accompanied by an inspection certificate. The use of pre-approved brands makes it unnecessary to utilize detailed specifications.

2. Product Protection Guarantees: School districts have "automatic" product protection recourse against suppliers for products which are misrepresented. According to federal regulations, the supplier whose name and address appear on the package is the responsible party. Contractors are expected to take immediate action to correct any situation in which product integrity is violated.

3. Import Products: Products which are canned or packed outside of the United States will not be accepted. Please note this rule applies to "Private Labels" as well as other labels. The intent of the City of Kingsport school district is to follow the Buy America Provisions of PL100-237. The contractor agrees to abide by the Buy American Provision of the William F. Goodling Nutrition Reauthorization Act of 1998. Policy memoranda 210.21-14 and 220.17-01.

The City of Kingsport Director of School Nutrition retains the right to check compliance on any item. A sample of the product will be shipped to an USDA Acceptance Laboratory for verification of the USDA quality grade. Compliance for yield will be made by the City of Kingsport Director of School Nutrition and/or managers on a random basis.

If the analysis indicates that the product meets the USDA quality grade and/or yield specifications, the City of Kingsport Director of School Nutrition will bear the cost of the analysis. If the analysis indicates that the product does not meet the USDA quality grade and/or yield specified, the following penalties will be administered as a minimum:

- The Contractor will bear the cost of the analysis.
- The Contractor will replace the entire product for all schools within the system for the delivery period without cost even though part of the product had to be or was used. The replacement product must meet the USDA quality grade and yield specifications. The remainder of the rejected product must be picked up without cost to the City of Kingsport school system.

4. Samples: In order to evaluate a new product, the new product will be provided at the expense of the Contractor. The first sample should be presented to the City of Kingsport Director of School Nutrition. If the product is feasible for use in the program, samples may be requested for City of Kingsport school nutrition managers and supervisors to evaluate. Samples will be available (upon request) for a student panel evaluation of a product. Vendors bidding on new brands, new items, or a product considered equal to a product specified should provide samples at or before bid opening for panel review. The amount of samples requested on an annual basis will not be limited to a specific amount or specific food group.

If requested, samples must be furnished within 24 hours. For all items bid on, Cut sheets with CN Label or a written guarantee that items meet all requirements as specified and the portion size or amount that meets the USDA child nutrition program requirements for that item shall be provided. This item bid must be accompanied by brand name, count and size. For all items awarded, a Product Information Sheet and a Nutritional Analysis Sheet must be sent to the office of the City of Kingsport Director of School Nutrition within 30 calendar days of the award.

We guarantee the items to be as specified or better and that delivery will be made to the individual school in the presence of the manager or designee so that quantities may be verified and checked. We affirm that no City of Kingsport employee will receive any items of value as a result of this order.

5. Item Substitutions/Changes:

The School Nutrition Department reserves the right to make brand changes at any point during the contract for the following reasons to include, but not limited to, decrease in sales, quality control issues, customer complaints, or additions of approved brands. When requesting a brand change, the School Nutrition Department shall ask the distributor to submit pricing on other approved brands.

IN WITNESS whereof the parties by their authorized agents have executed this contract.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the contract set out herein that do not substantially alter the material provisions of the contract and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

RE: RECOMMENDATION TO AWARD BID FOR BEADED FROZEN YOGURT/SHERBET PRODUCTS TO KBC DISTRIBUTING FOR SCHOOL NUTRITION

Kingsport City School Nutrition received one bid proposal for beaded frozen yogurt products on Tuesday September 22, 2015. The bid is from KBC Distributing to supply Frozen Yogurt Dippin' Dots for an estimated not to exceed cost of 101,250.00. Kingsport City School Nutrition cost is based solely on a fixed cost per unit and only for the amount of product sold in our schools.

School Nutrition is recommending that the Board of Mayor and Alderman award this bid to KBC Distributing.

All expenditures from this contract are fully funded by the School Nutrition Services budget. School Nutrition Services is a self-supporting department within Kingsport City Schools. We receive funding from federal reimbursements, state funding and revenue generated by meal fees, a la carte items sold and catering.

Jennifer Walker

Supervisor of School Nutrition Services

MINUTES
 BID OPENING
 Beaded Frozen Yogurt/Sherbert Products for School Nutrition
 September 22, 2015
 4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Lisa Tallman, Assistant Procurement Manager, Schools

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

The Procurement Manager opened with the following bids:

BEADED FROZEN YOGURT/SHERBERT PRODUCTS FOR SCHOOL NUTRITION					
Vendor:	Yogurt Dots Cookies & Cream	Yogurt Dots Cookie Dough	Yogurt Dots Chocolate & Vanilla	Sherbet Dots Redberry	Comments:
KBC Distributing	\$1.35	\$1.35	\$1.35	\$1.35	All items are 3 ounce each

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



AGENDA ACTION FORM

Maintenance Agreement with TDOT Related to Installation of a Traffic Signal at SR-357 from Hospitality Place / Flagship Drive to I-81 Northbound Ramps

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager 

Action Form No.: AF-290-2015
 Work Session: November 16, 2015
 First Reading: N/A

Final Adoption: November 17, 2015
 Staff Work By: M. Thompson / T. Elsea
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

TDOT will be installing a traffic signal at SR-357 from Hospitality Place / Flagship Drive to I-81 Northbound Ramps. This project is part of the state's safety audit, and therefore is eligible for the Highway Safety Improvement Program (HSIP) funds, and no local match is required. Entering into this Agreement will allow TDOT to proceed with the installation of the traffic signal. The City is responsible for maintenance of the traffic signal once installed.

City staff has reviewed the safety audit, and recommends entering into the maintenance agreement with TDOT – Agreement No.: 150179; Project Identification No: 118776.01; Federal Project No: HSIP-357(3); State Project No: 82100-3205-94.

Attachments:

1. Resolution
2. Agreement (2 pages)

Funding source appropriate and funds are available:  _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Oterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A MAINTENANCE AGREEMENT WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the Tennessee Department of Transportation (TDOT) is installing a traffic signal at SR-357 from Hospitality Place/Flagship Drive to I-81 Northbound Ramps; and

WHEREAS, the city will be responsible for the maintenance of the traffic signal.

Now therefore,

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

SECTION I. That Agreement No. 15017 for the maintenance of a traffic signal at SR-357 from Hospitality Place / Flagship Drive to I-81 Northbound Ramps with the Tennessee Department of Transportation (TDOT) is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, Agreement No. 15017 for the maintenance of a traffic signal at SR-357 from Hospitality Place/Flagship Drive to I-81 Northbound Ramps with the Tennessee Department of Transportation (TDOT), and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

AGREEMENT No: 150179
PROJECT IDENTIFICATION No: 118776.01
FEDERAL PROJECT No: HSIP-357(3)
STATE PROJECT No: 82100-3205-94
State of Tennessee Department of Transportation

LOCAL AGENCY PROGRAM AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of, 20__ by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the City of Kingsport (hereinafter called the "Agency").

WITNESSETH:

WHEREAS, the Department desires to install a traffic signal within the jurisdictional limits of the Agency and

WHEREAS, the Agency, in recognition of the benefits to be received from the installation of said traffic signal desires to cooperate with the Department such that the traffic signal may be installed, operated and maintained.

NOW THEREFORE, in consideration of these premises, the Department and the Agency hereby enter into agreement to provide performance of the project.

SECTION I: The Project to be performed is described as follows:

"SR-357 from Hospitality Place/Flagship Dr to 1-81 Northbound Ramps"

SECTION II: The Agency shall be solely responsible for and pay all costs associated with maintenance and operation of all electrically operated devices together with the related equipment, wiring and other necessary appurtenances, and the Agency shall furnish electrical current to all such devices which may be installed as part of the project. Additionally, the Agency shall be solely

responsible for and pay all costs associated with the maintenance and operation of solar-powered devices, including, but not limited to, replacement of solar panels, batteries, lights and lenses.

SECTION III: The Agency agrees to comply with all applicable federal and state laws and regulations in the performance of its duties under this contract. The parties hereby agree that failure of the Agency to comply with this provision shall constitute a material breach of this agreement and subject the Agency to the repayment of all state funds expended, or expenses incurred, under this agreement.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AGREEMENT NO: 150179
PROJECT IDENTIFICATION NO: 118776.01
FEDERAL PROJECT NO: HSIP-357(3)
STATE PROJECT NO: 82100-3205-94
State of Tennessee Department of Transportation

LOCAL AGENCY PROGRAM AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____ by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the City of Kingsport (hereinafter called the "Agency").

W I T N E S S E I H:

WHEREAS, the Department desires to install a traffic signal within the jurisdictional limits of the Agency and

WHEREAS, the Agency, in recognition of the benefits to be received from the installation of said traffic signal desires to cooperate with the Department such that the traffic signal may be installed, operated and maintained.

NOW THEREFORE, in consideration of these premises, the Department and the Agency hereby enter into agreement to provide performance of the project.

SECTION I: The Project to be performed is described as follows:

"SR-357 from Hospitality Place/Flagship Dr to I-81 Northbound Ramps"

SECTION II: The Agency shall be solely responsible for and pay all costs associated with maintenance and operation of all electrically operated devices together with the related equipment, wiring and other necessary appurtenances, and the Agency shall furnish electrical current to all such devices which may be installed as part of the project. Additionally, the Agency shall be solely responsible for and pay all costs associated with the maintenance and operation of solar-powered devices, including, but not limited to, replacement of solar panels, batteries, lights and lenses.

SECTION III: The Agency agrees to comply with all applicable federal and state laws and regulations in the performance of its duties under this contract. The parties hereby agree that failure of the Agency to comply with this provision shall constitute a material breach of this agreement and subject the Agency to the repayment of all state funds expended, or expenses incurred, under this agreement.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date first above written.

CITY OF KINGSPORT

**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

By: _____
John Clark
Mayor

_____ **Date**

By: _____
John C. Schroer
Commissioner

_____ **Date**

**APPROVED AS TO
FORM AND LEGALITY**

**APPROVED AS TO
FORM AND LEGALITY**

By: _____
Mike Billingsley
Attorney

_____ **Date**

By: _____
John Reinbold
General Counsel

_____ **Date**



AGENDA ACTION FORM

Amend Agreement with Flores and Associates to Provide Medical Flexible Spending Debit Cards to Enrolled Employees

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-292-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Lesley Christian
Presentation By: Terri Evans

Recommendation:

Approve the Resolution.

Executive Summary:

The city has provided a Flexible Spending Account (FSA) program to its employees for several years through Flores and Associates. A Flexible Savings Account allows employees, including those not on the city's health insurance, to deposit up to \$2,500 of an employee's pay into an account, pre-tax, to be used to pay for certain out of pocket health costs without having to pay tax on the money.

To use the account, employees must fax claim forms and bills to receive reimbursement of the FSA funds. A debit card is available to avoid this requirement. Issuance of debit cards to employees will allow immediate access to FSA funds, streamlining the process for those interested employees who sign up for the program. This tool may also make this program more attractive to our employees. The cost to administer the debit card program is \$.50 per participant per month for all employees enrolled in a medical FSA program, or an estimated \$600 per year, based on the current number of participants. The city will pay this expense.

Attachments:

- 1. Resolution

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Oltzman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH FLORES AND ASSOCIATES, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city currently offers a flexible saving account to all employees to pay for certain medical expenses, including employees who are not on the city health insurance plan; and

WHEREAS, in an effort to streamline the process of using the flexible saving accounts available to city employees, the city would like to offer debit cards through Flores and Associates; and

WHEREAS, the cost to administer the debit card program is \$.50 per participant per month for all employees enrolled in a medical FSA program, or an estimated \$600 per year.

WHEREAS, the city will pay this expense.

Now therefore,

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

SECTION I. That a FSA Debit Card Agreement with Flores and Associates is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the FSA Debit Card Agreement with Flores and Associates, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

Flores

FSA Debit Card Agreement

City of Kingsport

An FSA debit card allows a participant enrolled in the Medical Flexible Spending account to pay for eligible medical expenses at the time the expenses are incurred, thus eliminating any out of pocket cost at the time of the purchase or service. This card may be used to pay for items such as a participant's co-pays for doctor visits and prescriptions.

Professional Fees

- The issuer of the debit card has a required monthly administration fee of \$0.50 per participant per month for all employees enrolled in the medical FSA. This will appear as a separate line item on your monthly invoice, or may be billed to the participant.

Bill administration fees to: Participant Company

- Each participant will be issued 2 debit cards in the participant's name. The card issuer charges a replacement fee of \$5 for lost or stolen debit cards, which will be billed to the participant.

Conditions

- The client is responsible for sending Flores a listing of the standard co-pay amounts for office visits and prescriptions so that these items may be auto-adjudicated when paid at the point of purchase with the debit card. (see attached) The deadline for this information to be provided to Flores is at least one week prior to the beginning of the plan year.

- To make this card available the card issuer requires that 5% of the total card balances be pre-funded by each client at the beginning of the plan year to the Flores Reimbursement Account to pay claims as they are incurred. This pre-funding requirement is standard with any issuer of a debit card and is separate from and in addition to the normal pay cycle funding for each pay period. *Please Note:* This 5% prefunded amount should be maintained throughout the plan year.
- Transactions on the card will be limited to the terms and conditions of the Program as set forth in the Electronic Payment Cardholder Agreement.
- Flores will request documentation for certain debit card transactions as mandated by the IRS. Please see the "Debit Card Substantiation Process" section for a description of this process.
[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Renew the Property Insurance Coverage through Travelers

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager 

Action Form No.: AF-288-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Evans
Presentation By: Evans

Recommendation:

Approve the Resolution.

Executive Summary:

Our Property insurance coverage has been through Travelers for several years, which covers all buildings owned by the City of Kingsport and Kingsport City Schools. Travelers has agreed to renew the insurance at a lower rate than last year - \$.0316 per \$100.00 of covered value in 2016 for what was \$.0396 combined rate in 2015. In addition, our coverage has improved with a lower deductible (\$25,000 in 2016; \$50,000 in 2015) and increased coverage. Quotes on similar, but lower, coverage limits were received by our local insurance company, BB&T-KDC, from several other carriers, and none were lower than the rate by Travelers for equal coverage. The 2016 premium will be \$160,500.

Attachments:

- 1. Resolution

Funding source appropriate and funds are available: 

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE RENEWAL OF THE AGREEMENT WITH TRAVELERS INSURANCE FOR CITY OF KINGSPORT PROPERTY INSURANCE AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city desires to renew the agreement with Travelers Insurance to provide specific insurance coverage for the city's property insurance plan effective January 1, 2016, through December 31, 2016;

Now therefore,

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

SECTION I. That the renewal of the agreement with Travelers Insurance to provide specific insurance coverage for the city's property insurance plan effective January 1, 2016, through December 31, 2016 is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, an agreement with Travelers Insurance to provide property insurance coverage for the city's property effective January 1, 2016, through December 31, 2016, and all other documents necessary and proper to effectuate the purpose of the agreement.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Awarding the Bid for the Purchase of a 72 Passenger School Bus to Central States Bus

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-294-2015
 Work Session: November 16, 2015
 First Reading: N/A

Final Adoption: November 17, 2015
 Staff Work By: Committee
 Presentation By: S. Hightower

Recommendation:

Approve the Resoluion.

Executive Summary:

Bids were opened on October 22, 2015 for the purchase of a 72 Passenger School Bus for the Kingsport City Schools Transportation Department. The advertisement for the Invitation to Bid was published in the Kingsport Times News on September 27, 2015 and placed on our website for 25 calendar days. It is the recommendation of the committee to accept the compliant low bid from Central States Bus for one (1) 72 Passenger School Bus. The committee also recommends rejecting the trade offering as the offering of \$1,250.00 for the unit is below the expectations of the true value potential.

\$102,900.00 Total Purchase Price

This unit is a Fleet Replacement.

Additional information is included in the recommendation memo.

Funding source is Account# 511-5008-501-90-10.

Attachments:

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

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR THE PURCHASE OF ONE 72 PASSENGER SCHOOL BUS TO CENTRAL STATES BUS SALES, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

WHEREAS, bids were opened October 22, 2015, for the purchase of one 72 passenger school bus for the Kingsport City Schools transportation department; and

WHEREAS, upon review of the bids, the board finds Central States Bus Sales, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase one 72 passenger 2017 Bluebird T3FE 3800 school bus from Central States Bus Sales, Inc., at a total purchase cost of \$102,900.00; and

WHEREAS, funding is identified in account number 51150085019010.

Now therefore,

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

SECTION I. That the bid for the purchase of one 72 passenger 2017 Bluebird T3FE 3800 school bus for the Kingsport City Schools transportation department, at a total purchase cost of \$102,900.00, is awarded to Central States Bus Sales, Inc., and the city manager is authorized to execute a purchase order for same.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
BID OPENING
October 22, 2015
4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Lisa Tallman, Assistant Procurement Manager (Schools)

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

The Procurement Manager opened with the following bids:

72 PASSENGER SCHOOL BUS				
Vendor:	Qty.:	Unit Cost:	Trade-In #1439:	Make/Model/Comments:
Cumberland International	1	No Bid	N/A	N/A
Mid-South Bus Center	1	\$105,178.00	\$1,500.00	Thomas Saft Liner EFX 13185. If City purchases both the 72 Passenger bus and this bus deduct \$850.00 from the price.
Central States Bus Sales	1	\$102,900.00	\$1,250.00	2017 Bluebird T3FE 3800

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



FLEET MAINTENANCE DIVISION

City of Kingsport, Tennessee

To: Lisa Tallman, Assistant Procurement Manager/Schools
From: Steve Hightower, Fleet Manager
Tommy Starnes, Schools Transportation Director
Date: November 4, 2015
Re: 72 Passenger School Bus Purchase Recommendation

This will confirm our review and recommendation to purchase the compliant bid of the following vendor.

Item	Quantity	Description	Award to Vendor	Fuel Economy
1	1	72 Passenger School Bus	Central States Bus	6 City/ 8 Hwy

Low Compliant Bidder

The bid offering of Central State Bus is compliant to all the minimum specification requirements outlined in the bid document.

The bid offerings were reviewed with the Schools Transportation Director, Tommy Starnes, who is in agreement with this recommendation. Mr. Starnes’s email confirming agreement is attached.

Fuel Economy Improvement

0%

No fuel economy improvements noted because these are similar replacements.

Trade In

- 1. Trade in(s):
 - a. Recommendation: Reject Trade Offering

Recommendation for trade in offer rejection is due to the market value expectation of our present fleet. The Central States Bus offering of \$1,250 per unit is below the expectations of the true value potential. It is our objective to dispose of the replaced unit utilizing the City’s standard accepted methods.

b.

Origin/ Dealer Information

- 2. New Unit(s) Origin of Manufacture:
 - a. Bus – Fort Valley, Georgia
 - i. 92.43 % Domestic/ 7.52 % Foreign Materials
- 3. New Unit(s) Purchase Dealer:
 - a. Bus – Central States Bus– Lebanon, TN.

Should you have any questions on this recommendation, please do not hesitate to contact us.

Thank you.



Picture is for demonstration purposes only and does not reflect the actual unit(s) being purchased.

From: Starnes, Albert "Tommy" T.
Sent: Wednesday, November 4, 2015 1:00 PM
To: stevehightower@kingsporttn.gov
Subject: School Bus Award of Purchase Recommendation

Steve,

I have reviewed and approve the bid from Central States on the two buses due in 2016.

Tommy Starnes
Supervisor of Transportation
Kingsport City Schools
423.392.4416
tstarnes@k12k.com



AGENDA ACTION FORM

Awarding the Bid for the Purchase of a 41 Passenger School Bus to Central States Bus

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager *JF*

Action Form No.: AF-295-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Committee
Presentation By: S. Hightower

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened on October 22, 2015 for the purchase of a 41 Passenger School Bus for the Kingsport City Schools Transportation Department. The advertisement for the Invitation to Bid was published in the Kingsport Times News on September 27, 2015 and placed on our website for 25 calendar days. It is the recommendation of the committee to accept the compliant low bid from Central States Bus for one (1) 41 Passenger School Bus. The committee also recommends rejecting the trade offering as the offering of \$1,250.00 for the unit is below the expectations of the true value potential.

\$115,287.00 Total Purchase Price

This unit is a Fleet Replacement.

Additional information is included in the recommendation memo.

Funding source is Account# 511-5008-501-90-10.

Attachments:

- 1. Resolution
- 2. Bid Opening Minutes
- 3. Recommendation Memo

Funding source appropriate and funds are available: *JF*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE 41 PASSENGER SCHOOL BUS TO CENTRAL STATES BUS SALES, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

WHEREAS, bids were opened October 22, 2015, for the purchase of one 43 passenger school bus for the Kingsport City Schools transportation department; and

WHEREAS, upon review of the bids, the board finds Central States Bus Sales, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase one 41 passenger 2017 Bluebird T3FE 3107 school bus from Central States Bus Sales, Inc., at a total purchase cost of \$115,287.00; and

WHEREAS, funding is identified in account number 51150085019010.

Now therefore,

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

SECTION I. That the bid for the purchase of one 41 passenger 2017 Bluebird T3FE 3107 school bus for the Kingsport City Schools transportation department, at a total purchase cost of \$115,287.00, is awarded to Central States Bus Sales, Inc., and the city manager is authorized to execute a purchase order for same.

SECTION II. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the public.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
BID OPENING
October 22, 2015
4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Lisa Tallman, Assistant Procurement Manager (Schools)

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

The Procurement Manager opened with the following bids:

43 PASSENGER SCHOOL BUS				
Vendor:	Qty.:	Unit Cost:	Trade-In #1439:	Make/Model/Comments:
Cumberland International	1	No Bid	N/A	N/A
Mid-South Bus Center	1	\$116,737.00	\$1,500.00	Thomas Saft Liner EFX 111185. If City purchases both the 72 Passenger bus and this bus deduct \$850.00 from the price.
Central States Bus Sales	1	\$115,287.00	\$1,250.00	2017 Bluebird T3FE 3107

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



FLEET MAINTENANCE DIVISION
City of Kingsport, Tennessee

To: Lisa Tallman, Assistant Procurement Manager/Schools
From: Steve Hightower, Fleet Manager
 Tommy Starnes, Schools Transportation Director
Date: November 4, 2015
Re: Special Education School Bus Purchase Recommendation

This will confirm our review and recommendation to purchase the compliant bid of the following vendor.

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Award to Vendor</u>	<u>Fuel Economy</u>
1	1	41 Passenger School Bus	Central States Bus	6 City/ 8 Hwy

Low Compliant Bidder

The bid offering of Central State Bus is compliant to all the minimum specification requirements outlined in the bid document.

The bid offerings were reviewed with the Schools Transportation Director, Tommy Starnes, who is in agreement with this recommendation. Mr. Starnes's email confirming agreement is attached.

Fuel Economy Improvement

0%

No fuel economy improvements noted because these are similar replacements.

Trade In

1. Trade in(s):
 - a. Recommendation: Reject Trade Offering

Recommendation for trade in offer rejection is due to the market value expectation of our present fleet. The Central States Bus offering of \$1,250 per unit is below the expectations of the true value potential. It is our objective to dispose of the replaced unit utilizing the City's standard accepted methods.

- b.

Origin/ Dealer Information

2. New Unit(s) Origin of Manufacture:
 - a. Bus – Fort Valley, Georgia
 - i. 92.43 % Domestic/ 7.52 % Foreign Materials
3. New Unit(s) Purchase Dealer:
 - a. Bus – Central States Bus– Lebanon, TN.

