



AGENDA

BOARD OF MAYOR AND ALDERMEN REGULAR WORK SESSION

Monday, October 5, 2009
Council Room — 2nd Floor, City Hall
4:30 p.m.

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

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

Alderman Larry Munsey
Alderman Tom C. Parham
Alderman Jantry Shupe

Leadership Team

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney
Jim Demming, City Recorder/CFO
Craig Dye, Fire Chief
Jeff Fleming, Asst. City Manager, Development Services

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

1. Call to Order
2. Roll Call
3. Work Session Tickler
4. Finalize DKA/ DBA Funding for Fiscal Year 2010 –
Mayor Phillips/ Alderman Larry Munsey
5. Discuss Fiscal Year 2010 & 2011 Capital Improvement Financing –
John Campbell/ Jim Demming/ Rick Dulaney
6. Review of Items on October 6, 2009 Regular Business Agenda
7. Adjourn

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



Work Session Tickler October 5, 2009

Special Projects

Higher Education Center

Jeff Fleming

September 30, 2009

The higher education center is now open.

Netherland Inn Road Boat Ramp

Hank Clabaugh

October 2, 2009

The concrete ramp has been placed and poured. The ramp portion of the project is complete.

Friday – October 2 – Contractor is installing the stone subgrade in preparation for the paving of the driveway and parking lot.

Monday – October 5 – Contractor will begin paving the driveway and parking lot.

Wednesday – October 5 (Maybe Tuesday) – Contractor will complete paving the driveway and parking lot and begin cleanup and site preparation.

Friday – October 9 – Contractor will complete the finishing touches on the project (cleanup, seeding, strawing, sodding, etc.).

These dates are all weather dependent and may be delayed by inclement weather.

City Departments

Police Department

PDA/VisionAir Project

Gale Osborne

September 29, 2009

We continue to remain on schedule. Updates will be listed in bold and italics.

1. Hardware and Network Ready by – June 30, 2009
Installed.
2. Computer Aided Dispatch Live– August 13-14 (2 Days)
***System Administrator Training complete for CAD
CAD go live successful August 13.***
3. Records Management System Live – November 4 (1 Day)
Records System Administrator Training Complete
4. JAIL Live – November 5 (1 Day)
Jail System Administrator Training Complete
5. MOBILE Live – November 12 (1 Day)
6. FIRE Live – December 11 (1 Day)
7. Data-Driven Server ordered for Field Reporting Software.
Super user training complete and live
8. PDA/Redfly mobile companion distribution planned to occur in July
Distribution occurred as scheduled.

Police Department (continued)

Included in this timeline are multiple training modules that are web based and classroom based. We continue to have team meetings; Information Services is coordinating with VisionAir and Data-Driven engineers for installation of hardware and software packages. **Hardware and software packages have been installed.**

Fire Department

Fire Station Seven

Craig Dye

October 1, 2009

THE STATION OPENING HAS BEEN DELAYED TO AT LEAST THE END OF OCTOBER. The contractor thought they had caught up from the bad weather earlier this year, but they have not. Furniture and other items are ordered.

Engineering

Gibson Mill Road Realignment

Hank Clabaugh

September 30, 2009

Thomas has completed the final road grading, subgrade compaction, and asphalt binder installation on all road beds.

Final completion of this road project (Contract 1) will coincide with the permanent closing of Ravine Road at Cassel Drive with the construction of a cul-de-sac. This roadway has been renamed Cherokee Village Drive.

Cassel Drive, Cherokee Village Drive, and Ravine Road will all be complete and opened to through traffic by October 15, 2009.

The bridge is part of the hospital's contract (1). It is expected that the bridge will be open by November 15, 2009.

Thomas Construction Co. is the contractor for both contracts (Contract 1 – Wellmont; Contract 2 – City).

Final completion on Contract 2 is expected by October 15.

The next phase of this project has been bid and Thomas was also the low bidder on this project. It is anticipated that construction on this phase will begin within the next 2 months.

Netherland Inn Bridge

Gary Dault

September 28, 2009

Netherland Inn Bridge is complete.

Public Works – Water/Sewer

Automated Meter Reading

Chad Austin

September 30, 2009

Approximately 33,500 (of approx. 35,000) meters have been changed out thus far. Project is still on schedule to be complete by the end of October.

A savings and revenue report will be prepared for the next tickler. Results from the latest round of large meter rehabilitations need to be tallied before an accurate review can be given.

Airport Parkway Water Tank Rehab.

Chad Austin

September 30, 2009

The primer and intermediate coats of paint have been applied to the entire tank. The contractor is trying to find a window of good weather before starting on the decorative final coat. As soon as the weather breaks, they will begin. Pictures will be forwarded ASAP.

Development Services

Cook's Point

Rack Cross

October 2, 2009

Cook's Point was visited by staff for the purpose of photographs and general observation. The engineer's report provided by the residents of Cook's Point stated as a conclusion that the slope in question was believed to be stable and would remain so with some continued erosion of the exposed surface. The report mentions as a recommendation for improvement a retaining wall to make the slope less steep. Staff also discussed a drainage issue and developer Erik Fritz will be contacted for discussion about this issue.

Leisure Services

Parks & Recreation

Dog Park

Chris McCart

September 30, 2009

Project has been completed.

Parks & Recreation

Greenbelt

Kitty Frazier

September 30, 2009

Work has begun on construction of a bridge to cross Reedy Creek.

Kingsport Public Library

Helen Whittaker

September 30, 2009

The architects will be making their presentation to the BMA on November 16th. They will also have a public discussion about preliminary designs at the library on Monday, October 26 at 4:30.

Leisure Services, Continued

Adult Education Update

Cindy Price

October 1, 2009

The Senior Center just entered the third semester as facilitator for the city's Adult Education classes. Attendance was off to a slow start; however, the number of classes making attendance minimums has steadily increased since the 1st session. This fall, eight classes met the requirements and are currently meeting. We are happy to report that we offered a class on the National Residential Electrical Code which was met with a great response by the community. A course in the National Commercial Electrical Code will be offered during the winter session with the hopes of enhancing local workforce development. Plans are to continue to add classes in a variety of subjects, which are of interest to our community.



AGENDA

BOARD OF MAYOR AND ALDERMEN

REGULAR BUSINESS MEETING
Tuesday, October 6, 2009
Large Court Room – 2nd Floor, City Hall
7:00 p.m.

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

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

Alderman Larry A. Munsey
Alderman Tom C. Parham
Alderman Jantry Shupe

City Administration

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

- I. CALL TO ORDER**
- II.A. PLEDGE OF ALLEGIANCE TO THE FLAG**
- II.B. INVOCATION – Ed Clevinger, Pastor – Grace Covenant Church**
- III. ROLL CALL**
- IV. RECOGNITIONS AND PRESENTATIONS**
- V. APPROVAL OF MINUTES**
 1. September 21, 2009 Regular Work Session
 2. September 22, 2009 Regular Business Meeting

VI. COMMUNITY INTEREST ITEMS

AA. PUBLIC HEARINGS

1. Public Hearing and Consideration of Ordinances to Annex/ Amend Zoning of the RS7 Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 309-2009)
 - Public Hearing
 - Resolution
 - Ordinance Zoning – First Reading
 - Ordinance Annexation – First Reading

2. Public Hearing and Consideration of Ordinances to Annex/ Amend Zoning of the RS8 Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 310 -2009)
 - Public Hearing
 - Resolution
 - Ordinance Zoning – First Reading
 - Ordinance Annexation – First Reading

COMMENT

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

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Consideration of an Ordinance Adopting an Equal Employment Opportunity Statement and Consideration of a Resolution Establishing a Complaint Procedure and Authorizing the Mayor to Execute the Equal Employment Opportunity Plan for the City and the Police Department (AF: 315-2009)
 - Resolution
 - Ordinance – First Reading

2. Consideration of an Ordinance to appropriate grant funds approved by the Department of Justice, Justice Assistance Grant Program (JAG) (AF: 325-2009)
 - Ordinance – First Reading

3. Consideration of an Ordinance to Amend the Sewer Project Fund by Appropriating Funds Received From Sullivan County Through the City-County Sewer Agreement for an addition to the Bloomingdale Sewer Line Extension (AF: 328-2009)
 - Ordinance – First Reading

4. Consideration of an Ordinance to Establish the Model City Motors Parking Lot budget by Transferring Funds From the Street Resurfacing Project (AF: 337-2009)
 - Ordinance – First Reading
5. Consideration of an Ordinance to Appropriate Unallocated Water and Sewer Bonds (AF: 329-2009)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

None

D. OTHER BUSINESS

1. Consideration of Resolution to Amend the Hours of Operation in the Operational Agreement between the City of Kingsport and the Humane Society of Greater Kingsport (AF: 317-2009)
 - Resolution
2. Consideration of a Resolution Authorizing the Issuing of a Contract Change to Include Installation of Phases 2 and 3 of a VOIP Telephone System for Kingsport City Schools to Black Box Network Services and Authorizing the Mayor to Sign All Applicable Documents (AF: 324- 2009)
 - Resolution
3. Resolution Authorizing the Re-imbusement of Materials Agreement Funds to Butch Rose for Windridge Estates Phase IV I Development (AF: 326-2009)
 - Resolution
4. Consideration of a Resolution Authorizing a Change Order to the Contract with J.A. Street & Associates, Inc. for the Additions and Alterations to the V.O. Dobbins Community Center and authorizing the Mayor to Execute all Documents Necessary for the Change Order (AF: 331-2009)
 - Resolution
5. Consideration of a Resolution Authorizing the Mayor to Execute an Interlocal Cooperation Agreement for Participation in the Tennessee Municipal League Management Pool (AF: 327-2009)
 - Resolution
6. Consideration of a Resolution Awarding the Bid for Gibson Mill Roadway Improvements from U.S. 11W (Stone Drive) to Millpond Road to Thomas Construction Co., Inc. and Authorize the Mayor to Sign All Applicable Documents (AF: 332-2009)
 - Resolution

7. Consideration of a Resolution Authorizing the Mayor to Execute an Agreement Terminating the Right of Re-entry to a Portion of the Property Donated by Quebecor to the City (AF: 340-2009)
 - Resolution
8. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Public Improvement Bonds in an Amount not to Exceed \$41,835,000 (AF: 339-2009)
 - Resolution
9. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Bonds (Aquatic Center) in an Amount not to Exceed \$15,000,000 (AF: 338-2009)
 - Resolution
10. Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with the Downtown Kingsport Association (DKA) (AF: 342-2009)
 - Resolution



E. APPOINTMENTS

No Appointments

VII. CONSENT AGENDA

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

1. Consideration of an Ordinance to Amend the Schools General Project Fund Budget (AF: 316-2009)
 - Ordinance – Second Reading and Final Adoption

VIII. COMMUNICATIONS

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

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

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, September 21, 2009, 4:30 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:35 p.m., by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Gilbert. Alderman Munsey arrived immediately after roll call was completed.
3. **UPDATE ON HOLSTON BUSINESS DEVELOPMENT CENTER.** Mr. Chip Bailey, Incubator Director of the Holston Business Development Center, provided Board members with a written report on the Center's progress over the last year. He stated that, for the first time in six years, the Center is at complete capacity and have started a new waiting list.

Mr. Bailey provided statistics and relevant information concerning small business counseling and training, graduating businesses, current tenants, and number of individuals employed.

4. **DOWNTOWN KINGSPORT ASSOCIATION (DKA) / DOWNTOWN BUSINESS ALLIANCE (DBA) FUNDING.** Vice-Mayor Mallicote provided a packet to Board members and provided a history and timeline of what has transpired to date regarding this situation involving DKA and DBA. DBA was organized to market downtown, something the group felt was not happening under DKA. There have been numerous discussions and attempts made to decide how to work together or merge and, during the City's budget process, both associations made requests for the same pot of money – to market downtown Kingsport. At its June 2, 2009 meeting, the BMA agreed to a budget of \$48,000 for this purpose and expressed its preference that the groups work together to allow the Board to fund one. William "Bill" Wray agreed to mediate discussions between the two groups and has continued, sporadically, since July 23, 2009. No agreement has been reached, to date, to work together and, essentially, have reached an impasse.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, September 21, 2009

The materials provided and defined by Vice-Mayor Mallicote included a Timeline, Sponsorships Garnered by DBA, Funding Recommendation, DKA Contract Responsibilities Recommendation, followed by the Mediator's Report. The Mediator's Report, which summarized the status of ongoing dialogue between the mediation committees of DBA and DKA, was followed by the Bylaws of DKA.

Mr. Mallicote recommended, not as a Board member, but as one who has been involved with discussions since the beginning, the City enter into an agreement with DKA for the entire \$48,000, upon the condition that DKA to adopt changes set out in Exhibit 1, attached to Mediator Wray's report. He further recommended that the City attorney monitor that process and, upon his confirmation that the changes have been appropriately made, DKA will receive the \$48,000 funding for FY10 – time being of the essence in resolving these changes so all involved can work together to promote the holiday season and events.

Vice-Mayor Mallicote believes adoption of this proposal will maintain the DKA history, structure, assets and assure continuance of the current president, as well as the president-elect and these changes will make DKA more responsive to changing downtown needs. He stated that this offer should remain open until the first BMA meeting on October 6, 2009 and, if not resolved by that date, he will recommend that the City fund DBA and, because the group has no corporate structure, the Chamber of Commerce will incubate them.

Aldermen Marsh and Parham asked why Board members were just receiving this considerable amount of information today and had not been provided sufficient time to review and digest prior to this meeting. Vice-Mayor Mallicote indicated that time constraints had prevented him from providing it for inclusion in the Friday Board packets.

Alderman Munsey expressed concern that, although he agreed the proposal was a good step toward the right solution, he see the conditions imposed on DKA are one laid done by DBA and not mutually agreed to by DKA or a third party. He further stated that it appeared the mediation process has not worked and the parties should be given more than two weeks to work on a resolution. Other Board members agreed that the timeframe appeared to be too short.

At this time, Mayor Phillips invited representative from both groups to address the Board.

Larry Crawford, current DKA president, indicated he has not seen the written version of Vice-Mayor Mallicote's proposal provided to Board members but that DKA has been charged, through its contract with the City, to put "feet on the street" by promoting downtown businesses through events. He complimented DBA for many of the contributions made to downtown promotion through advertising and various events. He went on to describe how DKA has used the City's funding in the past and generated eight times that amount by promoting downtown businesses.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, September 21, 2009**

On behalf of DBA, Kanishka Bindadda and John Vachon commented on the DBA's desire to be included as a part of DKA's decision-making body and process and, thus, the request for DKA's bylaws to be revised and updated. Both gentlemen have felt "stonewalled" by DKA's responses to DBA's requests for inclusion and involvement and cited examples of such. They indicated they would like to work together to effect change and promote and enliven the downtown area.

Ms. Mary McNabb stated that she now lives in downtown Kingsport and sees DKA as doing things specific for the entire community where it appears DBA is seeking taxpayer money to advertise their own private businesses. She believes DBA is doing a great job of promoting downtown but does not believe the City should pay for advertising. She mentioned the proven history of DKA, while DBA has been around only three years.

Ms. Hannah Green responded to Ms. McNabb's statements, saying she lives downtown and is a member of DBA, but doesn't own a downtown business and sees DBA as concerned about the whole community, not just downtown.

DKA past president, Mark Freeman provided further clarification about the timeline of working on a resolution between the two organizations.

Greg Frieze is a minister and past Board member of DKA who lives downtown. Pastor Frieze sees DBA as developers and believes the City should be developer-friendly. He indicated that this close community doesn't need the tension created by this situation and the two groups should work together, drawing on the wisdom of the older generation and the creativity of the younger one.

Ms. Joyce Grills, a downtown business owner, is for downtown Kingsport and would like to see these groups come together.

Mayor Phillips encouraged both groups to get together and let the Board know what decision has been reached. The Board will vote on the Vice-Mayor's proposal at the next business meeting.

On a different, yet related note, Alderman Marsh commented that he had tried to come downtown recently and found many streets had been blocked off, evidently, for the Eastman Road race. This Saturday, Main Street will be blocked off and businesses are unhappy because it hurts their business and they were not made aware. Upon further check, he learned that the City's traffic department did not know about it this morning. Mayor Phillips agreed that, perhaps, the City is taking closing streets too lightly – he recently received a letter from a resident at the Fort Henry Arms who cannot get home when Fort Henry Drive is blocked off.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, September 21, 2009

5. WORK SESSION TICKLER. Alderman Joh inquired about Greenbelt access to and from the old Netherland Inn Road bridge. Assistant to City Manager McCartt indicated areas of the Greenbelt that are currently being improved around Industry Drive and Cloud Park.

Alderman Marsh mentioned an item of concern that was not including on the tickler regarding the \$100 fine for red light camera infractions, which he believes are excessive and which he would like to see reduced to \$75.

Further Board discussion regarding this proposed fine reduction included the impact on the current year's budget revenue, the deterrent to run red lights, the negative financial impact on less well-off citizens, and methods necessary to make any requested reduction. City Attorney Billingsley explained that the \$100 charge is divided \$50 for the fine and \$50 for court costs, which court costs must be kept consistent and cannot be changed just to reduce this charge. Mr. Billingsley will confer further with Mr. Marsh to discuss various options to submit for future Board consideration regarding reduction of this charge and this item will be added to the tickler for further Board follow-up.

Fire Chief Craig Dye indicated that completion of Fire Station 7 will be delayed until around the end of October.

6. REVIEW OF AGENDA ITEMS ON SEPTEMBER 22, 2009 REGULAR BUSINESS AGENDA. City Manager Campbell, members of staff and community members provided 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.D.6 Consideration of a Resolution to Authorize the Mayor to Reject All Bid(s) Related to the Purchase of Four (4) 19-Passenger Urban Mass Transit Mini-Buses (AF: 311-2009). City Manager Campbell explained this request to reject all bids by delaying this purchase for three to five weeks will allow the City to purchase more fuel efficient buses and the delay may allow for more bidders.

Alderman Marsh expressed great concern over purchasing additional transit vehicles when ridership figures are down 18% and opined that it doesn't make sense to spend half a million dollars to buy four buses when transit use demand has fallen.

City Manager Campbell asked that the Board look at the whole transit program and this action will allow the City to replace inefficient vehicles with more efficient, although more costly, ones. Mr. McCartt further offered that this month ridership, being offered at no charge, is around 5,000. Improvements in numbers were seen in June and July and August was down, which is traditionally so, as schools reopen.

Alderman Marsh suggested using automobile instead of buses for the transit routes and Mr. McCartt concurred that some areas have done so using minivans for ADA and fixed routes. Kingsport is currently using 16-passenger buses and is expanding routes to include the Meadowview area.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, September 21, 2009**

Mayor Phillips posed the question what if the City supplied no transit and just answered transit needs on demand and Mr. McCartt replied that he has already been exploring that possibility and TDOT has done a "demand response" study he is reviewing.

VII.1 Consideration of an Ordinance to Condemn for Easements and Rights-of-Way for the Harbor Chapel/Cooks Valley Road Improvement Project (AF: 298-2009). City Attorney Billingsley asked that Item VII.1 be removed from the Consent Agenda because there is no further need for this action.

7. PHASE II PROJECT OVERVIEW – ENERGY EFFICIENCIES. Mr. Russ Nelson of Energy Systems Group reported that, in spite of a substantial increase in electric rates, this project has exceeded the guaranteed savings. Mr. Nelson described additional projects going forward after spending a year and a half looking at updating various energy efficiencies avenues for City buildings. He shared pictures of fire station window replacement and restroom renovations, as well as the Bays Mountain Complex converting HVAC to "lake loop" geothermal and the use of Photo Voltaic roof Panels for on-site electric generation. He mentioned it has been a very collaborative effort with Bays Mountain Park staff.

Mr. Nelson added that this building (City Hall) has a dated circulation and air distribution system and engineers spent three full days looking at this to define a specific set of solutions, which do not include a simple fix but help understand the challenge. He went over a list of Phase II Project Priorities, along with a Scope Summary Matrix which led into discussion on specific upgrade projects and a financial summary reflecting a "simple pay back" within 14.3 years to accomplish Phase II projects.

In response to an inquiry from Alderman Marsh, Mr. Nelson confirmed that a 7.5% escalation factor was included in the proposed figures. Alderman Munsey pointed out, as he has in the past, the need to factor in the net present value in these figures.

[Alderman Marsh left the meeting at 6:45 p.m. following this discussion.]

BOARD COMMENT. Mr. Tim Whaley, Community and Government Relations Director described a TIGER (Transportation Investment Generating Economic Recovery) grant he just learned is available and interchanges are among approved projects. He recommended the Board apply to receive this grant for improvement of the dangerous interchange located at the intersection of I-81 and I-26. If the Board approves application for this grant, which requires no match but which would look more favorable if the Board agreed to a \$1 million match for this \$43 million project. He added that the Board could vote to withdraw at a future date, even if this competitive grant was awarded to Kingsport. Also, if awarded, the \$1 million funding could be shared by other regional partners who would benefit by the interchange improvement at that location, such as Johnson City, Washington County and Sullivan County.

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Kingsport, Tennessee, Monday, September 21, 2009**

A resolution will be drawn up for consideration at tomorrow night's meeting and City Attorney Billingsley stated that Alderman Marsh will need to be informed about and provided information on this added agenda item prior to the meeting.

Mr. Whaley spoke next about the Environmental Protection Agency (EPA) new ozone designation and added that the region has met the new goal for the last two years running. He mentioned additional steps EPA is taking to lower the bar even more and the City will work with Congress members to attempt to keep that from taking place.

Budget Officer Judy Smith was asked to give an update on sale tax revenue figures and she reported that revenue was down about 8% (\$100,000). City Manager Campbell reminded the Board that this figure is from the first month of the new fiscal year and will get better; that being said, he is continuing to work with City department heads to stay balanced.

PUBLIC COMMENT. None.

8. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 7:00 p.m.

ELIZABETH A. GILBERT
Deputy City Recorder

DENNIS R. PHILLIPS
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, September 22, 2009, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Alderman Valerie Joh
Vice-Mayor Benjamin K. Mallicote
Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey
Alderman Tom C. Parham
Alderman Jantry Shupe

City Administration

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

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Led by Vice-Mayor Mallicote.
- II.B. **INVOCATION:** by Associate Minister Andrew Amondei of the First Broad Street United Methodist Church.
- III. **ROLL CALL:** By City Recorder Jim Demming.
- IV. **RECOGNITIONS AND PRESENTATIONS.**

A. AARP – LIVABLE COMMUNITY, KINGSFORT PILOT PROJECT AND SURVEY – Mr. Bunky Seay, whose wife, Margo, is president of AARP Tennessee, provided details about the three AARP pilot projects currently being conducted across the state in Memphis, Nashville and Kingsport. The core group assigned to the Kingsport project determined, along with input from various local individuals and groups, that a survey would be beneficial to gather information about “quality of living” areas. The survey is now ready (a copy was provided to each BMA member) and would be distributed to 3000 area AARP cardholders starting next week. Having set the end of November as the cut-off date to return the results, Mr. Seay mentioned AARP would like to share the results of the 16-page survey at a January 2010 BMA meeting. He expressed his hope that the findings from this comprehensive survey will provide insights for valuable grant application information, business opportunities, policy changes and expanding services to make Kingsport a more lively community for people of all ages to live, work and play.

B. KEEP KINGSFORT BEAUTIFUL SEPTEMBER BEAUTIFICATION AWARDS. Mr. Bill Fortenberry presented and narrated a pictorial slide presentation of landscapes showing several residences, a business, a redevelopment area and a church selected to receive Keep Kingsport Beautiful Award honors sponsored by Blue Ridge Properties for September 2009. Alderman Joh commended the award winners on their contributions to the attractive surroundings of Kingsport and presented award certificates to those honorees in attendance.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, September 22, 2009**

V. APPROVAL OF MINUTES.

Motion/Second: Munsey/Shupe, to approve minutes for the following meetings:

- A. August 31, 2009 Regular Work Session
- B. September 1, 2009 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

AA. PUBLIC HEARINGS.

- 1. **Public Hearing for Annexation Annual Plan of Service Report** (AF: 303-2009). City Planner Forrest Koder provided the update on this report.

PUBLIC COMMENT ON ITEM VI.AA.1. None.

A. PUBLIC COMMENT. Mayor Phillips 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. **Consideration of an Ordinance to Amend the Schools General Project Fund Budget** (AF: 316-2009).

Motion/Second: Parham/Munsey, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET; 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.

- 1. **Consideration of a Resolution Authorizing the Mayor to Execute a Right-of-Way Easement with Kingsport Power Company** (AF: 305-2009).

Motion/Second: Joh/Mallicote, to pass:

Resolution No. 2010-065, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RIGHT-OF-WAY EASEMENT WITH KINGSFORT POWER COMPANY

Passed: All present voting "aye."

- 2. **Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute All Documents Necessary for the Acquisition of Property Located at 1304 Summer Street for the Kingsport City School System** (AF: 307-2009).

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of the City of Kingsport, Tennessee, Tuesday, September 22, 2009**

Motion/Second: Joh/Shupe, to pass:

Resolution No. 2010-066, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER FOR THE PURCHASE OF PROPERTY LOCATED AT 1304 SUMMER STREET

Passed: All present voting "aye."

3. Consideration of a Resolution to Accept the Donation of Materials and the Installation of Granite Vanities and Undermount Porcelain Sink Basins from Brazilian Marble and Granite as a Part of the Bays Mountain Park Restroom Renovation (AF: 308-2009).

Motion/Second: Shupe/Joh, to pass:

Resolution No. 2010-067, A RESOLUTION ACCEPTING A DONATION OF MATERIALS AND INSTALLATION LABOR FROM BRAZILIAN MARBLE AND GRANITE AS PART OF THE BAYS MOUNTAIN PARK RESTROOM RENOVATION

Passed: All present voting "aye."

4. Consideration of a Resolution to Authorize the Purchase of Hardware and Software for a Distance Learning System from the Sevier County State Contract and Authorize the Mayor to Sign All Applicable Documents (AF: 312-2009).

Motion/Second: Parham/Munsey, to pass:

Resolution No. 2010-068, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A COOPERATIVE PURCHASING AGREEMENT WITH SEVIER COUNTY SCHOOLS AND A PURCHASE ORDER WITH PERSONAL COMPUTER SYSTEMS, INC. FOR HARDWARE AND SOFTWARE FOR A DISTANCE LEARNING SYSTEM

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing the Issuance of a Purchase Order for the Purchase of a Remedial Reading Software System from Scholastic Education, Inc. (AF: 314-2009).

Motion/Second: Munsey/Shupe, to pass:

Resolution No. 2010-069, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE ORDER WITH SCHOLASTIC EDUCATION, INC. FOR A REMEDIAL READING SOFTWARE SYSTEM

Passed: All present voting "aye."

6. Consideration of a Resolution to Authorize the Mayor to Reject All Bid(s) Related to the Purchase of Four (4) 19 Passenger Urban Mass Transit Mini-Buses (AF: 311-2009).

Motion/Second: Munsey/Mallicote, to pass:

Resolution No. 2010-070, A RESOLUTION REJECTING ALL BIDS RELATED TO THE PURCHASE OF FOUR 19 PASSENGER URBAN MASS TRANSIT MINI-BUSES

Passed: All present voting "aye."

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of the City of Kingsport, Tennessee, Tuesday, September 22, 2009**

7. Consideration of a Resolution to Apply and Receive a Supplemental Discretionary Grant for Capital Investments in Surface Transportation Infrastructure Under the American Recovery and Reinvestment Act through the U.S. Department of Transportation (AF: 320-2009).

Motion/Second: Munsey/Mallicote, to pass:

Resolution No. 2010-071, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A SUPPLEMENTAL DISCRETIONARY GRANT FOR CAPITAL INVESTMENTS IN SURFACE TRANSPORTATION INFRASTRUCTURE UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH THE UNITED STATES DEPARTMENT OF TRANSPORTATION

Passed: All present voting "aye."

E. APPOINTMENTS. None.

VII. CONSENT AGENDA.

Consent Agenda items are considered under one motion.

Motion/Second: Joh/Parham, to adopt:

1. ~~Consideration of an Ordinance to Condemn for Easements and Rights-of-Way for the Harbor Chapel/Cooks Valley Road Improvement Project (AF: 298-2009).~~ This item was pulled on second reading because it is no longer required.

2. Consideration of an Ordinance to Appropriate Funds for the Materials Agreement with Danny Karst Related to Edinburgh Phase II Section 1 (AF: 295-2009).

Adopt:

Ordinance No. 5889, AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO THE EDINBURGH PHASE II SECTION 1 MATERIALS AGREEMENT PROJECTS (SW0856 AND WA0856); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

3. Consideration of an Ordinance to Appropriate Funds for the Materials Agreement with Terry Orth Related to Autumn Woods Phase II (AF: 297-2009).

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Adopt:

Ordinance No. 5890, AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO THE AUTUMN WOODS PHASE II MATERIALS AGREEMENT PROJECTS (SW1068 AND WA1068); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

4. Consideration of an Ordinance to Transfer Funds from the Kingsport Higher Education Center Project (GP0726) to Fund the Workforce Consultant (AF: 291-2009).

Adopt:

Ordinance No. 5891, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY TRANSFERRING FUNDS FROM THE KINGSFORT HIGHER EDUCATION PROJECT TO THE GENERAL FUND; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

5. Consideration of an Ordinance to Appropriate Funding Received through the Tennessee Department of Transportation's "Roadscapes" Grant Program (AF: 300-2009).

Adopt:

Ordinance No. 5892, AN ORDINANCE TO AMEND THE METROPOLITAN PLANNING BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

6. Consideration of Approval of Offers for Easements and Rights-of-Way for Phase I of the Rock Springs Road Project (AF: 306-2009).