Should you have any questions on this recommendation, please do not hesitate to contact us.

Thank you.



Picture is for demonstration purposes only and does not reflect the actual unit(s) being purchased.

From: Starnes, Albert "Tommy" T.
Sent: Wednesday, November 4, 2015 1:00 PM
To: stevehightower@kingsporttn.gov
Subject: School Bus Award of Purchase Recommendation

Steve,

I have reviewed and approve the bid from Central States on the two buses due in 2016.

Tommy Starnes
Supervisor of Transportation
Kingsport City Schools
423.392.4416
tstarnes@k12k.com



AGENDA ACTION FORM

Renewal of an Agreement with Humana as Third Party Administrator for the City's Self-Funded Health Insurance Program

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager *Jeff Fleming*

Action Form No.: AF-293-2015
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: Terri Evans
Presentation By: Terri Evans

Recommendation:

Approve the Resolution.

Executive Summary:

The attached resolution authorizes the mayor to execute the renewal of the agreement with Humana as the third party administrator of the city's self-funded health insurance program along with all documents necessary and proper to effectuate the renewal. Humana has confirmed there will be no increase in the administration fees for calendar year 2016.

The renewal will include certain plan design changes, and those changes are attached.

Attachments:

1. Resolution
2. Plan Design Changes

Funding source appropriate and funds are available: *je*

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION RENEWING THE AGREEMENT WITH HUMANA INC. FOR ADMINISTRATIVE SERVICES FOR THE CITY'S SELF FUNDED HEALTH INSURANCE PLAN AND AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICABLE DOCUMENTS

WHEREAS, in October, 2010, the board approved an agreement with Humana, Inc. as the third party administrator for the city's self-funded health insurance program; and

WHEREAS, the city wants to renew the agreement effective January 1, 2016; and

WHEREAS, there will be no increase with the renewal.

Now therefore,

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

SECTION I. That the renewal of the agreement with Humana, Inc. as a third party administrator for the city's self-funded health insurance program effective January 1, 2016, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, the renewal of the agreement, with the plan design changes along with other required changes and all applicable documents to effectuate the purpose of the agreement with Humana, Inc. as a third party administrator for the city's self-funded health insurance program effective January 1, 2016.

SECTION III. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

City of Kingsport Health Insurance Summary Active Employees

<u>IN-NETWORK BENEFIT</u>	<u>2016</u>	<u>2015</u>
Primary Care Physician Co-Pay	30.00	25.00
Urgent Care Center Co-Pay	40.00	30.00
Specialty Physician Co-Pay	45.00	45.00
Emergency Room Co-Pay	200.00	150.00
Co-insurance	20%	20%
Individual Deductible	650.00	450.00
Individual Out of Pocket Maximum*	2,500.00	1,500.00
Family Deductible	1,325.00	900.00
Family Out of Pocket Maximum*	4,500.00	3,100.00
Generic Prescription Co-Pay	10.00	10.00
Brand Formulary Co-Pay	35.00	35.00
Brand Non-Formulary Co-Pay	75.00	75.00

<u>OUT-OF-NETWORK BENEFIT</u>		
Primary Care Physician Co-Pay	Ded + 40%	Ded + 40%
Urgent Care Center Co-Pay	Ded + 40%	Ded + 40%
Specialty Physician Co-Pay	Ded + 40%	Ded + 40%
Emergency Room Co-Pay	200.00	150.00
Co-insurance	40%	40%
Individual Deductible	1,300.00	900.00
Individual Out of Pocket Maximum*	5,000.00	3,000.00
Family Deductible	2,650.00	1,800.00
Family Out of Pocket Maximum*	9,000.00	6,200.00
Generic Prescription Co-Pay	No coverage	No coverage
Brand Formulary Co-Pay	No coverage	No coverage
Brand Non-Formulary Co-Pay	No coverage	No coverage

* Out of pocket max does NOT include deductible

City of Kingsport Health Insurance Summary Retirees

<u>IN-NETWORK BENEFIT</u>	<u>2016</u>	<u>2015</u>
Primary Care Physician Co-Pay	40.00	35.00
Urgent Care Center Co-Pay	50.00	40.00
Specialty Physician Co-Pay	55.00	55.00
Emergency Room Co-Pay	200.00	150.00
Co-insurance	20%	20%
Individual Deductible	850.00	650.00
Individual Out of Pocket Maximum*	2,800.00	1,800.00
Family Deductible	1,725.00	1,300.00
Family Out of Pocket Maximum*	5,000.00	3,600.00
Generic Prescription Co-Pay	10.00	10.00
Brand Formulary Co-Pay	40.00	40.00
Brand Non-Formulary Co-Pay	80.00	80.00

<u>OUT-OF-NETWORK BENEFIT</u>		
Primary Care Physician Co-Pay	Ded + 40%	Ded + 40%
Urgent Care Center Co-Pay	Ded + 40%	Ded + 40%
Specialty Physician Co-Pay	Ded + 40%	Ded + 40%
Emergency Room Co-Pay	200.00	150.00
Co-insurance	40%	40%
Individual Deductible	1,700.00	1,300.00
Individual Out of Pocket Maximum*	5,600.00	3,600.00
Family Deductible	3,450.00	2,600.00
Family Out of Pocket Maximum*	10,000.00	7,200.00
Generic Prescription Co-Pay	No coverage	No coverage
Brand Formulary Co-Pay	No coverage	No coverage
Brand Non-Formulary Co-Pay	No coverage	No coverage

* Out of pocket max does NOT include deductible



AGENDA ACTION FORM

Amend the Agreement with Barge Waggoner Sumner and Cannon for Design Services Related to Centennial Park to Include Water Feature Design Services

To: Board of Mayor and Aldermen
From: Jeff Fleming, City Manager

Action Form No.: AF-296-2016
Work Session: November 16, 2015
First Reading: N/A

Final Adoption: November 17, 2015
Staff Work By: D. Mason, J. Steinmann
Presentation By: J. Steinmann

Recommendation:

Approve the Resolution.

Executive Summary:

On August 17, 2015 the BMA authorized an agreement with Barge Waggoner Sumner Cannon (BWSC) for design services related to Centennial Park.

This Resolution will authorize the Mayor to sign all necessary documents to amend the current agreement with BWSC to include specialized fountain design and consultation services for the architectural water feature to be included in the Centennial Park project as detailed in their proposal dated November 9, 2015 included in the attached supplemental information.

The cost of this Amendment for Construction Administration services should not exceed \$18,690. Funding for this Amendment will come from project GP1533.

Attachments:

- 1. Resolution
- 2. Proposal

Funding source appropriate and funds are available:

	Y	N	O
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING THE AMENDMENT WITH BARGE WAGGONER SUMNER & CANNON, INC. FOR DESIGN SERVICES FOR CENTENNIAL PARK INCLUDING SPECIALIZED FOUNTAIN DESIGN AND CONSULTATION SERVICES; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT TO THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT; AND AUTHORIZING THE MAYOR TO MAKE CERTAIN CHANGES TO THE AMENDMENT, AS NEEDED

WHEREAS, a new park facility to be known as Centennial Park will be located at the corner of East Main and Cherokee Streets; and

WHEREAS, in August, 2015, the board approved an agreement with Barge Waggoner Sumner & Cannon, Inc. for design services and bid package for the project; and

WHEREAS, the city has a need for specialized fountain design and consultation for the project and Barge Waggoner Sumner & Cannon has proposed to provide those services; and

WHEREAS, the cost to provide specialized fountain design and consultation services for the project is not to exceed \$18,690.00, bringing the total not to exceed amount of the agreement with Barge Waggoner Sumner & Cannon to \$214,705.00; and

WHEREAS, funds for the amendment are available in project account GP1533;

Now therefore,

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

SECTION I. That an amendment to the agreement with Barge Waggoner Sumner & Cannon, Inc. in an amount not to exceed \$18,690.00 for specialized fountain design and consultation services for the Centennial Park project is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed 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, an amendment to the agreement with Barge Waggoner Sumner & Cannon, Inc. for specialized fountain design and consultation services for the project, and all other documents necessary and proper, and to take such acts as necessary to effectuate the purpose of the agreement or this resolution, said amendment being as follows:

AMENDMENT TO AGREEMENT

Amendment to Agreement dated the 27th day of August 2015 between Barge Waggoner Sumner & Cannon, Inc. and the City of Kingsport for Design Services and Bid Documents for the Centennial Park Project.

Article I Scope of Services and Schedule

1.2 Add specialized fountain design and consultation services as per attached proposal dated November 9, 2015

Article IV Compensation

4.1 Add Eighteen Thousand Six Hundred Ninety Dollars and Zero Cents (\$18,690.00) and change the amount not to exceed to Two Hundred Fourteen Thousand Seven Hundred Five Dollars and Zero Cents (\$214,705.00) as per attached proposals.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the amendment set out herein that do not substantially alter the material provisions of the amendment, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

November 9, 2015
36030-01

Mr. Chris McCartt
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

RE: Centennial Park Design and Construction Services
PO# S00431
Additional Services 01 – Water Feature Consultant

Dear Mr. McCartt:

Barge Waggoner Sumner & Cannon, Inc. (BWSC) is pleased to respond to your request for additional services for the water feature consultant fees. Their proposed scope of work is detailed in Exhibit A. The lump sum fee for these services will be \$18,690.00.

This proposal was prepared based on my understanding of the project description. If we have not fully addressed your project requirements, or if you have other questions regarding the proposal, please advise me immediately by calling (423) 247-5525.

Sincerely,



Jennifer Salyer
Project Manager

Enclosure

Copy to: Nelson Elam
David Mason

EXHIBIT 'A'

DESIGN AND CONSULTATION SCOPE OF WORK

1. Complete scaled, installation drawings of the fountain system, prepared on AUTOCAD software for print on "D" size (24" X 36") sheet format (also furnished on disk and via e-mail if so requested by Client) with all necessary and required details of the fountain system installation thereof. Drawing products, components and details shall establish a minimum quality standard for the Project, and specifically include the following:
 - A. Schematic design (piping, mechanical and electrical).
 - B. Fountain system layout plans (piping, mechanical and electrical).
 - C. Fountain design details showing proper location and installation profiles of all specified fountain component items.
 - D. All necessary and required fountain system sections, elevations, plan views and specialized equipment details.
 - E. Pump room equipment design and layout (piping, mechanical and electrical), including plan, elevation, and section views.
 - F. Complete fountain equipment lists, number keyed to fountain drawings.
 - G. Typical fountain system general installation notes, cautions and warnings.
 - H. All fountain system piping runs and sizing, electrical conduit runs and sizing, electrical circuit and wire size/type requirement call-outs, and drain, overflow and water make-up utility requirements, as they pertain to the fountain system installation and operation thereof.
 - I. Tennessee Licensed Professional Stamped Engineered Drawings.
2. Complete cost estimates pertaining specifically to the fountain system equipment package required to meet the design intent, as listed and detailed on the fountain system design drawings.
3. Complete fountain system specifications, formatted per CSI Section 02815 "fountains", for inclusion in the Clients' general project construction specification manual. Specifications shall include complete fountain system materials lists, minimum manufacturers qualifications and responsibilities, minimum installer qualifications and responsibilities, and general installation reference standards, quality assurance standards, 30-day operating period requirements, including start-up and Operation and Maintenance training requirements.
4. General consultation and coordination with Client, during regular business hours as necessary and required to develop and advance the Project and maintain schedules and progress as agreed between the parties, including telephone, written and oral consultation and coordination with Architect, City or other interested parties, as directed or instructed by Client, as required to complete the project design scope agreement.
5. Review and written response to Client comments specifically pertaining to our design drawing package and specifications as it impacts manufacture, delivery, installation and operation of fountain system equipment package.
6. "Review and written comment only" of "as-built" drawings pertaining to final fountain installation, if requested by Client. Recording of "as-built" drawing is the responsibility of the fountain system installer selected by owner, who shall be solely responsible for timely submission of "as-built" drawings and notations to Consultant for review and comment.
7. Provide site visit(s) at additional cost, at various stages of fountain equipment installation as follows:

- A. Site visits shall include review of design drawings with Client, review of equipment installation methods and procedures with Client and owners' selected installer, verification of equipment quantities and authenticity, notification of potential construction problems and written reports based on observations from the site visit as it specifically pertains to design and installation of fountain system equipment, with written reports, including corrective actions to be taken, as necessary.
 - B. For each Client requested site visit, the Consultant shall be paid a lump sum fee of Two thousand four hundred dollars (\$2,400.00). This fee covers a maximum two (2) consecutive day visit and shall include all Consultant expenses (e.g. airfare, car rental, hotel, meals, and miscellaneous travel reimbursables). Additional days on site beyond two (2) days requested by Client shall be paid by Client to Consultant at a rate of \$500.00 per diem, plus all related/documented travel expenses to and from the location designated by Client.
 - C. The Consultant will only perform site visits at the written request of Client, who shall provide a minimum of 15 days advance notice of requested visit, and who shall be responsible for payment thereof, in accordance with paragraph G, Item #2 above.
8. Specifically excluded from Roman Fountains' scope of work and responsibility, in addition to any and all exclusions specifically listed in the Agreement:

Actual civil or structural design of the fountain site, pools, basins, or equipment vessels and pump room structure, paver or concrete specification or design, manufacture and construction, paver support design and construction, which shall be performed by a licensed structural engineer as hired and paid for by Client. Consultant will provide only MEP stamped drawings, and does not hold itself out or otherwise represent or warrant that it holds any professional licenses, and is engaged by Client based solely on Consultant's reputation, knowledge and work experience in consulting, designing and supplying decorative fountains and water features.

Consultants' structural responsibility shall be limited to providing pool and pump room dimensions and clearances for owners' installer to properly locate, orient, and install specified fountain system equipment, including indicating minimum structural thicknesses at critical equipment installation locations. Further Consultant shall not be responsible for the actual design of the power distribution system to the fountain site or fountain mechanical room or pit, fountain waterproofing of concrete, or any other structural material, sealing of slab joints, or sealing of piping through any walls, floors, or ceilings.

Provisions for Operation and Maintenance instructions, operator training and Operation and Maintenance manual preparation and delivery to Client will be specifically listed as a requirement in the written fountain specifications furnished by Consultant and shall be included by owner selected installer in its installation bid, with actual operation and maintenance functions performed by qualified personnel employed by the fountain system owner, and coordinated with the fountain system installer as deemed necessary and required by owner.

(END OF EXHIBIT "A")



AGENDA ACTION FORM

Accept TDOT's Revised Proposal Related to S.R. 36 Intersection at Moreland Drive and Hemlock Road Improvements

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager 

Action Form No.: AF-297-2015
 Work Session: November 16, 2015
 First Reading: N/A

Final Adoption: November 17, 2015
 Staff Work By: Tim Elsea
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

On June 2, 2015, the BMA approved to accept TDOT's proposal for improvements at S.R. 36 - intersection at Moreland Drive and Hemlock Road (AF-152-2015). Since that time, TDOT has adopted a new standard proposal for all projects. There are no changes to the initial scope of improvements for this project. The improvements include adding a right turn lane on east bound Ft. Henry turning onto Moreland Drive; improved right turn lane on Hemlock Road; making a right turn movement from Moreland Drive to Ft. Henry, a dual right lane and signaling. The signal will be converted from span wire to mast arm.

Acceptance of this revised proposal will permit TDOT to construct this project, and the city maintaining signals and signs once the project is complete. City staff has reviewed TDOT's plans, and recommends the acceptance of TDOT's proposal – Federal Project No.: PHSIP-36(55); State Project No.: 82006-2280-94; Pin No.: 120389.00.

Attachments:

1. Resolution
2. TDOT Letter & Agreement (6 pages)

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Duncan	—	—	—
George	—	—	—
McIntire	—	—	—
Mitchell	—	—	—
Olterman	—	—	—
Parham	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A PROPOSAL WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR IMPROVEMENTS TO THE INTERSECTION OF HEMLOCK ROAD AND MORELAND DRIVE, STATE ROAD 36, AND AUTHORIZING THE MAYOR TO EXECUTE THE PROPOSAL AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE PROPOSAL

WHEREAS, the Tennessee Department of Transportation would like to construct a project designated and described as S.R. 36 – Intersection at Moreland Drive and Hemlock Road improvements; and

WHEREAS, the board approved a proposal for this project on June 2, 2015; and

WHEREAS, since the approval, TDOT has made some changes to the formatting of the Proposal and has requested approval of this Proposal in place of the one previously approved by the board; and

WHEREAS, the improvements would include adding a right turn lane on east bound Ft. Henry turning onto Moreland Drive, an improved right turn lane on Hemlock Road, and making a right turn movement from Moreland Drive to Ft. Henry a dual right lane and signaling; and

WHEREAS, the signal will be converted from span wire to mast arm.

Now therefore,

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

SECTION I. That the proposal with Tennessee Department of Transportation for a project designated and described as S.R. 36 – Intersection at Moreland Drive and Hemlock Road improvement, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Proposal with the Tennessee Department of Transportation to construct a project designated and described as S.R. 36 – Intersection at Moreland Drive and Hemlock Road improvement, and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the proposal or this resolution, said proposal being as follows:

**PROPOSAL
OF THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF TENNESSEE
TO THE CITY OF KINGSPORT, TENNESSEE:**

The DEPARTMENT OF TRANSPORTATION of the State of Tennessee, hereinafter "DEPARTMENT", proposes to construct a project in the City of Kingsport, Tennessee, hereinafter "CITY", designated as Federal Project No. PHSIP-36(55), State Project No. 82006-2280-94, that is described as "Intersections at Moreland Drive and Hemlock Road in Kingsport LM 4.31 Route: SR-36", provided the CITY agrees to cooperate with the DEPARTMENT as set forth in this proposal, so that the general highway program may be carried out in accordance with the intent of the General Assembly of the State.

Accordingly, the parties agree as follows:

1. That in the event any civil actions in inverse condemnation or for damages are instituted by reason of the DEPARTMENT, or its contractor, going upon the highway right-of-way and easements, and constructing said project in accordance with the plans and as necessary to make the completed project functional, it will notify in writing the Attorney General of the State, whose address is 425 Fifth Avenue North, Nashville, Tennessee, 37243, of the institution of each civil action, the complaint and all subsequent pleadings, within ten (10) days after the service of each of the same, under penalty of defending such actions and paying any judgments which result therefrom at its own expense.

2. The CITY will close or otherwise modify any of its roads, or other public ways if indicated on the project plans, as provided by law.

3. The CITY will transfer or cause to be transferred to the DEPARTMENT without cost to it, all land owned by the CITY or by any of its instrumentalities as required for right-of-way or easement purposes, provided such land is being used or dedicated for road or other public way purposes.

4. Where privately, publicly or cooperatively owned utility lines, facilities and systems for producing, transmitting or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water, not connected with highway drainage, and other similar commodities, including publicly owned facilities such as fire and police signal systems and street lighting systems are located within the right-of-way of any road or other public way owned by the CITY, or any of its instrumentalities, the CITY agrees that it will take any action necessary to require the removal or adjustment of any of the above-described facilities as would conflict with the construction of the project. But the foregoing may not be a duty of the CITY since it shall become operative only after the DEPARTMENT has been unsuccessful in its efforts to provide for said removals or adjustments for the benefit of the CITY.

The foregoing does not apply to those utility facilities which are owned by the CITY or one of its instrumentalities, it being understood that the CITY has the duty to relocate or adjust such facilities, if required, provided the CITY is notified to do so by the DEPARTMENT with detailed advice as to this duty of the CITY.

5. The CITY will maintain any frontage road to be constructed as part of the project.

6. After the project is completed and open to traffic, the CITY will accept jurisdiction and maintenance such parts of any existing DEPARTMENT highway to be replaced by the project, as shown on the attached map.

7. The CITY will make no changes or alter any segment of a road on its road system that lies within the limits of the right-of-way acquired for any interchange to be constructed as part of the project and will not permit the installation or relocation of any utility facilities within the right-of-way of any such a segment of one of its roads without first obtaining the approval of the DEPARTMENT.

8. No provision hereof shall be construed as changing the maintenance responsibility of the CITY for such part of the project as may presently be on its highway, street, road or bridge system.

9. It is understood and agreed between the DEPARTMENT and the CITY that all traffic control signs for the control of traffic on a street under the jurisdiction of the CITY and located within the DEPARTMENT' s right-of-way shall be maintained and replaced by the CITY.

10. When traffic control devices for the direction or warning of traffic, lighting of roadways or signing, or any of them, which are operated or function by the use of electric current are constructed or installed as part of the project, they will be furnished with electricity and maintained by the CITY.

11. If, as a result of acquisition and use of right-of-way for the project, any building and/or structure improvements become in violation of a CITY setback line or building and/or structure requirement, including, but not limited to, on-premise signs, the CITY agrees to waive enforcement of the CITY setback line or building and/or structure requirement and take other proper governmental action as necessary to accomplish such waiver.

12. If, as a result of acquisition and use of right-of-way for the project, any real property retained by any property owner shall become in violation of a CITY zoning regulation or requirement, the CITY agrees to waive enforcement of the CITY zoning regulation or requirement and take other proper governmental action as necessary to accomplish such waiver.

13. The CITY will prohibit encroachments of any kind upon the right-of-way and easements for the project.

14. The CITY will prohibit the servicing of motor vehicles within the right-of-way and easements for the project.

15. The CITY will obtain the approval of the DEPARTMENT before authorizing parking on the right-of-way and easements for the project and before installing any device for the purpose of regulating the movement of traffic.

16. The CITY will not install or maintain any device for the purpose of regulating the movement of traffic on the roadway except as warranted and in conformity with the Manual on Uniform Traffic Control Devices.

17. The DEPARTMENT will maintain the completed project if it is classified as full access control (i.e. a project which has no intersecting streets at grade), and it will maintain the pavement from curb to curb where curbs exist or the full width of the roadway where no curbs exist on non-access control projects. The CITY agrees to maintain other parts of non-access control projects.

18. If a sidewalk is constructed as a component of this project, the CITY shall be responsible for maintenance of the sidewalk and shall assume all liability for third-party claims for damages arising from its use of the sidewalk or premises beyond the DEPARTMENT'S maintenance responsibilities as set forth in section 15 of this Proposal.

19. When said project is completed, the CITY thereafter will not permit any additional median crossovers, the cutting of the pavement, curbs, gutters and sidewalks, by any person, firm, corporation, or governmental agency, without first obtaining the approval of the DEPARTMENT.

20. The DEPARTMENT will acquire the right-of-way and easements, construct the project and defend any inverse condemnation for damage or civil actions of which the Attorney General has received the notice and pleadings provided for herein.

21. The project plans hereinbefore identified by number and description are incorporated herein by reference and shall be considered a part of this proposal, including any revisions or amendments thereto, provided a copy of each is furnished the CITY.

22. The acceptance of this proposal shall be evidenced by the passage of a resolution, or by other proper governmental action, which shall incorporate this proposal verbatim, or by reference thereto. IN WITNESS WHEREOF, the DEPARTMENT has caused this proposal to be executed by its duly authorized official on this the ____ day of _____, 2015

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the proposal set out herein that do not substantially alter the material provisions of the proposal, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 17th day of November, 2015.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER
APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
REGION 1 RIGHT OF WAY OFFICE
P. O. BOX 58
KNOXVILLE, TENNESSEE 37901
(865) 594-2496

JOHN C. SCHROER
COMMISSIONER

BILL HASLAM
GOVERNOR

November 4, 2015

The Honorable John Clark
Mayor of Kingsport
225 West Center Street
Kingsport, TN 37660

RE: PROPOSAL TO CITY OF KINGSPORT

Federal Project No.: PHSIP-36(55)

State Project No.: 82006-2280-94

Sullivan County

Pin No.: 120389.00

S.R. 36; Intersection at Moreland Drive / Hemlock Road

Dear Mayor Clark:

On June 02, 2015 the City of Kingsport passed Resolution No. 2015-195 on the proposal of the above referenced project. Since that time, the State of Tennessee, Department of Transportation has adopted a new standard proposal for all projects. Mr. Phil Addison is handing you 2 copies of the current proposal. Please sign both copies of the proposal and return to my attention at the address above. Upon receipt we will submit the proposal and the resolution to be reviewed and approved by the Department attorney and return a copy to the City of Kingsport. Mr. Addison will be willing to answer any questions you may have, he may be reached at (865)594-2666.

We appreciate your cooperation and if we can be of assistance in any way, please do not hesitate to contact us.

Yours truly,

A handwritten signature in blue ink that reads "Andrea R. Hall".

Andrea R. Hall, P.E.

Transportation Manager 2
Right-of-Way Office

ARH/lb
Attachment

PROPOSAL

OF THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF TENNESSEE TO THE CITY OF KINGSPORT, TENNESSEE:

The DEPARTMENT OF TRANSPORTATION of the State of Tennessee, hereinafter "DEPARTMENT", proposes to construct a project in the City of Kingsport, Tennessee, hereinafter "CITY", designated as Federal Project No. PHSIP-36(55), State Project No. 82006-2280-94 , that is described as "Intersections at Moreland Drive and Hemlock Road in Kingsport LM 4.31 Route: SR-36", provided the CITY agrees to cooperate with the DEPARTMENT as set forth in this proposal, so that the general highway program may be carried out in accordance with the intent of the General Assembly of the State.

Accordingly, the parties agree as follows:

1. That in the event any civil actions in inverse condemnation or for damages are instituted by reason of the DEPARTMENT, or its contractor, going upon the highway right-of-way and easements, and constructing said project in accordance with the plans and as necessary to make the completed project functional, it will notify in writing the Attorney General of the State, whose address is 425 Fifth Avenue North, Nashville, Tennessee, 37243, of the institution of each civil action, the complaint and all subsequent pleadings, within ten (10) days after the service of each of the same, under penalty of defending such actions and paying any judgments which result therefrom at its own expense.

2. The CITY will close or otherwise modify any of its roads, or other public ways if indicated on the project plans, as provided by law.

3. The CITY will transfer or cause to be transferred to the DEPARTMENT without cost to it, all land owned by the CITY or by any of its instrumentalities as required for right-of-way or easement purposes, provided such land is being used or dedicated for road or other public way purposes.

4. Where privately, publicly or cooperatively owned utility lines, facilities and systems for producing, transmitting or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water, not connected with highway drainage, and other similar commodities, including publicly owned facilities such as fire and police signal systems and street lighting systems are located within the right-of-way of any road or other public way owned by the CITY, or any of its instrumentalities, the CITY agrees that it will take any action necessary to require the removal or adjustment of any of the above-described facilities as would conflict with the construction of the project. But the foregoing may not be a duty of the CITY since it shall become operative only after the DEPARTMENT has been unsuccessful in its efforts to provide for said removals or adjustments for the benefit of the CITY.

The foregoing does not apply to those utility facilities which are owned by the CITY or one of its instrumentalities, it being understood that the CITY has the duty to relocate or adjust such facilities, if required, provided the CITY is notified to do so by the DEPARTMENT with detailed advice as to this duty of the CITY.

5. The CITY will maintain any frontage road to be constructed as part of the project.

6. After the project is completed and open to traffic, the CITY will accept jurisdiction and maintenance such parts of any existing DEPARTMENT highway to be replaced by the project, as shown on the attached map.

7. The CITY will make no changes or alter any segment of a road on its road system that

lies within the limits of the right-of-way acquired for any interchange to be constructed as part of the project and will not permit the installation or relocation of any utility facilities within the right-of-way of any such a segment of one of its roads without first obtaining the approval of the DEPARTMENT.

8. No provision hereof shall be construed as changing the maintenance responsibility of the CITY for such part of the project as may presently be on its highway, street, road or bridge system.

9. It is understood and agreed between the DEPARTMENT and the CITY that all traffic control signs for the control of traffic on a street under the jurisdiction of the CITY and located within the DEPARTMENT's right-of-way shall be maintained and replaced by the CITY.

10. When traffic control devices for the direction or warning of traffic, lighting of roadways or signing, or any of them, which are operated or function by the use of electric current are constructed or installed as part of the project, they will be furnished with electricity and maintained by the CITY.

11. If, as a result of acquisition and use of right-of-way for the project, any building and/or structure improvements become in violation of a CITY setback line or building and/or structure requirement, including, but not limited to, on-premise signs, the CITY agrees to waive enforcement of the CITY setback line or building and/or structure requirement and take other proper governmental action as necessary to accomplish such waiver.

12. If, as a result of acquisition and use of right-of-way for the project, any real property retained by any property owner shall become in violation of a CITY zoning regulation or requirement, the CITY agrees to waive enforcement of the CITY zoning regulation or requirement and take other proper governmental action as necessary to accomplish such waiver.

13. The CITY will prohibit encroachments of any kind upon the right-of-way and

easements for the project.

14. The CITY will prohibit the servicing of motor vehicles within the right-of-way and easements for the project.

15. The CITY will obtain the approval of the DEPARTMENT before authorizing parking on the right-of-way and easements for the project and before installing any device for the purpose of regulating the movement of traffic.

16. The CITY will not install or maintain any device for the purpose of regulating the movement of traffic on the roadway except as warranted and in conformity with the Manual on Uniform Traffic Control Devices.

17. The DEPARTMENT will maintain the completed project if it is classified as full access control (i.e. a project which has no intersecting streets at grade), and it will maintain the pavement from curb to curb where curbs exist or the full width of the roadway where no curbs exist on non-access control projects. The CITY agrees to maintain other parts of non-access control projects.

18. If a sidewalk is constructed as a component of this project, the CITY shall be responsible for maintenance of the sidewalk and shall assume all liability for third-party claims for damages arising from its use of the sidewalk or premises beyond the DEPARTMENT'S maintenance responsibilities as set forth in section 15 of this Proposal.

19. When said project is completed, the CITY thereafter will not permit any additional median crossovers, the cutting of the pavement, curbs, gutters and sidewalks, by any person, firm, corporation, or governmental agency, without first obtaining the approval of the DEPARTMENT.

20. The DEPARTMENT will acquire the right-of-way and easements, construct the project and defend any inverse condemnation for damage or civil actions of which the Attorney

General has received the notice and pleadings provided for herein.

21. The project plans hereinbefore identified by number and description are incorporated herein by reference and shall be considered a part of this proposal, including any revisions or amendments thereto, provided a copy of each is furnished the CITY.

22. The acceptance of this proposal shall be evidenced by the passage of a resolution, or by other proper governmental action, which shall incorporate this proposal verbatim, or by reference thereto.

IN WITNESS WHEREOF, the DEPARTMENT has caused this proposal to be executed by its duly authorized official on this the ____ day of _____, 2015.

THE CITY OF KINGSPORT, TENNESSEE

BY: _____
MAYOR

DATE: _____

STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION

BY: _____
JOHN SCHROER
COMMISSIONER

DATE: _____

APPROVED AS TO FORM AND LEGALITY:

BY: _____
JOHN REINBOLD
GENERAL COUNSEL

DATE: _____

MEMORANDUM

TO: Jeff Fleming, City Manager
Board of Mayor and Aldermen

FROM: James H. Demming, City Recorder/CFO *JHD*

DATE: November 6, 2015

SUBJECT: Presentation of Submission to the State of Tennessee the Report on Debt Obligation (State Form CT-0253) - \$15,105,000 General Obligation Refunding and Improvement Bonds – Series 2015A

At the September 15, 2015 regular meeting, the BMA authorized the issuance of up to \$15,650,000 in bonds to provide funding for approximately \$10,400,000 in capital improvements included in the City's FY2016 Capital Improvement Plan, and to refund approximately \$4,700,000 of certain outstanding bonds.

The City conducted a competitive sale for this issuance on October 13, 2015 and completed the closing on October 27, 2015. The City received electronic bids from 8 firms, with the winning public bid for the 20 year, fixed rate bonds submitted by Robert W. Baird & Co. with a true interest cost (TIC) of 2.63%.

Regarding the refunding portion of the bond issuance, the City previously had filed a plan of refunding with the State Comptroller's Office which had estimated that we would realize approximately \$169,000 (or net present value benefit of 3.57%) in future debt service savings from this transaction. The gross debt service savings realized from this refunding transaction are \$193,000 or a net present value benefit of 3.996%, which is in compliance with the City debt policy of achieving at least a 3% net present value benefit when refunding for debt service savings.

As a part of this debt issuance process, the City received ratings on the City's bonds from Moody's Investors Service and Standard and Poor's Rating Services of Aa2 and AA, respectively.

As a follow-up to the bond closing, the City is required, prior to filing with the State of Tennessee, to complete and present to the BMA at a public meeting the attached "Report on Debt Obligation" (State Form No. CT-0253).

A copy of the Final Financing Report for the sale of the bonds is also provided for your information. This report was prepared by the City Financial Advisor – Raymond James & Associates, Inc., and includes more detailed information about this bond issue.

If additional information is needed, please advise.

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:
 Name: City of Kingsport, Tennessee
 Address: 225 West Center Street
Kingsport, Tennessee
 Debt Issue Name: General Obligation Refunding and Improvement Bonds, Series 2015A
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 15,105,000.00
 Premium/Discount: \$ 604,133.75

3. Interest Cost: 2.6284 % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: _____

4. Debt Obligation:
 TRAN RAN CON
 BAN CRAN GAN
 Bond Loan Agreement Capital Lease
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

5. Ratings:
 Unrated
 Moody's Aa2 Standard & Poor's AA Fitch _____

6. Purpose:

		BRIEF DESCRIPTION
<input checked="" type="checkbox"/> General Government	<u>24.86</u> %	<u>various public works projects</u>
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>43.53</u> %	<u>water and sewer projects</u>
<input type="checkbox"/> Other	_____ %	_____
<input checked="" type="checkbox"/> Refunding/Renewal	<u>31.61</u> %	<u>prior general obligation and revenue and tax bonds</u>

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan _____
 Negotiated Sale Loan Program _____
 Informal Bid _____

9. Date:
 Dated Date: 10/27/2015 Issue/Closing Date: 10/27/2015

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2017	\$ 435,000.00	2.0000 %	2028	\$ 535,000.00	3.0000 %
2018	\$ 440,000.00	2.0000 %	2030	\$ 1,115,000.00	3.0000 %
2019	\$ 1,620,000.00	1.0000 %	2031	\$ 580,000.00	3.0000 %
2020	\$ 1,510,000.00	4.0000 %	2032	\$ 600,000.00	3.0000 %
2021	\$ 1,570,000.00	2.0000 %	2033	\$ 615,000.00	3.0000 %
2022	\$ 1,600,000.00	4.0000 %	2034	\$ 635,000.00	3.1250 %
2023	\$ 545,000.00	3.0000 %	2035	\$ 655,000.00	3.1250 %
2024	\$ 470,000.00	3.0000 %	2036	\$ 675,000.00	3.2500 %
2025	\$ 485,000.00	3.0000 %		\$	%
2026	\$ 500,000.00	3.0000 %		\$	%
2027	\$ 520,000.00	3.0000 %		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 37,500	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 30,000	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 2,525	Regions Bank
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 34,215	Moody's and Standard & Poors
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount <u>0.93</u> %		
Take Down	\$ 140,262	Robert W. Baird & Co., Inc.
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 1,750	I-Deal Prospectus
Issuer/Administrator Program Fees	\$ 4,000	Grant Thornton LLP / Raymond James & Associates, Inc.
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 7,500	Raymond James & Associates, Inc.; escrow bidding agent
TOTAL COSTS	\$ 257,752	

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (if different from #11)
Remarketing Agent		
Paying Agent / Registrar	\$750.00	Regions Bank
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent	\$1,500.00	Regions Bank
Sponsorship / Program / Admin		
Other		

13. Disclosure Document / Official Statement:

None Prepared

EMMA link <http://emma.msrb.org/ES736230-ES576896-ES972748.pdf> or

Copy attached

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due June 30

Name and title of person responsible for compliance James H. Demming, City Recorder/CFO

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 11/15/2011

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 10/27/2015 and presented at public meeting held on 11/17/2015

Copy to Director to OSLF: on 11/18/2015 either by:

Mail to: _____ OR Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>John Clark</u>	<u>Cynthia M. Barnett, Esq.</u>
Title	<u>Mayor</u>	<u>Bond Counsel</u>
Firm	<u>City of Kingsport, Tennessee</u>	<u>Adams and Reese LLP</u>
Email	<u>JohnClark@kingsporttn.gov</u>	<u>cindy.barnett@arlaw.com</u>
Date	<u>10/27/2015</u>	<u>10/27/2015</u>

CITY OF KINGSPORT, TENNESSEE



FINAL FINANCING REPORT

**\$15,105,000 GENERAL OBLIGATION REFUNDING AND
IMPROVEMENT BONDS, SERIES 2015A**

October 27, 2015

RAYMOND JAMES®
Public Finance // Debt Investment Banking
One Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800.764.1002

TABLE OF CONTENTS

Executive Summary I

Closing Memoranda and Attachments II

Final Schedules III

Bids Received IV

Rating Reports V

EXECUTIVE SUMMARY

Background: The City of Kingsport, Tennessee (the “City”) issued its \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A (the “Bonds”) on October 27, 2015. The objectives of the transaction were to fund the City’s 2015 – 2016 Capital Improvement Program and to refinance existing debt which included, in part, portions of 4 outstanding bond issues previously not refunded. The refunding component was added since current market conditions indicated that significant annual aggregate and net present value savings could be achieved if incorporated as part of a composite transaction with other new debt obligations.

For this transaction, Raymond James & Associates, Inc., Nashville, Tennessee (“Raymond James”) and Adams and Reese PLC, Nashville, Tennessee served the City as Financial Advisor and Bond Counsel, respectively.

Capital Improvement Program – 2015-2016: The City’s Capital Improvement Program for fiscal year 2016 called for bond funding for several general government, water and sewer projects. Therefore, \$10,412,462.21 of the proceeds of the Bonds will be used to provide funding for certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including Greenbelt improvements; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and engineering building and including HVAC improvements; acquisition of public works equipment, including firefighting equipment for a fire ladder truck, a fire station generator, and improvements to the technology system infrastructure; construction, expansion and improvement of the Municipality’s water system; construction, expansion and improvement of the Municipality’s sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work. Also included in the deposit to the Project Fund was \$2,076.22 in rounding from the composite refunding which will be applied to the first interest on the Bonds.

Refunding Candidates: Proceeds of the Bonds also “advance” refunded portions of the following prior bond issues not previously refinanced (collectively, the “Advance Refunded Bonds”), including:

- a. \$1,200,000 Water System Revenue and Tax Bonds, Series 2008, dated June 12, 2008 (the “Water Bonds”) maturing on March 1, 2019 through March 1, 2023 that are callable on March 1, 2018 and anytime thereafter at a price of par and accrued interest. Water Bonds maturing on March 1, 2016 through March 1, 2018 will remain in place and be paid as scheduled;
- b. \$19,360,000 General Obligation School and Public Improvement Bonds, Series 2007, dated June 8, 2007 (the “Series 2007 Bonds”) maturing on February 1, 2019 which are callable on and after February 1, 2017 at price of par and accrued interest. Series 2007 Bonds maturing on February 1, 2016 through February 1, 2018 will remain in place and will not be advance refunded;
- c. \$7,480,000 General Obligation School and Public Improvement Refunding Bonds, Series 2008 Bonds, dated June 12, 2008 maturing on March 1, 2020 through March 1, 2022, inclusive (the “Series 2008A Bonds) which are callable at par and accrued interest on and after March 1, 2018. Series 2008A Bonds maturing on March 1, 2016 through March 1, 2019 will remain in place and will not be advance refunded; and

- d. \$11,165,000 General Obligation Bonds, Series 2008 Bonds, dated June 12, 2008 maturing on March 1, 2020 through March 1, 2022, inclusive (the "Series 2008B Bonds) which are callable on and after March 1, 2018 at a price of par and accrued interest. Series 2008B Bonds maturing on March 1, 2016 through March 1, 2019 will remain in place and will not be advance refunded.

Transaction Preparation: As required by prevailing State statutes, the City submitted a detailed City of Kingsport *Refunding Plan – 2015A* (the "Plan") to the Director of State and Local Finance in the Tennessee Comptroller of the Treasury's office (the "Director"). The transaction was designed primarily to take advantage of historically low interest rates available in the capital markets in order to achieve annual aggregate and overall net present value saving for the City.

The Director reviewed and reported on the Plan. The Director's *Report on the Refunding Plan* was provided directly to the Board of Mayor and Aldermen (the "Governing Body") as required by prevailing Tennessee statutes. Following receipt of those documents, the Governing Bonds approved a formal resolution authorizing the sale and issuance of the Bonds (the "Resolution") on September 15, 2015.

Numerous documents, including but not limited to, a draft version of the *Preliminary Official Statement*, the Resolution and other data were provided to Moody's Investors Service, Inc., a division of Moody's Corporation ("Moody's") and Standard & Poor's Ratings Services – Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial ("S&P") seeking credit ratings for the Bonds. As is usual and customary, a "due diligence" call was conducted among City officials, analysts S&P and Raymond James representatives in order to provide additional information and respond to questions regarding the City's transaction, its financial situation and plans and its current economic circumstances. Several weeks prior to the adoption of the Resolution, Moody's independently reviewed the City's finances as part of their interim review program and removed the "negative outlook" that had been part of the rating since 2013. Accordingly, a formal call was not held but several written questions provided Moody's were answered as part of the rating assignment for the Bonds. Following their standard analytical processes, Moody's and S&P's credit committees reviewed the materials. In accordance with their published methodology, Moody's and S&P affirmed the City's outstanding credit ratings for all rated debt and assigned the Bonds their ratings of "Aa2" and "AA", respectively.

Bond Sale: The Bonds were offered for sale at competitive public bidding at 10:30 a.m., ET on October 14, 2015. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated October 5, 2015.

Through IPREO's BiDCOMP®/Parity® system, 8 of the original 9 firms which indicated an interest in bidding for the Bonds submitted proposals ranging from 2.631437% on a true interest cost basis ("TIC") to 2.745807%.

The successful bidder for the Bonds was an account led by Robert W. Baird & Co., Inc. Milwaukee, Wisconsin (the "Underwriter") and 21 additional co-managers who contracted with the Municipality, subject to the conditions set forth in the Detailed Notice of Sale, to purchase the Bonds at an adjusted purchase price of \$15,568,872.18 (consisting of the par amount of the Bonds of \$15,105,000, plus a net premium of \$604,133.75, less an underwriter's discount of \$140,261.57) or a bid price of 103.071% of par.

Following official bidding, resizing and other permitted adjustments conducted by Raymond James, an escrow was structured and arbitrage yields were calculated. Since U.S. Treasury – State and Local Government Series (“SLGS”) securities were not available due to a debt ceiling impasse in Congress, open market investment instruments were the only investment instruments available for use in the advance refunding escrow. With the assistance of Bond Counsel, the competitive selection of open market securities (the “Escrow Investments”) was conducted through a formal bidding process handled by a separate division of Raymond James which served as bidding agent (the “Bidding Agent”). Final bidding documents were adjusted following the sizing of the Bonds to conform to the targeted needs of the escrow. At the appointed hour, 6 bids were received and evaluated and an award was made to Wells Fargo Securities LLC to provide the Escrow Investments at closing. Pursuant to Bidding Agent Agreement, the City compensated Raymond James directly at closing for its services as Bidding Agent.

The sufficiency of the escrow for the Advance Refunded Bonds, including the yields on the Escrow Investments together with cash deposits to the escrow, was verified independently by Grant Thornton LLP, Minneapolis, Minnesota (the “Verification Agent”). Grant Thornton’s independent report and opinion were incorporated into the final transcript of proceedings for the Bonds.

Based on the final escrow structuring, Regions Bank Corporate Trust; Nashville, Tennessee, the registrar, paying and escrow agent (the “Registration Agent”) was directed to purchase at closing and hold the Escrow Investments and cash in the irrevocable escrow for the benefit of the holders of the Advance Refunded Bonds. Net proceeds of the Bonds designated for new money projects were wired to the City at closing. Following closing, a portion of the proceeds was retained by Raymond James and used to pay documented costs of issuance.

Summary: The City’s “Aa2”/ “AA” credit ratings were clearly appealing to investors as witnessed by the exceptionally low yields bid and the number of proposals received for the Bonds. The City was able to achieve significant annual aggregate savings of totaling \$193,194.58 and net present value savings of \$187,215.54 (3.996% of refunded principal), respectively. Exceptional savings and a remarkable all-inclusive cost (“AIC”) (i.e., the cost of funds including all transaction expenses) of 2.722%, both were reflective of the extraordinary low yields available in the capital markets during the fourth quarter of 2015.

RAYMOND JAMES®

CLOSING MEMORANDUM - VIA EMAIL

To: Robert W. Baird & Co., Inc.
Attention: Vicky Ossoinik
Ron Foelske
Janet Solberg

From: Financial Advisor – Raymond James & Associates, Inc. (“Raymond James”)
Rick Dulaney
Elizabeth Zuelke

Date: October 19, 2015

Re: Closing Wiring Instructions - \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A (the “Bonds”) of the City of Kingsport, Tennessee (the “City”) dated October 27, 2015.

cc: James Demming, Cindy Barnett, Esq., Elizabeth Lance, Joni Southwell and Tracy Johnson

The following information provides an itemization of the wiring instructions relating to the Bonds which will close on Tuesday, October 27, 2015 at 8:00 a.m., CT or as soon as possible thereafter.

Previously, Baird wired 2 good faith deposits totaling \$302,100.00 to Raymond James to be held on behalf of the City and applied to the purchase price of the Bonds at closing. In order to provide for the remaining balance due, please wire or transfer \$15,266,772.18 to the City which together with the good faith deposit will total the purchase price of \$15,568,872.18.

Regions Bank
ABA No. 062005690
For Credit to Wealth Management A/C# 0017541387
201 Milan Pkwy
Birmingham, AL 35211
For Further Credit: 2042002865, KINGSPORT15AESC
ATTN: Elizabeth Lance, 615-770-4362

After completing the wire transfer, please e-mail (richard.dulaney@raymondjames.com) or call 800.764.1002 with the Fed Reference number and time. If you have any questions regarding these instructions, please contact us.