Approve:

OFFERS FOR EASEMENTS AND RIGHTS-OF-WAY FOR PHASE I OF THE ROCK SPRINGS ROAD PROJECT

Passed in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

VIII. COMMUNICATIONS.

Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, September 22, 2009

A. CITY MANAGER. Mr. Campbell introduced Ms. Kim Pruden, resident and 10-year volunteer for the Sullivan County Animal Shelter, who announced an opportunity for the animal shelter to win \$1 million dollars by voting for local dog “Lucy, Super Pound Puppy” to win a “Cutest Dog Competition” sponsored by a California pet food company. Sullivan County Animal Control Officer, Phil Lane, also encouraged all to go online to vote, daily, for Lucy, to help the shelter win a much-needed economical boost.

City Manager Campbell thanked City Parks and Recreation Manager, Kitty Frazier, for her efforts and involvement in attracting the statewide Recreation and Parks Conference to the area. Mr. Campbell also mentioned that the statewide Public Works conference will also be held locally, due largely to Ronnie Hammonds’ efforts.

B. MAYOR AND BOARD MEMBERS. Alderman Joh shared information distributed by the University of Tennessee on *Meeting Planning and Hotel Sales in a Down Economy* comparing July 2008 with July 2009 which showed only two Tennessee cities had positive comparisons—Knoxville and Kingsport-Bristol, Tennessee. Ms. Joh thanked Jud Teague and the Kingsport Visitors and Convention Bureau (KCVB) for the many great athletic and other events they attract to the area.

Vice-Mayor Mallicote attended the recent Governor’s Conference in Murfreesboro and saw firsthand the great esteem in which the KCVB and Kingsport are held across the state. Mr. Mallicote also commended Jud Teague and Frank Lett of the KCVB, as well as Claudia Moody of NETTA (Northeast Tennessee Tourism Association), for taking elected or appointed leadership roles all over the state in travel and tourism. The Vice-Mayor reminded the audience of several local events that were taking place this coming weekend.

Alderman Parham added that the Kingsport Farmers’ Market is also recognized statewide and is now approximately twice the size of previous years due to its new location. Mr. Parham passed out a brochure that covered the market’s assets.

Mayor Phillips said he had received a letter from the State Department of Agriculture congratulating the City for being awarded the Tennessee Agricultural Enhancement Program Grant of \$20,000 to accomplish tree planting. He thanked City staff member, Lewis Bausell, and all those involved, who contributed to Kingsport continuing to be designated a Tree City USA.

The Mayor also mentioned the recent trip to Washington DC, attended by many of the Board members, to receive the Harvard University Award for Innovative Government. Congressman Phil Roe was in attendance at the ceremony and entered the award into the Congressional record, a copy of which was provided to all BMA members. Mayor Phillips thanked his Board colleagues for working together, working hard and making it an honor to serve with them on this Board to accomplish the many things that are making Kingsport the great place it is.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, September 22, 2009**

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 8:15 p.m.

ELIZABETH A. GILBERT
Deputy City Recorder

DENNIS R. PHILLIPS
Mayor

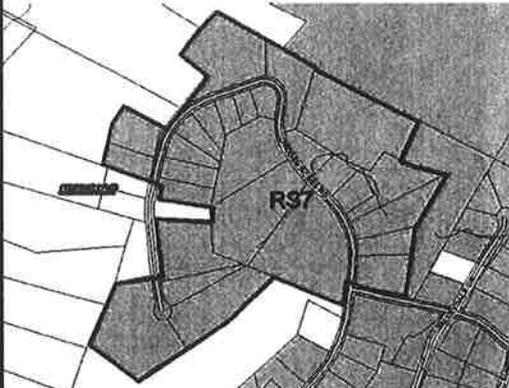
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday, October 6, 2009, to consider the annexation, zoning, and plan of services for the RS7 annexation. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for annexation is generally described as follows:

BEGINNING at a point, said point being the northern corner of parcel 12, Tax Map 1050; thence in a southeasterly direction, approximately 1,290 feet to a point, said point being the eastern corner of parcel 121.30; thence in a southwesterly direction, approximately 245 feet to a point, said point lying on the parcel boundary of parcel 5; thence in a southeasterly direction, approximately 280 feet to a point, said point being the eastern corner of parcel 5; thence in a southwesterly direction, approximately 699 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of Hidden Pines Drive; thence in a northwesterly direction, following the northern right-of-way of Hidden Pines Drive and crossing the right-of-way of Hidden Acres Road, approximately 308 feet to a point, said point lying on the western right-of-way of Hidden Acres Road; thence in a southerly direction, following the western right-of-way of Hidden Acres Road, approximately 65 feet to a point, said point being the southern corner of parcel 36 in common with the western right-of-way of Hidden Acres Road; thence in a northwesterly direction, approximately 430 feet to a point, said point being the eastern corner of parcel 18; thence in a southwesterly direction, approximately 970 feet to a point, said point being the southern corner of parcel 17; thence in a northwesterly direction, approximately 333 feet to a point, said point being the western corner of parcel 17; thence in a northeasterly direction, approximately 368 feet to a point, said point being the southwest corner of parcel 15; thence in an easterly direction, crossing the right-of-way of Hidden Acres Road, approximately 223 feet to a point, said point lying on the eastern right-of-way of Hidden Acres Road and in common with the parcel boundary of parcel 22; thence in a northerly direction, following the eastern right-of-way of Hidden Acres Road, approximately 320 feet to a point, said point being the northwest corner of parcel 22; thence in an easterly direction, approximately 312 feet to a point, said point being the southeast corner of parcel 23; thence in a northerly direction, approximately 75 feet to a point, said point being the southern corner of parcel 32; thence in a northwesterly direction, approximately 310 feet to a point, said point being the western corner of parcel 24 in common with the eastern right-of-way of Hidden Acres Road; thence in a northeasterly direction, following the eastern right-of-way of Hidden Acres Road, approximately 80 feet to a point, said point lying on the parcel boundary of parcel 24; thence in a northwesterly direction, crossing the right-of-way of Hidden Acres Road, approximately 330 feet to a point, said point being the western corner of parcel 12.15; thence in a northeasterly direction, approximately 350 feet to a point, said point being the northern corner of parcel 12.12; thence in a southeasterly direction, approximately 233 feet to a point, said point being the western corner of parcel 12.12; thence in a northeasterly direction, approximately 360 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northwesterly direction, approximately 184 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northeasterly direction, approximately 314 feet to the point of BEGINNING, and being all of parcels 1, 3, 4, 5, 6, 7, 8, 10, 12, 12.12, 12.15, 17, 18, 19, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, & 121.30, Tax Maps 1050, 119B, & 119A, as well as a portion of Hidden Acres Road, approximately 3,000 feet in length as shown on the April 2008 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map, description, and plan of services document is on file in the offices of the City Manager, Planning Manager, and Kingsport Library for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.



CITY OF KINGSPORT
Liz Gilbert, City Clerk
P1T: 9/21/09

RESOLUTION NO.

A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE RS7 ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS, before any territories may be annexed under Tennessee Code Annotated §6-51-102, the governing body shall have previously adopted a plan of services setting forth the identification and timing of municipal services; and

WHEREAS, before any such plan of services shall have been adopted, it must have been submitted to the local planning commission for study and a written report; and

WHEREAS, a plan of services for the proposed RS7 annexation was submitted to the Kingsport Regional Planning Commission on August 20, 2009, for its consideration and a written report; and

WHEREAS, prior to the adoption of a plan of services, the City shall hold a public hearing; and

WHEREAS, a public hearing was held October 6, 2009; and

WHEREAS, notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the municipality a minimum of seven (7) days prior to the hearing; and

WHEREAS, notice of the time and place of the public hearing was published in the Kingsport Times-News on September 21, 2009; and

WHEREAS, the City of Kingsport, pursuant to the provisions of Tennessee Code Annotated, §6-51-102 has endeavored to annex a portion of the 13th Civil District of Sullivan County, Tennessee, commonly known as the RS7 Annexation, said area being bounded and further described as follows:

BEGINNING at a point, said point being the northern corner of parcel 12, Tax Map 105O; thence in a southeasterly direction, approximately 1,290 feet to a point, said point being the eastern corner of parcel 121.30; thence in a southwesterly direction, approximately 245 feet to a point, said point lying on the parcel boundary of parcel 5; thence in a southeasterly direction, approximately 280 feet to a point, said point being the eastern corner of parcel 5; thence in a southwesterly direction, approximately 699 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of Hidden Pines Drive; thence in a northwesterly direction, following the northern right-of-way of Hidden Pines Drive and crossing the right-of-way of Hidden Acres Road, approximately 308 feet to a point, said point lying on the western right-of-way of Hidden Acres Road; thence in a southerly direction, following the western right-of-way of Hidden Acres Road, approximately 65 feet to a point,

said point being the southern corner of parcel 36 in common with the western right-of-way of Hidden Acres Road; thence in a northwesterly direction, approximately 430 feet to a point, said point being the eastern corner of parcel 18; thence in a southwesterly direction, approximately 970 feet to a point, said point being the southern corner of parcel 17; thence in a northwesterly direction, approximately 333 feet to a point, said point being the western corner of parcel 17; thence in a northeasterly direction, approximately 368 feet to a point, said point being the southwest corner of parcel 15; thence in an easterly direction, crossing the right-of-way of Hidden Acres Road, approximately 223 feet to a point, said point lying on the eastern right-of-way of Hidden Acres Road and in common with the parcel boundary of parcel 22; thence in a northerly direction, following the eastern right-of-way of Hidden Acres Road, approximately 320 feet to a point, said point being the northwest corner of parcel 22; thence in an easterly direction, approximately 312 feet to a point, said point being the southeast corner of parcel 23; thence in a northerly direction, approximately 75 feet to a point, said point being the southern corner of parcel 32; thence in a northwesterly direction, approximately 310 feet to a point, said point being the western corner of parcel 24 in common with the eastern right-of-way of Hidden Acres Road; thence in a northeasterly direction, following the eastern right-of-way of Hidden Acres Road, approximately 80 feet to a point, said point lying on the parcel boundary of parcel 24; thence in a northwesterly direction, crossing the right-of-way of Hidden Acres Road, approximately 330 feet to a point, said point being the western corner of parcel 12.15; thence in a northeasterly direction, approximately 350 feet to a point, said point being the northern corner of parcel 12.12; thence in a southeasterly direction, approximately 233 feet to a point, said point being the western corner of parcel 12.12; thence in a northeasterly direction, approximately 360 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northwesterly direction, approximately 184 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northeasterly direction, approximately 314 feet to the point of BEGINNING, and being all of parcels 1, 3, 4, 5, 6, 7, 8, 10, 12, 12.12, 12.15, 17, 18, 19, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, & 121.30, Tax Maps 105O, 119B, & 119A, as well as a portion of Hidden Acres Road, approximately 3,000 feet in length as shown on the April 2008 Sullivan County Tax Maps.

AND WHEREAS, the City of Kingsport deems it advisable to adopt a Plan of Services for the proposed annexation area. Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSFORT, TENNESSEE, AS FOLLOWS:

SECTION I. That a Plan of Services for the RS7 Annexation as bounded and described above is hereby adopted, subject to an enactment of an annexation ordinance for the annexation area, the said Plan of Services to be as follows:

RS7 Annexation Plan of Services

1. Police Protection

- A. On the date of annexation the Kingsport Police Department will respond to all calls for service for police protection, including criminal calls, traffic accidents and traffic related occurrences, and other prevention and interdiction calls for service.
- B. Effective with annexation, all resources currently available within the Kingsport Police Department will become available to the citizens of the area. The Kingsport Police Department has an authorized accredited force of 103 police officers and approximately 60 civilian personnel to provide services 24-hours per day, 365 days a year.
- C. The Kingsport Police Department is accredited with the *Commission on Accreditation for Law Enforcement Agencies* and has met 312 mandatory and 100 optional standards in order to attain this status. Kingsport Police Department was only the third accredited department in the State of Tennessee and the first in northeast Tennessee.
- D. Upon annexation, existing police department personnel will be utilized to provide services by expanding the contiguous patrol sections to include the newly incorporated area. Existing police personnel and equipment will be shifted to provide needed coverage of the area. Each section will be patrolled by units of the Kingsport Police Department and will be augmented by other departments and units such as investigators, specialized assigned details etc.
- E. When needed, the Kingsport Police Department will hire additional police officers to provide more response to annexed areas. The officers will undergo seven hundred twenty (720) hours of basic recruit training before being certified as a police officer. Upon completion of the classroom training, the officers will undergo six hundred forty (640) hours of field office training where they will work and be trained by designated training officers.
- F. The Kingsport Police Department will provide upon request crime prevention programs, traffic safety education programs, drug education/awareness programs including D.A.R.E. to the citizens of the area. Additional programs include department personnel to address groups on law enforcement topics or concerns, home and business security checks and establishing and maintaining neighborhood watch programs.
- G. The Kingsport Police Department currently maintains a 4.5-minute response time to all incidents within the corporate limits.

2. Fire Protection

- A. On the operative date of annexation, the City of Kingsport will answer all calls for service for fire, disaster, hazardous materials, special rescue and medical first responder. The Kingsport Fire Department goes beyond the basic fire services required of a City Government.
- B. The City of Kingsport Fire Department is an Internationally Accredited Agency, one of only two in the State of Tennessee. We operate 6 fire stations, housing fire suppression, hazardous materials, rescue and other emergency equipment. Staffed by 94 full-time professional firefighters, 24 hours a day, 365 days a year to provide service. The City of Kingsport maintains a Class 3 insurance rating saving its residents the most possible on their insurance rates. Our response time average is approximately 4 minutes, 15 seconds after we receive the call from our dispatch center.
- C. Free fire safety inspections will be available upon request on the effective date of annexation. Water lines will be upgraded within five (5) years after the effective date of annexation to provide needed fire flow to protect the properties.
- D. All structures must be brought into compliance with the City-wide smoke detector ordinance within thirty (30) days of the effective date of annexation. This is strictly to provide residents with the best fire protection service available.
- E. The City of Kingsport Fire Department has a Hazardous Materials Response Team, which has state-of-the-art equipment to handle all calls of an emergency nature dealing with incidents relating to hazardous chemicals. The department also has a Technical Rescue Team that has specialized rescue capabilities and equipment for all types of hazards.
- F. The City of Kingsport Fire Department provides First Responder emergency medical services to all life-threatening medical emergencies resulting from serious illness or injury. We provide advanced life support (paramedics) for victims until ambulance service arrives for transport.

3. Water

- A. Water will be billed at in City rates rather than out of City rates, which will result in a reduction in water rates for annexed citizens already receiving City water. Those not currently receiving City water will be required to obtain a water-tap in order to obtain City water.
- B. Water line upgrades and the installation of fire hydrants will commence for adequate fire protection and will be completed within five (5) years after the effective date of annexation.
- C. The City of Kingsport Water Department operates and maintains a 28 MGD water filtration plant, 22 water storage tanks, 15 water booster station and over 750 miles of waterlines. The water treatment plant is staffed by state certified operators 24 hours a day, 365 days a year to provide safe drinking water to our customers.
- D. The City of Kingsport Water Department meets or exceeds water quality standards set forth by the State of Tennessee and the United States Environmental Protection

Agency. The plant was the recipient of the 2005 Julian Fleming Award for Outstanding Water Treatment Plants.

- E. The Kingsport Water Treatment Plant has a capacity of 28 MGD and an average daily demand of 15 MGD leaving a surplus capacity of approximately 18 MGD for increased demand.
- F. The Water Distribution Division is managed with a professional staff who are members of key professional organizations such as: American Water Works Association, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a distribution system in the State of Tennessee.

4. Electricity

Electric service in this area is currently under the jurisdiction of AEP and is currently available. Street lighting will be provided generally within five years of the City of Kingsport's request for such service.

5. Sanitary Sewer

- A. City of Kingsport sanitary sewer will be installed and extended to the property within five (5) years after the effective date of annexation. Citizens in the annexed territory will be responsible and required to obtain a sewer-tap from the City of Kingsport before connection to the sanitary sewer system.
- B. Sanitary sewer fees are based on usage of water and are direct reflection of the amount of water used by the resident.
- C. The City of Kingsport operates and maintains a 12.4 MGD wastewater treatment plant, 88 sewer lift stations and approximately 525 miles of sanitary sewer collection lines in to provide sewer service to our customers.
- D. The City of Kingsport Wastewater Treatment Plant will experience 20 million dollars of improvements to provide a reliable and dependable infrastructure.
- E. The wastewater treatment plant is staffed with State Certified Operators 24 hours a day, 365 days a year. Treatment plant operators exceed State of Tennessee training requirements.
- F. The Sewer Collection Division is managed with a professional staff who are members of key professional organizations such as: Water Environment Federation, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a collection system in the State of Tennessee.

6. Solid Waste Disposal

Sanitation garbage (routine household refuse), trash (grass clippings, tree trimmings, bulky items), and recycling collection will be provided to the annexed area on the same basis as that received by properties located within the existing City Limits. Collection will begin within thirty (30) days following the effective date of annexation. The Sanitation Division supervisor is certified through SWANA as a Certified MSW Management Manager, and Certified Transfer Station Manager. Members of the collection crews receive ongoing training in their fields. The City of Kingsport also owns and operates a demolition landfill that residents can use for a fee. That landfill is supervised by a SWANA certified Manager of Landfill Operations. This supervisor also holds other certifications from SWANA and TDEC.

7. Public Road/Street Construction & Repair

- A. Emergency and routine maintenance of streets and street signs, pavement markings and other traffic control devices will begin on the operative date of annexation. Emergency pothole repairs are generally made within 24 hours of notification. Crews are available on a 24 hour basis for major emergency call-outs.
- B. Cleaning of streets of snow and ice clearing will begin on the operative date of annexation on the same basis as now provided within the present City limits. This includes major thoroughfares, State highways and emergency route to hospitals as first priority, with secondary/collector streets and finally residential streets in that order as priority II. Snow removal crews receive yearly training to help keep them up to date with changes in procedures and techniques. Snow removal crews also respond on a 24 hour emergency call in basis.
- C. Streets affected by utility construction will be repaired as soon as possible after the utility construction is completed.
- D. Routine Right of Way maintenance is also provided on the effective date of annexation. These crews include a certified Arborist, certified Pesticide Applicators, and other trained personnel to respond to emergencies and routine maintenance requests.
- E. The Streets and Sanitation Division is managed and supervised by a professional staff who are members in good standing of several Professional Organizations such as the Tennessee Chapter of the American Public Works Association, the national chapter of the American Public Works Association, the Volunteer Chapter of the Solid Waste Association of North America, the national chapter of the Solid Waste Association of North America, the Tennessee Urban Forestry Council, the Tennessee Nursery and Landscape Association, National Arbor Day Association, Tennessee Vegetation Management Association, and the Keep Kingsport Beautiful Council. The staff receives ongoing training through these Professional Organizations. Members of the staff are active in their respective organizations. Members of the staff also serve as trainers and instructors for various training venues.

8. Recreational Facilities

- A. Residents of the annexed area may use existing City recreational facilities, programs, parks, etc. on the effective date of annexation at City rates rather than out of City rates.
- B. Residents of the annexed area may use all existing library facilities and will be exempt from the non-residential fee on the effective date of annexation.
- C. Residents of the annexed area (50 years or older) will be eligible to use the Senior Citizens Center with no non-residential fees and with transportation provided on the effective date of annexation.
- D. The Department of Parks and Recreation has more than 4,800 acres of city-owned land to provide parks and recreation programs to all our citizens. The amenities and programs offered by many of the parks and recreation areas through the Leisure Services Department include playing fields for baseball and softball, basketball courts, play grounds, volley ball, tennis courts, a skate park and concession areas and restrooms to serve these facilities. Other amenities offered include General meeting areas, multi function areas, Community Centers, senior programs, Theater and Cultural Arts programs. Many of the parks have walking and hiking trails and Bays Mountain, the City's largest park, includes animal habitats, a farm area, camping sites, and a Planetarium.

9. Street Lighting

Within five years of the operative date of annexation the City will take over responsibility (including payment) for dusk-to-dawn lights presently in place that meet City standards. The City will request that AEP install additional streetlights on collector-class and lower streets in accordance with the policy on roadway lighting within five (5) years of the effective date of annexation. Lighting on minor and major arterials will be installed per prevailing city policy.

10. Zoning Services

- A. The area will be zoned R-1B (Residential District).
- B. The Kingsport Regional Planning Commission is the comprehensive planning agency and administers zoning and land subdivision regulations for the City of Kingsport as provided in State law. The Kingsport Regional Planning Commission consists of nine (9) commissioners appointed by the Mayor of the City of Kingsport.
- C. The Kingsport Regional Planning Commission will exercise planning and zoning activities for the area being annexed upon the operative date of annexation. The area will be incorporated into the city limits of the City as part of the five-year long-range annexation plan adopted by the Kingsport Regional Planning Commission for this area.
- D. Appeals the to Zoning regulations are heard by the Board of Zoning Appeals and variances are granted if the request meets the criteria established for granting variances under Tennessee Code Annotated.

11. Schools

- A. Upon annexation, children currently attending County schools will be allowed to attend City of Kingsport schools or remain in County schools per the prevailing County policy at the time.
- B. Tuition paid by non-city residents now attending City schools will cease upon the effective date of annexation and those students may continue to attend City schools without charge until graduation.
- C. Children at all grade levels may attend City schools tuition-free. Transportation will be provided for students, whose homes are more than 1.5 miles from their designated school, beginning with the school year following annexation.

The previous sections are titled and listed in the order prescribed by Tennessee Code Annotated 6-51-102(b) (2). The following sections are provided by the City of Kingsport in addition to the minimum requirements.

12. Traffic Control

The City will verify all street name signs and traffic control devices in accordance with the Manual on Uniform Traffic Control Devices.

13. Inspection Services

All inspection services now provided by the City on a fee basis (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin in the annexed area on the effective date of annexation. A free safety inspection of plumbing vents will be required at the time sewer connections are made to make sure that proper protection is available to prevent sewer gas from entering houses.

14. Animal Control

Animal control service equivalent to that presently provided within the City will be extended to the annexed area on the effective date of annexation.

15. Storm Sewers

The installation of any needed storm sewers will be accomplished in accordance with existing standards and engineering principles provided for by present City policies. Maintenance of existing storm sewer and drainage systems is also provided on an as needed basis. Response to emergency storm drainage calls is also provided on a 24 hour call in basis.

16. Leaf Removal

The City will collect loose leaves with the vacuum truck between October 1 and January 15, and it will be provided to the annexation area on the same basis as it is currently provided to other City residents beginning on the effective date of annexation. Bagged leaves are collected year round. Leaves are transported to the City's Demolition Landfill where they are composted and used as an amendment to existing dirt stockpiles. This enhanced dirt is then used on City Projects for backfill and topsoil applications.

17. Litter Control

The City's litter control program will be extended to the area on the effective date of annexation. It is provided biweekly along major commercial routes and on an "as needed/on call" basis in other areas.

18. Graffiti Control

The City's graffiti control program, which is aimed at eliminating graffiti on public rights-of-way such as bridge abutments, street signs, railroad underpasses, and the like, will be extended to the area on the effective date of annexation. It is provided on an "as needed/on call" basis. Response time for "offensive" graffiti removal is generally within 48 hours.

19. Other Services

All other services not classified under the foregoing headings such as Executive, Judicial, Legal, Personnel, Risk Management, Fleet Maintenance, Finance and Administration and other support services will be available upon the effective date of annexation.

SECTION II. This Resolution shall be effective from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October 2009.

ATTEST:

DENNIS R. PHILLIPS, Mayor

ELIZABETH A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13th CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE RS7 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, a public hearing before the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, was held on the 6th day of October, 2009, and notice thereof published in the Kingsport Times-News on the 21st day of September, 2009; and

WHEREAS, the City of Kingsport has initiated the annexation of the territory herein described to the City of Kingsport; and

WHEREAS, the board of mayor and aldermen finds that the annexation will materially benefit the health, safety, and welfare of the citizens and property owners of the city and the territory annexed; and

WHEREAS, the annexation of such property is deemed necessary for the welfare of the residents and property owners thereof and the city as a whole; and

WHEREAS, a plan of services for this area was adopted by Resolution the 6th day of October, 2009 as required by Tenn. Code Ann., 6-51-102, et seq.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. Pursuant to the authority conferred by Tennessee Code Annotated §6-51-102 et seq. there is here by annexed to the City of Kingsport, Tennessee, and incorporated within the corporate boundaries thereof, the following described territory adjoining the present corporate boundaries: embracing that certain part of Civil District No. 13 of Sullivan County, Tennessee, and more fully described to-wit:

BEGINNING at a point, said point being the northern corner of parcel 12, Tax Map 1050; thence in a southeasterly direction, approximately 1,290 feet to a point, said point being the eastern corner of parcel 121.30; thence in a southwesterly direction, approximately 245 feet to a point, said point lying on the parcel boundary of parcel 5; thence in a southeasterly direction, approximately 280 feet to a point, said point being the eastern corner of parcel 5; thence in a southwesterly direction, approximately 699 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of Hidden Pines Drive; thence in a northwesterly direction, following the northern right-of-way of Hidden Pines Drive and crossing the right-of-way of Hidden Acres Road, approximately 308 feet to a point, said point lying on the western right-of-way of Hidden Acres Road; thence

in a southerly direction, following the western right-of-way of Hidden Acres Road, approximately 65 feet to a point, said point being the southern corner of parcel 36 in common with the western right-of-way of Hidden Acres Road; thence in a northwesterly direction, approximately 430 feet to a point, said point being the eastern corner of parcel 18; thence in a southwesterly direction, approximately 970 feet to a point, said point being the southern corner of parcel 17; thence in a northwesterly direction, approximately 333 feet to a point, said point being the western corner of parcel 17; thence in a northeasterly direction, approximately 368 feet to a point, said point being the southwest corner of parcel 15; thence in an easterly direction, crossing the right-of-way of Hidden Acres Road, approximately 223 feet to a point, said point lying on the eastern right-of-way of Hidden Acres Road and in common with the parcel boundary of parcel 22; thence in a northerly direction, following the eastern right-of-way of Hidden Acres Road, approximately 320 feet to a point, said point being the northwest corner of parcel 22; thence in an easterly direction, approximately 312 feet to a point, said point being the southeast corner of parcel 23; thence in a northerly direction, approximately 75 feet to a point, said point being the southern corner of parcel 32; thence in a northwesterly direction, approximately 310 feet to a point, said point being the western corner of parcel 24 in common with the eastern right-of-way of Hidden Acres Road; thence in a northeasterly direction, following the eastern right-of-way of Hidden Acres Road, approximately 80 feet to a point, said point lying on the parcel boundary of parcel 24; thence in a northwesterly direction, crossing the right-of-way of Hidden Acres Road, approximately 330 feet to a point, said point being the western corner of parcel 12.15; thence in a northeasterly direction, approximately 350 feet to a point, said point being the northern corner of parcel 12.12; thence in a southeasterly direction, approximately 233 feet to a point, said point being the western corner of parcel 12.12; thence in a northeasterly direction, approximately 360 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northwesterly direction, approximately 184 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northeasterly direction, approximately 314 feet to the point of BEGINNING, and being all of parcels 1, 3, 4, 5, 6, 7, 8, 10, 12, 12.12, 12.15, 17, 18, 19, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, & 121.30, Tax Maps 105O, 119B, & 119A, as well as a portion of Hidden Acres Road, approximately 3,000 feet in length as shown on the April 2008 Sullivan County Tax Maps.

SECTION II. That this ordinance shall take effect from and after the date of its passage, as the law directs, the public welfare of the citizens of Kingsport, Tennessee, requiring it.

DENNIS R. PHILLIPS
Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. GILBERT
Deputy City Recorder

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG HIDDEN ACRES ROAD TO R-1B, RESIDENTIAL DISTRICT IN THE 13th CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property along Hidden Acres Road to R-1B, Residential District in the 13th Civil District of Sullivan County; said property to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the northern corner of parcel 12, Tax Map 105O; thence in a southeasterly direction, approximately 1,290 feet to a point, said point being the eastern corner of parcel 121.30; thence in a southwesterly direction, approximately 245 feet to a point, said point lying on the parcel boundary of parcel 5; thence in a southeasterly direction, approximately 280 feet to a point, said point being the eastern corner of parcel 5; thence in a southwesterly direction, approximately 699 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of Hidden Pines Drive; thence in a northwesterly direction, following the northern right-of-way of Hidden Pines Drive and crossing the right-of-way of Hidden Acres Road, approximately 308 feet to a point, said point lying on the western right-of-way of Hidden Acres Road; thence in a southerly direction, following the western right-of-way of Hidden Acres Road, approximately 65 feet to a point, said point being the southern corner of parcel 36 in common with the western right-of-way of Hidden Acres Road; thence in a northwesterly direction, approximately 430 feet to a point, said point being the eastern corner of parcel 18; thence in a southwesterly direction, approximately 970 feet to a point, said point being the southern corner of parcel 17; thence in a northwesterly direction, approximately 333 feet to a point, said point being the western corner of parcel 17; thence in a northeasterly direction, approximately 368 feet to a point, said point being the southwest corner of parcel 15; thence in an easterly direction, crossing the right-of-way of Hidden Acres Road, approximately 223 feet to a point, said point lying on the eastern right-of-way of Hidden Acres Road and in common with the parcel boundary of parcel 22; thence in a northerly direction, following the eastern right-of-way of Hidden Acres Road, approximately 320 feet to a point, said point being the northwest corner of parcel 22; thence in an easterly direction, approximately 312 feet to a point, said point being the southeast corner of parcel 23; thence in a northerly direction, approximately 75 feet to a point, said point being the southern corner of parcel 32; thence in a northwesterly

direction, approximately 310 feet to a point, said point being the western corner of parcel 24 in common with the eastern right-of-way of Hidden Acres Road; thence in a northeasterly direction, following the eastern right-of-way of Hidden Acres Road, approximately 80 feet to a point, said point lying on the parcel boundary of parcel 24; thence in a northwesterly direction, crossing the right-of-way of Hidden Acres Road, approximately 330 feet to a point, said point being the western corner of parcel 12.15; thence in a northeasterly direction, approximately 350 feet to a point, said point being the northern corner of parcel 12.12; thence in a southeasterly direction, approximately 233 feet to a point, said point being the western corner of parcel 12.12; thence in a northeasterly direction, approximately 360 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northwesterly direction, approximately 184 feet to a point, said point lying on the parcel boundary of parcel 12; thence in a northeasterly direction, approximately 314 feet to the point of BEGINNING, and being all of parcels 1, 3, 4, 5, 6, 7, 8, 10, 12, 12.12, 12.15, 17, 18, 19, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, & 121.30, Tax Maps 105O, 119B, & 119A, as well as a portion of Hidden Acres Road, approximately 3,000 feet in length as shown on the April 2008 Sullivan County Tax Maps.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

DENNIS R. PHILLIPS
Mayor

ATTEST:

ELIZABETH A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

ANNEXATION REPORT
RS7 ANNEXATION, FILE: 09-301-000011

TO: KINGSFORT REGIONAL PLANNING COMMISSION

FROM: Ken Weems, Planner

DATE: 3 August 2009

APPLICANT: City of Kingsport

REQUESTED ACTION: City initiated annexation and zoning to an R-1B, Single Family District, of approximately 50 acres.