Attachment

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	435,000.00	102.007%	-	-	-	443,730.45
03/01/2018	Serial Coupon	2.000%	0.750%	440,000.00	102.899%	-	-	-	452,755.60
03/01/2019	Serial Coupon	1.000%	1.000%	1,620,000.00	100.000%	-	-	-	1,620,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	1,510,000.00	111.771%	-	-	-	1,687,742.10
03/01/2021	Serial Coupon	2.000%	1.410%	1,570,000.00	103.026%	-	-	-	1,617,508.20
03/01/2022	Serial Coupon	4.000%	1.630%	1,600,000.00	114.228%	-	-	-	1,827,648.00
03/01/2023	Serial Coupon	3.000%	1.840%	545,000.00	107.933%	-	-	-	588,234.85
03/01/2024	Serial Coupon	3.000%	2.010%	470,000.00	107.568%	-	-	-	505,569.60
03/01/2025	Serial Coupon	3.000%	2.120%	485,000.00	107.422%	-	-	-	520,996.70
03/01/2026	Serial Coupon	3.000%	2.300%	500,000.00	105.853%	c 2.359%	03/01/2025	100.000%	529,265.00
03/01/2027	Serial Coupon	3.000%	2.500%	520,000.00	104.141%	c 2.576%	03/01/2025	100.000%	541,533.20
03/01/2028	Serial Coupon	3.000%	2.750%	535,000.00	102.045%	c 2.803%	03/01/2025	100.000%	545,940.75
03/01/2030	Term 1 Coupon	3.000%	3.000%	1,115,000.00	100.000%	-	-	-	1,115,000.00
03/01/2031	Serial Coupon	3.000%	3.050%	580,000.00	99.388%	-	-	-	576,450.40
03/01/2032	Serial Coupon	3.000%	3.100%	600,000.00	98.722%	-	-	-	592,332.00
03/01/2033	Serial Coupon	3.000%	3.150%	615,000.00	98.004%	-	-	-	602,724.60
03/01/2034	Serial Coupon	3.125%	3.200%	635,000.00	98.962%	-	-	-	628,408.70
03/01/2035	Serial Coupon	3.125%	3.250%	655,000.00	98.212%	-	-	-	643,288.60
03/01/2036	Serial Coupon	3.250%	3.300%	675,000.00	99.260%	-	-	-	670,005.00
Total				\$15,105,000.00					\$15,709,133.75

Bid Information

Par Amount of Bonds	\$15,105,000.00
Reoffering Premium or (Discount)	604,133.75
Gross Production	\$15,709,133.75
Total Underwriter's Discount (0.929%)	\$(140,261.57)
Bid (103.071%)	15,568,872.18
Total Purchase Price	\$15,568,872.18
Bond Year Dollars	\$145,137.83
Average Life	9.609 Years
Average Coupon	3.0161302%
Net Interest Cost (NIC)	2.6965221%
True Interest Cost (TIC)	2.6284401%

2015A Pricing Winnerv2 | Issue Summary | 10/16/2015 | 11:58 AM

RAYMOND JAMES

RAYMOND JAMES®

CLOSING MEMORANDUM - VIA EMAIL

To: Joni Southwell

From: Rick Dulaney
Elizabeth Zuelke

Date: October 19, 2015

Re: Closing Wiring Instructions - \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A (the "Bonds") of the City of Kingsport, Tennessee (the "City"), dated October 27, 2015.

cc: James Demming, Cindy Barnett, Esq., Elizabeth Zuelke, Tracy Johnson

The following information provides an itemization of the wire instructions relating to the Bonds which will close on October 27, 2015 at 8:00 a.m., CT or as soon as possible thereafter.

Previously, Robert W. Baird & Co., Inc. sent 2 good faith wires totaling \$302,100.00 to Raymond James which is being held on behalf of the City (Account Number: TN 1058) and to be applied to the purchase price of the Bonds at closing.

Early on October 27, 2015, please wire \$187,135.00 which includes the registration, paying and escrow agent initial fees and associated expenses (\$2,525.00) for the Bonds and the net amount of the good faith deposit (\$184,610.00) after consideration of all other expenses as follows:

Regions Bank
ABA No. 062005690
For Credit to Wealth Management A/C# 0017541387
201 Milan Pkwy
Birmingham, AL 35211
For Further Credit: 2042002865, KINGSPORT15AESC
ATTN: Elizabeth Lance, 615-770-4362

Following notification from us that the transaction is closed please execute the following wires and actions:

1. Per the attached invoice, please transfer interally the sum of \$37,750.00 representing the Financial Advisory fee (\$37,500.00) and reimbursement for distribution and printing of the of POS/OS (\$250.00).
2. Per the attached invoice, please transfer internally the sum of \$7,500.00 representing the the Bidding Agent Fee pertaining to the acquisition of open market securities.

3. Per the attached invoice, please wire \$30,000.00 to Adams and Reece LLP for services rendered as bond counsel:

Regions Bank
New Orleans, LA
ABA No. 062005690
Further credit to Regions Bank - New Orleans, La. Main Office
Account: Adams and Reese LLP General Account
Account No. 41-0516-3927
File No. 613386 - 000010
Cindy Barnett, Billing Attorney

4. Per the attached invoice, please wire \$16,715.00 to Standard & Poors representing the rating fee for the Bonds as follows:

Bank of America
San Francisco, CA
ABA No. 0260-0959-3
Credit: Standard and Poor's
Account No. 12334-02500
Re: Invoice No.: 10379231

5. Please hold in suspense (Account Number: TN 1058) pending receipt of appropriate invoices as follows:

	<u>Provider</u>	<u>Service</u>	<u>Fee</u>
a.	Moody's Investors Service, Inc.	Rating Fee	\$17,500.00
b.	IdealProspectus	Notice of Sale and Preliminary O.S. Publication and Distribution	1,500.00
c.	Grant Thornton, LLP	Escrow Verification	<u>4,000.00</u>
	Total:		<u>\$23,000.00</u>

After completing the wire transfers, please please e-mail (richard.dulaney@raymondjames.com) or call 800.764.1002 with the Fed Reference numbers and times. If you have any questions regarding these instructions, please contact us.

Attachments

RAYMOND JAMES®

October 27, 2015

City of Kingsport, Tennessee
Attn: James H. Demming, CPA
Chief Financial Officer
City Hall
225 W. Center Street
Kingsport, Tennessee 37660

For services rendered in accordance with the executed Financial Advisory Agreement between the City of Kingsport, Tennessee (the "City") and Raymond James & Associates relating to the authorization, sale and issuance of its \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A, dated October 27, 2015, the amount of \$37,750.00 representing the Financial Advisory fee - \$37,500.00 and reimbursement and payment of POS/OS printing and distribution expenses -\$250.00..... \$37,750.00

Exhibit A
CITY OF KINGSPORT, TENNESSEE
GENERAL OBLIGATION
REFUNDING AND IMPROVEMENT BONDS, SERIES 2015A

Consistent with the terms of the Issuer's formally adopted Debt Management Policy and in the interest of full transparency, the following disclosure is made with respect to the sale and issuance of the Bonds.

The services, service providers and estimated costs related to the sale and issuance of the Bonds are as follows:

<u>Service</u>	<u>Provider/Other</u>	<u>Estimated Total⁽¹⁾</u>	<u>Final Total</u>
Municipal Advisor (the "Financial Advisor"):	Raymond James & Associates, Inc.	\$37,500	\$37,500
Bond Counsel:	Adams and Reese LLP	30,000	30,000
Rating Agencies:	Moody's	17,000	17,500
	Standard & Poor's	16,715	16,715
POS/OS Publication; Dissemination; Legal Advertising; Printing etc.:	I-deal prospectus; TBD contract printer/RJ	2,000	1,750
Verification Agent:	Grant Thornton LLP	3,500	4,000
Bidding Agent:	Raymond James & Associates, Inc.	8,000	7,500
Registration, Escrow, Dissemination and Paying Agent:	Regions Corporate Trust	2,500	2,525
Other:	Miscellaneous	<u>500</u>	<u>0</u>
Total:		<u>\$117,715</u>	<u>\$117,490</u>

Underwriter's compensation for the Bonds will be determined at the time of the competitive public sale based on actual bids received. Since we are your Municipal Advisor ("Financial Advisor"), Raymond James will not be a bidder. It is estimated that such compensation will be between \$7.50/\$1,000 to \$10.00/\$1,000* of the final par amount of the Bonds actually issued. We have used the higher estimated amount in the pro-forma in order to be conservative.

Actual underwriter's discount bid by Robert W. Baird & Co., Inc. was \$9.29/\$1,000.

A State Form CT-0253 depicting the actual costs of issuance and actual underwriter's compensation will be prepared and executed at closing and delivery of the Bonds, presented to the Board at their next scheduled meeting following the delivery of the Bonds and filed with the Tennessee Comptroller of the Treasury's Director of State and Local Finance in a timely fashion as required by prevailing State law.

⁽¹⁾ Estimated and subject to adjustment and revision based on final sizing and invoices, etc.

* Subject to adjustment and revision based on actual bids received

RAYMOND JAMES®

INVOICE # 274027426482

October 27, 2015

Mr. James H. Demming Jr., Chief Financial Officer
City of Kingsport, Tennessee
225 Kingsport, TN 37660

Trade Date: 10/13/2015

Settlement Date: 10/27/2015

**RE: City of Kingsport, Tennessee General Obligation Refunding and Improvement
Bonds, Series 2015A**

BIDDING AGENT FEES – Laddered Portfolio

<u>Date</u>	<u>Transaction</u>	<u>Bidding Agent Fees</u>
10/27/2015	City of Kingsport, Tennessee General Obligation Refunding and Improvement Bonds, Series 2015A	\$7,500
Total		\$7,500

Wire/ACH

The Bank of New York Mellon
One Wall Street
New York, NY 10286
ABA #0210-00018
For Credit To: Raymond James & Associates, Inc. – PF RMB Acct
Acct #8901264938 Deal Code: TN1058

If Check – Send To

Raymond James & Associates, Inc.
Attn: Treasury / PF - RMB
P.O. Box 23604
St. Petersburg, FL 33742

880 Carillon Parkway // St. Petersburg, FL 33716
727 567.1000

Raymond James & Associates, Inc., member New York Stock Exchange/SIPC

October 27, 2015

Mr. James H. Demming
City of Kingsport
City Recorder
225 West Center Street
Kingsport, Tennessee 37660

Attorneys at Law
Alabama
Florida
Louisiana
Mississippi
South Carolina
Tennessee
Texas
Washington, DC

Office: 615-259-1450
Fax: 615-259-1470

STATEMENT

613386-000010

FOR PROFESSIONAL SERVICES:

Legal services as bond counsel to the City of Kingsport, Tennessee in connection with the issuance of those certain \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A, including out-of-pocket expenses.

\$30,000.00

Wire Instructions:

Regions Bank

301 St. Charles Avenue

New Orleans, LA 70130

ABA # 062005690

Further credit to Regions Bank - New Orleans, La. Main Office

Account: Adams and Reese LLP General Account

Account # 41-0516-3927

[Please include the following information to aid in identification:

File number 613386-000010

Cindy Barnett, Billing Attorney]

THANK YOU



**STANDARD & POOR'S
RATINGS SERVICES**

McGRAW HILL FINANCIAL

Standard & Poor's Financial Services, LLC
Federal I.D.: 26-3740348

Invoice No.: 10379231
Customer No.: 1000062805
Invoice Date: 10/13/15
Tax Exempt No.:
Page No.: 1
Print Date: 10/13/15

0201

RICHARD T. DULANEY
RAYMOND JAMES & ASSOCIATES INC
ONE BURTON HILLS BLVD
SUITE 225
NASHVILLE TN 37215-6299

Description of Services

Amount

101011	ANALYTICAL SERVICES RENDERED IN CONNECTION WITH: US\$15,600,000 City of Kingsport, Tennessee, General Obligation Refunding and Improvement Bonds, Series 2015A, dated: Date of delivery, due: March 01, 2036	\$16,715.00
--------	--	-------------

FOR INQUIRIES PLEASE CONTACT: SREEKANTH MADDALA
SREEKANTH.MADDALA@STANDARDANDPOORS.COM
PHONE: 1-800-767-1896 EXT #6
F: 1-212-438-5178

For inquiries contact the client services representative listed on this invoice. Do not return it or direct any inquiries about the invoice to credit ratings analysts. S&P maintains a separation of commercial and analytical activities. Please note that our credit ratings analysts are not permitted to communicate, negotiate, arrange or collect credit rating fees.

Please reference invoice or statement number on all checks and wire transfers

This Invoice Due and Payable As Of: 10/13/15

INVOICE TOTAL \$16,715.00 USD

Make Checks Payable To:
 **STANDARD & POOR'S
RATINGS SERVICES**
McGRAW HILL FINANCIAL

Standard & Poor's Financial Services, LLC
Federal I.D.: 26-3740348

Invoice No.: 10379231
Customer No.: 1000062805
Invoice Date: 10/13/15

0201

Billed To:

Wire Transfer To:

Remit To:

RICHARD T. DULANEY
RAYMOND JAMES & ASSOCIATES INC
ONE BURTON HILLS BLVD
SUITE 225
NASHVILLE TN 37215-6299

Please include invoice #
Bank of America-San Francisco CA
Standard & Poor's
Account # 12334-02500
ABA # 0260-0959-3
Or E-mail: cashapps@mhfi.com

STANDARD AND POOR'S
2542 COLLECTION CENTER DRIVE
CHICAGO, IL 60693

10000628051 10379231 01671500 1 700 10 07 1015 6

TOTAL AMOUNT DUE:
\$16,715.00 USD
AMOUNT ENCLOSED:



INVOICE

CORPORATE TRUST SERVICES
150 4th Ave. North, Suite 900
Nashville, Tennessee 37219
Phone (615) 770-4362 Fax (615) 770-4350

DATE: October 19, 2015
Administrator: Elizabeth Lance
Invoice #: 1015-001

Bill To:
City of Kingsport, Tennessee
Attn: James H. Demming, Finance Director
225 West Center Street
Kingsport, TN 37660

RE:
\$15,105,000 Kingsport TN General Obligation Refunding & Improvement Bonds, Series 2015A
Refunding Escrow Agreement by and between Kingsport TN and Regions Bank dated 10/27/15

DESCRIPTION	AMOUNT
Acceptance Fee	\$ 250.00
First Year's Annual Administration Fee (10/27/15 through 9/30/16)	\$ 750.00
First Year's Escrow Agent Fee (10/27/15 through 9/30/16)	\$ 1,500.00
Escrow Wire Fee	\$ 25.00
TOTAL	\$ 2,525.00

Make all checks payable to **Regions Bank**
If you have any questions concerning this invoice,
contact your Trust Officer or Administrator.

THANK YOU FOR YOUR BUSINESS!

RAYMOND JAMES®

CLOSING MEMORANDUM - VIA EMAIL

To: Elizabeth Lance

From: Rick Dulaney
Elizabeth Zuelke

Date: October 19, 2015

Re: Closing Wiring Instructions - \$15,105,000 General Obligation Refunding and Improvement Bonds, Series 2015A (the "Bonds") of the City of Kingsport, Tennessee (the "City"), dated October 15, 2015.

cc: James Demming, Cindy Barnett, Esq., Joni Southwell, Elizabeth Zuelke, Tracy Johnson

The following information provides an itemization of the wire instructions relating to the Bonds which will close on October 27, 2015 at 8:00 a.m., CT or as soon as possible thereafter.

On or before February 6, 2015, you will receive \$15,453,907.18 composed of the following wire transfers that will be sent to you:

1. From Robert W. Baird & Co., Inc. the sum of \$15,266,772.18 which net of the good faith deposit of \$302,100.00 previously provided to Raymond James equals the total purchase price of the Bonds \$15,568,872.18; and
2. From Raymond James, the sum of \$187,135.00.00 which includes the registration, paying and escrow agent initial fees and associated expenses (\$2,525.00) for the Bonds and balance of the good faith deposit (\$184,610.00).

From receipts totaling \$15,453,907.18, please execute the following closing transactions:

1. In conformance with your initial invoice for registration, paying and escrow agent fees and associated expenses, please retain \$2,525.00 as payment in full;
2. In accordance with the escrow agreement, retain \$5,038,919.97 representing a cash deposit of \$420.65 and the purchase price of the open market securities that will be delivered at closing totaling \$5,038,499.32; and
3. Please wire the balance of funds totaling \$10,412,462.21 to the City of Kingsport as follows:

First Tennessee Bank, Memphis

ABA Number: 084000026

For Further Credit to the City of Kingsport, TN

Account Number: 100041379 (City of Kingsport, TN Deposits Clearing)

Attention: Cheryl Toney (423-229-9405)

After completing the wire transfers, please please e-mail (richard.dulaney@raymondjames.com) or call 800.764.1002 with the Fed Reference numbers and times. If you have any questions regarding these instructions, please contact us.

CITY OF KINGSPORT, TENNESSEE



FINAL SCHEDULES

**\$15,105,000 GENERAL OBLIGATION
REFUNDING AND IMPROVEMENT BONDS, SERIES 2015A**

October 27, 2015

RAYMOND JAMES®
Public Finance // Debt Investment Banking
One Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800.764.1002

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Table of Contents

Part 1 of 4

Report

ISSUE SUMMARY

Sources & Uses	1
Costs of Issuance Detail	1B
Debt Service Schedule	2
Pricing Summary	5
Proof of Premium/5Yr Call Bond Selection of Call D	6
Proof of D/S for Arbitrage Purposes	7
Proof Of Bond Yield @ 2.5131393%	8

GO REFUNDING PORTION

Sources & Uses	10
Savings Report	10B
Debt Service Schedule	11
Pricing Summary	12
Escrow Fund Cashflow	13
Escrow Summary Cost	14

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Table of Contents

Part 2 of 4

Debt Service To Maturity And To Call	15
Summary Of Bonds Refunded	16
Current Outstanding Debt Service -- Accrual Basis	17
WTR REFUNDING	
Sources & Uses	21
Savings Report	21B
Debt Service Schedule	22
Pricing Summary	23
Escrow Fund Cashflow	24
Escrow Summary Cost	25
Debt Service To Maturity And To Call	26
Summary Of Bonds Refunded	27
Current Outstanding Debt Service -- Accrual Basis	28

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Table of Contents

Part 3 of 4

GO NEW MONEY

Sources & Uses	32
Debt Service Schedule	33
Pricing Summary	36

GO 10 YEAR PIECE

Sources & Uses	37
Debt Service Schedule	38
Pricing Summary	39

WATER NEW MONEY

Sources & Uses	40
Debt Service Schedule	41
Pricing Summary	44

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Table of Contents

Part 4 of 4

SEWER NEW MONEY

Sources & Uses	45
Debt Service Schedule	46
Pricing Summary	49

Final - Detailed Schedules

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$15,105,000.00
Reoffering Premium	604,133.75

Total Sources **\$15,709,133.75**

Uses Of Funds

Deposit to Project Fund	10,410,385.99
Deposit to Net Cash Escrow Fund	5,038,919.97
Total Underwriter's Discount (0.929%)	140,261.57
Costs of Issuance	117,490.00
Rounding Amount (To Bonds 1st Interest)	2,076.22

Total Uses **\$15,709,133.75**

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Detail Costs Of Issuance

Dated 10/27/2015 | Delivered 10/27/2015

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$37,500.00
Bond Counsel	\$30,000.00
Bidding Agent	\$7,500.00
Verification	\$4,000.00
Registrar	\$2,525.00
Moody's	\$17,500.00
S&P	\$16,715.00
POS/Official Statement	\$1,750.00
TOTAL	\$117,490.00

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	148,352.22	148,352.22
09/01/2016	-	-	215,350.01	215,350.01
03/01/2017	435,000.00	2.000%	215,350.01	650,350.01
09/01/2017	-	-	211,000.01	211,000.01
03/01/2018	440,000.00	2.000%	211,000.01	651,000.01
09/01/2018	-	-	206,600.01	206,600.01
03/01/2019	1,620,000.00	1.000%	206,600.01	1,826,600.01
09/01/2019	-	-	198,500.01	198,500.01
03/01/2020	1,510,000.00	4.000%	198,500.01	1,708,500.01
09/01/2020	-	-	168,300.01	168,300.01
03/01/2021	1,570,000.00	2.000%	168,300.01	1,738,300.01
09/01/2021	-	-	152,600.01	152,600.01
03/01/2022	1,600,000.00	4.000%	152,600.01	1,752,600.01
09/01/2022	-	-	120,600.01	120,600.01
03/01/2023	545,000.00	3.000%	120,600.01	665,600.01
09/01/2023	-	-	112,425.01	112,425.01
03/01/2024	470,000.00	3.000%	112,425.01	582,425.01
09/01/2024	-	-	105,375.01	105,375.01
03/01/2025	485,000.00	3.000%	105,375.01	590,375.01
09/01/2025	-	-	98,100.01	98,100.01
03/01/2026	500,000.00	3.000%	98,100.01	598,100.01
09/01/2026	-	-	90,600.01	90,600.01
03/01/2027	520,000.00	3.000%	90,600.01	610,600.01
09/01/2027	-	-	82,800.01	82,800.01
03/01/2028	535,000.00	3.000%	82,800.01	617,800.01
09/01/2028	-	-	74,775.01	74,775.01
03/01/2029	550,000.00	3.000%	74,775.01	624,775.01

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2029	-	-	66,525.01	66,525.01
03/01/2030	565,000.00	3.000%	66,525.01	631,525.01
09/01/2030	-	-	58,050.01	58,050.01
03/01/2031	580,000.00	3.000%	58,050.01	638,050.01
09/01/2031	-	-	49,350.01	49,350.01
03/01/2032	600,000.00	3.000%	49,350.01	649,350.01
09/01/2032	-	-	40,350.01	40,350.01
03/01/2033	615,000.00	3.000%	40,350.01	655,350.01
09/01/2033	-	-	31,125.01	31,125.01
03/01/2034	635,000.00	3.125%	31,125.01	666,125.01
09/01/2034	-	-	21,203.13	21,203.13
03/01/2035	655,000.00	3.125%	21,203.13	676,203.13
09/01/2035	-	-	10,968.75	10,968.75
03/01/2036	675,000.00	3.250%	10,968.75	685,968.75
Total	\$15,105,000.00	-	\$4,377,546.34	\$19,482,546.34

Final - Detailed Schedules

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$145,137.83
Average Life	9.609 Years
Average Coupon	3.0161304%
Net Interest Cost (NIC)	2.6965224%
True Interest Cost (TIC)	2.6284403%
Bond Yield for Arbitrage Purposes	2.5131393%
All Inclusive Cost (AIC)	2.7223898%

IRS Form 8038

Net Interest Cost	2.5420309%
Weighted Average Maturity	9.449 Years

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	435,000.00	102.007%	-	-	-	443,730.45
03/01/2018	Serial Coupon	2.000%	0.750%	440,000.00	102.899%	-	-	-	452,755.60
03/01/2019	Serial Coupon	1.000%	1.000%	1,620,000.00	100.000%	-	-	-	1,620,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	1,510,000.00	111.771%	-	-	-	1,687,742.10
03/01/2021	Serial Coupon	2.000%	1.410%	1,570,000.00	103.026%	-	-	-	1,617,508.20
03/01/2022	Serial Coupon	4.000%	1.630%	1,600,000.00	114.228%	-	-	-	1,827,648.00
03/01/2023	Serial Coupon	3.000%	1.840%	545,000.00	107.933%	-	-	-	588,234.85
03/01/2024	Serial Coupon	3.000%	2.010%	470,000.00	107.568%	-	-	-	505,569.60
03/01/2025	Serial Coupon	3.000%	2.120%	485,000.00	107.422%	-	-	-	520,996.70
03/01/2026	Serial Coupon	3.000%	2.300%	500,000.00	105.853%	c 2.359%	03/01/2025	100.000%	529,265.00
03/01/2027	Serial Coupon	3.000%	2.500%	520,000.00	104.141%	c 2.576%	03/01/2025	100.000%	541,533.20
03/01/2028	Serial Coupon	3.000%	2.750%	535,000.00	102.045%	c 2.803%	03/01/2025	100.000%	545,940.75
03/01/2030	Term 1 Coupon	3.000%	3.000%	1,115,000.00	100.000%	-	-	-	1,115,000.00
03/01/2031	Serial Coupon	3.000%	3.050%	580,000.00	99.388%	-	-	-	576,450.40
03/01/2032	Serial Coupon	3.000%	3.100%	600,000.00	98.722%	-	-	-	592,332.00
03/01/2033	Serial Coupon	3.000%	3.150%	615,000.00	98.004%	-	-	-	602,724.60
03/01/2034	Serial Coupon	3.125%	3.200%	635,000.00	98.962%	-	-	-	628,408.70
03/01/2035	Serial Coupon	3.125%	3.250%	655,000.00	98.212%	-	-	-	643,288.60
03/01/2036	Serial Coupon	3.250%	3.300%	675,000.00	99.260%	-	-	-	670,005.00
Total				\$15,105,000.00					\$15,709,133.75

Bid Information

Par Amount of Bonds	\$15,105,000.00
Reoffering Premium or (Discount)	604,133.75
Gross Production	\$15,709,133.75
Total Underwriter's Discount (0.929%)	\$(140,261.57)
Bid (103.071%)	15,568,872.18
Total Purchase Price	\$15,568,872.18
Bond Year Dollars	\$145,137.83
Average Life	9.609 Years
Average Coupon	3.0161304%
Net Interest Cost (NIC)	2.6965224%
True Interest Cost (TIC)	2.6284403%

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

<u>Maturity</u>	<u>Call Date</u>	<u>Call Price</u>	<u>PV at Bond Yield</u>	<u>Lowest?</u>
03/01/2026	-	-	522,063.31	No
03/01/2026	03/01/2025	100.000%	520,171.42	Yes
03/01/2027	-	-	544,864.86	No
03/01/2027	03/01/2025	100.000%	540,978.27	Yes

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
10/27/2015	-	-	-
03/01/2016	-	148,352.22	148,352.22
09/01/2016	-	215,350.00	215,350.00
03/01/2017	435,000.00	215,350.00	650,350.00
09/01/2017	-	211,000.00	211,000.00
03/01/2018	440,000.00	211,000.00	651,000.00
09/01/2018	-	206,600.00	206,600.00
03/01/2019	1,620,000.00	206,600.00	1,826,600.00
09/01/2019	-	198,500.00	198,500.00
03/01/2020	1,510,000.00	198,500.00	1,708,500.00
09/01/2020	-	168,300.00	168,300.00
03/01/2021	1,570,000.00	168,300.00	1,738,300.00
09/01/2021	-	152,600.00	152,600.00
03/01/2022	1,600,000.00	152,600.00	1,752,600.00
09/01/2022	-	120,600.00	120,600.00
03/01/2023	545,000.00	120,600.00	665,600.00
09/01/2023	-	112,425.00	112,425.00
03/01/2024	470,000.00	112,425.00	582,425.00
09/01/2024	-	105,375.00	105,375.00
03/01/2025	1,505,000.00	105,375.00	1,610,375.00
09/01/2025	-	82,800.00	82,800.00
03/01/2026	-	82,800.00	82,800.00
09/01/2026	-	82,800.00	82,800.00
03/01/2027	-	82,800.00	82,800.00
09/01/2027	-	82,800.00	82,800.00
03/01/2028	535,000.00	82,800.00	617,800.00
09/01/2028	-	74,775.00	74,775.00
03/01/2029	550,000.00	74,775.00	624,775.00
09/01/2029	-	66,525.00	66,525.00
03/01/2030	565,000.00	66,525.00	631,525.00
09/01/2030	-	58,050.00	58,050.00
03/01/2031	580,000.00	58,050.00	638,050.00
09/01/2031	-	49,350.00	49,350.00
03/01/2032	600,000.00	49,350.00	649,350.00
09/01/2032	-	40,350.00	40,350.00
03/01/2033	615,000.00	40,350.00	655,350.00
09/01/2033	-	31,125.00	31,125.00
03/01/2034	635,000.00	31,125.00	666,125.00
09/01/2034	-	21,203.13	21,203.13
03/01/2035	655,000.00	21,203.13	676,203.13
09/01/2035	-	10,968.75	10,968.75
03/01/2036	675,000.00	10,968.75	685,968.75
Total	\$15,105,000.00	\$4,331,345.98	\$19,436,345.98

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Proof Of Bond Yield @ 2.5131393%

Part 1 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
10/27/2015	-	1.0000000x	-	-
03/01/2016	148,352.22	0.9914345x	147,081.50	147,081.50
09/01/2016	215,350.00	0.9791310x	210,855.86	357,937.36
03/01/2017	650,350.00	0.9669802x	628,875.59	986,812.95
09/01/2017	211,000.00	0.9549802x	201,500.83	1,188,313.78
03/01/2018	651,000.00	0.9431292x	613,977.08	1,802,290.86
09/01/2018	206,600.00	0.9314251x	192,432.44	1,994,723.29
03/01/2019	1,826,600.00	0.9198664x	1,680,227.94	3,674,951.23
09/01/2019	198,500.00	0.9084511x	180,327.54	3,855,278.77
03/01/2020	1,708,500.00	0.8971774x	1,532,827.60	5,388,106.36
09/01/2020	168,300.00	0.8860436x	149,121.15	5,537,227.51
03/01/2021	1,738,300.00	0.8750481x	1,521,096.05	7,058,323.55
09/01/2021	152,600.00	0.8641889x	131,875.23	7,190,198.78
03/01/2022	1,752,600.00	0.8534645x	1,495,781.97	8,685,980.75
09/01/2022	120,600.00	0.8428733x	101,650.52	8,787,631.27
03/01/2023	665,600.00	0.8324134x	554,054.36	9,341,685.63
09/01/2023	112,425.00	0.8220834x	92,422.72	9,434,108.35
03/01/2024	582,425.00	0.8118815x	472,860.08	9,906,968.43
09/01/2024	105,375.00	0.8018062x	84,490.33	9,991,458.77
03/01/2025	1,610,375.00	0.7918560x	1,275,185.14	11,266,643.91
09/01/2025	82,800.00	0.7820293x	64,752.02	11,331,395.93
03/01/2026	82,800.00	0.7723245x	63,948.47	11,395,344.40
09/01/2026	82,800.00	0.7627401x	63,154.88	11,458,499.28
03/01/2027	82,800.00	0.7532747x	62,371.15	11,520,870.43
09/01/2027	82,800.00	0.7439267x	61,597.13	11,582,467.56
03/01/2028	617,800.00	0.7346948x	453,894.44	12,036,362.01
09/01/2028	74,775.00	0.7255774x	54,255.05	12,090,617.06
03/01/2029	624,775.00	0.7165732x	447,697.00	12,538,314.06

\$15,105,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

Proof Of Bond Yield @ 2.5131393%

Part 2 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/01/2029	66,525.00	0.7076807x	47,078.46	12,585,392.51
03/01/2030	631,525.00	0.6988985x	441,371.89	13,026,764.40
09/01/2030	58,050.00	0.6902254x	40,067.58	13,066,831.98
03/01/2031	638,050.00	0.6816598x	434,933.05	13,501,765.03
09/01/2031	49,350.00	0.6732006x	33,222.45	13,534,987.48
03/01/2032	649,350.00	0.6648463x	431,717.97	13,966,705.45
09/01/2032	40,350.00	0.6565958x	26,493.64	13,993,199.09
03/01/2033	655,350.00	0.6484476x	424,960.11	14,418,159.20
09/01/2033	31,125.00	0.6404005x	19,932.46	14,438,091.66
03/01/2034	666,125.00	0.6324533x	421,292.93	14,859,384.59
09/01/2034	21,203.13	0.6246047x	13,243.57	14,872,628.17
03/01/2035	676,203.13	0.6168535x	417,118.25	15,289,746.42
09/01/2035	10,968.75	0.6091985x	6,682.15	15,296,428.56
03/01/2036	685,968.75	0.6016385x	412,705.19	15,709,133.75
Total	\$19,436,345.98	-	\$15,709,133.75	-

Derivation Of Target Amount

Par Amount of Bonds	\$15,105,000.00
Reoffering Premium or (Discount)	604,133.75
Original Issue Proceeds	\$15,709,133.75

Final - Detailed Schedules

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$4,260,000.00
Reoffering Premium	300,218.45

Total Sources **\$4,560,218.45**

Uses Of Funds

Deposit to Net Cash Escrow Fund	4,491,487.17
Total Underwriter's Discount (0.929%)	39,557.39
Costs of Issuance	24,241.00
Rounding Amount (To Bonds 1st Interest)	4,932.89

Total Uses **\$4,560,218.45**

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Savings Report

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Savings
03/01/2016	-	-	39,662.78	39,662.78	83,600.00	43,937.22
03/01/2017	40,000.00	2.000%	115,150.00	155,150.00	167,200.00	12,050.00
03/01/2018	30,000.00	2.000%	114,350.00	144,350.00	167,200.00	22,850.00
03/01/2019	1,105,000.00	1.000%	113,750.00	1,218,750.00	1,242,200.00	23,450.00
03/01/2020	995,000.00	4.000%	102,700.00	1,097,700.00	1,119,200.00	21,500.00
03/01/2021	1,035,000.00	2.000%	62,900.00	1,097,900.00	1,119,400.00	21,500.00
03/01/2022	1,055,000.00	4.000%	42,200.00	1,097,200.00	1,118,000.00	20,800.00
Total	\$4,260,000.00	-	\$590,712.78	\$4,850,712.78	\$5,016,800.00	\$166,087.22

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	160,374.08
Net PV Cashflow Savings @ 1.689%(User Defined)	160,374.08
Contingency or Rounding Amount	4,932.89
Net Present Value Benefit	\$165,306.97
Net PV Benefit / \$4,180,000 Refunded Principal	3.955%
Net PV Benefit / \$4,260,000 Refunding Principal	3.880%
Bond Year Dollars	\$20,367.33
Average Coupon	2.9002951%
Average Life	4.781 Years

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	39,662.78	39,662.78
09/01/2016	-	-	57,575.00	57,575.00
03/01/2017	40,000.00	2.000%	57,575.00	97,575.00
09/01/2017	-	-	57,175.00	57,175.00
03/01/2018	30,000.00	2.000%	57,175.00	87,175.00
09/01/2018	-	-	56,875.00	56,875.00
03/01/2019	1,105,000.00	1.000%	56,875.00	1,161,875.00
09/01/2019	-	-	51,350.00	51,350.00
03/01/2020	995,000.00	4.000%	51,350.00	1,046,350.00
09/01/2020	-	-	31,450.00	31,450.00
03/01/2021	1,035,000.00	2.000%	31,450.00	1,066,450.00
09/01/2021	-	-	21,100.00	21,100.00
03/01/2022	1,055,000.00	4.000%	21,100.00	1,076,100.00
Total	\$4,260,000.00	-	\$590,712.78	\$4,850,712.78

Yield Statistics

Bond Year Dollars	\$20,367.33
Average Life	4.781 Years
Average Coupon	2.9002951%
Net Interest Cost (NIC)	1.6204955%
True Interest Cost (TIC)	1.5581211%
Bond Yield for Arbitrage Purposes	2.5131393%
All Inclusive Cost (AIC)	1.6779362%

IRS Form 8038

Net Interest Cost	1.3204889%
Weighted Average Maturity	4.824 Years

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	40,000.00	102.007%	-	-	-	40,802.80
03/01/2018	Serial Coupon	2.000%	0.750%	30,000.00	102.899%	-	-	-	30,869.70
03/01/2019	Serial Coupon	1.000%	1.000%	1,105,000.00	100.000%	-	-	-	1,105,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	995,000.00	111.771%	-	-	-	1,112,121.45
03/01/2021	Serial Coupon	2.000%	1.410%	1,035,000.00	103.026%	-	-	-	1,066,319.10
03/01/2022	Serial Coupon	4.000%	1.630%	1,055,000.00	114.228%	-	-	-	1,205,105.40
Total	-	-	-	\$4,260,000.00	-	-	-	-	\$4,560,218.45

Bid Information

Par Amount of Bonds	\$4,260,000.00
Reoffering Premium or (Discount)	300,218.45
Gross Production	\$4,560,218.45
Total Underwriter's Discount (0.929%)	\$(39,557.39)
Bid (106.119%)	4,520,661.06
Total Purchase Price	\$4,520,661.06
Bond Year Dollars	\$20,367.33
Average Life	4.781 Years
Average Coupon	2.9002951%
Net Interest Cost (NIC)	1.6204955%
True Interest Cost (TIC)	1.5581211%

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
10/27/2015	-	-	-	417.11	-	417.11
01/31/2016	17,000.00	2.000%	5,075.00	22,075.00	-	22,492.11
02/01/2016	-	-	-	-	21,500.00	992.11
02/29/2016	49,500.00	0.250%	12,419.52	61,919.52	-	62,911.63
03/01/2016	-	-	-	-	62,100.00	811.63
07/31/2016	17,000.00	1.500%	4,905.00	21,905.00	-	22,716.63
08/01/2016	-	-	-	-	21,500.00	1,216.63
08/31/2016	49,500.00	1.000%	12,357.64	61,857.64	-	63,074.27
09/01/2016	-	-	-	-	62,100.00	974.27
01/31/2017	1,092,000.00	0.875%	4,777.50	1,096,777.50	-	1,097,751.77
02/01/2017	-	-	-	-	1,096,500.00	1,251.77
02/28/2017	49,500.00	0.500%	12,110.14	61,610.14	-	62,861.91
03/01/2017	-	-	-	-	62,100.00	761.91
08/31/2017	49,500.00	0.625%	11,986.39	61,486.39	-	62,248.30
09/01/2017	-	-	-	-	62,100.00	148.30
02/28/2018	3,155,120.00	0.750%	11,831.70	3,166,951.70	-	3,167,100.00
03/01/2018	-	-	-	-	3,167,100.00	-
Total	\$4,479,120.00	-	\$75,462.89	\$4,555,000.00	\$4,555,000.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	417.11
Cost of Investments Purchased with Bond Proceeds	4,491,070.06
Total Cost of Investments	\$4,491,487.17
Target Cost of Investments at bond yield	\$4,333,668.45
Actual positive or (negative) arbitrage	(157,818.74)
Yield to Receipt	0.7065680%
Yield for Arbitrage Purposes	2.5131393%

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
01/31/2016	T-NOTE	2.000%	-0.003%	100.5224500%	17,000	17,088.82	81.30	17,170.12
02/29/2016	T-NOTE	0.250%	0.016%	100.0801800%	49,500	49,539.68	19.38	49,559.06
07/31/2016	T-NOTE	1.500%	0.300%	100.9109700%	17,000	17,154.86	60.98	17,215.84
08/31/2016	T-NOTE	1.000%	0.324%	100.5688500%	49,500	49,781.58	77.51	49,859.09
01/31/2017	T-NOTE	0.875%	0.443%	100.5430600%	1,092,000	1,097,930.22	2,284.89	1,100,215.11
02/28/2017	T-NOTE	0.500%	0.470%	100.0401300%	49,500	49,519.86	38.76	49,558.62
08/31/2017	T-NOTE	0.625%	0.618%	100.0128000%	49,500	49,506.34	48.45	49,554.79
02/28/2018	T-NOTE	0.750%	0.762%	99.9718521%	3,155,120	3,154,231.90	3,705.53	3,157,937.43
Subtotal		-	-	-	\$4,479,120	\$4,484,753.26	\$6,316.80	\$4,491,070.06
Total		-	-	-	\$4,479,120	\$4,484,753.26	\$6,316.80	\$4,491,070.06

Escrow

Cash Deposit	417.11
Cost of Investments Purchased with Bond Proceeds	4,491,070.06
Total Cost of Investments	\$4,491,487.17

Delivery Date 10/27/2015

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
03/01/2016	-	83,600.00	83,600.00	-	83,600.00	83,600.00
03/01/2017	1,075,000.00	167,200.00	1,242,200.00	-	167,200.00	167,200.00
03/01/2018	3,105,000.00	124,200.00	3,229,200.00	-	167,200.00	167,200.00
03/01/2019	-	-	-	1,075,000.00	167,200.00	1,242,200.00
03/01/2020	-	-	-	995,000.00	124,200.00	1,119,200.00
03/01/2021	-	-	-	1,035,000.00	84,400.00	1,119,400.00
03/01/2022	-	-	-	1,075,000.00	43,000.00	1,118,000.00
Total	\$4,180,000.00	\$375,000.00	\$4,555,000.00	\$4,180,000.00	\$836,800.00	\$5,016,800.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	4.828 Years
Average Coupon	4.0000000%
Weighted Average Maturity (Par Basis)	4.828 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

\$4,260,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(GO Refunding Portion)

Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 2/06/2015 Delivered 2/06/2015							
2007 GO ADV	02/01/2019	Serial	Coupon	4.000%	1,075,000	02/01/2017	100.000%
Subtotal	-	-	-	-	\$1,075,000	-	-
Dated 8/30/2014 Delivered 8/30/2014							
2008A GO ADV USE 2015	03/01/2020	Serial	Coupon	4.000%	400,000	03/01/2018	100.000%
2008A GO ADV USE 2015	03/01/2021	Serial	Coupon	4.000%	415,000	03/01/2018	100.000%
2008A GO ADV USE 2015	03/01/2022	Serial	Coupon	4.000%	430,000	03/01/2018	100.000%
Subtotal	-	-	-	-	\$1,245,000	-	-
Dated 8/30/2014 Delivered 8/30/2014							
2008 B GO ADV USE 2015	03/01/2020	Serial	Coupon	4.000%	595,000	03/01/2018	100.000%
2008 B GO ADV USE 2015	03/01/2021	Serial	Coupon	4.000%	620,000	03/01/2018	100.000%
2008 B GO ADV USE 2015	03/01/2022	Serial	Coupon	4.000%	645,000	03/01/2018	100.000%
Subtotal	-	-	-	-	\$1,860,000	-	-
Total	-	-	-	-	\$4,180,000	-	-

City of Kingsport, Tennessee

\$1,200,000 Water System Revenue and Tax Bonds, Series 2008

Current Outstanding Debt Service -- Accrual Basis

Calendar Year	Principal	Coupon	Interest	Total P+I
2016	85,000.00	-	29,300.01	114,300.01
2017	85,000.00	-	26,006.26	111,006.26
2018	90,000.00	-	22,506.26	112,506.26
2019	95,000.00	-	18,806.26	113,806.26
2020	95,000.00	-	15,006.26	110,006.26
2021	100,000.00	-	11,056.26	111,056.26
2022	105,000.00	-	6,840.63	111,840.63
2023	110,000.00	4.250%	2,337.50	112,337.50
	\$765,000.00	-	\$131,859.44	\$896,859.44

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	4.044 Years
Average Coupon	36000.00000000%
Weighted Average Maturity (Par Basis)	4.044 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

City of Kingsport, Tennessee

\$19,360,000 General Obligation School and Public Improvement Bonds, Series 2007

6/8/07 - New Money - 2/1/17 at 100

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/30/2016	945,000.00	5.000%	69,425.00	1,014,425.00
06/30/2017	1,000,000.00	5.000%	91,600.00	1,091,600.00
06/30/2018	1,040,000.00	4.000%	41,600.00	1,081,600.00
Total	\$2,985,000.00	-	\$202,625.00	\$3,187,625.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	1.293 Years
Average Coupon	4.0000001%
Weighted Average Maturity (Par Basis)	1.293 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

Final - Detailed Schedules

\$7,480,000

City of Kingsport, Tennessee

General Obligation Public Improvement and Refunding Bonds, Series 2008

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/30/2016	340,000.00	4.000%	28,012.50	368,012.50
06/30/2017	355,000.00	3.500%	42,425.00	397,425.00
06/30/2018	370,000.00	4.000%	30,000.00	400,000.00
06/30/2019	380,000.00	4.000%	15,200.00	395,200.00
Total	\$1,445,000.00	-	\$115,637.50	\$1,560,637.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	1.891 Years
Average Coupon	4.0000000%
Weighted Average Maturity (Par Basis)	1.891 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

City of Kingsport, Tennessee

\$11,265,000 General Obligation Bonds, Series 2008

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/30/2016	1,245,000.00	4.000%	102,362.50	1,347,362.50
06/30/2017	1,295,000.00	3.500%	154,925.00	1,449,925.00
06/30/2018	1,345,000.00	4.000%	109,600.00	1,454,600.00
06/30/2019	1,395,000.00	4.000%	55,800.00	1,450,800.00
Total	\$5,280,000.00	-	\$422,687.50	\$5,702,687.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	1.892 Years
Average Coupon	4.0000000%
Weighted Average Maturity (Par Basis)	1.892 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

Final - Detailed Schedules

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$515,000.00
Reoffering Premium	37,317.30

Total Sources **\$552,317.30**

Uses Of Funds

Deposit to Net Cash Escrow Fund	547,432.80
Total Underwriter's Discount (0.929%)	4,782.17
Costs of Issuance	2,959.00
Rounding Amount (To Bonds 1st Interest)	(2,856.67)

Total Uses **\$552,317.30**

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Savings Report

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Savings
03/01/2016	-	-	4,908.33	4,908.33	10,353.13	5,444.80
03/01/2017	-	-	14,250.00	14,250.00	20,706.26	6,456.26
03/01/2018	10,000.00	2.000%	14,250.00	24,250.00	20,706.26	(3,543.74)
03/01/2019	105,000.00	1.000%	14,050.00	119,050.00	115,706.26	(3,343.74)
03/01/2020	100,000.00	4.000%	13,000.00	113,000.00	111,906.26	(1,093.74)
03/01/2021	105,000.00	2.000%	9,000.00	114,000.00	113,106.26	(893.74)
03/01/2022	105,000.00	4.000%	6,900.00	111,900.00	114,006.26	2,106.26
03/01/2023	90,000.00	3.000%	2,700.00	92,700.00	114,675.00	21,975.00
Total	\$515,000.00	-	\$79,058.33	\$594,058.33	\$621,165.69	\$27,107.36

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	24,765.25
Net PV Cashflow Savings @ 1.689%(User Defined)	24,765.25
Contingency or Rounding Amount	(2,856.67)
Net Present Value Benefit	\$21,908.58
Net PV Benefit / \$505,000 Refunded Principal	4.338%
Net PV Benefit / \$515,000 Refunding Principal	4.254%
Bond Year Dollars	\$2,697.39
Average Coupon	2.9309207%
Average Life	5.238 Years

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	4,908.33	4,908.33
09/01/2016	-	-	7,125.00	7,125.00
03/01/2017	-	-	7,125.00	7,125.00
09/01/2017	-	-	7,125.00	7,125.00
03/01/2018	10,000.00	2.000%	7,125.00	17,125.00
09/01/2018	-	-	7,025.00	7,025.00
03/01/2019	105,000.00	1.000%	7,025.00	112,025.00
09/01/2019	-	-	6,500.00	6,500.00
03/01/2020	100,000.00	4.000%	6,500.00	106,500.00
09/01/2020	-	-	4,500.00	4,500.00
03/01/2021	105,000.00	2.000%	4,500.00	109,500.00
09/01/2021	-	-	3,450.00	3,450.00
03/01/2022	105,000.00	4.000%	3,450.00	108,450.00
09/01/2022	-	-	1,350.00	1,350.00
03/01/2023	90,000.00	3.000%	1,350.00	91,350.00
Total	\$515,000.00	-	\$79,058.33	\$594,058.33