LOCATION: The property is located on the east side of Hidden Acres Road, the Vantage Pointe Subdivision, best described as Tax Map 119, Parcels 1, 3, 4, 5, 6, 7, 8, 10, 12, 12.12, 12.15, 17, 18, 19, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, & 121.30.

EXISTING LAND USE: Single Family Residential

PROPOSED USE: same

SURROUNDING ZONING DISTRICTS & LAND USES:

General: The annexation area is surrounded by County R-1 (Single Family), and City R-1B (Single Family) zoning, with like uses.

LAND USE PLAN (S):

The 2010 Land Use Plan addresses this area as single family residential. The new Kingsport 2030 Land Use Plan (pending Planning Commission approval) describes this area as single family residential.

UTILITIES:

Both City of Kingsport sanitary sewer and water service require an upgrade for this annexation.

TRANSPORTATION:

Streets in this annexation area consist of a portion of Hidden Acres Road, approximately 3,000 feet in length.

POPULATION:

The annexation area contains approximately 84 residents (27 total parcels).

OPTIONS: The Planning Commission's options are the following:

1. Send a favorable recommendation for annexation to the Board of Mayor and Alderman.
2. Recommend disapproving the annexation, stating the reasons in writing.
3. Postpone action until additional information is presented.

STAFF RECOMMENDATION:

The Planning Division recommends option #1, the annexation of the parcel identified in this study to the Planning Commission and the Board of Mayor and Aldermen. The rationale for this recommendation is based on the following:

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.

**Rock Springs 2009 Annexation Area
COST ANALYSIS (tax records as of 2 April 2009)**

| Revenues | One Time | Reoccurring (annual) | |
|------------------|---------------------|----------------------|---------------------------|
| Property Taxes | X | \$193,225.00 | |
| State Shared | X | \$61,050.00 | 550 res x 111 (estimated) |
| Sewer Tap Fees | \$430,950.00 | X | 221 homes total |
| Water Rev (loss) | X | -\$49,946.00 | |
| Total | \$430,950.00 | \$204,329.00 | |

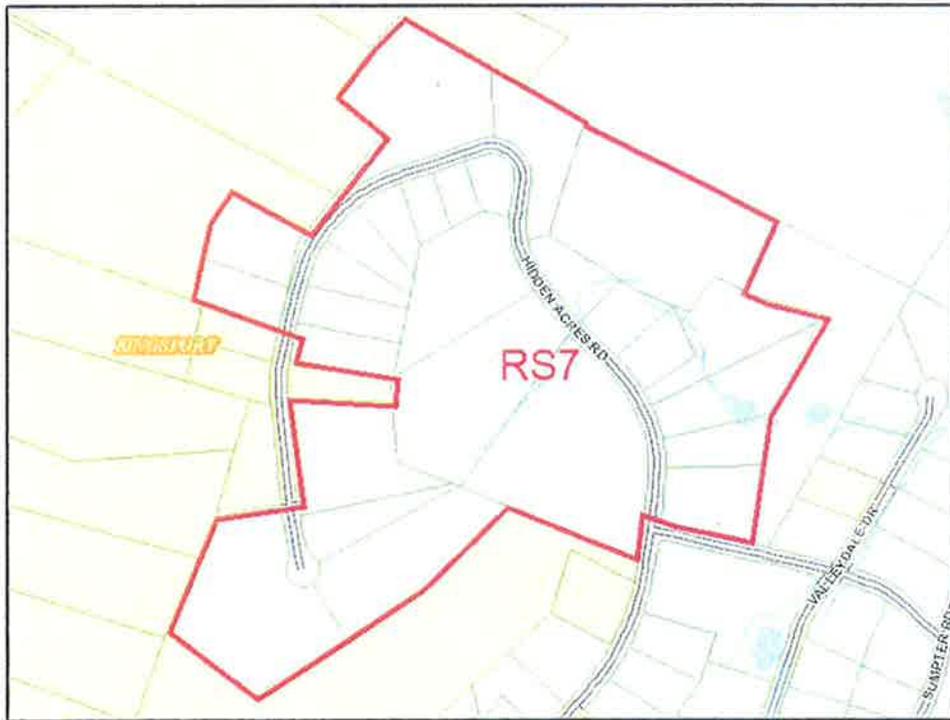
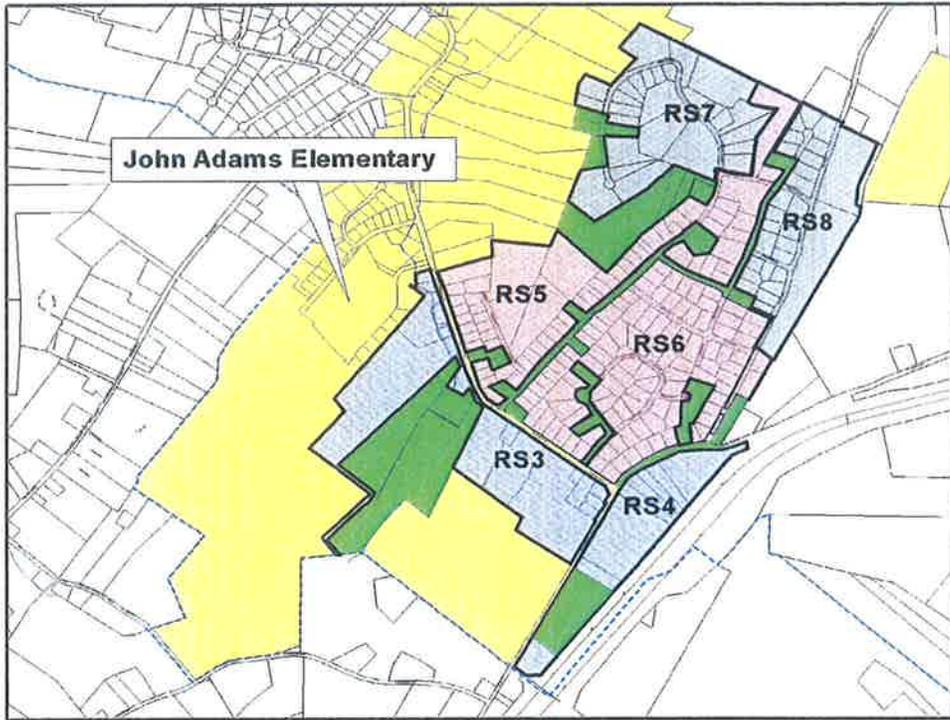
| Expenses | One Time | Reoccurring (annual) |
|-------------------------|---------------------|----------------------|
| Operating Budget | | |
| Street Lighting | 172,867.00 | 22,867.00 |
| Traffic Controls | 7,350.00 | 0.00 |
| Streets & Sanitation | 0.00 | 72,310.00 |
| Subtotal | 180,217.00 | 95,177.00 |
| Capital Budget | | |
| Water | 889,875.00 | 0.00 |
| Sewer | 4,650,000.00 | 0.00 |
| Roads | 100,133.00 | 0.00 |
| Subtotal | 5,640,008.00 | 0.00 |
| Grand Total | 5,820,225.00 | 95,177.00 |

vacant land in the annexation area, once subdivided and built out=
 57 acres x 4 units per acre= 228 units @ 250K assessed value
 translates to property tax of \$1,437.5 x 228 units = **\$327,750/ yr (future potential)**

**RS7 & RS8 costs only (break out from cost of whole Rock Springs 2009 cost analysis)
 COST ANALYSIS (tax records as of 2 April 2009)**

| Revenues | One Time | Reoccurring (annual) | |
|------------------|---------------------|----------------------|---------------------------|
| Property Taxes | X | \$57,967.00 | |
| State Shared | X | \$18,981.00 | 171 res x 111 (estimated) |
| Sewer Tap Fees | \$111,150.00 | X | 57 homes total |
| Water Rev (loss) | X | -\$12,825.00 | |
| Total | \$111,150.00 | \$64,123.00 | |

| Expenses | One Time | Reoccurring (annual) |
|-------------------------|---------------------|----------------------|
| Operating Budget | | |
| Street Lighting | 51,860.00 | 6,860.00 |
| Traffic Controls | 2,205.00 | 0.00 |
| Streets & Sanitation | 0.00 | 21,693.00 |
| Subtotal | 54,065.00 | 28,553.00 |
| Capital Budget | | |
| Water | 339,875.00 | 0.00 |
| Sewer | 1,875,000.00 | 0.00 |
| Roads | 30,039.00 | 0.00 |
| Subtotal | 2,244,914.00 | 0.00 |
| Grand Total | 2,298,979.00 | 28,553.00 |



Rationale

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.



AGENDA ACTION FORM

Public Hearing and Consideration of Ordinances to Annex/ Amend Zoning of the RS8 Annexation and Consideration of a Resolution Adopting the Plan of Services

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

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

Action Form No.: AF: 310-2009
 Work Session: October 5, 2009
 First Reading: October 6, 2009

Final Adoption: October 20, 2009
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Approve ordinance for the RS8 annexation
- Approve ordinance amending the zoning ordinance for the RS8 annexation
- Approve resolution adopting a plan of services for the annexation area

Executive Summary:

This is the "RS8" annexation of approximately 42 acres along Sumpter Road, Morningdale Drive, Valleydale Drive, and Hidden Pines Drive, with an approximate population of 87 residents (single family use). The current county zoning of the area is R-1 (Single Family Residential) and A-1 (residential and agricultural). The proposed City zoning for the area is R-1B (Single Family Residential). Both water and sanitary sewer require an upgrade for this annexation. During their August 2009 regular meeting, the Kingsport Regional Planning Commission voted unanimously (9-0) to send a favorable recommendation for the annexation, zoning, and plan of services to the Board of Mayor and Aldermen for this annexation. This item has received opposition from one resident of the affected area as of September 28, 2009 (please see email attached for various reasons cited by the property owner). The Notice of Public Hearing was published on September 21, 2009.

Attachments:

1. Notice of Public Hearing
2. Resolution
3. Annexation Ordinance
4. Zoning Ordinance
5. Staff Report
6. Cost Analysis
7. Map

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

Weems, Ken

From: Rhoten, Charles C [crhoten@eastman.com]
Sent: Tuesday, August 11, 2009 6:03 PM
To: Weems, Ken
Subject: 1208 Valleydale Drive

I would like for the Planning Division to vote no on annexation of my property. It would add no value for my family.

1. I have taken a pay cut and lost almost all my overtime, so I won't have 1950.00 for sewer hook up today or next year, or 3 years from now.
2. I can't afford to make monthly payments for it, I have 2 children, one is in college and that takes all our extra money.
3. I have checked and it will not lower my home insurance.
4. My daughter will stay in county schools.
5. My wife and I looked for months to find this lot in the county to build our dream house, we chose not to live in the city and I think our choice should matter.
6. The trash and water bill savings is nothing, it will not off set the city taxes we will have to try and pay.
7. We are in a recession and the Planning Division should not be putting burdens on working families that don't want to be in the city.

I hope you take time to read this and I hope and pray you vote no to annexation.

Charles & Scarlett Rhoten
1208 Valleydale Drive
Kingsport Tn. 37664

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday, October 6, 2009, to consider the annexation, zoning, and plan of services for the RS8 annexation. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for annexation is generally described as follows:

BEGINNING at a point, said point being the western corner of parcel 31, Tax Map 119G, in common with the eastern right-of-way of Valleydale Drive; thence in a northeasterly direction, following the eastern right-of-way of Valleydale Drive, approximately 1,495 feet to a point, said point being the northern corner of parcel 2 in common with the eastern right-of-way of Valleydale Drive; thence in a northwesterly direction, crossing the right-of-way of Valleydale Drive, approximately 254 feet to a point, said point being the western corner of parcel 9; thence in a northeasterly direction, approximately 597 feet to a point, said point being the northern corner of parcel 6; thence in a southeasterly direction, crossing the right-of-way of Sumpter Road, approximately 444 feet to a point, said point lying on the eastern right-of-way of Sumpter Road; thence in a southwesterly direction, approximately 25 feet to a point, said point being the northern corner of parcel 121 in common with the eastern right-of-way of Sumpter Road; thence in a southeasterly direction, approximately 440 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet northwest of the eastern corner of parcel 121; thence in a southwesterly direction, following parallel and approximately 10 feet northwest to the eastern parcel boundary of parcel 121, approximately 635 feet to a point; thence in an easterly direction, approximately 10 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet southwest of the western corner of parcel 108; thence in a southwesterly direction, approximately 1,860 feet to a point, said point being the southern corner of parcel 119; thence in a northwesterly direction, approximately 170 feet to a point, said point being the western corner of parcel 119 in common with the eastern right-of-way of Sumpter Road; thence in a northwesterly direction, crossing the right-of-way of Sumpter Road, approximately 50 feet to a point, said point lying on the parcel boundary of parcel 26; thence in a northeasterly direction, following the western right-of-way of Sumpter Road, approximately 320 feet to a point, said point being the southern corner of parcel 38; thence in a northwesterly direction, approximately 216 feet to a point, said point being the western corner of parcel 38; thence in a northeasterly direction, approximately 128 feet to a point, said point being the northern corner of parcel 38; thence in a northwesterly direction, approximately 233 feet to the point of BEGINNING, and being all of parcels 1, 1, 2, 2, 3, 3, 4, 4, 5, 5, 6, 7, 7, 8, 8, 9, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38, 119, and a portion of parcel 121, Tax Maps 119B and 119G, as well as Morningdale Drive, approximately 400 feet in length, a portion of Hidden Pines Drive, approximately 350 feet in length, a portion of Valleydale Drive, approximately 210 feet in length, and a portion of Sumpter Road, approximately 2,500 feet in length as shown on the April 2008 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map, description, and plan of services document is on file in the offices of the City Manager, Planning Manager, and Kingsport Library for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.



CITY OF KINGSPORT
Liz Gilbert, City Clerk
P1T: 9/21/09

RESOLUTION NO.

A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE RS8 ANNEXATION OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS, before any territories may be annexed under Tennessee Code Annotated §6-51-102, the governing body shall have previously adopted a plan of services setting forth the identification and timing of municipal services; and

WHEREAS, before any such plan of services shall have been adopted, it must have been submitted to the local planning commission for study and a written report; and

WHEREAS, a plan of services for the proposed RS8 annexation was submitted to the Kingsport Regional Planning Commission on August 20, 2009, for its consideration and a written report; and

WHEREAS, prior to the adoption of a plan of services, the City shall hold a public hearing; and

WHEREAS, a public hearing was held October 6, 2009; and

WHEREAS, notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the municipality a minimum of seven (7) days prior to the hearing; and

WHEREAS, notice of the time and place of the public hearing was published in the Kingsport Times-News on September 21, 2009; and

WHEREAS, the City of Kingsport, pursuant to the provisions of Tennessee Code Annotated, §6-51-102 has endeavored to annex a portion of the 13th Civil District of Sullivan County, Tennessee, commonly known as the RS8 Annexation, said area being bounded and further described as follows:

BEGINNING at a point, said point being the western corner of parcel 31, Tax Map 119G, in common with the eastern right-of-way of Valleydale Drive; thence in a northeasterly direction, following the eastern right-of-way of Valleydale Drive, approximately 1,495 feet to a point, said point being the northern corner of parcel 2 in common with the eastern right-of-way of Valleydale Drive; thence in a northwesterly direction, crossing the right-of-way of Valleydale Drive, approximately 254 feet to a point, said point being the western corner of parcel 9; thence in a northeasterly direction, approximately 597 feet to a point, said point being the northern corner of parcel 6; thence in a southeasterly direction, crossing the right-of-way of Sumpter Road, approximately 444 feet to a point, said point lying on the eastern right-of-way of Sumpter Road; thence in a southwesterly direction, approximately 25 feet to a point, said point being the northern corner of parcel 121 in common with the eastern right-of-

way of Sumpter Road; thence in a southeasterly direction, approximately 440 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet northwest of the eastern corner of parcel 121; thence in a southwesterly direction, following parallel and approximately 10 feet northwest to the eastern parcel boundary of parcel 121, approximately 635 feet to a point; thence in an easterly direction, approximately 10 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet southwest of the western corner of parcel 108; thence in a southwesterly direction, approximately 1,860 feet to a point, said point being the southern corner of parcel 119; thence in a northwesterly direction, approximately 170 feet to a point, said point being the western corner of parcel 119 in common with the eastern right-of-way of Sumpter Road; thence in a northwesterly direction, crossing the right-of-way of Sumpter Road, approximately 50 feet to a point, said point lying on the parcel boundary of parcel 26; thence in a northeasterly direction, following the western right-of-way of Sumpter Road, approximately 320 feet to a point, said point being the southern corner of parcel 38; thence in a northwesterly direction, approximately 216 feet to a point, said point being the western corner of parcel 38; thence in a northeasterly direction, approximately 128 feet to a point, said point being the northern corner of parcel 38; thence in a northwesterly direction, approximately 233 feet to the point of BEGINNING, and being all of parcels 1, 1, 2, 2, 3, 3, 4, 4, 5, 5, 6, 7, 7, 8, 8, 9, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38, 119, and a portion of parcel 121, Tax Maps 119B and 119G, as well as Morningdale Drive, approximately 400 feet in length, a portion of Hidden Pines Drive, approximately 350 feet in length, a portion of Valleydale Drive, approximately 210 feet in length, and a portion of Sumpter Road, approximately 2,500 feet in length as shown on the April 2008 Sullivan County Tax Maps.

AND WHEREAS, the City of Kingsport deems it advisable to adopt a Plan of Services for the proposed annexation area. Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSFORT, TENNESSEE, AS FOLLOWS:

SECTION I. That a Plan of Services for the RS8 Annexation as bounded and described above is hereby adopted, subject to an enactment of an annexation ordinance for the annexation area, the said Plan of Services to be as follows:

**RS8 Annexation
Plan of Services**

1. Police Protection

- A. On the date of annexation the Kingsport Police Department will respond to all calls for service for police protection, including criminal calls, traffic accidents and traffic related occurrences, and other prevention and interdiction calls for service.
- B. Effective with annexation, all resources currently available within the Kingsport Police Department will become available to the citizens of the area. The Kingsport Police Department has an authorized accredited force of 103 police officers and approximately 60 civilian personnel to provide services 24-hours per day, 365 days a year.
- C. The Kingsport Police Department is accredited with the *Commission on Accreditation for Law Enforcement Agencies* and has met 312 mandatory and 100 optional standards in order to attain this status. Kingsport Police Department was only the third accredited department in the State of Tennessee and the first in northeast Tennessee.
- D. Upon annexation, existing police department personnel will be utilized to provide services by expanding the contiguous patrol sections to include the newly incorporated area. Existing police personnel and equipment will be shifted to provide needed coverage of the area. Each section will be patrolled by units of the Kingsport Police Department and will be augmented by other departments and units such as investigators, specialized assigned details etc.
- E. When needed, the Kingsport Police Department will hire additional police officers to provide more response to annexed areas. The officers will undergo seven hundred twenty (720) hours of basic recruit training before being certified as a police officer. Upon completion of the classroom training, the officers will undergo six hundred forty (640) hours of field office training where they will work and be trained by designated training officers.
- F. The Kingsport Police Department will provide upon request crime prevention programs, traffic safety education programs, drug education/awareness programs including D.A.R.E. to the citizens of the area. Additional programs include department personnel to address groups on law enforcement topics or concerns, home and business security checks and establishing and maintaining neighborhood watch programs.
- G. The Kingsport Police Department currently maintains a 4.5-minute response time to all incidents within the corporate limits.

2. Fire Protection

- A. On the operative date of annexation, the City of Kingsport will answer all calls for service for fire, disaster, hazardous materials, special rescue and medical first responder. The Kingsport Fire Department goes beyond the basic fire services required of a City Government.
- B. The City of Kingsport Fire Department is an Internationally Accredited Agency, one of only two in the State of Tennessee. We operate 6 fire stations, housing fire suppression, hazardous materials, rescue and other emergency equipment. Staffed by 94 full-time professional firefighters, 24 hours a day, 365 days a year to provide service. The City of Kingsport maintains a Class 3 insurance rating saving

its residents the most possible on their insurance rates. Our response time average is approximately 4 minutes, 15 seconds after we receive the call from our dispatch center.

- C. Free fire safety inspections will be available upon request on the effective date of annexation. Water lines will be upgraded within five (5) years after the effective date of annexation to provide needed fire flow to protect the properties.
- D. All structures must be brought into compliance with the City-wide smoke detector ordinance within thirty (30) days of the effective date of annexation. This is strictly to provide residents with the best fire protection service available.
- E. The City of Kingsport Fire Department has a Hazardous Materials Response Team, which has state-of-the-art equipment to handle all calls of an emergency nature dealing with incidents relating to hazardous chemicals. The department also has a Technical Rescue Team that has specialized rescue capabilities and equipment for all types of hazards.
- F. The City of Kingsport Fire Department provides First Responder emergency medical services to all life-threatening medical emergencies resulting from serious illness or injury. We provide advanced life support (paramedics) for victims until ambulance service arrives for transport.

3. Water

- A. Water will be billed at in City rates rather than out of City rates, which will result in a reduction in water rates for annexed citizens already receiving City water. Those not currently receiving City water will be required to obtain a water-tap in order to obtain City water.
- B. Water line upgrades and the installation of fire hydrants will commence for adequate fire protection and will be completed within five (5) years after the effective date of annexation.
- C. The City of Kingsport Water Department operates and maintains a 28 MGD water filtration plant, 22 water storage tanks, 15 water booster station and over 750 miles of waterlines. The water treatment plant is staffed by state certified operators 24 hours a day, 365 days a year to provide safe drinking water to our customers.
- D. The City of Kingsport Water Department meets or exceeds water quality standards set forth by the State of Tennessee and the United States Environmental Protection Agency. The plant was the recipient of the 2005 Julian Fleming Award for Outstanding Water Treatment Plants.
- E. The Kingsport Water Treatment Plant has a capacity of 28 MGD and an average daily demand of 15 MGD leaving a surplus capacity of approximately 18 MGD for increased demand.
- F. The Water Distribution Division is managed with a professional staff who are members of key professional organizations such as: American Water Works Association, Tennessee Association of Utility Districts, National Society of

Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a distribution system in the State of Tennessee.

4. Electricity

Electric service in this area is currently under the jurisdiction of AEP and is currently available. Street lighting will be provided generally within five years of the City of Kingsport's request for such service.

5. Sanitary Sewer

- A. City of Kingsport sanitary sewer will be installed and extended to the property within five (5) years after the effective date of annexation. Citizens in the annexed territory will be responsible and required to obtain a sewer-tap from the City of Kingsport before connection to the sanitary sewer system.
- B. Sanitary sewer fees are based on usage of water and are direct reflection of the amount of water used by the resident.
- C. The City of Kingsport operates and maintains a 12.4 MGD wastewater treatment plant, 88 sewer lift stations and approximately 525 miles of sanitary sewer collection lines in to provide sewer service to our customers.
- D. The City of Kingsport Wastewater Treatment Plant will experience 20 million dollars of improvements to provide a reliable and dependable infrastructure.
- E. The wastewater treatment plant is staffed with State Certified Operators 24 hours a day, 365 days a year. Treatment plant operators exceed State of Tennessee training requirements.
- F. The Sewer Collection Division is managed with a professional staff who are members of key professional organizations such as: Water Environment Federation, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a collection system in the State of Tennessee.

6. Solid Waste Disposal

Sanitation garbage (routine household refuse), trash (grass clippings, tree trimmings, bulky items), and recycling collection will be provided to the annexed area on the same basis as that received by properties located within the existing City Limits. Collection will begin within thirty (30) days following the effective date of annexation. The Sanitation Division supervisor is certified through SWANA as a Certified MSW Management Manager, and Certified Transfer Station Manager. Members of the collection crews receive ongoing training in their fields. The City of Kingsport also owns and operates a demolition landfill that residents can use for a fee. That landfill is supervised by a SWANA certified Manager of Landfill Operations. This supervisor also holds other certifications from SWANA and TDEC.

7. Public Road/Street Construction & Repair

- A. Emergency and routine maintenance of streets and street signs, pavement markings and other traffic control devices will begin on the operative date of annexation. Emergency pothole repairs are generally made within 24 hours of notification. Crews are available on a 24 hour basis for major emergency call-outs.
- B. Cleaning of streets of snow and ice clearing will begin on the operative date of annexation on the same basis as now provided within the present City limits. This includes major thoroughfares, State highways and emergency route to hospitals as first priority, with secondary/collector streets and finally residential streets in that order as priority II. Snow removal crews receive yearly training to help keep them up to date with changes in procedures and techniques. Snow removal crews also respond on a 24 hour emergency call in basis.
- C. Streets affected by utility construction will be repaired as soon as possible after the utility construction is completed.
- D. Routine Right of Way maintenance is also provided on the effective date of annexation. These crews include a certified Arborist, certified Pesticide Applicators, and other trained personnel to respond to emergencies and routine maintenance requests.
- E. The Streets and Sanitation Division is managed and supervised by a professional staff who are members in good standing of several Professional Organizations such as the Tennessee Chapter of the American Public Works Association, the national chapter of the American Public Works Association, the Volunteer Chapter of the Solid Waste Association of North America, the national chapter of the Solid Waste Association of North America, the Tennessee Urban Forestry Council, the Tennessee Nursery and Landscape Association, National Arbor Day Association, Tennessee Vegetation Management Association, and the Keep Kingsport Beautiful Council. The staff receives ongoing training through these Professional Organizations. Members of the staff are active in their respective organizations. Members of the staff also serve as trainers and instructors for various training venues.

8. Recreational Facilities

- A. Residents of the annexed area may use existing City recreational facilities, programs, parks, etc. on the effective date of annexation at City rates rather than out of City rates.
- B. Residents of the annexed area may use all existing library facilities and will be exempt from the non-residential fee on the effective date of annexation.
- C. Residents of the annexed area (50 years or older) will be eligible to use the Senior Citizens Center with no non-residential fees and with transportation provided on the effective date of annexation.

- D. The Department of Parks and Recreation has more than 4,800 acres of city-owned land to provide parks and recreation programs to all our citizens. The amenities and programs offered by many of the parks and recreation areas through the Leisure Services Department include playing fields for baseball and softball, basketball courts, play grounds, volley ball, tennis courts, a skate park and concession areas and restrooms to serve these facilities. Other amenities offered include General meeting areas, multi function areas, Community Centers, senior programs, Theater and Cultural Arts programs. Many of the parks have walking and hiking trails and Bays Mountain, the City's largest park, includes animal habitats, a farm area, camping sites, and a Planetarium.

9. **Street Lighting**

Within five years of the operative date of annexation the City will take over responsibility (including payment) for dusk-to-dawn lights presently in place that meet City standards. The City will request that AEP install additional streetlights on collector-class and lower streets in accordance with the policy on roadway lighting within five (5) years of the effective date of annexation. Lighting on minor and major arterials will be installed per prevailing city policy.

10. **Zoning Services**

- A. The area will be zoned R-1B (Residential District).
- B. The Kingsport Regional Planning Commission is the comprehensive planning agency and administers zoning and land subdivision regulations for the City of Kingsport as provided in State law. The Kingsport Regional Planning Commission consists of nine (9) commissioners appointed by the Mayor of the City of Kingsport.
- C. The Kingsport Regional Planning Commission will exercise planning and zoning activities for the area being annexed upon the operative date of annexation. The area will be incorporated into the city limits of the City as part of the five-year long-range annexation plan adopted by the Kingsport Regional Planning Commission for this area.
- D. Appeals to Zoning regulations are heard by the Board of Zoning Appeals and variances are granted if the request meets the criteria established for granting variances under Tennessee Code Annotated.

11. **Schools**

- A. Upon annexation, children currently attending County schools will be allowed to attend City of Kingsport schools or remain in County schools per the prevailing County policy at the time.
- B. Tuition paid by non-city residents now attending City schools will cease upon the effective date of annexation and those students may continue to attend City schools without charge until graduation.

- C. Children at all grade levels may attend City schools tuition-free. Transportation will be provided for students, whose homes are more than 1.5 miles from their designated school, beginning with the school year following annexation.

The previous sections are titled and listed in the order prescribed by Tennessee Code Annotated 6-51-102(b) (2). The following sections are provided by the City of Kingsport in addition to the minimum requirements.

12. Traffic Control

The City will verify all street name signs and traffic control devices in accordance with the Manual on Uniform Traffic Control Devices.

13. Inspection Services

All inspection services now provided by the City on a fee basis (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin in the annexed area on the effective date of annexation. A free safety inspection of plumbing vents will be required at the time sewer connections are made to make sure that proper protection is available to prevent sewer gas from entering houses.

14. Animal Control

Animal control service equivalent to that presently provided within the City will be extended to the annexed area on the effective date of annexation.

15. Storm Sewers

The installation of any needed storm sewers will be accomplished in accordance with existing standards and engineering principles provided for by present City policies. Maintenance of existing storm sewer and drainage systems is also provided on an as needed basis. Response to emergency storm drainage calls is also provided on a 24 hour call in basis.

16. Leaf Removal

The City will collect loose leaves with the vacuum truck between October 1 and January 15, and it will be provided to the annexation area on the same basis as it is currently provided to other City residents beginning on the effective date of annexation. Bagged leaves are collected year round. Leaves are transported to the City's Demolition Landfill where they are composted and used as an amendment to existing dirt stockpiles. This enhanced dirt is then used on City Projects for backfill and topsoil applications.

17. Litter Control

The City's litter control program will be extended to the area on the effective date of annexation. It is provided biweekly along major commercial routes and on an "as needed/on call" basis in other areas.

18. Graffiti Control

The City's graffiti control program, which is aimed at eliminating graffiti on public rights-of-way such as bridge abutments, street signs, railroad underpasses, and the like, will be extended to the area on the effective date of annexation. It is provided on an "as needed/on call" basis. Response time for "offensive" graffiti removal is generally within 48 hours.

19. Other Services

All other services not classified under the foregoing headings such as Executive, Judicial, Legal, Personnel, Risk Management, Fleet Maintenance, Finance and Administration and other support services will be available upon the effective date of annexation.

SECTION II. This Resolution shall be effective from and after its adoption, the public welfare requiring it.

ADOPTED this the 6th day of October 2009.

ATTEST:

DENNIS R. PHILLIPS, Mayor

ELIZABETH A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13th CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE RS8 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, a public hearing before the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, was held on the 6th day of October, 2009, and notice thereof published in the Kingsport Times-News on the 21st day of September, 2009; and

WHEREAS, the City of Kingsport has initiated the annexation of the territory herein described to the City of Kingsport; and

WHEREAS, the board of mayor and aldermen finds that the annexation will materially benefit the health, safety, and welfare of the citizens and property owners of the city and the territory annexed; and

WHEREAS, the annexation of such property is deemed necessary for the welfare of the residents and property owners thereof and the city as a whole; and

WHEREAS, a plan of services for this area was adopted by Resolution the 6th day of October, 2009 as required by Tenn. Code Ann., 6-51-102, et seq.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. Pursuant to the authority conferred by Tennessee Code Annotated §6-51-102 et seq. there is here by annexed to the City of Kingsport, Tennessee, and incorporated within the corporate boundaries thereof, the following described territory adjoining the present corporate boundaries: embracing that certain part of Civil District No. 13 of Sullivan County, Tennessee, and more fully described to-wit:

BEGINNING at a point, said point being the western corner of parcel 31, Tax Map 119G, in common with the eastern right-of-way of Valleydale Drive; thence in a northeasterly direction, following the eastern right-of-way of Valleydale Drive, approximately 1,495 feet to a point, said point being the northern corner of parcel 2 in common with the eastern right-of-way of Valleydale Drive; thence in a northwesterly direction, crossing the right-of-way of Valleydale Drive, approximately 254 feet to a point, said point being the western corner of parcel 9; thence in a northeasterly direction, approximately 597 feet to a point, said point being the northern corner of parcel 6; thence in a southeasterly direction, crossing the right-of-way of Sumpter Road, approximately 444 feet to a point, said point lying on the eastern right-of-way of Sumpter Road; thence in a southwesterly direction,

approximately 25 feet to a point, said point being the northern corner of parcel 121 in common with the eastern right-of-way of Sumpter Road; thence in a southeasterly direction, approximately 440 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet northwest of the eastern corner of parcel 121; thence in a southwesterly direction, following parallel and approximately 10 feet northwest to the eastern parcel boundary of parcel 121, approximately 635 feet to a point; thence in an easterly direction, approximately 10 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet southwest of the western corner of parcel 108; thence in a southwesterly direction, approximately 1,860 feet to a point, said point being the southern corner of parcel 119; thence in a northwesterly direction, approximately 170 feet to a point, said point being the western corner of parcel 119 in common with the eastern right-of-way of Sumpter Road; thence in a northwesterly direction, crossing the right-of-way of Sumpter Road, approximately 50 feet to a point, said point lying on the parcel boundary of parcel 26; thence in a northeasterly direction, following the western right-of-way of Sumpter Road, approximately 320 feet to a point, said point being the southern corner of parcel 38; thence in a northwesterly direction, approximately 216 feet to a point, said point being the western corner of parcel 38; thence in a northeasterly direction, approximately 128 feet to a point, said point being the northern corner of parcel 38; thence in a northwesterly direction, approximately 233 feet to the point of BEGINNING, and being all of parcels 1, 1, 2, 2, 3, 3, 4, 4, 5, 5, 6, 7, 7, 8, 8, 9, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38, 119, and a portion of parcel 121, Tax Maps 119B and 119G, as well as Morningdale Drive, approximately 400 feet in length, a portion of Hidden Pines Drive, approximately 350 feet in length, a portion of Valleydale Drive, approximately 210 feet in length, and a portion of Sumpter Road, approximately 2,500 feet in length as shown on the April 2008 Sullivan County Tax Maps.

SECTION II. That this ordinance shall take effect from and after the date of its passage, as the law directs, the public welfare of the citizens of Kingsport, Tennessee, requiring it.

DENNIS R. PHILLIPS
Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. GILBERT
Deputy City Recorder

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

PRE-FILED
CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG MORNINGDALE DRIVE, HIDDEN PINES DRIVE, VALLEYDALE DRIVE, AND SUMPTER ROAD TO R-1B, RESIDENTIAL DISTRICT IN THE 13th CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property along Morningdale Drive, Hidden Pines Drive, Valleydale Drive, and Sumpter Road to R-1B, Residential District in the 13th Civil District of Sullivan County; said property to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the western corner of parcel 31, Tax Map 119G, in common with the eastern right-of-way of Valleydale Drive; thence in a northeasterly direction, following the eastern right-of-way of Valleydale Drive, approximately 1,495 feet to a point, said point being the northern corner of parcel 2 in common with the eastern right-of-way of Valleydale Drive; thence in a northwesterly direction, crossing the right-of-way of Valleydale Drive, approximately 254 feet to a point, said point being the western corner of parcel 9; thence in a northeasterly direction, approximately 597 feet to a point, said point being the northern corner of parcel 6; thence in a southeasterly direction, crossing the right-of-way of Sumpter Road, approximately 444 feet to a point, said point lying on the eastern right-of-way of Sumpter Road; thence in a southwesterly direction, approximately 25 feet to a point, said point being the northern corner of parcel 121 in common with the eastern right-of-way of Sumpter Road; thence in a southeasterly direction, approximately 440 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet northwest of the eastern corner of parcel 121; thence in a southwesterly direction, following parallel and approximately 10 feet northwest to the eastern parcel boundary of parcel 121, approximately 635 feet to a point; thence in an easterly direction, approximately 10 feet to a point, said point lying on the parcel boundary of parcel 121, approximately 10 feet southwest of the western corner of parcel 108; thence in a southwesterly direction, approximately 1,860 feet to a point, said point being the southern corner of parcel 119; thence in a northwesterly direction, approximately 170 feet to a point, said point being the western corner of parcel 119 in common with the eastern right-of-way of Sumpter Road; thence in a northwesterly direction, crossing the right-of-way of Sumpter Road, approximately 50 feet to a point, said point lying on the parcel boundary of parcel 26; thence in a northeasterly direction, following the western right-of-way of Sumpter Road,

approximately 320 feet to a point, said point being the southern corner of parcel 38; thence in a northwesterly direction, approximately 216 feet to a point, said point being the western corner of parcel 38; thence in a northeasterly direction, approximately 128 feet to a point, said point being the northern corner of parcel 38; thence in a northwesterly direction, approximately 233 feet to the point of BEGINNING, and being all of parcels 1, 1, 2, 2, 3, 3, 4, 4, 5, 5, 6, 7, 7, 8, 8, 9, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38, 119, and a portion of parcel 121, Tax Maps 119B and 119G, as well as Morningdale Drive, approximately 400 feet in length, a portion of Hidden Pines Drive, approximately 350 feet in length, a portion of Valleydale Drive, approximately 210 feet in length, and a portion of Sumpter Road, approximately 2,500 feet in length as shown on the April 2008 Sullivan County Tax Maps.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

DENNIS R. PHILLIPS
Mayor

ATTEST:

ELIZABETH A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

ANNEXATION REPORT
RS8 ANNEXATION, FILE: 09-301-000012

TO: KINGSFORT REGIONAL PLANNING COMMISSION

FROM: Ken Weems, Planner

DATE: 3 August 2009

APPLICANT: City of Kingsport

REQUESTED ACTION: City initiated annexation and zoning to an R-1B, Single Family District, of approximately 42 acres.

LOCATION: The property is located on the east side of Hidden Acres Road, the Vantage Pointe Subdivision, best described as Tax Map 119, Parcels 1, 1, 2, 2, 3, 3, 4, 4, 5, 5, 6, 7, 7, 8, 8, 9, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38, 119, & 121.

EXISTING LAND USE: Single Family Residential

PROPOSED USE: same

SURROUNDING ZONING DISTRICTS & LAND USES:

General: The annexation area is surrounded by County R-1 (Single Family), and City R-1B (Single Family) zoning, with like uses.

LAND USE PLAN (S): The 2010 Land Use Plan addresses this area as single family residential. The new Kingsport 2030 Land Use Plan (pending Planning Commission approval) describes this area as single family residential.

UTILITIES: Both City of Kingsport sanitary sewer and water service require an upgrade for this annexation.

TRANSPORTATION: Streets in this annexation area consist of a portion of Sumpter Rd (2,500 feet in length), Morningdale Dr. (400 feet in length), and Hidden Pines Dr (350 feet in length).

POPULATION: The annexation area contains approximately 87 residents (28 total parcels).

OPTIONS: The Planning Commission's options are the following:

1. Send a favorable recommendation for annexation to the Board of Mayor and Alderman.
2. Recommend disapproving the annexation, stating the reasons in writing.
3. Postpone action until additional information is presented.

STAFF RECOMMENDATION:

The Planning Division recommends option #1, the annexation of the parcel identified in this study to the Planning Commission and the Board of Mayor and Aldermen. The rationale for this recommendation is based on the following:

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.

**Rock Springs 2009 Annexation Area
COST ANALYSIS (tax records as of 2 April 2009)**

| Revenues | One Time | Reoccurring (annual) | |
|------------------|---------------------|----------------------|---------------------------|
| Property Taxes | X | \$193,225.00 | |
| State Shared | X | \$61,050.00 | 550 res x 111 (estimated) |
| Sewer Tap Fees | \$430,950.00 | X | 221 homes total |
| Water Rev (loss) | X | -\$49,946.00 | |
| Total | \$430,950.00 | \$204,329.00 | |

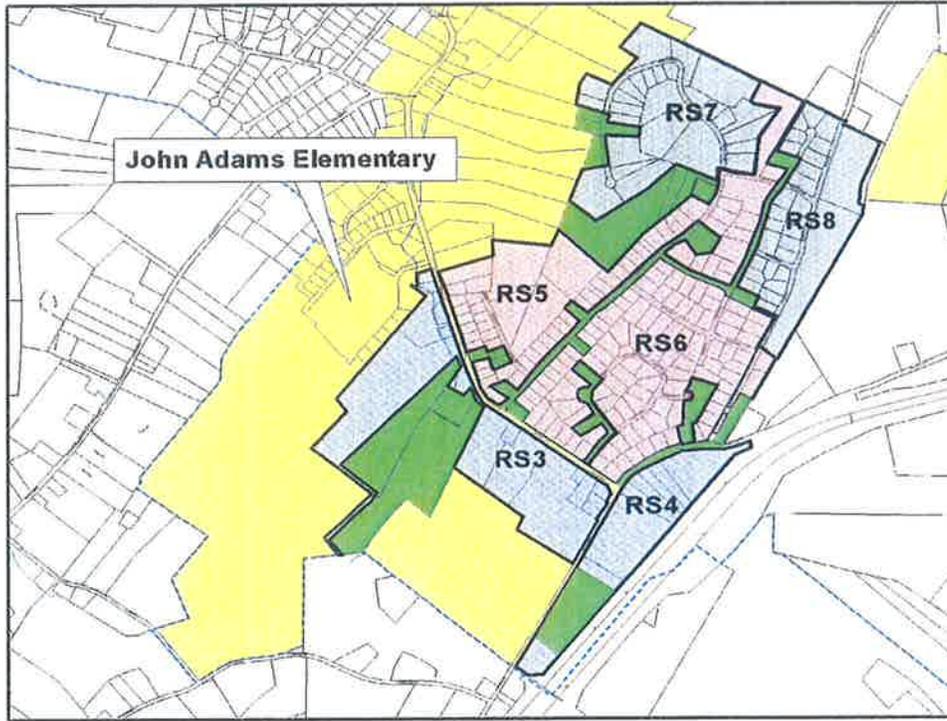
| Expenses | One Time | Reoccurring (annual) |
|-------------------------|---------------------|----------------------|
| Operating Budget | | |
| Street Lighting | 172,867.00 | 22,867.00 |
| Traffic Controls | 7,350.00 | 0.00 |
| Streets & Sanitation | 0.00 | 72,310.00 |
| Subtotal | 180,217.00 | 95,177.00 |
| Capital Budget | | |
| Water | 889,875.00 | 0.00 |
| Sewer | 4,650,000.00 | 0.00 |
| Roads | 100,133.00 | 0.00 |
| Subtotal | 5,640,008.00 | 0.00 |
| Grand Total | 5,820,225.00 | 95,177.00 |

vacant land in the annexation area, once subdivided and built out=
 57 acres x 4 units per acre= 228 units @ 250K assessed value
 translates to property tax of \$1,437.5 x 228 units = **\$327,750/ yr (future potential)**

**RS7 & RS8 costs only (break out from cost of whole Rock Springs 2009 cost analysis)
 COST ANALYSIS (tax records as of 2 April 2009)**

| Revenues | One Time | Reoccurring (annual) | |
|------------------|---------------------|----------------------|---------------------------|
| Property Taxes | X | \$57,967.00 | |
| State Shared | X | \$18,981.00 | 171 res x 111 (estimated) |
| Sewer Tap Fees | \$111,150.00 | X | 57 homes total |
| Water Rev (loss) | X | -\$12,825.00 | |
| Total | \$111,150.00 | \$64,123.00 | |

| Expenses | One Time | Reoccurring (annual) |
|-------------------------|---------------------|----------------------|
| Operating Budget | | |
| Street Lighting | 51,860.00 | 6,860.00 |
| Traffic Controls | 2,205.00 | 0.00 |
| Streets & Sanitation | 0.00 | 21,693.00 |
| Subtotal | 54,065.00 | 28,553.00 |
| Capital Budget | | |
| Water | 339,875.00 | 0.00 |
| Sewer | 1,875,000.00 | 0.00 |
| Roads | 30,039.00 | 0.00 |
| Subtotal | 2,244,914.00 | 0.00 |
| Grand Total | 2,298,979.00 | 28,553.00 |



Rationale

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.



AGENDA ACTION FORM

Consideration of an Ordinance Adopting an Equal Employment Opportunity Statement and Consideration of a Resolution Establishing a Complaint Procedure and Authorizing the Mayor to Execute the Equal Employment Opportunity Plan for the City and the Police Department

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager
 Date: October 1, 2009

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

| | | | |
|------------------|-----------------|------------------|----------------------------|
| Action Form No.: | AF-315-2009 | Final Adoption: | October 20, 2009 |
| Work Session: | October 5, 2009 | Staff Work By: | Duncan/Billingsley/Osborne |
| First Reading: | October 6, 2009 | Presentation By: | Mike Billingsley |

Recommendation: Approve the ordinance. Approve the resolution.

Executive Summary:

The city has recently applied for a number of grants, including some related to the recent federal stimulus program. The last official general non-discrimination policy of the board that could be located was adopted by the board of mayor and alderman in 1975, although various policies pertaining to Title VI and other such acts have been approved from time to time. There are some protected classes that have been added since 1975, so it would be appropriate to update and reaffirm the city's commitment to non-discrimination based on the protected classes. The attached ordinance will update the non-discrimination policy. Once adopted the policy will be disseminated throughout city facilities to replace the current policy.

The resolution outlines a complaint procedure allowing the prompt and fair resolution of complaints alleging a violation of the policy. The resolution also authorizes the Mayor to execute the 2009 Equal Employment Opportunity Plan (EEOP) on behalf of the City and the police department. The EEOP is required for certain federal grants in excess of \$25,000. A separate EEOP has been prepared for the police department, since some grants are awarded to the police department. These plans update the previous EEOP.

Attachments:

1. Resolution
2. Ordinance
3. 2009 EEOP for the Police Department
4. 2009 EEOP for the City of Kingsport

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Shupe | — | — | — |
| Phillips | — | — | — |

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING A PROCEDURE TO RESOLVE COMPLAINTS RELATED TO THE POLICY OF NON-DISCRIMINATION IN CITY PROGRAMS AND ACTIVITIES AND AUTHORIZING THE MAYOR TO EXECUTE THE 2009 EQUAL EMPLOYMENT OPPORTUNITY PLAN FOR THE CITY AND THE POLICE DEPARTMENT

WHEREAS, it is the policy of the city that it does not discriminate and prohibits discrimination in its programs and activities on the basis of race, color, national origin, age, disability, sex, or religion; and

WHEREAS, the city is an equal opportunity employer; and

WHEREAS, the city wishes to establish a grievance procedure to address complaints alleging discrimination prohibited by federal law; and

WHEREAS, the city has prepared a 2009 Equal Employment Opportunity Plan for the city and for the police department required by certain federal grants;

Now therefore,

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

SECTION I. That a complaint procedure to resolve complaints related to the policy of non-discrimination in city programs and activities is as follows:

The Human Resources Manager, or designee, is the designated coordinator for the grievance procedure for this non-discrimination policy. All complaints alleging discrimination prohibited by Federal law against any city program or activity must be filed with the Human Resources Manager, or designee, within 180 days of the date of the alleged discrimination.

The complaint should include at least the following:

1. a signed, dated, written explanation of what has happened;
2. a way to contact the complainant (name, address, and phone number along with the name, address, and phone number of a contact person);
3. the basis of the complaint (race, color, natural origin, age, disability, sex or religion) must be stated;
4. the respondent – identification of the program or activity alleged to have discriminated;
5. names, addresses, and phone numbers of other persons who may have knowledge of the alleged discrimination; and
6. sufficient information to understand the facts that led the complainant to believe that discrimination has occurred and when the discrimination took place.

The Complaint Form, available from the office of the Human Resources Manager, may be used to submit the complaint information, but its use is not required. The complainant individually or through his/her authorized representative may complete the form. If the complaint form is not used, the Human Resources Manager, or designee, may request that the complainant, or his/her authorized representative, provide any additional details that may be included on the complaint form to ensure information needs are satisfied. All complaints must be signed and dated.

Appropriate assistance will be provided to complainants, including persons with disabilities and individuals who speak a language other than English, who may need help in providing the necessary information.

When a complaint is received the Human Resources Manager, or designee, will assign a case number and construct a case file. A letter acknowledging receipt of the complaint will be mailed to the complainant within 15 days of receipt of the complaint by the Human Resources Manager.

The Human Resources Manager, or designee, will maintain a log of complaints received. The log will include the following: the identity of the complainant, the identity of the recipient program or activity, the nature of the complaint, the date the complaint was filed, the investigation completed, the date and nature of the disposition, and other pertinent information.

The Human Resources Manager, or designee, will conduct an investigation of the allegations of the complaint. Investigations will be conducted in a prompt, thorough, and impartial manner. When a detailed fact-finding investigation is necessary, the Human Resources Manager, or designee, should, at a minimum, interview the complainant individually or through his/her authorized representative, other persons with personal knowledge of the allegation, and city entities affected. Investigations will be conducted in accordance with the U.S. Department of Justice (DOJ) *Investigation Procedures Manual for the Investigation of Complaints Alleging Violations of Title VI and Other Nondiscrimination Statutes* in conjunction with the DOJ's *Title VI Legal Manual*. If, during the course of the investigation, it is determined that the city does not have jurisdiction over the complaint a good faith effort will be made to refer the complaint to the appropriate agency that can handle the case.

Upon completion of the investigation, the Human Resources Manager, or designee, will determine whether the allegation of discrimination is substantiated or not substantiated based upon the investigation. A letter of finding, including corrective action to be taken if any, will be issued to all parties.

To the extent possible, the city will protect the confidentiality of each party involved in any discrimination complaint or charge provided that it does not interfere with the city's ability to investigate the allegations or to take corrective action. However, the city cannot guarantee or assure complete confidentiality. Any record so defined by the Tennessee Public Record Act is a public record unless exempted by federal or state law. Therefore, the city may not be able to maintain the confidentiality of investigative records.

In the event that a complaint alleging discrimination in violation of federal law is filed with the city and an external entity simultaneously, the external complaint will supersede the city complaint and the city's complaint procedures will be suspended pending the external findings.

These procedures do not prohibit an individual's right to consult with, seek assistance from, and/or file a complaint concerning alleged discrimination prohibited by federal law with other federal agencies having authority to enforce nondiscrimination requirements; with State or local agencies having such authority; with a Federal or State Court, or to exercise any other applicable constitutional rights.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, the 2009 Equal Employment Opportunity Plan complying with certain federal grant requirements on behalf of the City of Kingsport and the Kingsport Police Department.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**PRE-FILED
CITY RECORDER**

ORDINANCE NO. _____

AN ORDINANCE ADOPTING A POLICY OF NON-DISCRIMINATION IN CITY PROGRAMS AND ACTIVITIES; ESTABLISHING A GRIEVANCE PROCEDURE TO RESOLVE COMPLAINTS RELATED THERETO; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That it is the policy of the City of Kingsport that it does not discriminate and prohibits discrimination in its programs and activities on the basis of race, color, national origin, age, disability, sex, or religion. The City of Kingsport is an equal opportunity provider and employee.

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

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

2009

EEOP SHORT FORM



KINGSPORT POLICE DEPARTMENT

Step 1: Introductory Information

Grant Title: COPS Hiring Recovery Program
Grant Number: 2009-RKWX0812
Grantee Name: Kingsport Police Department
Award Amount: \$939,012.00
Grantee Type: Local Government Agency
Address: 225 West Center Street, Kingsport, TN 37660
Contact Person: Captain Jenny Castle/Morris Baker
Telephone #: 423-229-9498
Contact Address: 200 Shelby Street, Kingsport, TN 37660
DOJ Grant Manager: Shauna Connolly
DOJ Telephone #: 202-353-0019

Grant Title: BJA FY 09 Recovery Act Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation
Grant Number: 2009-SB-B9-0981
Grantee Name: Kingsport Police Department
Award Amount: \$165,259
Grantee Type: Local Government Agency
Address: 225 West Center Street, Kingsport, TN 37660
Contact Person: Captain Jenny Castle/Morris Baker
Telephone #: 423-229-9498
Contact Address: 200 Shelby Street, Kingsport, TN 37660
DOJ Grant Manager: Shauna Connolly
DOJ Telephone #: 202-353-0019

Grant Title: FY 2009 Justice Assistance Grant Program Local Solicitation
Grant Number: 2009-DJ-BX-0800
Grantee Name: City of Kingsport/ Kingsport Police Department
Award Amount: \$40,325.00
Grantee Type: Local Government Agency
Address: 225 West Center Street, Kingsport, TN 37660
Contact Person: Captain Jenny Castle/Morris Baker
Telephone #: 423-229-9498
Contact Address: 200 Shelby Street, Kingsport, TN 37660
DOJ Grant Manager: Shauna Connolly
DOJ Telephone #: 202-353-0019

Step 2: Equal Employment Opportunity Policy Statement:

The city of Kingsport will provide a work environment that is free from discrimination, including harassment, based on race, color, national origin, religion, sex, age, or disability. The prohibition against employment discrimination and harassment may extend to conduct that employees are subjected to from vendors, contractors, customers or others who enter the workplace. Unlawful discrimination may include, but is not limited to, employment actions related to recruitment, examination, transfer, appointment, training, promotion, or the administration of employee benefits. The city is committed to complying with all applicable federal, state, and local civil rights laws that pertain to employment.

Step 4b: Narrative Underutilization Analysis

In reviewing the Utilization Analysis Chart, the Human Resources Office for the city of Kingsport on behalf of the Kingsport Police Department (KPD) made the following observations:

1. White females were significantly under-represented in the following job categories: Officials (-35.4%), Technicians (-59%), and Sworn Patrol Officers (-7%).
2. Black males were under-represented in the following job categories: Officials (-0.8%), Technicians (-1.10%) and Administrative Support (-0.5%).
3. Black females were under-represented in the following job categories: Officials (-0.5%), Technicians (-0.7%) and Protective Services: Non-Sworn (-1.2%).

Although the Utilization Analysis indicated other instances of under-representation, the actual numbers of employees in some job categories made it difficult to draw any reliable conclusions regarding underutilization (e.g. in the Technicians job category, the rate of underutilization was -1.10% for black males, and -0.7% for black females, but the total number of employees in this category was 4).

A comparison of the total civilian workforce in the surrounding areas of Washington, Sullivan and Hawkins Counties, Tennessee and Scott County, Virginia and the total civilian workforce in the United States shows a small number of minorities in the local geographical area in all job categories.

Steps 5 & 6: Objectives and Steps

1. Identify any barriers in recruitment that might deter black males, black females and white females from applying for entry-level police officer positions:
2. Target black males, black women and white women in police recruitment campaigns:

Step 7: Dissemination

1. The city of Kingsport, and the Kingsport Police Department's EEO Plan, the goal of achieving a diverse work force, and EEO policy shall be disseminated to all employees in various employee communications.

The Chief of Police shall periodically discuss or remind management staff of the importance of achieving the City's EEO goals and ensure a vigorous implementation and application of the EEO Plan and policy.

The Chief of Police shall ensure that the subject of diversity, the Department's EEO Plan and policy are included in management and supervisory training programs and staff retreats.

The Human Resources Manager shall post a notice of the City's EEO policy in conspicuous locations for employees to see; and, periodically visit work sites to ensure that the City's EEO policy notice is posted as well as all required postings of federal and state employment laws.

Human Resources Manager shall ensure that the City's EEO policy remains prominently included in the City's Personnel Code and that the EOE designation is included in appropriate brochures or documents concerned with recruitment, hiring practices, and benefits.

Human Resources Manager shall ensure that all job postings; announcements or advertisements (on the Internet, radio, television or print ads) will include a statement or EOE designation that the City of Kingsport is an equal opportunity employer.

Human Resources Manager shall ensure that the Employment page of the City's Internet website and the City's Intranet prominently display the City as an equal opportunity employer.

Department heads and supervisory personnel will be required to conduct periodic meetings to inform their employees of the existence of the EEO Plan and establish individual employee responsibilities for implementing the plan. Each Department head will document the information provided and the names of employees in attendance. The Department heads will compile this information in written report and forward to the HR Manager.

The Chief of Police, City Manager, HR Manager, Department heads or Supervisors shall make a good faith effort that published articles, pictures, advertising, employee handbooks, program publications, or other similar publications, contain photographs of the breadth of diversity of all City employees or our citizens.

2. The city of Kingsport and the Kingsport Police Department's EEO Plan, the goal of achieving a diverse work force, and EEO policy shall be disseminated to the public in the following manner.

The City's Internet website prominently displays the City as an equal opportunity employer on its homepage and the EEO Plan should be prominently added to the City's website for Internet access by the public.

When employees or our citizens are featured in published articles, pictures, advertising, employee handbooks, program publications, or other similar

publications, a good faith effort shall be made to include the breadth of the diversity of all City employees or our citizens.

The Kingsport Public Library shall receive a copy of the City's EEO Plan for access by patrons of the Library.

The City Clerk shall receive a copy for public access to the EEO Plan through the City Clerk's Office.

State and Federal regulatory agencies shall have access to the EEO Plan upon request.

Recruitment sources shall have access to the EEO Plan upon request.

The City Manager, HR Manager and all Department heads and Supervisors shall inform other groups or persons through their personal contacts, associations, and outside organizations, of the City's EEO Plan, policy and goals as may be appropriate.

Step 8: Analysis and Reporting

A report on the steps taken to achieve the City's goal of a diverse work force and the performance of the City toward achieving its EEO goals and policy shall be prepared by the HR Manager and submitted to the City Manager within three months of the end of each fiscal year. The analysis and reporting shall include a review of:

1. Recruitment and selection;
2. Promotions;
3. Transfers;
4. Disciplinary action; and
5. Terminations and discharge from employment.

The EEO Plan and annual reports will also be available upon request to any State or Federal agencies that are seeking a review of the City's compliance efforts as part of any grant requirements or as part of an investigation of a complaint of unlawful discrimination.

Step 9: Questions or Comments about the EEO Plan

Questions or comments concerning the City of Kingsport's Equal Employment Opportunity Plan, policy or goals, may be directed toward the City Manager or the Human Resources Manager.