Yield Statistics

Bond Year Dollars	\$2,697.39
Average Life	5.238 Years
Average Coupon	2.9309207%
Net Interest Cost (NIC)	1.7247494%
True Interest Cost (TIC)	1.6575698%
Bond Yield for Arbitrage Purposes	2.5131393%
All Inclusive Cost (AIC)	1.7687436%

IRS Form 8038

Net Interest Cost	1.4327221%
Weighted Average Maturity	5.275 Years

2015A FINAL - jfm | Wtr Refunding | 10/20/2015 | 6:25 PM

Raymond James

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2018	Serial Coupon	2.000%	0.750%	10,000.00	102.899%	-	-	-	10,289.90
03/01/2019	Serial Coupon	1.000%	1.000%	105,000.00	100.000%	-	-	-	105,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	100,000.00	111.771%	-	-	-	111,771.00
03/01/2021	Serial Coupon	2.000%	1.410%	105,000.00	103.026%	-	-	-	108,177.30
03/01/2022	Serial Coupon	4.000%	1.630%	105,000.00	114.228%	-	-	-	119,939.40
03/01/2023	Serial Coupon	3.000%	1.840%	90,000.00	107.933%	-	-	-	97,139.70
Total				\$515,000.00					\$552,317.30

Bid Information

Par Amount of Bonds	\$515,000.00
Reoffering Premium or (Discount)	37,317.30
Gross Production	\$552,317.30
Total Underwriter's Discount (0.929%)	\$(4,782.17)
Bid (106.318%)	547,535.13
Total Purchase Price	\$547,535.13
Bond Year Dollars	\$2,697.39
Average Life	5.238 Years
Average Coupon	2.9309207%
Net Interest Cost (NIC)	1.7247494%
True Interest Cost (TIC)	1.6575698%

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
10/27/2015	-	-	-	3.53	-	3.53
02/29/2016	8,500.00	0.250%	2,024.24	10,524.24	-	10,527.77
03/01/2016	-	-	-	-	10,353.13	174.64
08/31/2016	8,500.00	1.000%	2,013.61	10,513.61	-	10,688.25
09/01/2016	-	-	-	-	10,353.13	335.12
02/28/2017	8,500.00	0.500%	1,971.11	10,471.11	-	10,806.23
03/01/2017	-	-	-	-	10,353.13	453.10
08/31/2017	8,500.00	0.625%	1,949.86	10,449.86	-	10,902.96
09/01/2017	-	-	-	-	10,353.13	549.83
02/28/2018	512,880.00	0.750%	1,923.30	514,803.30	-	515,353.13
03/01/2018	-	-	-	-	515,353.13	-
Total	\$546,880.00	-	\$9,882.12	\$556,765.65	\$556,765.65	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	3.53
Cost of Investments Purchased with Bond Proceeds	547,429.27
Total Cost of Investments	\$547,432.80
Target Cost of Investments at bond yield	\$526,344.39
Actual positive or (negative) arbitrage	(21,088.41)
Yield to Receipt	0.7555450%
Yield for Arbitrage Purposes	2.5131393%

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
02/29/2016	T-NOTE	0.250%	0.016%	100.0801800%	8,500	8,506.82	3.33	8,510.15
08/31/2016	T-NOTE	1.000%	0.324%	100.5688500%	8,500	8,548.35	13.31	8,561.66
02/28/2017	T-NOTE	0.500%	0.470%	100.0401300%	8,500	8,503.41	6.66	8,510.07
08/31/2017	T-NOTE	0.625%	0.618%	100.0128000%	8,500	8,501.09	8.32	8,509.41
02/28/2018	T-NOTE	0.750%	0.762%	99.9718521%	512,880	512,735.63	602.35	513,337.98
Subtotal		-	-	-	\$546,880	\$546,795.30	\$633.97	\$547,429.27
Total		-	-	-	\$546,880	\$546,795.30	\$633.97	\$547,429.27

Escrow

Cash Deposit	3.53
Cost of Investments Purchased with Bond Proceeds	547,429.27
Total Cost of Investments	\$547,432.80

Delivery Date

10/27/2015

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
03/01/2016	-	10,353.13	10,353.13	-	10,353.13	10,353.13
03/01/2017	-	20,706.26	20,706.26	-	20,706.26	20,706.26
03/01/2018	505,000.00	20,706.26	525,706.26	-	20,706.26	20,706.26
03/01/2019	-	-	-	95,000.00	20,706.26	115,706.26
03/01/2020	-	-	-	95,000.00	16,906.26	111,906.26
03/01/2021	-	-	-	100,000.00	13,106.26	113,106.26
03/01/2022	-	-	-	105,000.00	9,006.26	114,006.26
03/01/2023	-	-	-	110,000.00	4,675.00	114,675.00
Total	\$505,000.00	\$51,765.65	\$556,765.65	\$505,000.00	\$116,165.69	\$621,165.69

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	5.424 Years
Average Coupon	4.1236583%
Weighted Average Maturity (Par Basis)	5.424 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

\$515,000

City of Kingsport, Tennessee

General Obligation Refunding and Improvement Bonds, Series 2015A

(Wtr Refunding Portion)

Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 6/12/2008 Delivered 6/12/2008							
2008 Water ADV USE 2015	03/01/2019	Serial	Coupon	4.000%	95,000	03/01/2018	100.000%
2008 Water ADV USE 2015	03/01/2020	Serial	Coupon	4.000%	95,000	03/01/2018	100.000%
2008 Water ADV USE 2015	03/01/2021	Serial	Coupon	4.100%	100,000	03/01/2018	100.000%
2008 Water ADV USE 2015	03/01/2022	Serial	Coupon	4.125%	105,000	03/01/2018	100.000%
2008 Water ADV USE 2015	03/01/2023	Serial	Coupon	4.250%	110,000	03/01/2018	100
Subtotal	-	-	-	-	\$505,000	-	-
Total	-	-	-	-	\$505,000	-	-

City of Kingsport, Tennessee

\$1,200,000 Water System Revenue and Tax Bonds, Series 2008

Current Outstanding Debt Service -- Accrual Basis

Calendar Year	Principal	Coupon	Interest	Total P+I
2016	85,000.00	-	8,593.75	93,593.75
2017	85,000.00	-	5,300.00	90,300.00
2018	90,000.00	4.000%	1,800.00	91,800.00
-	\$260,000.00	-	\$15,693.75	\$275,693.75

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	1.364 Years
Average Coupon	4.1236583%
Weighted Average Maturity (Par Basis)	1.364 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

City of Kingsport, Tennessee

\$19,360,000 General Obligation School and Public Improvement Bonds, Series 2007

6/8/07 - New Money - 2/1/17 at 100

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/30/2016	945,000.00	5.000%	90,925.00	1,035,925.00
06/30/2017	1,000,000.00	5.000%	134,600.00	1,134,600.00
06/30/2018	1,040,000.00	4.000%	84,600.00	1,124,600.00
06/30/2019	1,075,000.00	4.000%	43,000.00	1,118,000.00
Total	\$4,060,000.00	-	\$353,125.00	\$4,413,125.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	1.814 Years
Average Coupon	36000.00000000%
Weighted Average Maturity (Par Basis)	1.814 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

City of Kingsport, Tennessee

\$11,265,000 General Obligation Bonds, Series 2008

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/30/2016	1,245,000.00	4.000%	139,562.50	1,384,562.50
06/30/2017	1,295,000.00	3.500%	229,325.00	1,524,325.00
06/30/2018	1,345,000.00	4.000%	184,000.00	1,529,000.00
06/30/2019	1,395,000.00	4.000%	130,200.00	1,525,200.00
06/30/2020	595,000.00	4.000%	74,400.00	669,400.00
06/30/2021	620,000.00	4.000%	50,600.00	670,600.00
06/30/2022	645,000.00	4.000%	25,800.00	670,800.00
Total	\$7,140,000.00	-	\$833,887.50	\$7,973,887.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/27/2015
Average Life	2.798 Years
Average Coupon	36000.0000000%
Weighted Average Maturity (Par Basis)	2.798 Years

Refunding Bond Information

Refunding Dated Date	10/27/2015
Refunding Delivery Date	10/27/2015

Final - Detailed Schedules

\$3,570,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (20 Year))

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$3,570,000.00
Reoffering Premium	85,204.10

Total Sources **\$3,655,204.10**

Uses Of Funds

Deposit to Project Fund	3,586,331.65
Costs of Issuance	35,722.25
Total Underwriter's Discount (0.929%)	33,150.20

Total Uses **\$3,655,204.10**

\$3,570,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (20 Year))

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	35,960.00	35,960.00
09/01/2016	-	-	52,200.00	52,200.00
03/01/2017	130,000.00	2.000%	52,200.00	182,200.00
09/01/2017	-	-	50,900.00	50,900.00
03/01/2018	130,000.00	2.000%	50,900.00	180,900.00
09/01/2018	-	-	49,600.00	49,600.00
03/01/2019	135,000.00	1.000%	49,600.00	184,600.00
09/01/2019	-	-	48,925.00	48,925.00
03/01/2020	135,000.00	4.000%	48,925.00	183,925.00
09/01/2020	-	-	46,225.00	46,225.00
03/01/2021	140,000.00	2.000%	46,225.00	186,225.00
09/01/2021	-	-	44,825.00	44,825.00
03/01/2022	145,000.00	4.000%	44,825.00	189,825.00
09/01/2022	-	-	41,925.00	41,925.00
03/01/2023	150,000.00	3.000%	41,925.00	191,925.00
09/01/2023	-	-	39,675.00	39,675.00
03/01/2024	150,000.00	3.000%	39,675.00	189,675.00
09/01/2024	-	-	37,425.00	37,425.00
03/01/2025	155,000.00	3.000%	37,425.00	192,425.00
09/01/2025	-	-	35,100.00	35,100.00
03/01/2026	160,000.00	3.000%	35,100.00	195,100.00
09/01/2026	-	-	32,700.00	32,700.00
03/01/2027	170,000.00	3.000%	32,700.00	202,700.00
09/01/2027	-	-	30,150.00	30,150.00
03/01/2028	195,000.00	3.000%	30,150.00	225,150.00
09/01/2028	-	-	27,225.00	27,225.00
03/01/2029	200,000.00	3.000%	27,225.00	227,225.00

\$3,570,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (20 Year))

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2029	-	-	24,225.00	24,225.00
03/01/2030	205,000.00	3.000%	24,225.00	229,225.00
09/01/2030	-	-	21,150.00	21,150.00
03/01/2031	210,000.00	3.000%	21,150.00	231,150.00
09/01/2031	-	-	18,000.00	18,000.00
03/01/2032	220,000.00	3.000%	18,000.00	238,000.00
09/01/2032	-	-	14,700.00	14,700.00
03/01/2033	225,000.00	3.000%	14,700.00	239,700.00
09/01/2033	-	-	11,325.00	11,325.00
03/01/2034	230,000.00	3.125%	11,325.00	241,325.00
09/01/2034	-	-	7,731.25	7,731.25
03/01/2035	240,000.00	3.125%	7,731.25	247,731.25
09/01/2035	-	-	3,981.25	3,981.25
03/01/2036	245,000.00	3.250%	3,981.25	248,981.25
Total	\$3,570,000.00	-	\$1,311,935.00	\$4,881,935.00

\$3,570,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (20 Year))

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	43154.66667
Average Life	12.08814192
Average Coupon	3.040076778
Net Interest Cost (NIC)	2.919455061
True Interest Cost (TIC)	2.884817672
Bond Yield for Arbitrage Purposes	2.513139303
All Inclusive Cost (AIC)	2.986264409

IRS Form 8038

Net Interest Cost	2.813738458
Weighted Average Maturity	11.92762416

\$3,570,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (20 Year))

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	130,000.00	102.007%	-	-	-	132,609.10
03/01/2018	Serial Coupon	2.000%	0.750%	130,000.00	102.899%	-	-	-	133,768.70
03/01/2019	Serial Coupon	1.000%	1.000%	135,000.00	100.000%	-	-	-	135,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	135,000.00	111.771%	-	-	-	150,890.85
03/01/2021	Serial Coupon	2.000%	1.410%	140,000.00	103.026%	-	-	-	144,236.40
03/01/2022	Serial Coupon	4.000%	1.630%	145,000.00	114.228%	-	-	-	165,630.60
03/01/2023	Serial Coupon	3.000%	1.840%	150,000.00	107.933%	-	-	-	161,899.50
03/01/2024	Serial Coupon	3.000%	2.010%	150,000.00	107.568%	-	-	-	161,352.00
03/01/2025	Serial Coupon	3.000%	2.120%	155,000.00	107.422%	-	-	-	166,504.10
03/01/2026	Serial Coupon	3.000%	2.300%	160,000.00	105.853%	c 2.359%	00/04/5717	100.000%	169,364.80
03/01/2027	Serial Coupon	3.000%	2.500%	170,000.00	104.141%	c 2.576%	00/04/5717	100.000%	177,039.70
03/01/2028	Serial Coupon	3.000%	2.750%	195,000.00	102.045%	c 2.803%	00/04/5717	100.000%	198,987.75
03/01/2030	Term 1 Coupon	3.000%	3.000%	405,000.00	100.000%	-	-	-	405,000.00
03/01/2031	Serial Coupon	3.000%	3.050%	210,000.00	99.388%	-	-	-	208,714.80
03/01/2032	Serial Coupon	3.000%	3.100%	220,000.00	98.722%	-	-	-	217,188.40
03/01/2033	Serial Coupon	3.000%	3.150%	225,000.00	98.004%	-	-	-	220,509.00
03/01/2034	Serial Coupon	3.125%	3.200%	230,000.00	98.962%	-	-	-	227,612.60
03/01/2035	Serial Coupon	3.125%	3.250%	240,000.00	98.212%	-	-	-	235,708.80
03/01/2036	Serial Coupon	3.250%	3.300%	245,000.00	99.260%	-	-	-	243,187.00
Total				\$3,570,000.00					\$3,655,204.10

Bid Information

Par Amount of Bonds	\$3,570,000.00
Reoffering Premium or (Discount)	85,204.10
Gross Production	\$3,655,204.10
Total Underwriter's Discount (0.929%)	\$(33,150.20)
Bid (101.458%)	3,622,053.90
Total Purchase Price	\$3,622,053.90
Bond Year Dollars	\$43,154.67
Average Life	12.088 Years
Average Coupon	3.0400768%
Net Interest Cost (NIC)	2.9194551%
True Interest Cost (TIC)	2.8848177%

Final - Detailed Schedules

\$185,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (10 Year))

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$185,000.00
Reoffering Premium	11,276.40

Total Sources **\$196,276.40**

Uses Of Funds

Deposit to Project Construction Fund	192,754.88
Rounding Amount (To Bonds 1st Interest)	-
Costs of Issuance	1,803.65
Total Underwriter's Discount (0.929%)	1,717.87

Total Uses **\$196,276.40**

\$185,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (10 Year))

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	1,756.67	1,756.67
09/01/2016	-	-	2,550.00	2,550.00
03/01/2017	15,000.00	2.000%	2,550.00	17,550.00
09/01/2017	-	-	2,400.00	2,400.00
03/01/2018	15,000.00	2.000%	2,400.00	17,400.00
09/01/2018	-	-	2,250.00	2,250.00
03/01/2019	15,000.00	1.000%	2,250.00	17,250.00
09/01/2019	-	-	2,175.00	2,175.00
03/01/2020	15,000.00	4.000%	2,175.00	17,175.00
09/01/2020	-	-	1,875.00	1,875.00
03/01/2021	15,000.00	2.000%	1,875.00	16,875.00
09/01/2021	-	-	1,725.00	1,725.00
03/01/2022	15,000.00	4.000%	1,725.00	16,725.00
09/01/2022	-	-	1,425.00	1,425.00
03/01/2023	15,000.00	3.000%	1,425.00	16,425.00
09/01/2023	-	-	1,200.00	1,200.00
03/01/2024	20,000.00	3.000%	1,200.00	21,200.00
09/01/2024	-	-	900.00	900.00
03/01/2025	20,000.00	3.000%	900.00	20,900.00
09/01/2025	-	-	600.00	600.00
03/01/2026	20,000.00	3.000%	600.00	20,600.00
09/01/2026	-	-	300.00	300.00
03/01/2027	20,000.00	3.000%	300.00	20,300.00
Total	\$185,000.00	-	\$36,556.67	\$221,556.67

Yield Statistics

Bond Year Dollars	1243.722222
Average Life	6.722822823
Average Coupon	2.939295395
Net Interest Cost (NIC)	2.170753205
True Interest Cost (TIC)	2.093798742
Bond Yield for Arbitrage Purposes	2.513139303
All Inclusive Cost (AIC)	2.247625342

IRS Form 8038

Net Interest Cost	1.907184025
Weighted Average Maturity	6.753377459

\$185,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(General Obligation New Money Portion (10 Year))

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	15,000.00	102.007%	-	-	-	15,301.05
03/01/2018	Serial Coupon	2.000%	0.750%	15,000.00	102.899%	-	-	-	15,434.85
03/01/2019	Serial Coupon	1.000%	1.000%	15,000.00	100.000%	-	-	-	15,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	15,000.00	111.771%	-	-	-	16,765.65
03/01/2021	Serial Coupon	2.000%	1.410%	15,000.00	103.026%	-	-	-	15,453.90
03/01/2022	Serial Coupon	4.000%	1.630%	15,000.00	114.228%	-	-	-	17,134.20
03/01/2023	Serial Coupon	3.000%	1.840%	15,000.00	107.933%	-	-	-	16,189.95
03/01/2024	Serial Coupon	3.000%	2.010%	20,000.00	107.568%	-	-	-	21,513.60
03/01/2025	Serial Coupon	3.000%	2.120%	20,000.00	107.422%	-	-	-	21,484.40
03/01/2026	Serial Coupon	3.000%	2.300%	20,000.00	105.853%	c 2.359%	00/04/5717	100.000%	21,170.60
03/01/2027	Serial Coupon	3.000%	2.500%	20,000.00	104.141%	c 2.576%	00/04/5717	100.000%	20,828.20
Total				\$185,000.00					\$196,276.40

Bid Information

Par Amount of Bonds	\$185,000.00
Reoffering Premium or (Discount)	11,276.40
Gross Production	\$196,276.40
Total Underwriter's Discount (0.929%)	\$(1,717.87)
Bid (105.167%)	194,558.53
Total Purchase Price	\$194,558.53
Bond Year Dollars	\$1,243.72
Average Life	6.723 Years
Average Coupon	2.9392954%
Net Interest Cost (NIC)	2.1707532%
True Interest Cost (TIC)	2.0937987%

Final - Detailed Schedules

\$1,715,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Water New Money Portion)

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$1,715,000.00
Reoffering Premium	44,768.85

Total Sources

\$1,759,768.85

Uses Of Funds

Deposit to Project Fund	1,730,061.78
Total Underwriter's Discount (0.929%)	15,925.10
Costs of Issuance	13,781.97

Total Uses

\$1,759,768.85

\$1,715,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Water New Money Portion)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	17,237.29	17,237.29
09/01/2016	-	-	25,021.88	25,021.88
03/01/2017	65,000.00	2.000%	25,021.88	90,021.88
09/01/2017	-	-	24,371.88	24,371.88
03/01/2018	65,000.00	2.000%	24,371.88	89,371.88
09/01/2018	-	-	23,721.88	23,721.88
03/01/2019	70,000.00	1.000%	23,721.88	93,721.88
09/01/2019	-	-	23,371.88	23,371.88
03/01/2020	70,000.00	4.000%	23,371.88	93,371.88
09/01/2020	-	-	21,971.88	21,971.88
03/01/2021	70,000.00	2.000%	21,971.88	91,971.88
09/01/2021	-	-	21,271.88	21,271.88
03/01/2022	75,000.00	4.000%	21,271.88	96,271.88
09/01/2022	-	-	19,771.88	19,771.88
03/01/2023	75,000.00	3.000%	19,771.88	94,771.88
09/01/2023	-	-	18,646.88	18,646.88
03/01/2024	80,000.00	3.000%	18,646.88	98,646.88
09/01/2024	-	-	17,446.88	17,446.88
03/01/2025	80,000.00	3.000%	17,446.88	97,446.88
09/01/2025	-	-	16,246.88	16,246.88
03/01/2026	85,000.00	3.000%	16,246.88	101,246.88
09/01/2026	-	-	14,971.88	14,971.88
03/01/2027	85,000.00	3.000%	14,971.88	99,971.88
09/01/2027	-	-	13,696.88	13,696.88
03/01/2028	90,000.00	3.000%	13,696.88	103,696.88
09/01/2028	-	-	12,346.88	12,346.88
03/01/2029	90,000.00	3.000%	12,346.88	102,346.88

\$1,715,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Water New Money Portion)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2029	-	-	10,996.88	10,996.88
03/01/2030	95,000.00	3.000%	10,996.88	105,996.88
09/01/2030	-	-	9,571.88	9,571.88
03/01/2031	95,000.00	3.000%	9,571.88	104,571.88
09/01/2031	-	-	8,146.88	8,146.88
03/01/2032	100,000.00	3.000%	8,146.88	108,146.88
09/01/2032	-	-	6,646.88	6,646.88
03/01/2033	100,000.00	3.000%	6,646.88	106,646.88
09/01/2033	-	-	5,146.88	5,146.88
03/01/2034	105,000.00	3.125%	5,146.88	110,146.88
09/01/2034	-	-	3,506.25	3,506.25
03/01/2035	110,000.00	3.125%	3,506.25	113,506.25
09/01/2035	-	-	1,787.50	1,787.50
03/01/2036	110,000.00	3.250%	1,787.50	111,787.50
Total	\$1,715,000.00	-	\$614,562.47	\$2,329,562.47

\$1,715,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Water New Money Portion)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	20230.72222
Average Life	11.79633949
Average Coupon	3.037768317
Net Interest Cost (NIC)	2.895194317
True Interest Cost (TIC)	2.856232695
Bond Yield for Arbitrage Purposes	2.513139303
All Inclusive Cost (AIC)	2.939063361