Utilization Analysis Chart
 Relevant Labor Market: Sullivan, Hawkins, and Washington Counties, Tennessee and Scott County, Virginia

| | Male | | | | | | | Female | | | | | | |
|---|-------------|--------------------|---------------------------|----------|--------------------------------|---|-------------------|------------|--------------------|---------------------------|----------|--------------------------------|---|-------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Officials/Administrators | | | | | | | | | | | | | | |
| Workforce #/% | 1/100% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 11485/61.2% | 85/0.4% | 150/0.8% | 65/0.3% | 25/0.1% | 0/0.0% | 85/0.4% | 6645/35.4% | 8/0.0% | 109/0.5% | 30/0.1% | 25/0.1% | 0/0.0% | 18/1.0% |
| Utilization #/% | 38.80% | -0.40% | -0.80% | -0.30% | -0.10% | 0 | -0.40% | -35.40% | 0 | -0.50% | -0.10% | -0.10% | 0 | -1.00% |
| Professionals | | | | | | | | | | | | | | |
| Workforce #/% | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ |
| CLS #/% | 10125/42.1% | 63/0.2% | 170/0.7% | 144/0.5% | 14/0.0% | 0/0.0% | 36/0.1% | 12925/5.7% | 70/0.2% | 227/0.9% | 140/0.5% | 40/0.1% | 0/0.0% | 68/0.3% |
| Utilization #/% | | | | | | | | | | | | | | |
| Technicians | | | | | | | | | | | | | | |
| Workforce #/% | 4/100% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 1770/37.1% | 19/0.4% | 55/1.1% | 24/0.5% | 0/0.0% | 0/0.0% | 24/0.5% | 2810/59.0% | 24/0.5% | 35/0.7% | 10/0.2% | 4/0.0% | 0/0.0% | 0/0.0% |
| Utilization #/% | 62.90% | -0.40% | -1.10% | -0.50% | 0 | 0 | -0.50% | -59.00% | -0.50% | -0.70% | -0.20% | 0 | 0 | 0 |
| Protective Services: Sworn Officials | | | | | | | | | | | | | | |
| Workforce #/% | 12/92.3% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 1/7.7% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 100/96.2% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 4/3.8% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| Utilization #/% | -3.90% | 0 | 0 | 0 | 0 | 0 | 0 | 3.90% | 0 | 0 | 0 | 0 | 0 | 0 |
| Protective Services: Sworn Patrol Officers | | | | | | | | | | | | | | |
| Workforce #/% | 74/89.2% | 1/1.2% | 2/2.4% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 6/7.2% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 1630/82.5% | 14/0.7% | 24/1.2% | 0/0.0% | 4/0.2% | 0/0.0% | 10/0.5% | 280/14.2% | 0/0.0% | 0/0.0% | 0/0.0% | 10/0.5% | 0/0.0% | 0/0.0% |
| Utilization #/% | 6.70% | 0.50% | 1.20% | 0 | -0.20% | 0 | -0.50% | -7% | 0 | 0 | 0 | -0.50% | 0 | 0 |
| Protective Services: Non-Sworn | | | | | | | | | | | | | | |
| Workforce #/% | 8/38.1% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 11/52.4% | 0/0.00% | 2/9.5% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 69/49.3% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 53/37.9% | 0/0.0% | 15/10.7% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| Utilization #/% | -11.20% | 0 | 0 | 0 | 0 | 0 | 0 | 14.50% | 0 | -1.20% | 0 | 0 | 0 | 0 |

Utilization Analysis Chart
 Relevant Labor Market: Sullivan, Hawkins, and Washington Counties, Tennessee and Scott County, Virginia

| | Male | | | | | | | Female | | | | | | |
|-------------------------------|-------------|--------------------|---------------------------|---------|--------------------------------|---|-------------------|-------------|--------------------|---------------------------|----------|--------------------------------|---|-------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Administrative Support | | | | | | | | | | | | | | |
| Workforce #/% | 2/6.5% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% | 27/87.1% | 0/0.00% | 2/15.5% | 0/0.00% | 0/0.00% | 0/0.00% | 0/0.00% |
| CLS #/% | 10835/28.8% | 99/0.3% | 209/0.5% | 50/0.1% | 24/0.0% | 0/0.0% | 79/0.2% | 25250/67.1% | 95/0.3% | 660/1.8% | 68/0.2% | 29/0.0% | 8/0.0% | 175/0.5% |
| Utilization #/% | -22.30% | -0.30% | -0.50% | -0.10% | 0 | 0 | -0.20% | 20% | -0.30% | 13.70% | -0.20% | 0 | 0 | -0.50% |
| Skilled Craft | | | | | | | | | | | | | | |
| Workforce #/% | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ |
| CLS #/% | 17130/88.5% | 188/1.0% | 274/1.4% | 4/0.0% | 30/0.2% | 10/0.0% | 82/0.4% | 15880/8.2% | 4/0.0% | 53/0.3% | 0/0.0% | 0/0.0% | 0/0.0% | 4/0.0% |
| Utilization #/% | | | | | | | | | | | | | | |
| Service/Maintenance | | | | | | | | | | | | | | |
| Workforce #/% | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ | 0/ |
| CLS #/% | 29500/58.1% | 424/0.8% | 459/0.9% | 60/0.1% | 49/0.0% | 10/0.0% | 272/0.5% | 19890/39.2% | 239/0.5% | 515/1.0% | 105/0.2% | 35/0.0% | 0/0.0% | 172/0.3% |
| Utilization #/% | | | | | | | | | | | | | | |

Law Enforcement Category Rank Chart

| | Male | | | | | | | Female | | | | | | |
|---|-------|--------------------|---------------------------|-------|--------------------------------|---|-------------------|--------|--------------------|---------------------------|-------|--------------------------------|---|-------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Chief | | | | | | | | | | | | | | |
| Workforce #/% | 1 | | | | | | | | | | | | | |
| Deputy Chief | | | | | | | | | | | | | | |
| Workforce #/% | 2 | | | | | | | | | | | | | |
| Captain | | | | | | | | | | | | | | |
| Workforce #/% | 1 | | | | | | | 1 | | | | | | |
| Lieutenant | | | | | | | | | | | | | | |
| Workforce #/% | 8 | | | | | | | | | | | | | |
| Sergeant | | | | | | | | | | | | | | |
| Workforce #/% | 12 | | | | | | | | | | | | | |
| Protective Services: Sworn Patrol Officers | | | | | | | | | | | | | | |
| Workforce #/% | 74 | 1 | 2 | | | | | 6 | | | | | | |

Utilization Analysis Chart

| | Total Civilian Labor Force | | | | | | |
|---|-----------------------------------|--------------------------|---------------------------------|-------|--|---|-------------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/ Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Washington, Hawkins, & Sullivan Counties, Tennessee & Lee, Scott, Wise Counties and Norton (city) Virginia | | | | | | | |
| Male | 52.60% | 0.50% | 0.90% | 0.20% | 0.10% | 0.00% | 0.30% |
| Female | 43.50% | 0.30% | 0.80% | 0.10% | 0.10% | 0.00% | 0.20% |
| | | | | | | | |
| | | | | | | | |
| United States | | | | | | | |
| Male | 39.00% | 6.20% | 4.80% | 1.90% | 0.30% | 0.10% | 0.80% |
| Female | 33.70% | 4.50% | 5.70% | 1.70% | 0.30% | 0.10% | 0.80% |
| | | | | | | | |
| | | | | | | | |

*data from 2000 U.S. Census Bureau

** Percentages may not add to total due to rounding

I understand the regulatory obligation under 28 C.F.R. 42.301-.308 to collect and maintain extensive employment data by race, national origin, and sex, even though our organization may not use all of this data in completing the EEOP Short Form.

I have reviewed the foregoing EEOP Short Form and certify the accuracy of the reported workforce data and our organization's employment policies.

GALE OSBORNE, Chief of Police

date

DENNIS R. PHILLIPS, Mayor of Kingsport

date

2009

EEOP SHORT FORM



CITY OF KINGSPORT

Introductory Information

Grant Title: FY 2009 Justice Assistance Grant Program Local Solicitation

Grant Number: 2009-DJ-BX-0800

Grantee Name: City of Kingsport/ Kingsport Police Department

Award Amount: \$40,325.00

Grantee Type: Local Government Agency

Address: 225 West Center Street, Kingsport, TN 37660

Contact Person: Captain Jenny Castle/Morris Baker

Telephone #: 423-229-9498

Contact Address: 200 Shelby Street, Kingsport, TN 37660

DOJ Grant Manager: Shauna Connolly

DOJ Telephone #: 202-353-0019

Equal Employment Opportunity Policy Statement:

The city of Kingsport will provide a work environment that is free from discrimination, including harassment, based on race, color, national origin, religion, sex, age, or disability. The prohibition against employment discrimination and harassment may extend to conduct that employees are subjected to from vendors, contractors, customers or others who enter the workplace. Unlawful discrimination may include, but is not limited to, employment actions related to recruitment, examination, transfer, appointment, training, promotion, or the administration of employee benefits. The city may give a veteran's preference in employment to those who may be eligible under applicable state statutes. The city is committed to complying with all applicable federal, state, and local civil rights laws that pertain to employment.

Narrative Underutilization Analysis

The City Manager's office in connection with the City of Kingsport's Human Resource Office (HRO), reviewed the Utilization Analysis (comparing the City's workforce to the relevant labor market), and noted the following:

1. White females were significantly under-represented in the following job categories: Officials (-12.8%), Technicians (-15.4%), and Service Maintenance (-31%).
2. Black males were under-represented in the following job categories: Officials(-0.8%) and Technicians (-1.10%).
3. Black females were under-represented in the following job categories: Officials (-0.5%), Professionals (0.9%), Technicians (0.7%), Protective Services: Non-Sworn (-1.1%), Skilled Craft (-0.3%) and Service Maintenance (-1.0%).

Although the Utilization Analysis indicated other instances of under-representation, the actual numbers of employees in some job categories made it difficult to draw any reliable conclusions regarding underutilization (e.g. in the Technicians job category, the rate of underutilization was -1.10% for black males, and -0.7% for black females, but the total number of employees in this category was 39).

A comparison of the total civilian workforce in the surrounding areas of Washington, Sullivan and Hawkins Counties, Tennessee and Scott County, Virginia and the total civilian workforce in the United States shows a small number of minorities in the local geographical area in all job categories.

Objectives and Steps

1. To encourage white females to apply for vacancies in the Officials, Technicians, and Service Maintenance job categories:
2. To encourage black males to apply for vacancies in the Technicians, Protective Services Sworn, and Service Maintenance job categories.
3. To encourage black females to apply for vacancies in the Officials, Professionals Technicians, Protective Services Sworn, Skilled Craft and Service Maintenance job categories.

Dissemination

1. The City's EEO Plan, the goal of achieving a diverse work force, and EEO policy shall be disseminated to all City employees in various employee communications.

The City Manager shall periodically discuss or remind management staff of the importance of achieving the City's EEO goals and ensure a vigorous implementation and application of the EEO Plan and policy.

The City Manager shall ensure that the subject of diversity, the City's EEO Plan and policy are included in management and supervisory training programs and staff retreats.

Human Resources Manager shall inform new regular employees of the EEO plan and policy during their new employee orientation.

Human Resources Manager shall post a notice of the City's EEO policy in conspicuous locations for employees to see; and, periodically visit work sites to ensure that the City's EEO policy notice is posted as well as all required postings of federal and state employment laws.

Human Resources Manager shall ensure that the City's EEO policy remains prominently included in the City's Personnel Code and that the EOE designation is included in appropriate brochures or documents concerned with recruitment, hiring practices, and benefits.

Human Resources Manager shall ensure that all job postings; announcements or advertisements (on the Internet, radio, television or print ads) will include a statement or EEO designation that the City of Kingsport is an equal opportunity employer.

Human Resources Manager shall ensure that the Employment page of the City's Internet website prominently displays the City as an equal opportunity employer.

Department heads and supervisory personnel will be required to conduct periodic meetings to inform their employees of the existence of the EEO Plan and establish individual employee responsibilities for implementing the plan.

The City Manager, HR Manager, Department heads or Supervisors shall make a good faith effort that published articles, pictures, advertising, employee handbooks, program publications, or other similar publications, contain photographs of the breadth of diversity of all City employees or our citizens.

2. The City's EEO Plan, the goal of achieving a diverse work force, and EEO policy shall be disseminated to the public in the following manner.

The City's Internet website prominently displays the City as an equal opportunity employer on its homepage and the EEO Plan should be prominently added to the City's website for Internet access by the public.

When employees or our citizens are featured in published articles, pictures, advertising, employee handbooks, program publications, or other similar publications, a good faith effort shall be made to include the breadth of the diversity of all City employees or our citizens.

The Kingsport Public Library shall receive a copy of the City's EEO Plan for access by patrons of the Library.

The City Clerk shall receive a copy for public access to the EEO Plan through the City Clerk's Office.

State and Federal regulatory agencies shall have access to the EEO Plan upon request.

Recruitment sources shall have access to the EEO Plan upon request.

The City Manager, HR Manager and all Department heads and Supervisors shall inform other groups or persons through their personal contacts, associations, and outside organizations, of the City's EEO Plan, policy and goals as may be appropriate.

Analysis and Reporting

A report on the steps taken to achieve the City's goal of a diverse work force and the performance of the City toward achieving its EEO goals and policy shall be prepared by the HR Manager and submitted to the City Manager within three months of the end of each fiscal year. The analysis and reporting shall include a review of:

1. Recruitment and selection;
2. Promotions;
3. Transfers;
4. Disciplinary action; and
5. Terminations and discharge from employment.

The EEO Plan and annual reports will also be available upon request to any State or Federal agencies that are seeking a review of the City's compliance efforts as part of any grant requirements or as part of an investigation of a complaint of unlawful discrimination.

Questions or Comments about the EEO Plan

Questions or comments concerning the City of Kingsport's Equal Employment Opportunity Plan, policy or goals, may be directed toward the City Manager or the Human Resources Manager, 225 W. Center Street, Kingsport, TN 37660.

Utilization Analysis Chart

Relevant Labor Market: Sullivan, Hawkins, and Washington Counties, Tennessee and Scott County, Virginia

| Job Categories | Male | | | | | | | Female | | | | | | |
|---------------------------------|-------------|--------------------|---------------------------|----------|--------------------------------|---|-------------------|-------------|--------------------|---------------------------|----------|--------------------------------|---|-------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races | White | Hispanic or Latino | Black or African American | Asian | American Indian/Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Officials/Administrators | | | | | | | | | | | | | | |
| Workforce #/% | 35/71.4% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 13/26.5% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 11485/61.2% | 85/0.4% | 150/0.8% | 65/0.3% | 25/0.1% | 0/0.0% | 85/0.4% | 6645/35.4% | 8/0.0% | 109/0.5% | 30/0.1% | 25/0.1% | 0/0.0% | 18/1.0% |
| Utilization #/% | 10.20% | -0.40% | -0.80% | -0.30% | -0.10% | 0 | -0.40% | -8.90% | 0 | -0.50% | -0.10% | -0.10% | 0 | -1.00% |
| Professionals | | | | | | | | | | | | | | |
| Workforce #/% | 40/8.4% | 1/0.2% | 8/1.7% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 409/86.5% | 3/0.6% | 10/2.1% | 1/0.2% | 1/0.2% | 0/0.0% | 0/0.0% |
| CLS #/% | 10125/42.1% | 63/0.2% | 170/0.7% | 144/0.5% | 14/0.0% | 0/0.0% | 36/0.1% | 12925/57% | 70/0.2% | 227/0.9% | 140/0.5% | 40/0.1% | 0/0.0% | 68/0.3% |
| Utilization #/% | -33.70% | 0.00% | 1.00% | -0.50% | 0 | 0 | -0.10% | 29.50% | -0.40% | 1.20% | -0.30% | 0.10% | 0 | -0.30% |
| Technicians | | | | | | | | | | | | | | |
| Workforce #/% | 43/76.8% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 13/23.2% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 1770/37.1% | 19/0.4% | 55/1.1% | 24/0.5% | 0/0.0% | 0/0.0% | 24/0.5% | 2810/59.0% | 24/0.5% | 35/0.7% | 10/0.2% | 4/0.0% | 0/0.0% | 0/0.0% |
| Utilization #/% | 39.70% | -0.40% | -1.10% | -0.50% | 0 | 0 | -0.50% | -35.80% | -0.50% | -0.70% | -0.20% | 0 | 0 | 0 |
| Protective Services: | | | | | | | | | | | | | | |
| Sworn | | | | | | | | | | | | | | |
| Workforce #/% | 194/92.8% | 1/0.5% | 4/1.9% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 10/4.8% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 1630/82.5% | 14/0.7% | 24/1.2% | 0/0.0% | 4/0.2% | 0/0.0% | 10/0.5% | 280/14.2% | 0/0.0% | 0/0.0% | 0/0.0% | 10/0.5% | 0/0.0% | 0/0.0% |
| Utilization #/% | 10.30% | -0.20% | 0.70% | 0 | -0.20% | 0 | -0.50% | -9.40% | 0 | 0 | 0 | -0.50% | 0 | 0 |
| Protective Services: | | | | | | | | | | | | | | |
| Non-Sworn | | | | | | | | | | | | | | |
| Workforce #/% | 8/38% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 11/52.4% | 0/0.0% | 2/9.6% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 69/49.3% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 53/37.9% | 0/0.0% | 15/10.7% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| Utilization #/% | 10.30% | 0 | 0 | 0 | 0 | 0 | 0 | 14.50% | 0 | -1.10% | 0 | 0 | 0 | 0 |
| Administrative Support | | | | | | | | | | | | | | |
| Workforce #/% | 36/9.8% | 0/0.0% | 4/1.1% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 313/86% | 0/0.0% | 11/3.1% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 10835/28.8% | 99/0.3% | 209/0.5% | 50/0.1% | 24/0.0% | 0/0.0% | 79/0.2% | 25250/67.1% | 95/0.3% | 660/1.8% | 68/0.2% | 29/0.0% | 8/0.0% | 175/0.5% |
| Utilization #/% | -19.00% | -0.30% | 0.60% | -0.10% | 0 | 0 | -0.20% | 18.90% | -0.30% | 1.30% | -0.20% | 0 | 0 | -0.50% |
| Skilled Craft | | | | | | | | | | | | | | |
| Workforce #/% | 113/96.6% | 1/0.8% | 3/2.6% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% |
| CLS #/% | 17130/88.5% | 188/1.0% | 274/1.4% | 4/0.0% | 30/0.2% | 10/0.0% | 82/0.4% | 1580/8.2% | 4/0.0% | 53/0.3% | 0/0.0% | 0/0.0% | 0/0.0% | 4/0.0% |
| Utilization #/% | 8.10% | -0.20% | 1.20% | 0 | -0.20% | 0 | -0.40% | -8.20% | 0 | -0.30% | 0 | 0 | 0 | 0 |
| Service/Maintenance | | | | | | | | | | | | | | |
| Workforce #/% | 185/59.3% | 1/0.3% | 6/1.9% | 0/0.0% | 0/0.0% | 0/0.0% | 0/0.0% | 108/34.6% | 4/1.3% | 6/1.8% | 1/0.3% | 1/0.3% | 0/0.0% | 0/0.0% |
| CLS #/% | 29500/58.1% | 424/0.8% | 459/0.9% | 60/0.1% | 49/0.0% | 10/0.0% | 272/0.5% | 19890/39.2% | 239/0.5% | 515/1.0% | 105/0.2% | 35/0.0% | 0/0.0% | 172/0.3% |
| Utilization #/% | 1.20% | -0.50% | 1.00% | -0.10% | 0 | 0 | -0.50% | -4.60% | 0.80% | 0.80% | 0.10% | 0.30% | 0 | -0.30% |

Utilization Analysis Chart

| | Total Civilian Labor Force | | | | | | |
|---|-----------------------------------|--------------------------|---------------------------------|-------|--|---|-------------------------|
| | White | Hispanic or Latino | Black or African American | Asian | American Indian/ Alaskan Native | Native Hawaiian or other Pacific Islander | Two or More Races |
| Washington, Hawkins, & Sullivan Counties, Tennessee & Lee, Scott, Wise Counties and Norton (city) Virginia | | | | | | | |
| Male | 52.60% | 0.50% | 0.90% | 0.20% | 0.10% | 0.00% | 0.30% |
| Female | 43.50% | 0.30% | 0.80% | 0.10% | 0.10% | 0.00% | 0.20% |
| | | | | | | | |
| | | | | | | | |
| United States | | | | | | | |
| Male | 39.00% | 6.20% | 4.80% | 1.90% | 0.30% | 0.10% | 0.80% |
| Female | 33.70% | 4.50% | 5.70% | 1.70% | 0.30% | 0.10% | 0.80% |
| | | | | | | | |
| | | | | | | | |

*data from 2000 U.S. Census Bureau

** Percentages may not add to total due to rounding

I understand the regulatory obligation under 28 C.F.R. 42.301-.308 to collect and maintain extensive employment data by race, national origin, and sex, even though our organization may not use all of this data in completing the EEO Short Form.

I have reviewed the foregoing EEO Short Form and certify the accuracy of the reported workforce data and our organization's employment policies.

DENNIS R. PHILLIPS, Mayor of Kingsport

date

**PRE-FILED
CITY RECORDER**

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANCE GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE AND TO ESTABLISH THE JUSTICE ASSISTANCE GRANT PROJECT (JG1002); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Justice Assistance Grant Fund budget be amended by establishing the Justice Assistance Grant Project (JG1002) by appropriating funds received from the U.S. Department of Justice, Bureau of Justice Assistance in the amount of \$40,325 to be used to purchase police equipment and/or technology. A match is not required.

| <u>Account Number/Description:</u> | <u>Budget</u> | <u>Incr/<Decr></u> | <u>New Budget</u> |
|--|---------------|--------------------------|-------------------|
| Justice Assistant Grant Fund 134: | | | |
| Justice Assistance Grant Project (JG1002) | | | |
| Revenues: | | | |
| 134-0000-331-4537 Bureau of Justice | \$ 0 | \$ 40,325 | \$ 40,325 |
| Totals: | 0 | 40,325 | 40,325 |
| Expenditures: | | | |
| 134-3030-443-9006 Purchases \$5,000 and Over | 0 | 40,325 | 40,325 |
| Totals: | 0 | 40,325 | 40,325 |

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

ATTEST:

DENNIS R. PHILLIPS, Mayor

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Sewer Project Fund by Appropriating Funds Received From Sullivan County Through the City-County Sewer Agreement for an addition to the Bloomingdale Sewer Line Extension

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

Action Form No.: AF-328-2009
 Work Session: October 5, 2009
 First Reading: October 6, 2009
 Final Adoption: October 20, 2009
 Staff Work By: R. Reynolds/ J. Smith/ M. Hickman
 Presentation By: Ryan McReynolds

Recommendation: Approve the ordinance.

Executive Summary:

Sullivan County has requested an additional Sanitary Sewer line to be added to the Bloomingdale Trunkline Extension Project which is currently under construction. During the July 2009 County Commission meeting (item six number 2009-06-80), a resolution was approved providing for an additional \$60,000 to complete the project.

Under the latest City-County Sewer Agreement, Sullivan County will pay 100% for the installation of sewer trunk lines 10 inches and over.

This Ordinance shall cover the entire cost of the project, which, with attached Sullivan County's promissory note guaranteeing their portion of the project, Sullivan County shall remit payment to the City for the County's portion before payment is made to the Contractor

Attachments:

1. Ordinance
2. Promissory note from Sullivan County
3. Breakdown of Bid
4. Project Location Map

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE SEWER PROJECT FUND BUDGET BY APPROPRIATING ADDITIONAL FUNDS RECEIVED FROM SULLIVAN COUNTY THROUGH THE CITY-COUNTY SEWER AGREEMENT TO THE BLOOMINGDALE SEWER LINE EXTENSION PROJECT (SW0900); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Sewer Project Fund budget be amended by appropriating funds received from Sullivan County in the amount of \$60,000 to the Bloomingdale Sewer Line Extension Project (SW0900) for an additional sewer line.

| <u>Account Number/Description:</u> | <u>Budget</u> | <u>Incr/<Decr></u> | <u>New Budget</u> |
|--|------------------|--------------------------|-------------------|
| Sewer Project Fund 452: | | | |
| <u>Bloomingdale Sewer Line Extension (SW0900)</u> | | | |
| <u>Revenues:</u> | | | |
| 452-0000-333-5300 County Rev/Bloomingdale Trunk Line | \$ 1,478,621 | \$ 60,000 | \$ 1,538,621 |
| 452-0000-391-0511 G.O. WA & SW 2003 Principal | 221,700 | 0 | 221,700 |
| 452-0000-391-0516 2004 WA & SW R&T | 214,300 | 0 | 214,300 |
| Totals: | 1,914,621 | 60,000 | 1,974,621 |
| <u>Expenditures:</u> | | | |
| 452-0000-606-2023 Arch/Eng/Landscaping | 240,597 | 0 | 240,597 |
| 452-0000-606-2097 State Reviews and Permits | 50 | 0 | 50 |
| 452-0000-606-9003 Improvements | 1,673,974 | 60,000 | 1,733,974 |
| Totals: | 1,914,621 | 60,000 | 1,974,621 |

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.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

Hickman, Mike A.

From: Lucian Lawson [landuse53@hotmail.com]
Sent: Monday, August 17, 2009 1:33 PM
To: Hickman, Mike A.
Subject: FW: Sewer Line Approval for Funding

From: purnelda@sullivancounty.org
To: landuse53@hotmail.com
Subject: FW: Sewer Line Approval for Funding
Date: Mon, 17 Aug 2009 08:24:32 -0400

Lucian:

After our conversation a couple of weeks ago, I asked Larry Bailey to send a confirmation to Jim Demming reference the additional \$60,000 funding. Is this enough information for Mike? If yes, forward this e-mail to him for his permanent record purposes. If he needs something in addition to this e-mail confirmation, please let me know.

Thanks!

Nelda

From: Larry Bailey [mailto:lgbailey@sullivancounty.org]
Sent: Friday, August 14, 2009 1:53 PM
To: Nelda
Cc: Helen Morrison
Subject: FW: Sewer Line Approval for Funding

Someone requested a copy of this e-mail earlier this week.

Thanks!

Larry

From: Larry Bailey [mailto:lgbailey@sullivancounty.org]
Sent: Thursday, August 06, 2009 1:42 PM
To: 'Demming, Jim'
Subject: Sewer Line Approval for Funding

Jim,

I understand that you need confirmation of additional funding for the Bloomingdale sewer line which the County is participating in.

At the July term of County Commission a resolution (item six number 2009-06-80 on the agenda) was approved providing for an additional \$60,000 to complete the project.

If you need more information, please advise.

Thanks!

Larry

Windows Live: Keep your friends up to date with what you do online. [Find out more.](#)

9/11/2009

PRELIMINARY ESTIMATE for PROPOSED SANITARY SEWERAGE FACILITIES

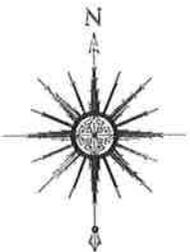
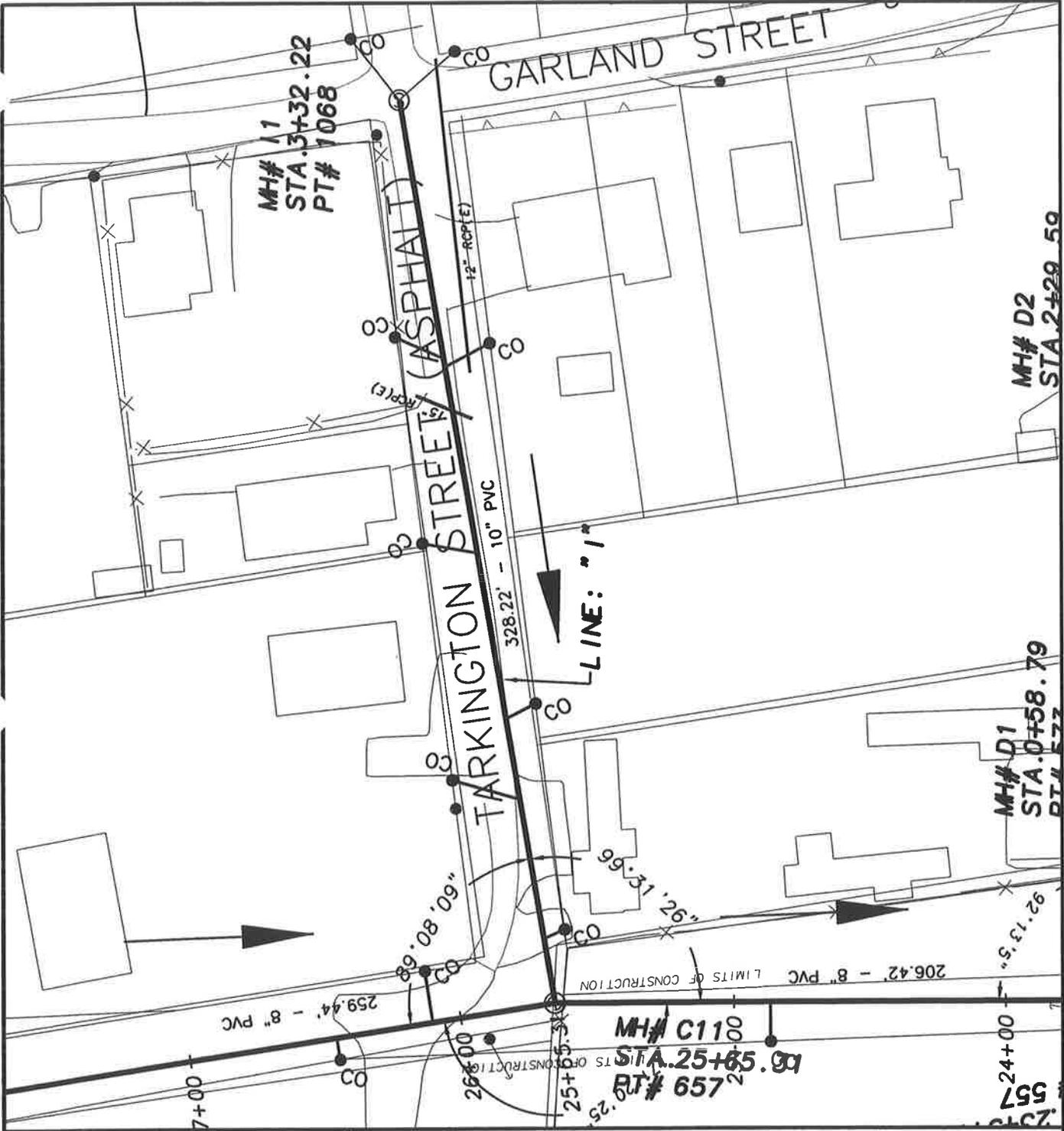
Bloomington Sewer Trunkline Extension, Phase II & III Line "I"

| ITEM NO. | QUAN | UNIT | DESCRIPTION | UNIT COST | TOTAL COST |
|----------|------|------|---|-------------|------------------|
| 1 | 86 | T | CRUSHED STONE FOR PAVEMENT MAINTENANCE AND SHOULDER REPLACEMENT (SECTION 02221) | \$ 1.00 | \$ 85.87 |
| 3 | 1 | LS | CLEARING AND GRUBBING (SECTION 02110) | \$ 1,000.00 | \$ 1,000.00 |
| 5 | 1 | LS | PROTECTION OF LIVING SHRUBS AND TREES (SECTION 02110) | \$ 500.00 | \$ 500.00 |
| 7 | 381 | T | CRUSHED STONE FOR BACKFILL @ ROAD & DRIVEWAY CROSSINGS (SECTION 02221) | \$ 19.00 | \$ 7,235.20 |
| 9 | 260 | CY | SOLID ROCK EXCAVATION IN TRENCH (SECTION 02221) | \$ 0.10 | \$ 26.00 |
| 14 | 20 | LF | 18" CMP STORM SEWER IF REQ'D (SECTION 02305) | \$ 40.00 | \$ 800.00 |
| 15 | 20 | LF | 12" RCP STORM SEWER IF REQ'D (SECTION 02305) | \$ 40.00 | \$ 800.00 |
| 19 | 20 | LF | FENCE REPLACEMENT (MATCH EXIST) (IF NECESSARY)(SECTION 02444) | \$ 0.10 | \$ 2.00 |
| 21 | 1 | LS | SEEDING WITH MULCH (SECTION 02486) | \$ 500.00 | \$ 500.00 |
| 23 | 50 | GA | PRIME COAT (SECTION 02513) | \$ 4.00 | \$ 200.00 |
| 25 | 9 | GA | TACK COAT (SECTION 02513) | \$ 3.00 | \$ 25.60 |
| 27 | 57 | T | ASPHALT BINDER 4" IN TRENCH (SECTION 02513) | \$ 1.00 | \$ 57.24 |
| 29 | 31 | T | ASPHALT TOPPING 1-1/4" (SECTION 02513) | \$ 95.00 | \$ 2,913.33 |
| 32 | 160 | LF | 6" PVC SEWER (SECTION 02722) | \$ 28.00 | \$ 4,480.00 |
| 34 | 330 | LF | 10" PVC SEWER (SECTION 02722) | \$ 57.20 | \$ 18,876.00 |
| 35 | 6 | EA | SEWER LATERAL ASSEMBLIES (10x6x10 PVC TEES) (SECTION 02722) | \$ 250.00 | \$ 1,500.00 |
| 37 | 8 | EA | CLEANOUT ASSEMBLIES @ LATERALS (SECTION 02722) | \$ 300.00 | \$ 2,400.00 |
| 39 | 1 | EA | STANDARD SEWER MANHOLES (SECTION 02722) | \$ 2,800.00 | \$ 2,800.00 |
| 41 | 1 | EA | ADJUST EXISTING MANHOLES (SECTION 02722) | \$ 1,500.00 | \$ 1,500.00 |
| 44 | 1 | EA | DROP CONNECTION TO MANHOLE (DOES NOT INCLUDE STD MANHOLE) | \$ 1,500.00 | \$ 1,500.00 |
| | | | | \$ | <u>47,201.24</u> |
| | | | CONTINGENCIES (6%) | \$ | <u>2,832.07</u> |
| | | | | \$ | <u>50,033.32</u> |
| | | | ENGINEERING FEES (14%) | \$ | <u>6,608.17</u> |
| | | | | \$ | <u>56,641.49</u> |

All sections listed hereon are a part of the Tennessee Public Works Construction Standards - Kingsport, Tennessee

City Engineer
City of Kingsport

Date



ALL BEARINGS KGRN
(KINGSPORT GEODETIC
REFERENCE NETWORK)

PROPOSED SANITARY SEWER LINE
TARKINGTON STREET

LOCATED IN THE 11th CIVIL DISTRICT OF
SULLIVAN COUNTY, TENNESSEE

OFFICE OF THE CITY ENGINEER
DATE: 18 MAY 2009



KINGSPORT, TENNESSEE
SCALE 1"=50'



AGENDA ACTION FORM

Consideration of an Ordinance to Establish the Model City Motors Parking Lot budget by Transferring Funds From the Street Resurfacing Project

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

Action Form No.: AF-337-2009
 Work Session: October 5, 2009
 First Reading: October 6, 2009
 Final Adoption: October 20, 2009
 Staff Work By: Smith, McReynolds
 Presentation By: McReynolds

Recommendation:

Approve the ordinance.

Executive Summary:

Due to the ongoing need for downtown parking as well as the recent commercial redevelopment along Shelby Street adjacent to the Model City Motors, the City proposes to convert the Model City Motors building into public parking. This parking would be accessible from Shelby Street close to the entrance for the existing RCAT parking lot.

This ordinance will appropriate the funds for the demolition of the building and to construct the parking lot.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND AND GENERAL PROJECT-SPECIAL REVENUE FUND BUDGETS BY TRANSFERRING FUNDS FROM THE STREET RESURFACING PROJECT (NC0706) TO ESTABLISH THE MODEL CITY MOTORS PARKING LOT BUDGET (GP1012); 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 and the General Project-Special Revenue Fund budgets be amended by transferring funds from the Street Resurfacing project (NC0706) in the amount of \$31,539 to establish the Model City Motors Parking Lot budget (GP1012) and to close the Street Resurfacing project.

| <u>Account Number/Description:</u> | <u>Budget</u> | <u>Incr/<Decr></u> | <u>New Budget</u> |
|--|----------------|--------------------------|-------------------|
| <u>Fund 111: General Project Fund</u> | | | |
| <u>Street Resurfacing (NC0706)</u> | | | |
| <u>Revenues:</u> | | | |
| 111-0000-391-0100 From General Fund | \$ 481,000 | \$ (31,539) | \$ 449,461 |
| Totals: | 481,000 | (31,539) | 449,461 |
| <u>Expenditures:</u> | | | |
| 111-0000-601-2022 Construction Contracts | \$ 426,708 | \$ (695) | \$ 426,013 |
| 111-0000-601-2023 Arch/Eng/Landscaping | 54,292 | (30,844) | 23,448 |
| Totals: | 481,000 | (31,539) | 449,461 |
| | | | |
| <u>Fund 311: General Project Fund</u> | | | |
| <u>Model City Motors Parking Lot (GP1012)</u> | | | |
| <u>Revenues:</u> | | | |
| 311-0000-391-0100 From General Fund | \$ 0 | \$ 31,539 | \$ 31,539 |
| Totals: | 0 | 31,539 | 31,539 |
| <u>Expenditures:</u> | | | |
| 311-0000-601-2022 Construction Contracts | \$ 0 | \$ 31,539 | \$ 31,539 |
| Totals: | 0 | 31,539 | 31,539 |

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.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A GILBERT
Deputy City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance to Appropriate Unallocated Water and Sewer Bonds

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

Action Form No.: AF-329-2009
 Work Session: October 5, 2009
 First Reading: October 6, 2009
 Final Adoption: October 20, 2009
 Staff Work By: Smith, Campbell
 Presentation By: Smith, Campbell

Recommendation:

Approve the ordinance.

Executive Summary:

There is \$40,414 in unallocated 2004 Refunding Water Bonds and \$198,958 in unallocated 2004 Refunding Sewer Bonds that can be used for projects. Staff recommends using the water bonds for the Water Systems Master Plan and sewer bonds to run sewer lines for annexed areas. The Water Systems Master Plan will be the guiding document directing capital improvement projects over the next several years to ensure a reliable and sustainable water system that meets regulations in the most financially prudent manner. This ordinance will appropriate the bond funds for these projects.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER AND SEWER
PROJECT FUND BUDGETS BY APPROPRIATING FUNDS
FROM THE WATER AND SEWER BOND FUND FOR THE
FISCAL YEAR ENDING JUNE 30, 2010; AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Water Project Fund budget be amended by appropriating Funds from unallocated 2004 Water and Sewer Refunding bonds in the amount of \$40,414 to the Water Systems Master Plan project (WA1002).

SECTION II. That the Sewer Project Fund budget be amended by appropriating funds from Unallocated 2004 Water and Sewer Refunding bonds in the amount of \$198,958 to the Miscellaneous Sewer Line Annexations project (SW0804).

| <u>Account Number/Description:</u> | <u>Budget</u> | <u>Incr/<Decr></u> | <u>New Budget</u> |
|---|----------------|--------------------------|-------------------|
| <u>Expenditures:</u> | | | |
| | \$ | \$ | \$ |
| 321-6599-601-7041 Transfer to Water Fund | 61,926 | (40,414) | 21,512 |
| 321-6799-601-7042 Transfer to Sewer Fund | 339,084 | (198,958) | 140,126 |
| 321-6585-601-7041 WA Sys Master Plan Transfer | 0 | 40,414 | 40,414 |
| 321-6830-601-7042 Misc SL Annex Transfer | 0 | 198,958 | 198,958 |
| Totals: | 401,010 | (0) | 401,010 |
| <u>Fund 411: Water Fund</u> | | | |
| <u>Revenue</u> | | | |
| | \$ | \$ | \$ |
| 411-0000-391-0912 2004 WA & SW Refunding | 0 | 40,414 | 40,414 |
| Totals: | 0 | 40,414 | 40,414 |
| <u>Expenditures:</u> | | | |
| 411-6999-698-7811 2004 WA & SW Refunding | 0 | 40,414 | 40,414 |
| Totals: | 0 | 40,414 | 40,414 |
| <u>Fund 412: Sewer Fund</u> | | | |
| <u>Revenue</u> | | | |
| | \$ | \$ | \$ |
| 412-0000-391-0912 2004 WA & SW Refunding | 0 | 198,958 | 198,958 |
| Totals: | 0 | 198,958 | 198,958 |
| <u>Expenditures:</u> | | | |
| 412-6999-698-7811 2004 WA & SW Refunding | 0 | 198,958 | 198,958 |
| Totals: | 0 | 198,958 | 198,958 |

Fund 451: Water Project Fund
Water Systems Master Plan (WA1002)

Revenues:

| | | | |
|-----------------------------------|----------------|---------------|----------------|
| 451-0000-391-4500 From Water Fund | 200,000 | 40,414 | 240,414 |
| Totals: | 200,000 | 40,414 | 240,414 |

Expenditures:

| | | | |
|---|----------------|---------------|----------------|
| 451-0000-605-20-23 Arch/Eng/Landscaping | 200,000 | 40,414 | 240,414 |
| Totals: | 200,000 | 40,414 | 240,414 |

Fund 452: Sewer Project Fund
Misc. SL Annexations project (SW0804)

Revenues:

| | | | |
|-----------------------------------|------------------|----------------|------------------|
| 452-0000-391-4200 From Sewer Fund | \$ 1,937,500 | \$ 198,958 | \$ 2,136,458 |
| Totals: | 1,937,500 | 198,958 | 2,136,458 |

Expenditures:

| | | | |
|---|------------------|----------------|------------------|
| 452-0000-606-2022 Construction Contracts | 1,731,567 | 198,958 | 1,930,525 |
| 452-0000-606-2023 Arch/Landscaping/Eng | 105,358 | 0 | 105,358 |
| 452-0000-606-2097 State Reviews and Permits | 575 | 0 | 575 |
| 452-0000-606-9001 Land | 100,000 | 0 | 100,000 |
| Totals: | 1,937,500 | 198,958 | 2,136,458 |

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.

 DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

 Elizabeth A. Gilbert
 Deputy City Recorder

 J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of Resolution to Amend the Hours of Operation in the Operational Agreement between the City of Kingsport and the Humane Society of Greater Kingsport.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager
 Date: September 16, 2009

Action Form No.: AF-317-2009 Staff Work By: D/C Phipps
 Work Session: Oct 5, 2009 Presentation By: Chief Osborne
 First Reading: Oct 6, 2009
 Final Adoption: Oct 6, 2009

Recommendation:
 Approve the resolution.

Executive Summary:

Current hours of operation for the "animal shelter" operated by the Humane Society of Greater Kingsport are seven (7) days per week for a minimum of 4 hours per day. An analysis was conducted by the shelter staff of the "slowest day of the week for adoptions and visits by citizens" focusing on reducing labor costs without shorting on the service levels to the community and citizens of Kingsport and surrounding areas. After the findings, John Kunysz, Jr. (President of the Board for the Humane Society) recommends amending the Operational Agreement to allow flexibility for the shelter to be open no less than five (5) days per week for a total of 18.5 hours/ week if needed to off-set decreased donations and adoption levels.

- Attachments:**
1. Resolution
 2. Operational Agreement

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
AN AMENDMENT TO THE AGREEMENT WITH THE
SULLIVAN COUNTY HUMANE SOCIETY, INC. D/B/A
HUMANE SOCIETY OF GREATER KINGSPORT
CHANGING THE OPERATIONAL HOURS

WHEREAS, on July 1, 2009, an agreement was entered into between the Sullivan County Humane Society, Inc. d/b/a the Humane Society of Greater Kingsport and the City of Kingsport; and

WHEREAS, an analysis was conducted by the Humane Society staff focusing on reducing labor costs without shorting the service levels to the community and citizens; and

WHEREAS, based on the request of the Humane Society, the city agrees to amend the July 1, 2009 agreement with the Humane Society pertaining to Section 2, B, regarding the hours of operation; and

WHEREAS, this amendment will change the hours of operation from seven (7) days a week for four (4) hours per day to five (5) days per week for a total of 18.5 hours, to offset decreased donations and adoption levels;

Now therefore,

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

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an amendment to the agreement with the Sullivan County Humane Society, Inc. d/b/a the Humane Society of Greater Kingsport by amending Section 2 Description of the Project, Subsection B as follows:

B. Maintain regular hours of operation at its premises, such hours being open to the public at a minimum of five (5) days per week for a total of 18.5 hours per week, either morning or afternoon at the discretion of the HUMANE SOCIETY. HUMANE SOCIETY will have the option to close the facility on the following holidays: Thanksgiving Day, the Friday after Thanksgiving, Christmas Day, New Years Day, Martin Luther King, Jr. Day, Good Friday, Memorial Day, Independence Day, and Labor Day. The facility may also be closed due to bad weather, power outages, or other unusual occurrences.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

FIRST AMENDMENT TO AGREEMENT

BETWEEN

CITY OF KINGSPORT, TENNESSEE

AND

SULLIVAN COUNTY HUMANE SOCIETY, INC.

THIS amendment to the agreement made and entered into as of this __ day of October, 2009, by and between the City of Kingsport, hereafter called "CITY", and the Sullivan County Humane Society, Inc., d/b/a the Humane Society of Greater Kingsport, hereinafter called "HUMANE SOCIETY".

WITNESSETH:

WHEREAS, CITY and HUMANE SOCIETY agree that the agreement entered into on the 1st day of July, 2009, to provide animal control services between CITY and the HUMANE SOCIETY needs to be amended to change the hours of operation.

NOW THEREFORE, in consideration of the premises, the parties agree to amend the agreement by amending Section 2. DESCRIPTION OF THE PROJECT Subsection B as follows:

SECTION 2. DESCRIPTION OF THE PROJECT.

HUMANE SOCIETY agrees as follows:

B. Maintain regular hours of operation at its premises, such hours being open to the public at a minimum of five (5) days per week for a total of 18.5 hours per week, either morning or afternoon at the discretion of the HUMANE SOCIETY. HUMANE SOCIETY will have the option to close the facility on the following holidays: Thanksgiving Day, the Friday after Thanksgiving, Christmas Day, New Years Day, Martin Luther King, Jr. Day, Good Friday, Memorial Day, Independence Day, and Labor Day. The facility may also be closed due to bad weather, power outages, or other unusual occurrences.

Except as amended hereby, all other terms and conditions of the agreement will remain in full force and effect, and the parties hereto confirm and ratify the agreement as hereby amended.

IN WITNESS WHEREOF, the signatures of the parties hereto as of the date and year first written in duplicate original form.

CITY OF KINGSPORT, TENNESSEE

SULLIVAN COUNTY HUMANE SOCIETY, INC.

DENNIS R. PHILLIPS
Mayor

President

ATTEST:

JAMES H. DEMMING
City Recorder

Secretary

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for Phase Two and Three for the Installation of a Voice Over IP Telephone System and Authorizing the Mayor to Execute an Amendment to the Contract and All Applicable Documents

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

Action Form No.: AF-324-2009
Work Session: October 5, 2009
First Reading: N/A
Final Adoption: October 6, 2009
Staff Work By: Committee
Presentation By: E. Page, J. Poteat

Recommendation: Approve the resolution.

Executive Summary: In response to a Request for Bids, bids were opened March 19, 2009 from six bidders to replace the telephone system for the Kingsport City Schools. The bids were submitted in four phases. The lowest compliant bidder meeting all specifications was Black Box Network Services. At that time the city was ready to proceed only with phase one, which involved John Adams Elementary School. The award of the bid for and the implementation of phase one of this Request for Bid was authorized by Resolution approved by the board on May 4, 2009. It is now time to proceed with phase two and three. Approval of the attached resolution will award the bid for phase two and three to Black Box Network Services, as the lowest compliant bidder meeting all the specifications, and will amend the current contract to include those phases. Phase two involves the installation of the Voice Over Internet Protocol (VOIP) telephone system for Kennedy and Roosevelt Elementary Schools, Dobyns-Bennett High School, and the Midland Center at a cost of \$63,950.97. Phase three involves the installation of the VOIP telephone system for Sevier and Robinson Middle Schools, and Jackson, Jefferson, Johnson, Lincoln, and Washington Elementary Schools at a cost of \$107,377.46. Phase four, which is the final phase, will be considered at a future time.

Funding for this order is included in project GP0927, KCS Telephone System Upgrade, (contingent upon second reading of Action Form Number AF-316-2009).

- Attachments:
1. Resolution
2. Bid Minutes

Funding source appropriate and funds are available: _____

Table with 3 columns: Y, N, O and rows for Joh, Mallicote, Marsh, Munsey, Shupe, Parham, Phillips.

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR PHASE TWO AND PHASE THREE FOR THE INSTALLATION OF A VOICE OVER INTERNET PROTOCOL TELEPHONE SYSTEM FOR THE KINGSPORT CITY SCHOOL SYSTEM TO BLACK BOX NETWORK SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE CONTRACT AND ALL APPLICABLE DOCUMENTS TO INCLUDE PHASE TWO AND PHASE THREE

WHEREAS, the Kingsport City School system is in the process of replacing its telephone systems, and phase one of this project was approved on May 5, 2009; and

WHEREAS, phase two of the project includes Kennedy and Roosevelt Elementary Schools, Dobyons-Bennett High School, and the Midland Center at a cost of \$63,950.97; and

WHEREAS, phase three of the project includes Sevier and Robinson Middle Schools, and Jackson, Jefferson, Lincoln, and Washington Elementary Schools at a cost of \$107,377.46; and

WHEREAS, upon review of the bids, the board finds Black Box Network Systems is the lowest responsible compliant bidder in the best interest and advantage to the city, and the city desires to enter into an amendment to the contract with Black Box Network Systems for installation of a VOIP telephone system for phase two and phase three of the project;

WHEREAS, funding for this purchase order is included in project GP0927, KCS Telephone System Upgrade;

Now therefore,

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

SECTION I. That the bid for installation of a VOIP telephone system for phase two and phase three of the Kingsport City School Telephone Upgrade is awarded to Black Box Network System.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, an amendment to the contract and all other documents necessary and proper to effectuate the purpose of the contract, with Black Box Network Systems for installation of the telephone system for phase two and phase three of the Kingsport City School Telephone Upgrade as set out above with cost of \$63,950.97 for phase two and \$107,377.46 for phase three, which total \$171,328.37.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
 BID OPENING
 March 19, 2009
 4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and, Eddie Page, Assistant Procurement Manager (Schools)

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

The Procurement Manager opened with the following bids:

| REPLACEMENT TELEPHONE SYSTEM | | | | |
|--|-------|--------------------------------|-----------------|-----------------|
| Vendor: | Phase | Cost to Furnish and Install | Recurring Costs | 5 Year T. C. O. |
| Ghulher & Associates | 1 | 99,796.80 | 9,950.00 | 118,825.00 |
| | 2 | 160,950.90 | 21,340.00 | 231,945.00 |
| | 3 | 241,666.32 | 31,665.00 | 319,390.00 |
| | 4 | 84,593.70 | 9,965.00 | 104,220.00 |
| SPS AVAYA *These figures are the costs for years 2 through 5. | 1 | 101,272.60 | *1,870.19 | 108,753.36 |
| | 2 | 181,036.97 | *19,278.97 | 258,152.05 |
| | 3 | 135,507.23 | *4,175.63 | 152,209.75 |
| | 4 | 68,102.01 | *1,316.17 | 73,366.69 |
| Embarq Business Note: Optional Pricing Included | 1 | 74,811.80 | 11,475.84 | 132,191.00 |
| | 2 | 116,770.27 | 6,381.72 | 148,434.16 |
| | 3 | 150,471.58 | 10,396.20 | 202,452.58 |
| | 4 | 42,113.00 | 3,027.72 | 57,251.60 |
| Tele-Optics Communications **These are monthly numbers. First year free. | 1 | 71,225.84 | **289.65 | 85,129.00 |
| | 2 | 113,786.00 | **482.75 | 136,958.00 |
| | 3 | 225,353.00 | **965.50 | 271,697.00 |
| | 4 | 40,402.00 | **193.08 | 49,669.84 |
| Black Box Network Services Note: Optional Pricing Included | 1 | 88,211.41 | 45,801.11 | 134,012.52 |
| | 2 | 63,950.97 | 22,017.45 | 85,968.42 |
| | 3 | 107,377.46 | 39,503.25 | 146,880.71 |
| | 4 | 39,375.69 | 6,051.00 | 45,426.69 |
| Southeastern Communication Services ***These figures are the combined costs for years 4 and 5 only. | 1 | 8,039.96 | ***1,045.19 | 9,085.16 |
| | 2 | 100,552.12 | ***13,071.78 | 113,623.90 |
| | 3 | 60,740.50 | ***7,896.27 | 68,636.77 |
| | 4 | 14,239.67 | ***1,851.16 | 16,090.83 |

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING REIMBURSEMENT OF
MATERIALS AGREEMENT FUNDS TO BUTCH ROSE FOR
WINDRIDGE ESTATES PHASE IV DEVELOPMENT

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, Butch Rose entered into a Materials Agreement, in the amount of \$92,202.29, with the city for provision of certain water and sewer materials by the city for Windridge Estates Phase IV Development; and

WHEREAS, upon construction, adjustment due to sales tax, and close out of the necessary materials the developer is due reimbursement funds in the amount of \$85,648.47 for the Windridge Estates Phase IV Development;

Now, therefore,

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

SECTION I. That reimbursement of Material Agreement funds, in the amount of \$85,648.47 to Butch Rose for the Windridge Estates Phase IV Development is approved.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Materials Agreement Close out

Project: Windridge Phase IV
 Date: _____
 Developer: Butch Rose

Water line

| Item # | Item description | Units | U/M | Price | Total | Units Returned | Total Cost Returned | Non-returned Units | Non-returned Cost |
|--------------|------------------------------|-------|-----|------------------------|------------------------|----------------|---------------------|----------------------|--------------------|
| 41810 | 6" x 18' DIP push on | 127.0 | jt | \$255.80 | \$32,486.60 | | \$0.00 | | \$0.00 |
| 40845 | 6" joint restraint kits | 46.0 | ea | \$23.90 | \$1,099.40 | | \$0.00 | | \$0.00 |
| 42545 | 6" 11 1/4 bend | 1.0 | ea | \$34.44 | \$34.44 | | \$0.00 | | \$0.00 |
| 42325 | 6" mj gate valve | 7.0 | ea | \$380.79 | \$2,665.53 | | \$0.00 | | \$0.00 |
| 42115 | 4.5 vo 3.5' bury hydrant | 3.0 | ea | \$1,156.77 | \$3,470.31 | | \$0.00 | | \$0.00 |
| 42555 | 6" 22 1/2 bend | 13.0 | ea | \$36.12 | \$469.56 | | \$0.00 | | \$0.00 |
| 42845 | 6" anchoring coupling | 3.0 | ea | \$80.89 | \$242.67 | | \$0.00 | | \$0.00 |
| 42014 | 6" x 6" mj tee | 1.0 | ea | \$55.72 | \$55.72 | | \$0.00 | | \$0.00 |
| 43032 | 6" x 6" mj anchoring tee | 3.0 | ea | \$93.00 | \$279.00 | | \$0.00 | | \$0.00 |
| 41828 | 6" acc. Kits | 9.0 | ea | \$10.95 | \$98.55 | | \$0.00 | | \$0.00 |
| | | | | | | | | | |
| | | | | | Total Amount Returned: | | \$0.00 | | |
| | | | | | | | | | |
| Project # | WA0861 | | | | | | | Non-returned totals: | \$0.00 |
| | Expensed To: | | | | | | | | |
| Subtotal: | 451-0000-605-9003 | | | | \$40,901.78 | | | | |
| | | | | Subtotal less returns: | \$40,901.78 | | | | |
| | REVISED SALES TAX | | | 9.50% | \$3,885.67 | | | | |
| | Amount paid and Received To: | | | | | | | | |
| Subtotal: | 451-0000-208-1250 | | | | \$43,317.00 | | | | |
| Sales Tax: | 451-0000-207-0201 | | | 9.50% | \$4,115.12 | | | | |
| | Total Paid | | | Water Total: | \$47,432.12 | | | | |
| | | | | | | | | | |
| | Sales Tax Adjustment | | | | -\$229.45 | | | | |
| | | | | | | | | | |
| Water | Refund Due Developer | | | | | | | Subtotal: | \$43,546.45 |
| | | | | | | | | | \$43,546.45 |



**Materials Agreement
Close out**

Sanitary sewer

| Item # | Item description | Units | U/M | Price | Total | Units Returned | Total Cost Returned | Non-returned Units | Non-returned Cost |
|------------|----------------------------------|--------|-----|------------------------|-------------|------------------------|---------------------|----------------------|-------------------|
| 45003 | 8" x 13' sdr-35 gsktd sewer pipe | 242.00 | jt | \$41.58 | \$10,062.36 | | \$0.00 | | \$0.00 |
| 45057 | 8" x 6" tee wye gsktd sewer | 38.00 | ea | \$25.25 | \$959.50 | | \$0.00 | | \$0.00 |
| 45112 | Manhole covers | 16.00 | ea | \$225.00 | \$3,600.00 | | \$0.00 | | \$0.00 |
| 45221 | 24" conc. Cone | 16.00 | ea | \$146.40 | \$2,342.40 | | \$0.00 | | \$0.00 |
| 45223 | 16" conc. Riser | 6.00 | ea | \$92.00 | \$552.00 | | \$0.00 | | \$0.00 |
| 45224 | 32" manhole riser | 14.00 | ea | \$134.40 | \$1,881.60 | | \$0.00 | | \$0.00 |
| 45226 | Manhole base | 16.00 | ea | \$512.60 | \$8,201.60 | | \$0.00 | | \$0.00 |
| 45230 | 4" grade ring riser | 4.00 | ea | \$23.18 | \$92.72 | | \$0.00 | | \$0.00 |
| 45231 | 6" ring riser | 12.00 | ea | \$32.80 | \$393.60 | | \$0.00 | | \$0.00 |
| | | | | | | | \$0.00 | | \$0.00 |
| Project # | SW0861 | | | | | | | | |
| | Expensed To: | | | | | Total Amount Returned: | \$0.00 | | |
| Subtotal: | 452-0000-606-9003 | | | | \$28,085.78 | | | Non-returned Totals: | \$0.00 |
| | | | | Subtotal less returns: | \$28,085.78 | | | | |
| | REVISED SALES TAX | | | 9.50% | \$2,668.15 | | | | |
| | Amount Paid and Received To: | | | | | | | | |
| Subtotal: | 452-0000-208-1250 | | | | \$40,886.00 | | | | |
| Sales Tax: | 452-0000-207-0201 | | | 9.50% | \$3,884.17 | | | | |
| | Total Paid | | | Sewer Total: | \$44,770.17 | | | | |
| | Sales Tax Adjustment | | | | -\$1,216.02 | | | | |
| Sewer | Refund Subtotal | | | | \$42,102.02 | | | | |
| | | | | | | | | | \$85,648.47 |
| | | | | | | | | | \$85,648.47 |

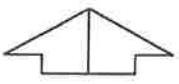
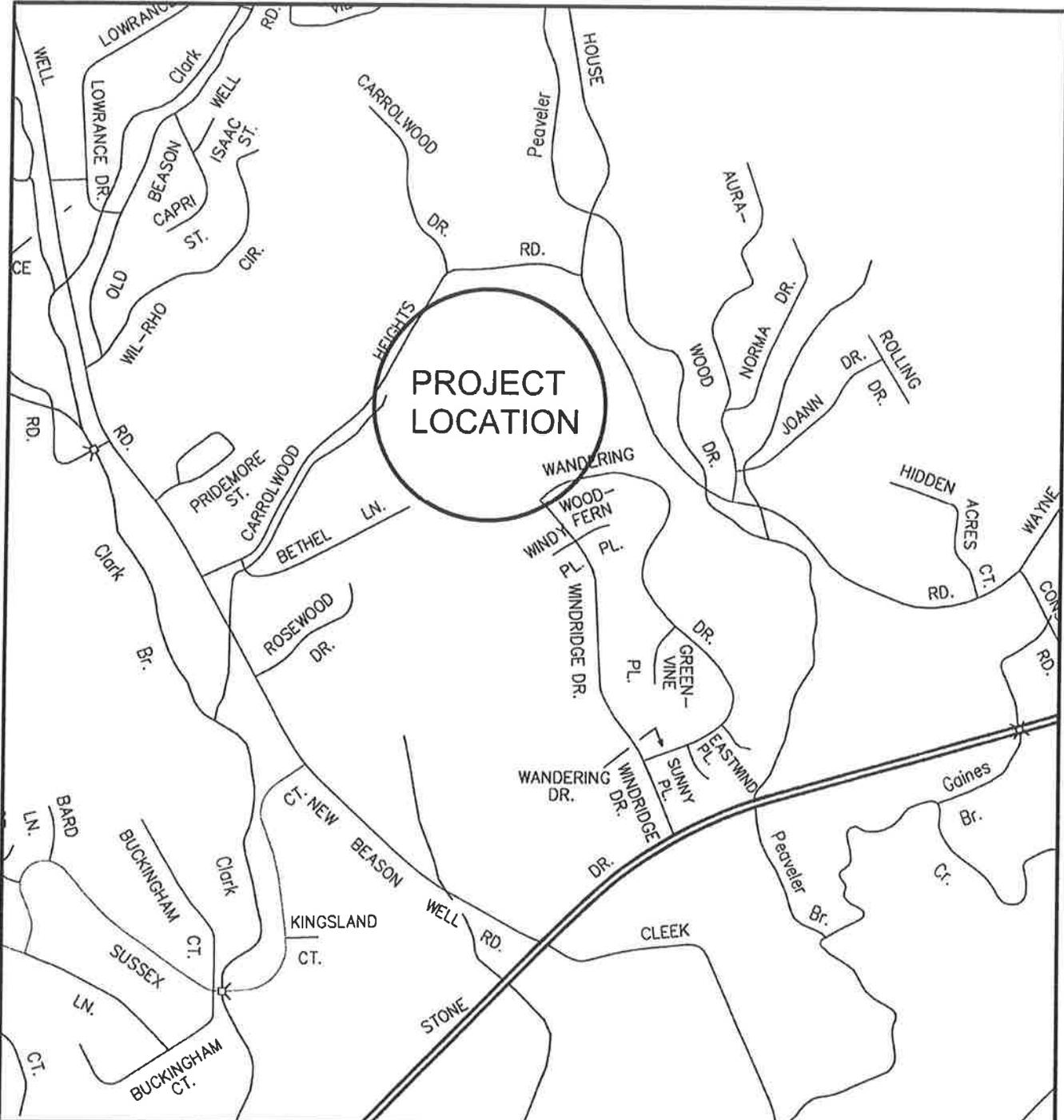
All parties signing this document agree that the items listed, along with their quantities, were received, used and/or returned as shown on this document. Any items due to the City of Kingsport must be received before the materials agreement between the City of Kingsport and the developer is closed out.