IRS Form 8038

Net Interest Cost	2.782670971
Weighted Average Maturity	11.63590318

\$1,715,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Water New Money Portion)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	65,000.00	102.007%	-	-	-	66,304.55
03/01/2018	Serial Coupon	2.000%	0.750%	65,000.00	102.899%	-	-	-	66,884.35
03/01/2019	Serial Coupon	1.000%	1.000%	70,000.00	100.000%	-	-	-	70,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	70,000.00	111.771%	-	-	-	78,239.70
03/01/2021	Serial Coupon	2.000%	1.410%	70,000.00	103.026%	-	-	-	72,118.20
03/01/2022	Serial Coupon	4.000%	1.630%	75,000.00	114.228%	-	-	-	85,671.00
03/01/2023	Serial Coupon	3.000%	1.840%	75,000.00	107.933%	-	-	-	80,949.75
03/01/2024	Serial Coupon	3.000%	2.010%	80,000.00	107.568%	-	-	-	86,054.40
03/01/2025	Serial Coupon	3.000%	2.120%	80,000.00	107.422%	-	-	-	85,937.60
03/01/2026	Serial Coupon	3.000%	2.300%	85,000.00	105.853%	c 2.359%	00/04/5717	100.000%	89,975.05
03/01/2027	Serial Coupon	3.000%	2.500%	85,000.00	104.141%	c 2.576%	00/04/5717	100.000%	88,519.85
03/01/2028	Serial Coupon	3.000%	2.750%	90,000.00	102.045%	c 2.803%	00/04/5717	100.000%	91,840.50
03/01/2030	Term 1 Coupon	3.000%	3.000%	185,000.00	100.000%	-	-	-	185,000.00
03/01/2031	Serial Coupon	3.000%	3.050%	95,000.00	99.388%	-	-	-	94,418.60
03/01/2032	Serial Coupon	3.000%	3.100%	100,000.00	98.722%	-	-	-	98,722.00
03/01/2033	Serial Coupon	3.000%	3.150%	100,000.00	98.004%	-	-	-	98,004.00
03/01/2034	Serial Coupon	3.125%	3.200%	105,000.00	98.962%	-	-	-	103,910.10
03/01/2035	Serial Coupon	3.125%	3.250%	110,000.00	98.212%	-	-	-	108,033.20
03/01/2036	Serial Coupon	3.250%	3.300%	110,000.00	99.260%	-	-	-	109,186.00
Total	-	-	-	\$1,715,000.00	-	-	-	-	\$1,759,768.85

Bid Information

Par Amount of Bonds	\$1,715,000.00
Reoffering Premium or (Discount)	44,768.85
Gross Production	\$1,759,768.85
Total Underwriter's Discount (0.929%)	\$(15,925.10)
Bid (101.682%)	1,743,843.75
Total Purchase Price	\$1,743,843.75
Bond Year Dollars	\$20,230.72
Average Life	11.796 Years
Average Coupon	3.0377683%
Net Interest Cost (NIC)	2.8951943%
True Interest Cost (TIC)	2.8562327%

Final - Detailed Schedules

\$4,860,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Sewer New Money Portion)

Sources & Uses

Dated 10/27/2015 | Delivered 10/27/2015

Sources Of Funds

Par Amount of Bonds	\$4,860,000.00
Reoffering Premium	125,348.65

Total Sources

\$4,985,348.65

Uses Of Funds

Deposit to Project Fund	4,901,237.68
Total Underwriter's Discount (0.929%)	45,128.84
Costs of Issuance	38,982.13
Rounding Amount (To Bonds 1st Interest)	-

Total Uses

\$4,985,348.65

\$4,860,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Sewer New Money Portion)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
10/27/2015	-	-	-	-
03/01/2016	-	-	48,827.15	48,827.15
09/01/2016	-	-	70,878.13	70,878.13
03/01/2017	185,000.00	2.000%	70,878.13	255,878.13
09/01/2017	-	-	69,028.13	69,028.13
03/01/2018	190,000.00	2.000%	69,028.13	259,028.13
09/01/2018	-	-	67,128.13	67,128.13
03/01/2019	190,000.00	1.000%	67,128.13	257,128.13
09/01/2019	-	-	66,178.13	66,178.13
03/01/2020	195,000.00	4.000%	66,178.13	261,178.13
09/01/2020	-	-	62,278.13	62,278.13
03/01/2021	205,000.00	2.000%	62,278.13	267,278.13
09/01/2021	-	-	60,228.13	60,228.13
03/01/2022	205,000.00	4.000%	60,228.13	265,228.13
09/01/2022	-	-	56,128.13	56,128.13
03/01/2023	215,000.00	3.000%	56,128.13	271,128.13
09/01/2023	-	-	52,903.13	52,903.13
03/01/2024	220,000.00	3.000%	52,903.13	272,903.13
09/01/2024	-	-	49,603.13	49,603.13
03/01/2025	230,000.00	3.000%	49,603.13	279,603.13
09/01/2025	-	-	46,153.13	46,153.13
03/01/2026	235,000.00	3.000%	46,153.13	281,153.13
09/01/2026	-	-	42,628.13	42,628.13
03/01/2027	245,000.00	3.000%	42,628.13	287,628.13
09/01/2027	-	-	38,953.13	38,953.13
03/01/2028	250,000.00	3.000%	38,953.13	288,953.13
09/01/2028	-	-	35,203.13	35,203.13
03/01/2029	260,000.00	3.000%	35,203.13	295,203.13

\$4,860,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Sewer New Money Portion)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2029	-	-	31,303.13	31,303.13
03/01/2030	265,000.00	3.000%	31,303.13	296,303.13
09/01/2030	-	-	27,328.13	27,328.13
03/01/2031	275,000.00	3.000%	27,328.13	302,328.13
09/01/2031	-	-	23,203.13	23,203.13
03/01/2032	280,000.00	3.000%	23,203.13	303,203.13
09/01/2032	-	-	19,003.13	19,003.13
03/01/2033	290,000.00	3.000%	19,003.13	309,003.13
09/01/2033	-	-	14,653.13	14,653.13
03/01/2034	300,000.00	3.125%	14,653.13	314,653.13
09/01/2034	-	-	9,965.63	9,965.63
03/01/2035	305,000.00	3.125%	9,965.63	314,965.63
09/01/2035	-	-	5,200.00	5,200.00
03/01/2036	320,000.00	3.250%	5,200.00	325,200.00
Total	\$4,860,000.00		\$1,744,721.09	\$6,604,721.09

Final - Detailed Schedules

\$4,860,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Sewer New Money Portion)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	57444
Average Life	11.81975309
Average Coupon	3.037255571
Net Interest Cost (NIC)	2.897606852
True Interest Cost (TIC)	2.859091683
Bond Yield for Arbitrage Purposes	2.513139303
All Inclusive Cost (AIC)	2.941659491

IRS Form 8038

Net Interest Cost	2.785847913
Weighted Average Maturity	11.65987257

\$4,860,000

City of Kingsport, Tennessee

General Obligation Refunding and Public Improvement Bonds, Series 2015A

(Sewer New Money Portion)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2017	Serial Coupon	2.000%	0.500%	185,000.00	102.007%	-	-	-	188,712.95
03/01/2018	Serial Coupon	2.000%	0.750%	190,000.00	102.899%	-	-	-	195,508.10
03/01/2019	Serial Coupon	1.000%	1.000%	190,000.00	100.000%	-	-	-	190,000.00
03/01/2020	Serial Coupon	4.000%	1.210%	195,000.00	111.771%	-	-	-	217,953.45
03/01/2021	Serial Coupon	2.000%	1.410%	205,000.00	103.026%	-	-	-	211,203.30
03/01/2022	Serial Coupon	4.000%	1.630%	205,000.00	114.228%	-	-	-	234,167.40
03/01/2023	Serial Coupon	3.000%	1.840%	215,000.00	107.933%	-	-	-	232,055.95
03/01/2024	Serial Coupon	3.000%	2.010%	220,000.00	107.568%	-	-	-	236,649.60
03/01/2025	Serial Coupon	3.000%	2.120%	230,000.00	107.422%	-	-	-	247,070.60
03/01/2026	Serial Coupon	3.000%	2.300%	235,000.00	105.853%	c 2.359%	00/04/5717	100.000%	248,754.55
03/01/2027	Serial Coupon	3.000%	2.500%	245,000.00	104.141%	c 2.576%	00/04/5717	100.000%	255,145.45
03/01/2028	Serial Coupon	3.000%	2.750%	250,000.00	102.045%	c 2.803%	00/04/5717	100.000%	255,112.50
03/01/2030	Term 1 Coupon	3.000%	3.000%	525,000.00	100.000%	-	-	-	525,000.00
03/01/2031	Serial Coupon	3.000%	3.050%	275,000.00	99.388%	-	-	-	273,317.00
03/01/2032	Serial Coupon	3.000%	3.100%	280,000.00	98.722%	-	-	-	276,421.60
03/01/2033	Serial Coupon	3.000%	3.150%	290,000.00	98.004%	-	-	-	284,211.60
03/01/2034	Serial Coupon	3.125%	3.200%	300,000.00	98.962%	-	-	-	296,886.00
03/01/2035	Serial Coupon	3.125%	3.250%	305,000.00	98.212%	-	-	-	299,546.60
03/01/2036	Serial Coupon	3.250%	3.300%	320,000.00	99.260%	-	-	-	317,632.00
Total				\$4,860,000.00					\$4,985,348.65

Bid Information

Par Amount of Bonds	\$4,860,000.00
Reoffering Premium or (Discount)	125,348.65
Gross Production	\$4,985,348.65
Total Underwriter's Discount (0.929%)	\$(45,128.84)
Bid (101.651%)	4,940,219.81
Total Purchase Price	\$4,940,219.81
Bond Year Dollars	\$57,444.00
Average Life	11.820 Years
Average Coupon	3.0372556%
Net Interest Cost (NIC)	2.8976069%
True Interest Cost (TIC)	2.8590917%

09:30:08 a.m. CDST Deal Sale Time: 10:30AM EDST Countdown Clock: 00:00:00

Upcoming Calendar Overview Result Refresh

Incoming Bid Screen

**Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

Bidder	Time Submitted (EDST)
Hutchinson, Shockey, Erley & Co.	10:29:30AM
J.P. Morgan Securities LLC	10:29:19AM
Bank of America Merrill Lynch	10:29:01AM
Morgan Stanley & Co, LLC	10:28:59AM
Robert W. Baird & Co., Inc.	10:26:06AM
SunTrust Robinson Humphrey	10:26:01AM
Janney Montgomery Scott LLC	10:24:29AM
UBS Financial Services Inc.	10:19:25AM

© 1981-2002 i-Deal LLC, All rights reserved, [Trademarks](#)

10:55:09 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
--------------------	-------------------	----------	---------	---------

Bid Results

**Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC. Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Robert W. Baird & Co., Inc.	2.631437
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.640257
<input type="checkbox"/>	Janney Montgomery Scott LLC	2.646572
<input type="checkbox"/>	Morgan Stanley & Co. LLC	2.649659
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.675441
<input type="checkbox"/>	UBS Financial Services Inc.	2.686176
<input type="checkbox"/>	SunTrust Robinson Humphrey	2.699154
<input type="checkbox"/>	Bank of America Merrill Lynch	2.745807

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

© 1981-2002 I-Deal LLC. All rights reserved. Trademarks

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

**Robert W. Baird & Co., Inc. - Milwaukee , WI's Bid
Kingsport**



**\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$14,979,318.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	2.0000	0.5000	102.007
03/01/2018	385M	2.0000	0.7500	102.899
03/01/2019	1,570M	1.0000	1.0000	100.000
03/01/2020	1,485M	4.0000	1.2100	111.771
03/01/2021	1,535M	2.0000	1.4100	103.026
03/01/2022	1,575M	4.0000	1.6300	114.228
03/01/2023	535M	3.0000	1.8400	107.933
03/01/2024	440M	3.0000	2.0100	107.568
03/01/2025	450M	3.0000	2.1200	107.422
03/01/2026	465M	3.0000	2.3000	105.853
03/01/2027	480M	3.0000	2.5000	104.141
03/01/2028	495M	3.0000	2.7500	102.045
03/01/2029				
03/01/2030	1,050M	3.0000	3.0000	100.000
03/01/2031	555M	3.0000	3.0500	99.388
03/01/2032	580M	3.0000	3.1000	98.722
03/01/2033	605M	3.0000	3.1500	98.004
03/01/2034	630M	3.1250	3.2000	98.962
03/01/2035	650M	3.1250	3.2500	98.212
03/01/2036	675M	3.2500	3.3000	99.260

Total Interest Cost: \$4,238,974.86
 Premium: \$449,318.80
 Net Interest Cost: \$3,789,656.06
 TIC: 2.631437
 Time Last Bid Received On: 10/13/2015 10:26:06 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Milwaukee , WI
 Contact: Peter Anderson
 Title:
 Telephone: 414-765-7331
 Fax:

Issuer Name: City of Kingsport

Company Name: _____

Result

Robert W. Baird & Co., Inc.'s Reoffering Scale



Kingsport

\$14,530,000 General Obligation Refunding and Improvement Bonds, Series 2015A

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
03/01/2017	370M	2.0000	0.5000	102.007	
03/01/2018	385M	2.0000	0.7500	102.899	
03/01/2019	1,570M	1.0000	1.0000	100.000	
03/01/2020	1,485M	4.0000	1.2100	111.771	
03/01/2021	1,535M	2.0000	1.4100	103.026	
03/01/2022	1,575M	4.0000	1.6300	114.228	
03/01/2023	535M	3.0000	1.8400	107.933	
03/01/2024	440M	3.0000	2.0100	107.568	
03/01/2025	450M	3.0000	2.1200	107.422	
03/01/2026	465M	3.0000	2.3000	105.853	03/01/2025
03/01/2027	480M	3.0000	2.5000	104.141	03/01/2025
03/01/2028	495M	3.0000	2.7500	102.045	03/01/2025
03/01/2029					
03/01/2030	1,050M	3.0000	3.0000	100.000	
03/01/2031	555M	3.0000	3.0500	99.388	
03/01/2032	580M	3.0000	3.1000	98.722	
03/01/2033	605M	3.0000	3.1500	98.004	
03/01/2034	630M	3.1250	3.2000	98.962	
03/01/2035	650M	3.1250	3.2500	98.212	
03/01/2036	675M	3.2500	3.3000	99.260	

Accrued Interest: \$0.00

Gross Production: \$15,114,241.05

© 1981-2002 i-Deal LLC, All rights reserved, Trademarks

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid



**Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,043,371.40, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	4.0000	0.4500	104.752
03/01/2018	385M	4.0000	0.7000	107.659
03/01/2019	1,570M	4.0000	0.9000	110.189
03/01/2020	1,485M	4.0000	1.1200	112.178
03/01/2021	1,535M	2.0000	1.3500	103.339
03/01/2022	1,575M	2.0000	1.6000	102.403
03/01/2023	535M	4.0000	1.8500	114.699
03/01/2024	440M	4.0000	2.0500	114.883
03/01/2025	450M	4.0000	2.2000	115.126
03/01/2026	465M	3.0000	2.4000	104.993
03/01/2027	480M	3.0000	2.6000	103.297
03/01/2028	495M	3.0000	2.8000	101.632
03/01/2029	515M	3.0000	3.0000	100.000
03/01/2030	535M	3.0000	3.1000	98.846
03/01/2031	555M	3.0000	3.1500	98.183
03/01/2032	580M	3.0000	3.2000	97.467
03/01/2033	605M	3.0000	3.2500	96.702
03/01/2034	630M	3.0000	3.3000	95.893
<u>03/01/2035</u>				
<u>03/01/2036</u>	1,325M	3.1250	3.3290	97.000

Total Interest Cost: \$4,311,095.76
 Premium: \$513,371.40
 Net Interest Cost: \$3,797,724.36
 TIC: 2.640257
 Time Last Bid Received On: 10/13/2015 10:29:30 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL
 Contact: Jim VanMetre
 Title:
 Telephone: 312-443-1555
 Fax: 312-443-7225

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

Janney Montgomery Scott LLC - Philadelphia , PA's Bid
Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A



For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,441,408.55, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	2.0000	0.5400	101.952
03/01/2018	385M	3.0000	0.8400	105.003
03/01/2019	1,570M	4.0000	1.0800	109.565
03/01/2020	1,485M	4.0000	1.1500	112.042
03/01/2021	1,535M	4.0000	1.4400	113.121
03/01/2022	1,575M	4.0000	1.7000	113.775
03/01/2023	535M	4.0000	1.8900	114.403
03/01/2024	440M	4.0000	2.0700	114.718
03/01/2025	450M	4.0000	2.1800	115.309
03/01/2026	465M	4.0000	2.3200	114.038
03/01/2027	480M	3.0000	2.6000	103.297
03/01/2028	495M	3.0000	2.8000	101.632
03/01/2029	515M	3.0000	3.0000	100.000
03/01/2030	535M	3.0000	3.0500	99.420
03/01/2031	555M	3.0000	3.1500	98.183
03/01/2032	580M	3.0000	3.2000	97.467
03/01/2033	605M	3.1250	3.2500	98.349
03/01/2034	630M	3.1250	3.3000	97.603
03/01/2035	650M	3.2500	3.3500	98.581
03/01/2036	675M	3.2500	3.4000	97.807

Total Interest Cost: \$4,764,592.85
 Premium: \$911,408.55
 Net Interest Cost: \$3,853,184.30
 TIC: 2.646572
 Time Last Bid Received On: 10/13/2015 10:24:29 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Janney Montgomery Scott LLC, Philadelphia , PA
 Contact: Matthew Davis
 Title:
 Telephone: 215-665-6521
 Fax: 215-557-8648

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

Morgan Stanley & Co, LLC - New York , NY's Bid



**Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,359,433.13, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	4.0000	0.4500	104.752
03/01/2018	385M	4.0000	0.6800	107.708
03/01/2019	1,570M	4.0000	0.9000	110.189
03/01/2020	1,485M	4.0000	1.1500	112.042
03/01/2021	1,535M	4.0000	1.4000	113.342
03/01/2022	1,575M	4.0000	1.6500	114.098
03/01/2023	535M	4.0000	1.8500	114.699
03/01/2024	440M	4.0000	2.0500	114.883
03/01/2025	450M	4.0000	2.2000	115.126
03/01/2026	465M	2.2500	2.5000	97.732
03/01/2027	480M	2.5000	2.7060	98.000
03/01/2028	495M	3.0000	2.8500	101.220
03/01/2029	515M	3.0000	3.0000	100.000
03/01/2030	535M	3.0000	3.0700	99.190
03/01/2031	555M	3.0000	3.1400	98.303
03/01/2032	580M	3.0000	3.2000	97.467
03/01/2033	605M	3.1250	3.2500	98.349
03/01/2034	630M	3.1250	3.3000	97.603
03/01/2035	650M	3.2500	3.3500	98.581
03/01/2036	675M	3.2500	3.4000	97.807

Total Interest Cost: \$4,672,163.26
 Premium: \$829,433.13
 Net Interest Cost: \$3,842,730.13
 TIC: 2.649659
 Time Last Bid Received On: 10/13/2015 10:28:59 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Morgan Stanley & Co, LLC, New York , NY
 Contact: Daniel Kelly
 Title: Executive Director
 Telephone: 212-761-1541
 Fax: 212-507-2510

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

J.P. Morgan Securities LLC - New York , NY's Bid



**Kingsport
\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,518,376.54, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	2.0000	0.4500	102.075
03/01/2018	385M	3.0000	0.7200	105.290
03/01/2019	1,570M	4.0000	0.9600	109.981
03/01/2020	1,485M	4.0000	1.2000	111.817
03/01/2021	1,535M	4.0000	1.4400	113.121
03/01/2022	1,575M	4.0000	1.7000	113.775
03/01/2023	535M	4.0000	1.9200	114.182
03/01/2024	440M	4.0000	2.1000	114.471
03/01/2025	450M	4.0000	2.2200	114.944
03/01/2026	465M	4.0000	2.3700	113.588
03/01/2027	480M	4.0000	2.5400	112.074
03/01/2028	495M	2.5000	2.7500	97.396
03/01/2029	515M	4.0000	2.8700	109.201
03/01/2030	535M	3.0000	3.0600	99.305
03/01/2031	555M	3.0000	3.1800	97.825
03/01/2032	580M	3.1250	3.2900	97.924
03/01/2033	605M	3.1250	3.3400	97.184
03/01/2034	630M	3.2500	3.3900	98.096
03/01/2035	650M	3.2500	3.4400	97.329
03/01/2036	675M	3.3750	3.4900	98.331

Total Interest Cost: \$4,900,679.17
 Premium: \$988,376.54
 Net Interest Cost: \$3,912,302.63
 TIC: 2.675441
 Time Last Bid Received On: 10/13/2015 10:29:19 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: J.P. Morgan Securities LLC, New York , NY
 Contact: Jaclyn Mischler
 Title: Vice President
 Telephone: 212-834-7155
 Fax: 917-464-9300

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

UBS Financial Services Inc. - New York , NY's Bid



Kingsport

\$14,530,000 General Obligation Refunding and Improvement Bonds, Series 2015A

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,270,720.90, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	4.0000	0.5400	104.628
03/01/2018	385M	4.0000	0.8400	107.319
03/01/2019	1,570M	4.0000	1.0800	109.565
03/01/2020	1,485M	4.0000	1.1200	112.178
03/01/2021	1,535M	4.0000	1.4000	113.342
03/01/2022	1,575M	4.0000	1.6000	114.422
03/01/2023	535M	4.0000	1.9000	114.330
03/01/2024	440M	2.0000	2.0000	100.000
03/01/2025	450M	2.2500	2.2500	100.000
03/01/2026	465M	3.0000	2.5500	103.718
03/01/2027	480M	3.0000	2.7000	102.460
03/01/2028	495M	3.0000	2.8500	101.220
03/01/2029	515M	3.0000	3.0000	100.000
03/01/2030	535M	3.0000	3.1000	98.846
03/01/2031	555M	3.0000	3.2000	97.587
03/01/2032	580M	3.1250	3.2500	98.421
03/01/2033	605M	3.2500	3.3000	99.340
03/01/2034	630M	3.2500	3.3500	98.634
03/01/2035	650M	3.2500	3.4000	97.883
03/01/2036	675M	3.2500	3.4500	97.090

Total Interest Cost: \$4,627,860.28
 Premium: \$740,720.90
 Net Interest Cost: \$3,887,139.38
 TIC: 2.686176
 Time Last Bid Received On: 10/13/2015 10:19:25 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: UBS Financial Services Inc., New York , NY
 Contact: Jerry Orellana
 Title: Director
 Telephone: 212-373-6466
 Fax:

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

**SunTrust Robinson Humphrey - Atlanta , GA's Bid
Kingsport**



**\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,497,339.25, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	4.0000	0.5400	104.628
03/01/2018	385M	4.0000	0.8400	107.319
03/01/2019	1,570M	4.0000	1.0800	109.565
03/01/2020	1,485M	4.0000	1.1200	112.178
03/01/2021	1,535M	4.0000	1.3700	113.507
03/01/2022	1,575M	4.0000	1.6500	114.098
03/01/2023	535M	4.0000	1.8500	114.699
03/01/2024	440M	4.0000	2.0500	114.883
03/01/2025	450M	4.0000	2.1500	115.583
03/01/2026	465M	4.0000	2.3000	114.218
03/01/2027	480M	3.0000	2.6500	102.878
03/01/2028	495M	3.0000	2.8000	101.632
03/01/2029	515M	3.0000	3.0000	100.000
03/01/2030	535M	3.0000	3.1000	98.846
03/01/2031	555M	3.1250	3.2000	99.093
03/01/2032	580M	3.1250	3.3000	97.800
03/01/2033	605M	3.2500	3.4000	98.043
03/01/2034	630M	3.3750	3.5000	98.315
03/01/2035	650M	3.5000	3.5500	99.301
03/01/2036	675M	3.5000	3.6000	98.563

Total Interest Cost: \$4,913,837.99
 Premium: \$967,339.25
 Net Interest Cost: \$3,946,498.74
 TIC: 2.699154
 Time Last Bid Received On: 10/13/2015 10:26:01 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: SunTrust Robinson Humphrey, Atlanta , GA
 Contact: Dara Smith
 Title: Director
 Telephone: 404-588-7982
 Fax: 404-724-3219

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

**Bank of America Merrill Lynch - New York , NY's Bid
Kingsport**



**\$14,530,000 General Obligation Refunding and Improvement
Bonds, Series 2015A**

For the aggregate principal amount of \$14,530,000.00, we will pay you \$15,267,947.64, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
03/01/2017	370M	3.0000	0.5400	103.290
03/01/2018	385M	4.0000	0.8400	107.319
03/01/2019	1,570M	4.0000	1.0800	109.565
03/01/2020	1,485M	4.0000	1.1200	112.178
03/01/2021	1,535M	4.0000	1.4600	113.011
03/01/2022	1,575M	4.0000	1.7200	113.646
03/01/2023	535M	4.0000	1.9400	114.035
03/01/2024	440M	4.0000	2.1300	114.224
03/01/2025	450M	2.0000	2.3000	97.489
03/01/2026	465M	3.0000	2.4700	104.396
03/01/2027	480M	3.0000	2.6400	102.961
03/01/2028	495M	3.0000	2.8000	101.632
03/01/2029	515M	3.0000	2.9700	100.240
03/01/2030	535M	3.0000	3.1100	98.732
03/01/2031	555M	3.0000	3.2300	97.231
03/01/2032	580M	3.0000	3.3100	96.108
03/01/2033	605M	3.1250	3.3900	96.543
03/01/2034	630M	3.2500	3.4400	97.428
03/01/2035	650M	3.3750	3.5180	98.000
03/01/2036	675M	3.5000	3.6040	98.500

Total Interest Cost: \$4,710,886.60
 Premium: \$737,947.64
 Net Interest Cost: \$3,972,938.96
 TIC: 2.745807
 Time Last Bid Received On: 10/13/2015 10:29:01 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Bank of America Merrill Lynch, New York , NY
 Contact: Matthew Hage
 Title: Vice President
 Telephone: 212-449-5081
 Fax: 212-449-3733

Issuer Name: City of Kingsport

Company Name: _____

MOODY'S

INVESTORS SERVICE

New Issue: Moody's assigns Aa2 rating to Kingsport, TN's \$14.5M GO Refunding & Improvement Bonds, Series 2015A

Global Credit Research - 05 Oct 2015

KINGSPORT (CITY OF) TN
Cities (including Towns, Villages and Townships)
TN

Moody's Rating

ISSUE	RATING
General Obligation Refunding and Improvement Bonds, Series 2015A	Aa2
Sale Amount	\$14,530,000
Expected Sale Date	10/19/15
Rating Description	General Obligation

Moody's Outlook NOO

NEW YORK, October 05, 2015 --Moody's Investors Service has assigned a Aa2 rating to Kingsport, TN's \$14.5 million General Obligation Refunding and Improvement Bonds, Series 2015A. Moody's maintains the Aa2 rating on approximately \$214 million in parity debt.