City of Kingsport Warehouse: Buy RA Date: 9/23/09

City of Kingsport Inspector: _____ Date: _____

Developer: _____ Date: _____





NORTH

**FIGURE 1 – PROJECT LOCATION MAP
WINDRIDGE SUBDIVISION – PHASE IV**

CITY OF KINGSPORT, TENNESSEE

NTS



AGENDA ACTION FORM

Consideration of a Resolution Authorizing a Change Order to the Contract with J.A. Street & Associates, Inc. for the Additions and Alterations to the V.O. Dobbins Community Center and authorizing the Mayor to Execute all Documents Necessary for the Change Order.

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

Action Form No.: AF-331-2009
 Work Session: October 5, 2009
 First Reading: October 6, 2009
 Final Adoption: October 6, 2009
 Staff Work By: C. McCartt, D. Mason
 Presentation By: John Campbell

Recommendation: Approve the resolution.

Executive Summary:

Change Order No. 3 provides for additional costs as a result of unsuitable soil conditions encountered during the gymnasium addition. In addition, this change order provides for various changes to the specifications for the damp proofing and masonry, as well as the costs for removing and reinstalling some sports lighting poles that were necessary for construction

The funds for this change order are available in project GP0907 and from Contingency.

Attachments:

1. Resolution
2. Change Order No. 3

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

RESOLUTION NO. _____

A RESOLUTION APPROVING CHANGE ORDER #3 TO THE CONTRACT WITH J.A. STREET & ASSOCIATES, INC. FOR THE ADDITIONS AND ALTERATIONS TO THE EXISTING V.O. DOBBINS COMMUNITY CENTER AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE CHANGE ORDER

WHEREAS, the City of Kingsport entered a contract with J.A. Street & Associates on May 4, 2009 for the Additions and Alterations to the V.O. Dobbins Community Center; and

WHEREAS, the Board of Mayor and Aldermen approved Change Orders No. 1 & 2 to the contract with J.A. Street & Associates for the Additions and Alterations to the V.O. Dobbins Community Center on August 4, 2009; and

WHEREAS, unsuitable and unstable soil conditions were encountered during the project resulting in the removal of unsuitable soil and replacement with additional structural backfill material at the gymnasium addition; and

WHEREAS, various revisions to the damp proofing, masonry and plumbing specifications have been made and other unforeseen conditions have been encountered resulting in additional costs; and

WHEREAS, the City of Kingsport desires to increase the scope of the contract to provide for these additional costs in accordance with the unit rates established by the contract in the amount of \$113,887.90, necessary to complete the project; and

WHEREAS, funding is available in Project GP0907 in the amount of \$57,607.90 and in contingency in the amount of \$56,280.00.

Now therefore,

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

SECTION I. That Change Order #3 to the contract with J.A. Street & Associates for the Additions and Alterations to the V.O. Dobbins Community Center, to provide for the removal of unsuitable soil and replacement with additional structural backfill material at the gymnasium addition and various revisions to the damp proofing, masonry and plumbing specifications in the amount of \$113,887.90, is approved.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, all documents necessary and proper to effectuate Change Order #3 to the contract with J.A. Street & Associates for the Additions and Alterations to the V.O. Dobbins Community Center.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AIA® Document G701 – 2001

Change Order

| | | |
|--|---|--|
| PROJECT <i>(Name and address):</i> VO Dobbins Community Center 301 Louis Street Kingsport, TN 37660 | CHANGE ORDER NUMBER: 003 DATE: 9/16/2009 | OWNER: <input checked="" type="checkbox"/> ARCHITECT: <input checked="" type="checkbox"/> CONTRACTOR: <input checked="" type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/> |
| TO CONTRACTOR <i>(Name and address):</i> J.A. Street & Associates, Inc. 245 Birch Street Blountville, TN 37617 | ARCHITECT'S PROJECT NUMBER: 200712 CONTRACT DATE: 5/4/2009 CONTRACT FOR: VO Dobbins Community Center | |

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

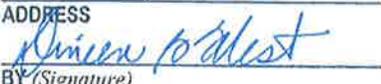
Apply dampproofing to all CMU walls that receive brick. = \$13,125.00,
 Brick veneer above door A1101 at Non-profit = \$4,472.00,
 Delete one course of 12" CMU at gym foundation = \$(1,767.30),
 Undercut gymnasium pad = \$29,340.00,
 Foundation undercut at the gymnasium = \$55,187.00,
 Credit on masonry vapor barrier at block and brick = \$(2,000.00),
 Reinstall (3) sports field lights and remove and reinstall (1) field light that is located at the new entrance of Riverview Community Center = \$5,250.00,
 Provide underground conduit to field lights. Remove and reinstall (2) additional field lights. = \$11,281.20,
 Credit to change interior storm paiping from cast iron to schedule 40 PVC in the Non-Profit, Classroom and Gymnasium (PVC pipe will have insulation around pipe). X1 thru X13 plumbing fixtures will be replaced with new fixtures. The existing tall urinal will be replaced with new urinals = \$(1,000.00)
 Total Change Order = \$113,887.90.

| | |
|--|-----------------|
| The original Contract Sum was | \$ 5,938,000.00 |
| The net change by previously authorized Change Orders | \$ 176,257.56 |
| The Contract Sum prior to this Change Order was | \$ 6,114,257.56 |
| The Contract Sum will be increased by this Change Order in the amount of | \$ 113,887.90 |
| The new Contract Sum including this Change Order will be | \$ 6,228,145.46 |

The Contract Time will be unchanged by zero (0) days.
 The date of Substantial Completion as of the date of this Change Order therefore is 7/9/2010

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

| | | |
|---|--|--|
| CainRashWest Architects ARCHITECT <i>(Firm name)</i> 130 Regional Park Drive Kingsport Tn 37660 ADDRESS  BY <i>(Signature)</i> Dineen B. West <i>(Typed name)</i> 9/16/09 DATE | J.A. Street & Associates, Inc. CONTRACTOR <i>(Firm name)</i> 245 Birch Street Blountville, Tn 37617 ADDRESS  BY <i>(Signature)</i> J.A. Street <i>(Typed name)</i> 9/17/09 DATE | City of Kingsport OWNER <i>(Firm name)</i> 225 West Center Street Kingsport, TN 37660 ADDRESS  BY <i>(Signature)</i> Dennis R. Phillips, Mayor <i>(Typed name)</i> 9/ /09 DATE |
|---|--|--|



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute an Interlocal Cooperation Agreement for Participation in the Tennessee Municipal League Management Pool

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

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

Action Form No.: AF-327-2009
 Work Session: October 5, 2009
 First Reading: N/A

Final Adoption: October 6, 2009
 Staff Work By: Billingsley/Evans
 Presentation By: Billingsley

Recommendation: Approve the resolution.

Executive Summary:

The city is a member of the Tennessee Municipal League Management Pool (TML Risk Management Pool). The TML Risk Management Pool is updating its Interlocal Agreements for the first time since 1979.

State law grants governmental entities the specific power to secure risk management, insurance, or self-insurance for themselves and their employees in different areas of liability and insurability through joint and cooperative action with other municipalities.

The Cities of Athens and Hendersonville have entered into an agreement under the Interlocal Cooperation Act to create and establish the TML Risk Management Pool, for the purpose of organizing and operating an insurance pool offering risk management and other related services in addition to basic insurance coverages. To enable the city to continue participation in the benefits and advantages the TML Risk Management Pool offers, it is necessary to approve the proposed amended agreement, a copy of which is contained in the Resolution. For your convenience also attached is a copy of the current agreement, showing the proposed amendment to the agreement on the right side of the document.

Attachments:

1. Resolution
2. Current Agreement

Funding source appropriate and funds are available: _____

| | <u>Y</u> | <u>N</u> | <u>O</u> |
|-----------|----------|----------|----------|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL COOPERATION AGREEMENT TO PARTICIPATE IN THE TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL

WHEREAS, Chapter 282 of the Tennessee Public Acts of 1979 grants governmental entities the specific power to secure risk management, insurance, or self-insurance for themselves and their employees in different areas of liability and insurability through joint and cooperative action with other municipalities pursuant to Section 12-9-101 et seq., Tennessee Code Annotated, as amended, known as the Interlocal Cooperation Act; and

WHEREAS, the Cities of Athens and Hendersonville have heretofore entered into an agreement under said Interlocal Cooperation Act to create and establish the TML Risk Management Pool, a not-for-profit corporation, for the purpose of organizing and operating an insurance pool offering risk management and other related services in addition to basic insurance coverages; and

WHEREAS, said agreement authorized any political subdivision of the State of Tennessee to become a participant in said agreement by adoption of an appropriate ordinance or resolution; and

WHEREAS, the city has determined that it will benefit from its participation in said agreement with the City of Athens and Hendersonville and such other municipalities as may participate therein; and

WHEREAS, it has been proposed that the city enter into a contact with the TML Risk Management Pool; and,

WHEREAS, the City of Kingsport has reviewed the provision of said contact and has determined it to be in the best interests of it and its citizens that appropriate steps be taken to enter into said contract;

Now, therefore,

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

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, an interlocal agreement to participate in the Tennessee Municipal

League Risk Management Pool and is empowered and directed on behalf of the City of Kingsport to enter into said contract with the TML Risk Management Pool for certain services of risk management and insurance in accordance with Chapter 282 of the Tennessee Public Acts of 1979, and to take such steps as may be necessary to implement and carry out the intent of the Resolution, the form of the Agreement being generally as follows:

**INTERLOCAL COOPERATION AGREEMENT
RELATIVE TO PARTICIPATION IN
THE TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL**

This agreement is entered into by the undersigned political subdivision of the State of Tennessee pursuant to the Interlocal Cooperation Act, Tennessee Code Annotated, Section 12-9-101, et seq., and the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated, Section 29-20-101, et seq.

Each political subdivision entering into this Interlocal Cooperation Agreement agrees to exercise its powers, privileges, authority, and financial and administrative resources jointly with other political subdivisions to provide a method for obtaining risk management, self insurance, insurance and reinsurance, or any combinations thereof, for any and all areas of their liability or insurability, including, but not limited to, property insurance, the liabilities created by the Tennessee Governmental Tort Liability Act, liabilities under the Workers' Compensation Law, and any other areas of liability or insurability authorized by Tennessee Code Annotated, Section 29-20-401. The Agreement to establish the TML Insurance Pool, an Interlocal Cooperation Agreement between the Tennessee cities of Athens and Hendersonville, became effective in 1979 and the Corporation was created. The name of the corporation was changed to Tennessee Municipal League Risk Management Pool in 1984. The Corporations political subdivisions who have participated in the Tennessee Municipal League Risk Management Pool (TML Pool) pursuant to the 1979 Agreement ratify that Agreement, and amend it by substituting this Agreement. The power and authority conferred by the 1979 Agreement are carried forward and continued in this Agreement.

Any other political subdivision of the State of Tennessee may become a participant in this Agreement by passage of an ordinance or resolution as may be legally appropriate. This Agreement shall be completely terminated only upon the action of all but one participating political subdivision to repeal, revoke, or rescind that action authorizing and effectuating their participation unless otherwise terminated by the board of directors. If the Agreement is completely terminated, the property of the Corporation shall be disposed of as provided in the Charter.

In order for this political subdivision to increase the advantages of exercising its powers, privileges, authority, and financial and administrative resources jointly with other political subdivisions and to effectuate this Agreement, it approves the creation, establishment, and operation of the not-for-profit Tennessee corporation known as the

Tennessee Municipal League Risk Management Pool, whose charter and amendments are in Exhibit A, attached to and incorporated in this agreement, with the powers, purposes, and attributes set forth in them.

After joining the Interlocal Cooperation Agreement, each political subdivision may enter in to plans, agreements, or contracts with the TML Pool for the provision of any or all of the services the TML Pool is created to provide upon terms agreed to by the political subdivision and the TML Pool. Terms shall include the nature and scope of services to be provided; the method by which contributions or premiums shall be levied and paid, and any other necessary terms.

The TML Pool shall be financed from the contributions or premiums paid by participating political subdivisions, to the TML Pool, in accordance with the terms of their plans, agreements, or contracts with the TML Pool.

Establishment and maintenance of a budget for the corporation shall be the responsibility of the Board of Directors.

The powers of the corporation shall be exercised by the Board of Directors in accordance with its charter.

The corporation may do all acts authorized by the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated, Section 29-20-101, et seq., and as it may be amended, and as authorized by the Tennessee Non-profit Corporation Act, Tennessee Code Annotated, Section 48-51-101, et seq., and as it may be amended.

INTERLOCAL COOPERATION AGREEMENT

SIGNATURE SECTION

Signed By: _____
Name

Title

Entity
Attest: _____
Name

Title
Date: _____

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

INTERLOCAL COOPERATION AGREEMENT
RELATIVE TO PARTICIPATION IN
THE TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL

INTERLOCAL COOPERATION AGREEMENT

RELATIVE TO PARTICIPATION IN

THE TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL

This agreement is entered into by the undersigned political subdivision of the State of Tennessee pursuant to the Interlocal Cooperation Act, Tennessee Code Annotated, Section 12-9-101, et seq., and the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated, Section 29-20-101, et seq.

Deleted: A

Each political subdivision entering into this Interlocal Cooperation Agreement, agrees to exercise its powers, privileges, authority, and financial and administrative resources jointly with other political subdivisions to provide a method for obtaining risk management, self insurance, insurance and reinsurance, or any combinations thereof, for any and all areas of their liability or insurability, including, but not limited to, property insurance, the liabilities created by the Tennessee Governmental Tort Liability Act, liabilities under the Workers' Compensation Law, and any other areas of liability or insurability authorized by Tennessee Code Annotated, Section 29-20-401. The Agreement to establish the TML Insurance Pool, and Interlocal Cooperation Agreement between the Tennessee cities of Athens and Hendersonville, became effective in 1979 and the Corporation was created. The name of the corporation was changed to Tennessee Municipal League Risk Management Pool in 1984. The Corporations political subdivisions who have participated in the Tennessee Municipal League Risk Management Pool (TML Pool) pursuant to the 1979 Agreement, ratify that Agreement, and amend it by substituting this Agreement. The power and authority conferred by the 1979 Agreement are carried forward and continued in this Agreement.

Deleted: hereby

Deleted: in order

Deleted: P

Deleted: hereinafter "

Deleted: "

Deleted: hereby

Any other political subdivision of the State of Tennessee may become a participant in this Agreement by passage of an ordinance or resolution as may be legally appropriate. This Agreement shall be completely terminated only upon the action of all but one participating political subdivision to repeal, revoke, or rescind that action authorizing and effectuating their participation, unless otherwise terminated by the board of directors. If the Agreement is completely terminated, the property of the Corporation shall be disposed of as provided in the Charter.

Deleted: the

In order for this political subdivision to increase the advantages of exercising its powers, privileges, authority, and financial and administrative resources jointly with other political subdivisions and to effectuate this Agreement, it approves the creation, establishment, and operation of the not-for-profit Tennessee corporation known as the Tennessee Municipal League Risk Management Pool, whose charter and amendments are in Exhibit A, attached to and incorporated in this agreement, with the powers, purposes, and attributes set forth in them.

~~Deleted:~~ hereby

~~Deleted:~~ here

~~Deleted:~~ herein

After joining the Interlocal Cooperation Agreement, each political subdivision may enter in to plans, agreements, or contracts with the TML Pool for the provision of any or all of the services the TML Pool is created to provide upon terms agreed to by the political subdivision and the TML Pool. Terms shall include the nature and scope of services to be provided; the method by which contributions or premiums shall be levied and paid, and any other necessary terms.

~~Deleted:~~ such

~~Deleted:~~ as are

~~Deleted:~~ upon

~~Deleted:~~ ,

~~Deleted:~~ , or assessments

~~Deleted:~~ ,

~~Deleted:~~ , or assessments

~~Deleted:~~ the

~~Deleted:~~ participating herein

The TML Pool shall be financed from the contributions or premiums paid by participating political subdivisions to the TML Pool, in accordance with the terms of their plans, agreements, or contracts with the TML Pool,

~~Deleted:~~ Each political subdivision that has participated in the TML Pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the TML Pool. The TML Pool may participate in the Local Government Reinsurance Fund of Tennessee and in NLC Mutual Insurance Company, as the Board of Directors may elect.

Establishment and maintenance of a budget for the corporation shall be the responsibility of the Board of Directors.

~~Deleted:~~ a nine (9) member Board of Directors. Seven (7) shall be elected by the Executive Committee of the Tennessee Municipal League, one (1) shall be the President of the Tennessee Municipal League, ex-officio, and one (1) shall be the Executive Director of the Tennessee Municipal League, ex-officio.

The powers of the corporation shall be exercised by the Board of Directors in accordance with its charter,

The corporation may do all acts authorized by the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated, Section 29-20-101, et seq., and as it may be amended, and as authorized by the Tennessee Non-profit Corporation Act, Tennessee Code Annotated, Section 48-51-101 et seq., and as it may be amended.

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INTERLOCAL COOPERATION AGREEMENT

SIGNATURE SECTION

By: _____
Name

Title

City

Attest: _____
Name

Title

Date: _____



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for Gibson Mill Roadway Improvements from U.S. 11W (Stone Drive) to Millpond Road to Thomas Construction Co., Inc. and Authorize the Mayor to Sign All Applicable Documents

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

Action Form No.: AF-332-2009
 Work Session: October 5, 2009
 First Reading: N/A
 Final Adoption: October 6, 2009
 Staff Work By: H. Clabaugh, M. Thompson
 Presentation By: R. McReynolds

Recommendation: Approve the resolution.

Executive Summary: Bids were opened on September 23, 2009 for the Gibson Mill Roadway Improvements from U.S. 11W (Stone Drive) to Millpond Road. It is recommended to accept the bid from Thomas Construction Co., Inc. as follows:

| | |
|-------------------------------|-----------------------|
| Base Bid | \$1,556,092.00 |
| 4% Engineering Inspection Fee | \$ 62,244.00 |
| 6% Contingency | \$ 97,100.00 |
| Total Project Cost | \$1,715,436.00 |

This project consists of 1,500 Ft. of roadway improvements on Gibson Mill Roadway from Stone Drive to Millpond Street and 1,250 Ft. of road widening along Stone Drive. The project includes a 2-6 lane typical section with curb and gutter and 5 Ft. sidewalk, storm sewer, utility relocation, new traffic signal at Stone Drive, and a roundabout at future Ravine Road.

Funding is identified in Project Number GP0721.

Attachments:

1. Resolution
2. Recommendation Letter with Certified Bid Tabulation
3. Location Map

Funding source appropriate and funds are available: _____

| | <u>Y</u> | <u>N</u> | <u>O</u> |
|-----------|----------|----------|----------|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR GIBSON MILL ROADWAY IMPROVEMENTS FROM U.S. 11 W (STONE DRIVE) TO MILLPOND ROAD TO THOMAS CONSTRUCTION COMPANY, INC. AND AUTHORIZE THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened September 23, 2009 for the Gibson Mill Roadway improvements from U.S. 11W (Stone Drive) to Millpond Road; and

WHEREAS, the project consists of One Thousand, Five Hundred (1,500) feet of roadway improvements on Gibson Mill Roadway from Stone Drive to Millpond Street and One Thousand Two Hundred and Fifty (1,250) feet of road widening along Stone Drive; and

WHEREAS, this project includes a 2-6 lane typical section with curb and gutter and five (5) foot sidewalk, storm sewer, utility relocation, new traffic signal at Stone Drive and a roundabout at future Ravine Street; and

WHEREAS, upon review of the bids, the board finds Thomas Construction Company, 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 accept the bid at a total cost of \$1,715,436.00; and

WHEREAS, funding is identified in Project Number GP0721;

Now therefore,

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

SECTION I. That the bid for Gibson Mill Roadway improvements from U.S. 11W (Stone Drive) to Millpond Road, at a total cost of \$1,715,436.00 is awarded to Thomas Construction Company, Inc.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement, and all other documents necessary and proper to effectuate the purpose of the agreement with Thomas Construction Company, Inc. for the Gibson Mill Roadway improvements.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



Michael S. Agee
Steven A. Campbell
Randy W. Beckner
Bridley C. Craig
Wm. Thomas Austin
David P. Wilson
James B. Voso

Edward K. Menton, Jr. (Retired)
Scott H. McGhee, III (Retired)
Gene R. Cross (Retired)
Stewart W. Hubbell (Retired)
J. Wayne Craig (Retired)

September 28, 2009

Mrs. Sandra Crawford
Procurement Manager
City of Kingsport
225 West Center Street
Kingsport, TN 37660-4237

Re: "Recommendation of Award"
Gibson Mill Roadway
Improvements from U.S. 11W
(Stone Drive) to Millpond Road
Comm. No. 19610

Dear Sandra:

On September 23, 2009, bids were received on the above referenced project. Thomas Construction Co., Inc. was the low bidder with a total bid price of \$1,556,092.00. A certified copy of the Bid Tabulation is attached.

After review of the bids, if the City Of Kingsport has no objections, we hereby recommend that the above project be awarded to Thomas Construction Co., Inc.

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

Sincerely,

MATTERN & CRAIG

Randy W. Beckner, P.E.
Principal

RWB/lah

Enclosures

cc: Mr. Mike Thompson, City of Kingsport



429 Clay Street • Kingsport, TN 37660
(423) 245-4970 • Fax (423) 245-5932

Gibson Mill Roadway Improvements
From U.S. 11W (Stone Drive) to Millpond Road - Kingsport, TN
BID TABULATION
Bids Accepted September 23, 2009 at 4:00 pm (local time)

| | TOTAL BID |
|---|-----------------|
| Thomas Construction | \$1,556,092.00 |
| Summers-Taylor, Inc. | \$1,714,596.50 |
| Vic Davis Construction | \$1,732,483.00 |
| Bakers Const. Services | \$1,743,787.15 |
| Bakers Const. & Excavation Co. | \$2,129,196.59 |
| American Environmental, LLC | NO BID RECEIVED |
| APAC-Atlantic, Inc., Harrison-Kingsport | NO BID RECEIVED |

ENGINEER'S ESTIMATE \$1,885,000.00

Randy W. Beckner

I certify that this tabulation is a correct and true representation of the bids received at the above date and time.



Gibson Mill Roadway Improvements From US 11W (Stone Drive) to Millpond Road - Kingsport, TN
BID TABULATION - DETAIL
Bids Accepted September 23, 2009