SUMMARY RATING RATIONALE

The Aa2 rating reflects the city's satisfactory General Fund financial position that began to rebound in fiscal 2014, is expected improve in fiscal 2015, and is supported by available reserves in the Fleet Maintenance Fund that provide the city with additional financial flexibility. The rating also incorporates the city's stable economy with significant taxpayer concentration and above average, but manageable debt burden.

OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- Continued tax base growth
- Increase in reserves to levels consistent with higher rating category
- Diversification of top taxpayers (decreased concentration in Eastman Chemical Company)
- Decline in debt burden

WHAT COULD MAKE THE RATING GO DOWN

- Any additional declines in available reserves or inability to meet fiscal 2015 projections
- Sizeable reduction in tax base
- Reduced operations or financial distress of the city's largest taxpayer, Eastman Chemical Company
- Significant growth in debt burden

STRENGTHS

- Sizeable tax base with continued growth expected in the near-term

- Adoption of tax rate increases in fiscal 2014 and 2015 to help support return to structural balance

CHALLENGES

- Significant taxpayer concentration
- Above average debt burden

RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

ECONOMY AND TAX BASE: REGIONALLY IMPORTANT ECONOMIC BASE WITH LOCAL ECONOMY DOMINATED BY EASTMAN CHEMICAL COMPANY

Kingsport's sizable \$5.8 billion tax base will continue to benefit from its significant commercial and industrial employment base. The tax base is dominated by Eastman Chemical Company (Baa2 stable) which represents approximately 24.4% of total taxable value. The current headquarters facility consists of more than 500 buildings on approximately 6,000 acres of land. Over the last five years, Eastman has spent an estimated \$1.3 billion to expand production capacity, and has recently announced another \$1.7 billion expansion that will go through 2020. The new expansion is expected to generate 300 direct jobs and 1,000 contractor and construction jobs. In addition, Leclerc Foods recently completed a \$15.7 million expansion that created 30 new jobs, while Portola Packaging finished a \$12 million expansion that generated 40 new jobs.

Commercial and retail sectors continue to be strong, with high occupancy rates as well as the addition of a new Wal-Mart Stores, Inc. (Aa2 stable) market, several new restaurants and a new theater complex. Another positive for the retail sector is the passing of the Border Region Retail Tourism legislation by the Tennessee General Assembly. The legislation would allow the city to recapture approximately 59% of all state sales taxes within a specific 950 acre special district designed to incent and attract large regional retailers to the Kingsport market. While the majority of the site still remains a green field, grading has been completed on 100 acres that will be ready for future retail and big box building pads. Once the site is fully developed, management believes it will result in additional sales tax revenues.

The city has experienced assessed value growth averaging 2.3% over the past five years, driven by a combination of annexation and commercial and residential development. Full value has grown at a slightly higher rate of 2.6% over the same five year period. Unemployment within the city was 6.5% as of July 2015, above both the state (6.4%) and national (5.6%) rates. Wealth levels remain in line with Tennessee averages with per capita income of 106.2% of the state and median family income of 101.1% of the state. Full value per capita is also strong at \$113,434.

FINANCIAL OPERATIONS AND RESERVES: GENERAL FUND RESERVES REBOUND IN FISCAL 2014; ADDITIONAL FLEXIBILITY IN FLEET MAINTENANCE FUND

Despite recent declines in reserves due to internally financed capital projects and underperformance of economically sensitive revenues, the city's financial position will remain satisfactory in the near term as reserves began to rebound in fiscal 2014 and are expected to increase again in 2015 due to management's renewed focus on rebuilding reserves.

For the first time in seven years, fiscal 2014 year ended with a surplus, increasing General Fund balance by \$133,381 to \$11.8 million, or an adequate 16.8% of General Fund revenues, which is still well below the Aa2 national median of 33% of General Fund revenues. Revenues tracked slightly over budget due to the positive performance of sales taxes, while expenditures ended under budget due to conservative estimates.

In addition to General Fund reserves, the city maintains monies in a Fleet Maintenance Fund (an Internal Service Fund). Reserves within this fund are generated from user charges billed to each department that deploys any type of rolling stock. The Fleet Maintenance Fund had \$2.8 million in accumulated available funds as of June 30, 2014, which, can be designated for any purpose at the discretion of the Board of Mayor and Alderman, including General Fund operating expenses. The city could transfer these funds to the General Fund as a short-term loan, providing added financial flexibility. Available fund balance is \$14.5 million, or 20.7% of General Fund revenues. The city's largest revenue source, property taxes (51.1% of annual General Fund revenues) continues to remain strong and

with continued development is expected to increase over the near-term.

Based on preliminary estimates, the city expects to end fiscal 2015 with at least a \$700,000 increase in General Fund balance to \$12.5 million or approximately 17% of General Fund revenues. This projected operating surplus is driven by positive performance of income, property, and sales taxes, as well as continued conservative budgeting of expenditures. The city also anticipates ending fiscal 2015 with \$2.9 million reserved in the Fleet Maintenance Fund, which would result in total available reserves of \$14.9 million or approximately 21% of General Fund revenues.

The fiscal 2016 budget represents a 1% increase from fiscal 2015 and does not include any appropriation of fund balance. While the budget includes a level property tax rate, expected growth in sales taxes may offset modest budget-to-budget growth. The city's ability to maintain structural balance and continue to increase available reserves will be a major credit factor going forward.

Liquidity

The city's net cash position decreased to \$5.3 million (7.5% of General Fund revenues) in fiscal 2014 from \$11.5 million (18.1% of General Fund revenues) in fiscal 2010 due to cash funding for various capital projects and use of reserves to offset under-performing economically sensitive revenues during the economic downturn. More specifically, the majority of the \$3.5 million decrease in cash realized between fiscal 2013 and 2014 is due to a timing issue related to reimbursements that were received from other funds and governments in subsequent years.

DEBT AND PENSIONS: DEBT BURDEN IS ABOVE-AVERAGE BUT MANAGEABLE DUE TO SELF SUPPORTING NATURE OF WATER AND SEWER UTILITIES

Kingsport's debt position will remain manageable in the near-term given the self-supporting nature of the city's water and sewer system and average retirement of principal. Kingsport's direct debt burden is high but manageable at 2.2% of full valuation and increases to a higher 3.1% when taking into account the debt of overlapping localities. This debt burden is net of \$111.7 million of outstanding debt that is self-supporting by water and sewer system revenues. In addition, approximately \$32 million in additional debt issued for the Aquatic Center, Conference Center, and Golf course is supported by the Regional Sales Tax Fund. The city has a policy to amortize non-school and non-self-supporting debt over 15 years, with the exception of moneys issued for buildings, which it amortizes over 20 years. This has led to an average repayment of debt - approximately 62.6% of principal is repaid within ten years.

The city currently maintains a \$144.7 million five-year (2016-2020) Capital Improvement Plan, including \$104 million in additional bonds. While more than half of the new money debt will be for water and sewer purposes (\$60.5 million), the city typically secures the debt with a secondary General Obligation Unlimited Tax pledge. Taking into consideration the new money debt, the city's debt burden is expected to increase beyond the already above-average levels. Moody's will monitor the city's debt burden over the upcoming years with the expectation that levels will still remain affordable, however if debt levels rise significantly, negative rating pressure could result.

Debt Structure

The city's variable rate debt exposure is minimal, representing 3.0% of total debt and consists of two loans from the Tennessee Municipal Bond Fund (TMBF).

Debt-Related Derivatives

The city is not party to any derivatives products.

Pensions and OPEB

The city currently participates in the Political Subdivision Pension Plan (PSPP) and the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEEPP), both of which are multi-employer defined benefit plans administered by the Tennessee Consolidated Retirement System. The Annual Required Contribution (ARC) for PSPP was \$6.1 million (5.2% of operations expenditures) and \$2.9 million (2.5% of operating expenditures) for SETHEEPP in fiscal 2014. The city consistently contributes 100% of the annual pension cost for both plans. The city's adjusted pension liability, under Moody's methodology for adjusting reported pension data, is \$141 million or a slightly above-average 1.17 times of operating revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. In

addition, the city voted to adopt a defined contribution plan for all new employees, which is expected to save the city on retirement costs going forward.

The city also provides Other Post-Employment Benefits (OPEB) to employees. The total ARC for the city and school's OPEB plan totaled \$6.1 million (5.2% of operating expenditures) and the city contributed 24.6% of the ARC (\$1.5 million or 1.3% of operating expenditures) in fiscal 2014. Fixed costs including annual pension, OPEB and debt service expenditures summed to a moderate 22% of fiscal 2014 expenditures.

MANAGEMENT AND GOVERNANCE

The city has a formal fund balance policy to maintain unassigned General Fund balance at a minimum of 15% of the subsequent year's budgeted expenditures. The city's fiscal 2015 (unaudited) unassigned fund balance is \$12.3 million or approximately 18% of annual revenues and is expected to remain above this threshold going forward.

Tennessee cities have an institutional framework score of "Aaa," or very strong. Both property tax and local option sales tax revenues for cities have remained relatively stable over the last five years, and many recovered in fiscal 2013 and 2014 from modest drops during the recession. Expenditures are largely predictable and cities have the legal ability to reduce expenditures if necessary.

KEY STATISTICS

-2015 Tax Base Size - Full Value (in 000s): \$5.8 billion

-2014 Full Value Per Capita: \$113,434

-2012 Median Family Income as % of US median: 85.70%

-2014 Fund Balance as % of Revenues: 14.00%

-Five-Year Dollar Change in Fund Balance as % of Revenues: 0.44%

-2014 Cash Balance as % of Revenues: 11.67%

-Five-Year Dollar Change in Cash Balance as % of Revenues: -2.65%

-Institutional Framework: Aaa

-Operating History - Five-Year Average of Operating Revenues/ Operating Expenditures: 1.00x

-Net Direct Debt/Full Value: 2.2%

-Net Direct Debt/Operating Revenues: 1.06x

-Three-Year Average of Moody's Adjusted Net Pension Liability/Full Value: 2.54%

-Three-Year Average of Moody's Adjusted Net Pension Liability/Operating Revenues: 1.22x

OBLIGOR PROFILE

The city of Kingsport has a population of 53,028 is located in the northeastern portion of Tennessee (Aaa stable) approximately 25 miles northwest of Johnson City (Aa2) and 23 miles from Bristol, TN (Aa2) and Bristol, VA (Baa2 negative).

LEGAL SECURITY

The bonds are a direct general obligation of the city, for which the full faith and credit have been irrevocably pledged.

USE OF PROCEEDS

Proceeds from the Series 2015A Bonds will be used to advance refund certain maturities of the city's outstanding Series 2007, Series 2008 and Series 2008A&B Bonds for an expected net present value savings of 4.55% of refunded principal.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Analysts

Christopher Coviello
Lead Analyst
Public Finance Group
Moody's Investors Service

Geordie Thompson
Additional Contact
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA



© 2015 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY

MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees

ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

For Japan only: MOODY'S Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of MOODY'S Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

RatingsDirect®

Summary:

Kingsport, Tennessee; General Obligation

Primary Credit Analyst:

Sarah L. Smaardyk, Dallas (1) 214-871-1428; sarah.smaardyk@standardandpoors.com

Secondary Contact:

Lauren H. Spalten, Dallas (1) 214-871-1421; lauren.spalten@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Kingsport, Tennessee; General Obligation

Credit Profile

US\$15.6 mil GO rfdg and imp bnds ser 2015A due 03/01/2036

Long Term Rating AA/Stable New

Kingsport GO

Long Term Rating AA/Stable Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to Kingsport, Tenn.'s series 2015A general obligation (GO) refunding and improvement bonds. At the same time, Standard & Poor's affirmed its 'AA' long-term rating and underlying rating (SPUR) on the city's existing GO debt. The outlook is stable.

The bonds are secured by the city's full faith and credit pledge, payable from the levy of an unlimited ad valorem tax on all taxable property within the corporate limits of the city. In addition, the city's 2012A and 2013A general obligation bonds are further secured by 0.25% local option sales tax. The series 2014B bonds are further secured by revenues from the city's water and sewer system. We view the unlimited-tax GO pledge as the stronger security for the series 2012A, 2013A, and 2014B bonds. Officials plan to use bond proceeds to refund existing series of bonds for an estimated net present value savings of roughly 3% and to finance public works projects.

The rating reflects our assessment of the following factors of the city:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with "strong" financial policies and practices under our financial management assessment (FMA) methodology;
- Adequate budgetary performance, with balanced operating results in the general fund but an operating deficit at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2014 of 20% of operating expenditures;
- Very strong liquidity, with total government available cash of 24.9% of total governmental fund expenditures and 3.4x governmental debt service, and access to external liquidity we consider exceptional;
- Very weak debt and contingent liability position, with debt service carrying charges of 7.4% of expenditures and net direct debt that is 116.2% of total governmental fund revenue, as well as significant medium-term debt plans; and
- Very strong institutional framework score.

Strong economy

We consider Kingsport's economy strong. The city, with an estimated population of 53,028, is located in Hawkins and Sullivan counties in the Kingsport-Bristol, TN-VAMSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 94.9% of the national level and per capita market value of \$109,682. Overall, the city's market value grew by 0.6% over the past year to \$5.8 billion in 2015. Officials anticipate assessed value (AV) will increase by roughly 2% annually over the next several years. We believe the tax base is moderately

concentrated, with the 10 leading taxpayers accounting for 33.8% of fiscal 2015 AV. The weight-averaged unemployment rate of the counties was 6.7% in 2014.

The MSA has historically had a strong manufacturing and industrial presence, and has continued to diversify into education, health care, and retail. Eastman Chemical Co., a Fortune 500 company with approximately 6,737 employees and about 3,000 contractors in Kingsport, is the second-largest private employer in Tennessee, and the largest regional employer and largest taxpayer in the MSA. In 2014, Eastman Chemical acquired Taminco Corp., a global specialty chemical company. The total value of this transaction is \$2.8 billion. The acquisition of Taminco strengthens Eastman's presence in markets such as food, feed, and agriculture, and has added roughly 3,400 jobs to the area. Pure Foods, a snack food company headquartered in Vancouver, Canada, announced in March 2015 that it was purchasing an 83,000 square-foot building for its North American headquarters. It will employ 273 people. Lamar Advertising is completing construction on its 25,000 square-foot building, which will be a distribution center and showroom. FedEx is also completing a 40,000 square-foot expansion.

Very strong management

We view the city's management as very strong, with "strong" financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

The city uses historical data as well as national and state conditions to create its revenue and expenditure assumptions. Management provides the board with monthly reports on its budget-to-actuals, and can amend the budget, if needed. The city performs long-term planning for both capital and financial needs, both of which go out five years. In addition, Kingsport maintains a formal debt policy and a formal investment policy, with investment updates provided quarterly. The city also maintains a reserve policy of four months of operations.

Adequate budgetary performance

Kingsport's budgetary performance is adequate in our opinion. The city had balanced operating results in the general fund of 0.2% of expenditures, but a deficit result across all governmental funds of negative 4.6% in fiscal 2014.

Unaudited results for fiscal 2015 reflect break-even operations for the general fund, but a deficit result across all governmental funds of negative 10.9%. However, management budgets very conservatively, and they have historically ended the year with better-than-budgeted results. The fiscal 2016 budget is balanced without the use of reserves. Given the city's historical budget-to-actual performance, we do not anticipate changing our assessment of the city's general fund performance.

Very strong budgetary flexibility

Kingsport's budgetary flexibility is very strong, in our view, with an available fund balance of 20% of operating expenditures, or \$11.7 million, in fiscal 2014.

Property tax collections have remained healthy, with collections totaling more than 96% each year. Sales tax revenue increased steadily during the past three years, by about 3.6% in fiscal 2014, 1.42% in fiscal 2013, and 5.68% in fiscal 2012. We anticipate that sales taxes will remain at least level, if not continue to grow, and if property tax revenue remain stable, the city will be in a good position to maintain its strong performance.

Unaudited results for fiscal 2015 reflects a surplus of roughly \$700,000, bringing the available fund balance to \$12.4

million or 27.6% of expenditures, which we consider very strong. The fiscal 2016 budget is balanced without the use of reserve levels and management has conveyed to us that they have no plans to spend down reserve levels. We believe the city will maintain its very strong budgetary flexibility.

Very strong liquidity

In our opinion, Kingsport's liquidity is very strong, with total government available cash of 24.9% of total governmental fund expenditures and 3.4x governmental debt service in 2014. Our opinion that the city maintains exceptional access to external liquidity is based on the city's history of issuing GO and utility revenue debt during the past 15 years.

The city has two letters of credit in place for a total of \$8 million. Because liquidity is so strong, coverage would exceed 3.5x. Weakening our assessment of Kingsport's liquidity position is the city's exposure to a non-remote contingent liability that could come due within 12 months, but the coming year's cost is less than 10% of general fund revenues. Due to the city's very strong liquidity, we do not expect cash levels to decline significantly during the next two years. The city's investments are predominately held in highly liquid investment pools and certificates of deposit.

Very weak debt and contingent liability profile

In our view, Kingsport's debt and contingent liability profile is very weak. Total governmental fund debt service is 7.4% of total governmental fund expenditures, and net direct debt is 116.2% of total governmental fund revenue. Negatively affecting our view of the city's debt profile is its significant medium-term debt plans.

The city has entered into two direct-purchase agreements with a total principal amount of about \$8 million. These agreements allow for acceleration payable in less than 180 days, and we do not consider the termination events consistent with our published criteria for standby bond purchase agreement termination events. Debt is transferrable to another party, but there is no most-favored-nation clause. In addition, the agreements allow the holder to accelerate principal if any holder or credit enhancer of indebtedness of the borrower or any counterparty under any related swap agreement causes such obligation to become immediately due and payable. We understand the city has no other obligations outstanding with acceleration provisions that, if triggered, could lead to acceleration under the agreements. The city plans to issue roughly \$24 million in fiscal 2017, primarily for water and sewer system improvements.

The city participates in the Tennessee Consolidated Retirement System (TCRS) to provide pension benefits for employees. The required contribution is determined by actuarial valuation and may be amended by the TCRS Board of Trustees. The city also provides other postemployment benefits (OPEBs) on a pay-as-you-go basis. The combined annual required contribution pension costs and OPEB pay-as-you-go costs for fiscal 2014 were 4.8% of expenditures, and the city does not anticipate that these costs will increase substantially in the near term. The city's pension liability is 72.5% funded.

The city made its full annual required pension contribution in 2014.

Very strong institutional framework

The institutional framework score for Tennessee municipalities is very strong.

Outlook

The stable outlook reflects our anticipation that Kingsport's financial and capital management policies will continue to provide stability for the next two years. We believe the strength and stability of the city's core economic structure will allow it to maintain significant financial flexibility and overall rating stability.

Upside Scenario

While unlikely within the two-year outlook period, we could raise the rating if the city were to improve its budgetary performance or if economic indicators significantly improve.

Downside Scenario

Conversely, we could lower the rating if the city's budgetary performance or its debt profile were to significantly deteriorate, although this also consider this unlikely.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Methodology: Rating Approach To Obligations With Multiple Revenue Streams, Nov. 29, 2011
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Tennessee Local Governments

Ratings Detail (As Of October 9, 2015)

Kingsport go bnds ser 2013A due 03/01/2034

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Kingsport GO

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Kingsport GO

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
--------------------------	-----------------	----------

<i>Long Term Rating</i>	AA/Stable	Affirmed
-------------------------	-----------	----------

Many issues are enhanced by bond insurance.

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2015 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

DISCLAIMER

The information contained herein is solely intended to facilitate discussion of potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. While we believe that the outlined financial structure or marketing strategy is the best approach under the current market conditions, the market conditions at the time any proposed transaction is structured or sold may be different, which may require a different approach.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

Raymond James shall have no liability, contingent or otherwise, to the recipient hereof or to any third party, or any responsibility whatsoever, for the accuracy, correctness, timeliness, reliability or completeness of the data or formulae provided herein or for the performance of or any other aspect of the materials, structures and strategies presented herein.

Raymond James does not provide accounting, tax or legal advice; however, you should be aware that any proposed transaction could have accounting, tax, legal or other implications that should be discussed with your accounting, tax and other advisors and/or legal counsel.

Raymond James and affiliates, and officers, directors and employees thereof, including individuals who may be involved in the preparation or presentation of this material, may from time to time have positions in, and buy or sell, the securities, derivatives (including options) or other financial products of entities mentioned herein. In addition, Raymond James or affiliates thereof may have served as an underwriter or placement agent with respect to a public or private offering of securities by one or more of the entities referenced herein.

RAYMOND JAMES®