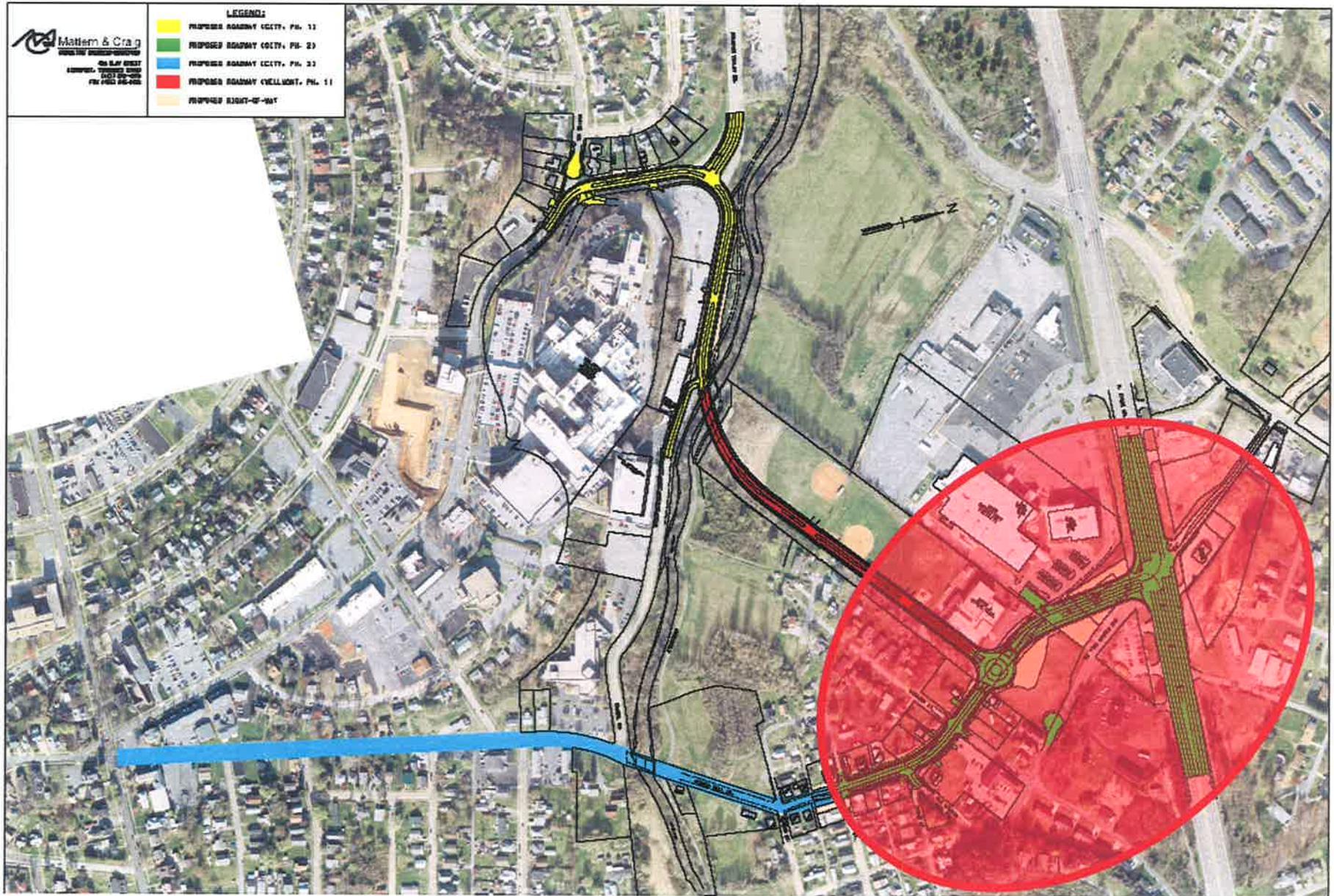
| Item | Description | Unit | Qty | Bakers Construction & Excavation | | Bakers Construction Services | | Summers-Taylor, Inc. | | Thomas Construction | | Vic Davis Construction | |
|------|---|------|--------|----------------------------------|------------|------------------------------|------------|----------------------|------------|---------------------|------------|------------------------|------------|
| | | | | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total |
| 1 | Mobilization | LS | 1 | 47,500.00 | 47,500.00 | 72,000.00 | 72,000.00 | 31,000.00 | 31,000.00 | 19,440.00 | 19,440.00 | 118,000.00 | 118,000.00 |
| 2 | Building Demolition (Tract No. 1) | LS | 1 | 15,000.00 | 15,000.00 | 10,081.92 | 10,081.92 | 9,200.00 | 9,200.00 | 4,815.00 | 4,815.00 | 9,684.25 | 9,684.25 |
| 3 | Earthwork | LS | 1 | 403,000.00 | 403,000.00 | 170,000.00 | 170,000.00 | 188,000.00 | 188,000.00 | 222,894.00 | 222,894.00 | 99,580.00 | 99,580.00 |
| 4 | 15" RCP CL III | LF | 929 | 89.25 | 82,913.25 | 33.70 | 31,307.30 | 32.00 | 29,728.00 | 41.00 | 38,089.00 | 32.00 | 29,728.00 |
| 5 | 18" RCP CL III | LF | 299 | 94.87 | 28,366.13 | 39.02 | 11,666.98 | 34.00 | 10,166.00 | 50.00 | 14,950.00 | 36.25 | 10,838.75 |
| 6 | TDOT Type 12 Catch Basin | EA | 6.0 | 2,011.08 | 12,066.48 | 1,869.31 | 11,215.86 | 1,750.00 | 10,500.00 | 1,000.00 | 6,000.00 | 1,700.00 | 10,200.00 |
| 7 | TDOT Type 14 Catch Basin | EA | 6 | 3,538.62 | 21,231.72 | 2,167.30 | 13,003.80 | 2,050.00 | 12,300.00 | 1,705.00 | 10,230.00 | 3,180.00 | 19,080.00 |
| 8 | TDOT Type 42 Catch Basin | EA | 5 | 2,199.00 | 10,995.00 | 2,123.54 | 10,617.70 | 1,915.00 | 9,575.00 | 1,170.00 | 5,850.00 | 1,556.00 | 7,780.00 |
| 9 | TDOT Junction Box | EA | 1 | 1,969.50 | 1,969.50 | 1,690.41 | 1,690.41 | 2,050.00 | 2,050.00 | 1,010.00 | 1,010.00 | 1,445.00 | 1,445.00 |
| 10 | Cold Planing | SY | 14,000 | 3.15 | 44,100.00 | 1.68 | 23,520.00 | 0.75 | 10,500.00 | 3.00 | 42,000.00 | 1.70 | 23,800.00 |
| 11 | Erosion Control | LS | 1 | 32,943.00 | 32,943.00 | 45,101.05 | 45,101.05 | 25,000.00 | 25,000.00 | 730.00 | 730.00 | 33,284.00 | 33,284.00 |
| 12 | TDOT Class A Grade D Base Aggregate | TON | 8,400 | 23.16 | 194,544.00 | 21.17 | 177,828.00 | 19.60 | 164,640.00 | 20.00 | 168,000.00 | 21.25 | 178,500.00 |
| 13 | TDOT Grade BM-2 Base Asphalt | TON | 2,700 | 58.51 | 157,977.00 | 58.00 | 156,600.00 | 81.50 | 220,050.00 | 55.00 | 148,500.00 | 69.25 | 186,975.00 |
| 14 | TDOT Grade D Surface Asphalt | TON | 2,100 | 76.85 | 161,385.00 | 78.00 | 163,800.00 | 89.25 | 187,425.00 | 73.00 | 153,300.00 | 82.45 | 173,145.00 |
| 15 | TDOT Portland Cement Concrete Pavement | CY | 380 | 251.83 | 95,695.40 | 219.30 | 83,334.00 | 225.00 | 85,500.00 | 250.00 | 95,000.00 | 219.00 | 83,220.00 |
| 16 | TDOT Type 6-30 Curb and Gutter | LF | 3,000 | 17.22 | 51,660.00 | 16.88 | 50,640.00 | 20.50 | 61,500.00 | 14.50 | 43,500.00 | 17.10 | 51,300.00 |
| 17 | TDOT Type A Detached Curb | LF | 1,500 | 15.68 | 23,520.00 | 15.56 | 23,340.00 | 12.75 | 19,125.00 | 11.50 | 17,250.00 | 15.60 | 23,400.00 |
| 18 | Concrete Sidewalks | SF | 15,000 | 3.55 | 53,250.00 | 3.57 | 53,550.00 | 3.50 | 52,500.00 | 4.27 | 64,050.00 | 3.53 | 52,950.00 |
| 19 | Concrete Driveways | SF | 600 | 8.48 | 5,088.00 | 8.16 | 4,896.00 | 7.00 | 4,200.00 | 12.00 | 7,200.00 | 8.50 | 5,100.00 |
| 20 | Stamped Concrete Pattern | SF | 6,000 | 7.25 | 43,500.00 | 6.63 | 39,780.00 | 5.10 | 30,600.00 | 3.65 | 21,900.00 | 7.20 | 43,200.00 |
| 21 | Concrete Handicap Ramps | SF | 2,000 | 8.48 | 16,960.00 | 8.16 | 16,320.00 | 8.75 | 17,500.00 | 7.20 | 14,400.00 | 8.40 | 16,800.00 |
| 22 | Plastic Pavement Marking | LF | 22,000 | 0.63 | 13,860.00 | 0.66 | 14,520.00 | 0.65 | 14,300.00 | 0.60 | 13,200.00 | 0.66 | 14,520.00 |
| 23 | Plastic Pavement Marking (24" Stop Line) | LF | 400 | 10.54 | 4,216.00 | 11.22 | 4,488.00 | 11.00 | 4,400.00 | 9.95 | 3,980.00 | 11.05 | 4,420.00 |
| 24 | Plastic Pavement Marking (Turn Arrow) | EA | 18 | 148.40 | 2,671.20 | 153.00 | 2,754.00 | 165.00 | 2,970.00 | 140.00 | 2,520.00 | 156.00 | 2,808.00 |
| 25 | Plastic Pavement Marking (Only) | EA | 2 | 185.50 | 371.00 | 204.00 | 408.00 | 225.00 | 450.00 | 175.00 | 350.00 | 200.00 | 400.00 |
| 26 | Traffic Signal | LS | 1 | 175,646.79 | 175,646.79 | 152,000.00 | 152,000.00 | 145,000.00 | 145,000.00 | 167,836.00 | 167,836.00 | 155,900.00 | 155,900.00 |
| 27 | Traffic Control | LS | 1 | 25,000.00 | 25,000.00 | 69,000.00 | 69,000.00 | 10,000.00 | 10,000.00 | 2,728.00 | 2,728.00 | 28,500.00 | 28,500.00 |
| 28 | 2" PVC Conduit (Street Lighting) | LF | 2,000 | 4.88 | 9,760.00 | 3.32 | 6,640.00 | 4.40 | 8,800.00 | 4.40 | 8,800.00 | 3.33 | 6,660.00 |
| 29 | Pole Base (Street Lighting) | EA | 10 | 901.00 | 9,010.00 | 867.00 | 8,670.00 | 800.00 | 8,000.00 | 800.00 | 8,000.00 | 875.00 | 8,750.00 |
| 30 | Permanent Signs | LS | 1 | 5,000.00 | 5,000.00 | 7,500.00 | 7,500.00 | 1,050.00 | 1,050.00 | 2,900.00 | 2,900.00 | 3,500.00 | 3,500.00 |
| 31 | Connections to Existing 1" Water System (Dry) | EA | 3 | 391.12 | 1,173.36 | 283.35 | 850.05 | 740.00 | 2,220.00 | 255.00 | 765.00 | 140.00 | 420.00 |
| 32 | Connections to Existing 2" Water System (Dry) | EA | 2 | 397.27 | 794.54 | 543.70 | 1,087.40 | 1,215.00 | 2,430.00 | 290.00 | 580.00 | 165.00 | 330.00 |

Gibson Mill Roadway Improvements From US 11W (Stone Drive) to Millpond Road - Kingsport, TN
BID TABULATION - DETAIL
Bids Accepted September 23, 2009

| Item | Description | Unit | Qty | Bakers Construction & Excavation | | Bakers Construction Services | | Summers-Taylor, Inc. | | Thomas Construction | | Vic Davis Construction | |
|--------------------------------------|---|------|-------|----------------------------------|------------|------------------------------|-----------|------------------------|-----------|------------------------|-----------|------------------------|-----------|
| | | | | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total | Unit Cost | Total |
| 33 | Connections to Existing 6" Water System (Dry) | EA | 1 | 524.40 | 524.40 | 677.81 | 677.81 | 1,100.00 | 1,100.00 | 330.00 | 330.00 | 320.00 | 320.00 |
| 34 | Connections to Existing 8" Water System (Dry) | EA | 2 | 594.85 | 1,189.70 | 834.61 | 1,669.22 | 1,100.00 | 2,200.00 | 1,235.00 | 2,470.00 | 360.00 | 720.00 |
| 35 | Fire Hydrant | EA | 3 | 3,303.57 | 9,910.71 | 3,369.52 | 10,108.56 | 2,900.00 | 8,700.00 | 2,260.00 | 6,780.00 | 3,100.00 | 9,300.00 |
| 36 | Trench Stabilization Material | TON | 150 | 20.06 | 3,009.00 | 47.00 | 7,050.00 | 23.85 | 3,577.50 | 19.00 | 2,850.00 | 29.50 | 4,425.00 |
| 37 | 1" Waterline | LF | 200 | 17.65 | 3,530.00 | 19.10 | 3,820.00 | 16.00 | 3,200.00 | 22.00 | 4,400.00 | 13.00 | 2,600.00 |
| 38 | 2" Waterline | LF | 100 | 16.79 | 1,679.00 | 14.74 | 1,474.00 | 23.00 | 2,300.00 | 22.00 | 2,200.00 | 20.50 | 2,050.00 |
| 39 | 4" D.I. Waterline | LF | 100 | 39.91 | 3,991.00 | 32.15 | 3,215.00 | 34.00 | 3,400.00 | 33.00 | 3,300.00 | 33.25 | 3,325.00 |
| 40 | 6" D.I. Waterline | LF | 300 | 34.77 | 10,431.00 | 32.47 | 9,741.00 | 33.00 | 9,900.00 | 25.00 | 7,500.00 | 26.50 | 7,950.00 |
| 41 | 8" D.I. Waterline | LF | 1,900 | 33.00 | 62,700.00 | 34.41 | 65,379.00 | 34.00 | 64,600.00 | 20.00 | 38,000.00 | 23.35 | 44,365.00 |
| 42 | 8" Tapping Sleeve and Valve | EA | 1 | 6,341.17 | 6,341.17 | 2,279.05 | 2,279.05 | 2,800.00 | 2,800.00 | 2,460.00 | 2,460.00 | 4,350.00 | 4,350.00 |
| 43 | 4" Gate Valve with Box | EA | 1 | 994.11 | 994.11 | 632.28 | 632.28 | 500.00 | 500.00 | 460.00 | 460.00 | 600.00 | 600.00 |
| 44 | 6" Gate Valve with Box | EA | 5 | 1,071.20 | 5,356.00 | 747.41 | 3,737.05 | 650.00 | 3,250.00 | 570.00 | 2,850.00 | 735.00 | 3,675.00 |
| 45 | 8" Gate Valve with Box | EA | 6 | 1,931.96 | 11,591.76 | 1,126.90 | 6,761.40 | 875.00 | 5,250.00 | 880.00 | 5,280.00 | 975.00 | 5,850.00 |
| 46 | 1" Tap and Valve | EA | 3 | 302.17 | 906.51 | 268.38 | 805.14 | 560.00 | 1,680.00 | 360.00 | 1,080.00 | 285.00 | 855.00 |
| 47 | 2" Blow-off Valve Assembly | EA | 1 | 1,403.55 | 1,403.55 | 1,781.09 | 1,781.09 | 1,500.00 | 1,500.00 | 765.00 | 765.00 | 785.00 | 785.00 |
| 48 | 2" Tap and Valve | EA | 2 | 949.55 | 1,899.10 | 445.94 | 891.88 | 900.00 | 1,800.00 | 530.00 | 1,060.00 | 440.00 | 880.00 |
| 49 | Water Service Connection | EA | 8 | 730.40 | 5,843.20 | 253.16 | 2,025.28 | 500.00 | 4,000.00 | 235.00 | 1,880.00 | 420.00 | 3,360.00 |
| 50 | ¾" Service Pipe | LF | 300 | 15.39 | 4,617.00 | 7.60 | 2,280.00 | 10.20 | 3,060.00 | 18.00 | 5,400.00 | 12.20 | 3,660.00 |
| 51 | Bypass Pumping | LS | 1 | 5,750.00 | 5,750.00 | 7,027.82 | 7,027.82 | 18,200.00 | 18,200.00 | 2,050.00 | 2,050.00 | 8,820.00 | 8,820.00 |
| 52 | Plug Existing Manhole | EA | 1 | 1,500.00 | 1,500.00 | 600.00 | 600.00 | 475.00 | 475.00 | 160.00 | 160.00 | 2,610.00 | 2,610.00 |
| 53 | Utility Aggregate Backfill | TON | 3,500 | 20.06 | 70,210.00 | 25.00 | 87,500.00 | 21.75 | 76,125.00 | 17.21 | 60,235.00 | 19.65 | 68,775.00 |
| 54 | Backflow Preventer Assembly | LS | 1 | 2,249.56 | 2,249.56 | 500.00 | 500.00 | 4,000.00 | 4,000.00 | 3,890.00 | 3,890.00 | 2,120.00 | 2,120.00 |
| 55 | Sanitary Sewer Cleanouts | EA | 10 | 386.55 | 3,865.50 | 332.20 | 3,322.00 | 585.00 | 5,850.00 | 280.00 | 2,800.00 | 275.00 | 2,750.00 |
| 56 | 8" Sanitary Sewer Pipe | LF | 1,200 | 86.37 | 103,644.00 | 31.98 | 38,376.00 | 60.00 | 72,000.00 | 33.00 | 39,600.00 | 63.85 | 76,620.00 |
| 57 | Sanitary Sewer Manholes | EA | 5 | 2,326.59 | 11,632.95 | 2,394.89 | 11,974.45 | 2,150.00 | 10,750.00 | 1,650.00 | 8,250.00 | 2,800.00 | 14,000.00 |
| 58 | Sanitary Sewer Frames and Covers | EA | 5 | 519.00 | 2,595.00 | 399.73 | 1,998.65 | 290.00 | 1,450.00 | 255.00 | 1,275.00 | 275.00 | 1,375.00 |
| 59 | Sanitary Sewer Laterals | LF | 500 | 44.33 | 22,165.00 | 22.90 | 11,450.00 | 7.50 | 3,750.00 | 39.00 | 19,500.00 | 67.25 | 33,625.00 |
| 60 | Field Stakeout Allowance | LS | 1 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 | 18,500.00 |
| TOTAL BID FOR ALL UNIT PRICES | | | | \$ 2,129,196.59 | | \$ 1,743,787.15 | | \$ 1,714,596.50 | | \$ 1,556,092.00 | | \$ 1,732,483.00 | |

Phase 3 – Advertisement August 23, 2009

Estimated Completion – May 2010





AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute an Agreement Terminating the Right of Re-entry to a Portion of the Property Donated by Quebecor to the City

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

Action Form No.: AF-340-2009
Work Session: October 5, 2009
First Reading: N/A
Final Adoption: October 6, 2009
Staff Work By: Campbell/Billingsley
Presentation By: Campbell

Recommendation: Approve the resolution.

Executive Summary:

The property donated by Quebecor World Kingsport, Inc. to the city included a right of re-entry by Quebecor under certain circumstances. The city is in the process of working with the Press Group, LLC to close on the sale on a part of the property to the Press Group, LLC. As the purchaser, the Press Group would like to have the right of re-entry eliminated from the chain of title. Quebecor has indicated a willingness to do that if the appropriate agreements can be reached.

Basically, the agreement obligates the city to ensure that it does not do anything to the property to violate any restrictive covenants and to ensure that the Press Group, LLC complies with the restrictive covenants and Brownfield Agreement that governs the development of this property. This obligation already exists for the city, but this agreement would provide some reassurance of such obligation.

Attached is a draft of a proposed agreement, along with the exhibits attached thereto. There still are some changes that will have to be made to the agreement but the substance of the agreement appears to be reasonably satisfactory to all the parties involved. The resolution authorizes the Mayor to sign an agreement with Quebecor and the Press Group to eliminate the right of re-entry currently held by Quebecor. The resolution also has some flexibility by allowing for some changes to the agreement in a form approved by the city attorney.

Attachments:

- 1. Resolution
2. Draft of Proposed Agreement and attachments

Funding source appropriate and funds are available: _____

Table with 3 columns: Name, Y, N, O. Rows include Joh, Mallicote, Marsh, Munsey, Parham, Phillips, Shupe.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT TERMINATING THE RIGHT OF RE-ENTRY TO A PORTION OF THE PROPERTY DONATED BY QUEBECOR WORLD KINGSPORT, INC. TO THE CITY AND TO EXECUTE ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the property donated by Quebecor World Kingsport, Inc., to the city included a right of re-entry by Quebecor under certain circumstances; and

WHEREAS, the city is in the process of closing the sale of said property to Press Group, LLC, and as purchaser of said property, Press Group, LLC would like to eliminate the right of re-entry from the title; and

WHEREAS, the agreement obligates the city to assure that it will not do anything to the property to violate the restrictive covenants and to ensure that Press Group, LLC complies with the restrictive covenants and Brownfield Agreement that governs the development of this property;

Now therefore,

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

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement, the draft of which may be modified in a form approved by the City Attorney, and all other documents necessary and proper to effectuate the purpose of the agreement with Quebecor World Kingsport, Inc. to eliminate the right of re-entry from the title of the property to be purchased by Press Group, LLC.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**AGREEMENT TO TERMINATE RIGHT OF RE-ENTRY
AND RIGHT OF RE-TAKING OF PROPERTY**

THIS AGREEMENT, dated as of _____, 2009, is made by and between **QUEBECOR WORLD KINGSPORT INC.**, a California corporation (“Quebecor”), **CITY OF KINGSPORT, TENNESSEE**, a municipal corporation organized under the laws of the State of Tennessee (the “City”), and **THE PRESS GROUP, LLC**, a Tennessee limited liability company (“The Press Group”)

RECITALS:

A Quebecor and the City have heretofore entered into a Special Warranty Deed dated November 30, 2007, of record in Book 2613C, page 419, Office of the Register of Deeds for Sullivan County at Blountville, Tennessee (the “Special Warranty Deed”), pursuant to which Quebecor has conveyed to the City certain real property as described in Exhibit A attached to this Agreement (the “Property”).

B. The City and The Press Group have entered into an agreement whereby The Press Group will acquire a portion of the Property and re-develop such property for medical office uses (herein the “MOB Property”), which MOB Property is described in Exhibit B and represents a portion of the Property acquired by the City from Quebecor pursuant to the Special Warranty Deed.

C. The Special Warranty Deed contains certain Restrictive Covenants and land use restrictions applicable to the Property pursuant to that certain Brownfield Voluntary Agreement and Administrative Settlement dated as of November 24, 2007 (the “Brownfield Agreement”) and reserves to Quebecor the right to re-enter and retake the Property and terminate the City’s estate in the Property in the event the City or its successors or assigns shall breach to, fail to comply with or otherwise violate the Restrictive Covenants.

D. As a condition to The Press Group's purchase of the MOB Property described in Exhibit B hereto, the City and The Press Group require that Quebecor release and terminate its right of re-entry and right of re-taking as to the MOB Property, and Quebecor is willing to release and terminate such rights in consideration of the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, and in consideration of the parties' mutual covenants and undertakings set forth herein below, Quebecor, the City, and The Press Group do hereby contract and agree with each other as follows:

1. Agreement to Terminate Right of Re-entry and Re-taking. Quebecor hereby agrees to release and terminate its right or re-entry and right of re-taking as to the MOB Property, as provided for under the Special Warranty Deed, upon the City and The Press Group fulfilling the following conditions:

- (a). The City and The Press Group shall cause Quebecor to be named as an additional beneficiary of a performance bond which assures the faithful and complete performance of the re-development of the MOB Property and the construction of certain improvements to be made by The Press Group on the MOB Property in a manner which does not violate the Restrictive Covenants. Such performance bond shall be issued by an insurance company licensed to do business in the State of Tennessee and reasonably acceptable to Quebecor
- (b). The City shall enter into an indemnification agreement confirming the City's obligation to indemnify Quebecor for any violation of the Restrictive Covenants caused by the City and its successors and assigns.
- (c). The Press Group shall enter into an indemnification agreement agreeing to indemnify Quebecor and the City as to any violation of the Restrictive Covenants caused by The Press Group and its agents, employees or representatives.
- (d). The City and The Press Group shall reimburse Quebecor for legal expenses incurred by Quebecor in considering and approving this Agreement.
- (e). The City and The Press Group shall have closed the sale and purchase of the MOB Property.

2. Documentation. At such time as the City and the Press Group have satisfied the conditions set forth in paragraph 1, Quebecor shall execute and deliver to The Press Group a Quitclaim Deed and Release in substantially the form attached hereto as Exhibit C to this Agreement.

3. Purchase Price Adjustment. To the extent that The Press Group issues any payment to reimburse Quebecor for its legal expenses incurred in connection with this Agreement, and to the extent The Press group incurs legal expense in connection with the negotiation, preparation and consummation of this Agreement, The Press Group shall receive a dollar for dollar credit against the purchase price to be paid by The Press Group to the City to acquire the MOB Property.

4. Applicable Law. This Agreement is made as a Tennessee contract and shall be construed and applied according to the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties have executed this agreement by and through their respective duly authorized representatives as of the dated first written hereinabove.

QUEBECOR WORLD KINGSPORT INC.

By: _____
Name: _____
Title: _____

CITY OF KINGSPORT, TENNESSEE

By: _____
Dennis R. Phillips
Mayor

Attest:

By: _____
City Recorder

THE PRESS GROUP, LLC

By: _____
Name: _____
Title: _____

2613C
0419

THIS INSTRUMENT PREPARED BY:
BASS, BERRY & SIMS PLC (JSS)
315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238

BOOK 2613C PAGE 0419

SPECIAL WARRANTY DEED
(Subject to a Condition Subsequent and Restrictive Covenants
with Reservation of Access Easement)

| Address New Owner: | Send Tax Bills To: | Map/Group/Parcel Numbers: |
|---|--------------------|--|
| The City of Kingsport, Tennessee Attention: J. Michael Billingsley 225 West Center Street Kingsport, Tennessee 37605 | Same | Map 46H / Group J / Parcel 006.00 Map 46H / Group J / Parcel 022.00 Map 46H / Group K / Parcel 002.00 Map 46I / Group A / Parcel 023.00 |

FOR AND IN CONSIDERATION OF the sum of TEN AND NO/100 DOLLARS (\$10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, QUEBECOR WORLD KINGSPORT INC., a California corporation (the "Grantor"), has bargained and sold, and hereby transfers and conveys, to THE CITY OF KINGSPORT, TENNESSEE, a municipal corporation organized under the laws of the State of Tennessee (the "Grantee"), certain real property in Sullivan County, Tennessee, more particularly described on Exhibit A attached hereto (the "Property").

The Property is conveyed subject to (i) the Access Easement (as hereinafter defined), (ii) the restrictions and covenants set forth on Exhibit B attached hereto, which shall constitute restrictions and covenants running with the land and burdening the Property, binding upon Grantee, its successors and assigns, and all subsequent owners of the Property, and enforceable by Grantor and its successors and assigns (the "Restrictive Covenants"), and (iii) the matters more particularly described on Exhibit C attached hereto.

Grantor does hereby expressly reserve unto itself, its successors and assigns, and its consultants and representatives, a perpetual, non-exclusive vehicular and pedestrian easement and right of access over, on and across the Property for the purpose of (i) conducting all actions necessary to investigate, monitor, remove or remediate any environmental contamination described in that certain Brownfield Consent Order & Administrative Settlement dated as of November 24, 2007, by and between the Tennessee Department of Environment and Conservation and Grantor (as the same may be hereafter amended, the "Grantor Brownfield Agreement"), and (ii) taking any other actions necessary to comply with Grantor's obligations under the Grantor Brownfield Agreement (the "Access Easement"). Grantee and any subsequent owner of the Property shall cooperate with Grantor in providing all utilities necessary or appropriate for the foregoing activities. Grantor shall not unreasonably interfere with Grantee's operation of the Property while accessing and remediating the Property.

TO HAVE AND TO HOLD the Property, together with the appurtenances, hereditaments, estate, title and interest thereto belonging, to Grantee, forever; *provided, however,* if Grantee or its successors or assigns shall breach, fail to comply with or otherwise violate the Restrictive Covenants, Grantor and its successors and assigns shall have the right to re-enter and retake the Property and terminate Grantee's estate created by this Special Warranty Deed.

This is improved property known as 335 Roller Street, Kingsport, Sullivan County, Tennessee 37660.

Grantee, by its acceptance and recording of this Special Warranty Deed, does hereby acknowledge and agree for itself and its successors and assigns, with Grantor and its successors and assigns, that the right, title and interest of the Grantee and its successors and assigns, in and to the Property, is subject to (i) the Access Easement, (ii) the Restrictive Covenants, and (iii) the matters more particularly described on Exhibit C attached hereto.

Grantor covenants and binds itself and its successors to warrant specially and defend to Grantee forever the title to the Property against the lawful claims of all persons claiming through or under Grantor (excluding claims arising out of the Access Easement and the matters set forth on Exhibit C), but no further or otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Grantor has caused this Special Warranty Deed to be executed by its duly authorized representative as of the 30th day of November, 2007.

GRANTOR:

QUEBECOR WORLD KINGSPORT INC.

By: David McCarthy
Name: DAVID MCCARTHY
Title: Vice President

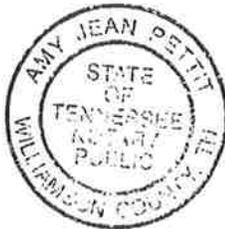
STATE OF Tennessee)
COUNTY OF Williamson)

Personally appeared before me, the undersigned, a Notary Public having authority within the State and County aforesaid, David McCarthy, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the/a(n) Vice President of Quebecor World Kingsport Inc., a California corporation, and is authorized by the corporation to execute this instrument on behalf of the corporation.

WITNESS my hand, at office, this 28th day of November, 2007.

Amy Jean Pettit
Notary Public

My Commission Expires:
My Commission Exp. Feb. 22, 2009



2613C
0422

STATE OF TENNESSEE)
COUNTY OF SULLIVAN)

BOOK 2613C PAGE 0422

The actual consideration for this transfer or value of property transferred (whichever is greater) is \$0.00 (Exempt pursuant to Tenn. Code Ann. § 57-4-409(f)).

Kathleen G. Hunt
Affiant

Sworn to and subscribed before me this 20th day of November, 2007.

Trish Smith
Notary Public

My Commission Expires:

3/30/09



EXHIBIT A

BOOK 2613C PAGE 0423

TRACT 1 (PARCELS 1, 2, 3 & 5)

BEGINNING on a drill hole in a concrete walk at the intersection of the Westerly line of Clinchfield Street with the Northeasterly line of West Center Street; thence with said line of West Center Street N 51° 58' 00" W, a distance of 942.23 feet to an iron pin at the intersection with the Southeasterly line of Roller Street; thence with same N 38° 02' 00" E, a distance of 790.41 feet to an iron pin at the common corner for Lots 3 & 4, Block 34; thence with the divisional line of said lots S 51° 58' 00" E, a distance of 125.00 feet to an iron pin corner for said lots; thence with the Southeasterly lines of Lots 4 through 11 & an unnumbered parcel N 38° 02' 00" E, a distance of 400.91 feet to a drill hole in the Southwesterly line of an alley; thence with same S 37° 12' 54" E, a distance of 334.90 feet to a drill hole in the Westerly line of Clinchfield Street; thence with same three calls as follows: S 24° 10' 31" W, a distance of 142.94 feet to the point of curvature of a tangent curve, concave to the East, having a radius of 1462.70 feet, a central angle of 13° 47' 30", a chord bearing of S 17° 16' 46" W, a chord distance of 351.24 feet; thence Southerly along said curve, an arc distance of 352.09 feet to at the point of tangency; thence S 10° 23' 01" W, a distance of 721.18 feet to the POINT OF BEGINNING; and being all of Block 33, Lots 1, 2 & 3 and an unnumbered parcel of Block 34, and also a vacated portion of Press Street, Kingsport, Tennessee, containing 16.315 acres more or less.

TRACT 1 (PARCEL 4)

BEGINNING on a drill hole in a concrete walk at the intersection of the Southwesterly line of West Sullivan Street with the Westerly line of Clinchfield Street, a corner for Lot 21; thence with said line of Clinchfield Street S 24° 10' 31" W, a distance of 165.23 feet to a drill hole, a corner for Lot 21 in the Northeasterly line of an alley; thence with same, and the lines of Lots 21 through 16 N 37° 12' 54" W, a distance of 384.93 feet to an iron pin at the common corner for Lots 16 & 15; thence with the divisional line of said lots N 52° 47' 06" E, a distance of 145.06 feet to an iron pin corner for said lots in the Southwesterly line of West Sullivan Street; thence with same and the lines of Lots 16 through 21 S 37° 12' 54" E, a distance of 305.81 feet to the POINT OF BEGINNING; and being Lots 16 through 21, Block 34, Kingsport, Tennessee, containing 1.150 acres, more or less.

BEING PART of the same property conveyed to Kingsport Press, Inc., by deeds of record in Book 330, page 230, and Book 337, page 550, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Kingsport Press, Inc. filed with the Secretary of State of California on October 10, 1985, the name of Kingsport Press, Inc. was changed to Arcata Graphics Kingsport of record in Book 1034C, page 311, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Arcata Graphics Kingsport filed with the Secretary of State of California on August 4, 1994, the name of Arcata Graphics Kingsport was changed to Quebecor Printing Kingsport Inc. of record in Book 1034C, page 302, Register's Office for Sullivan County, Tennessee.

2613C
0424

BOOK 2613C PAGE 0424

BY Certificate of Amendment of Articles of Incorporation of Quebecor Printing Kingsport, Inc., filed with the Secretary of State of California on September 1, 2000, the name of Quebecor Printing Kingsport, Inc. was changed to Quebecor World Kingsport Inc., of record in Book 1834C, page 404, Register's Office for Sullivan County, Tennessee.

TRACT 2

BEGINNING on an iron pin at the intersection of the Southwesterly line of Arch Street with the Northwesterly line of Roller Street, a corner for Lot 31, Block 38; thence with said line of Roller Street and the lines of Lots 31, 30 & 29 S 38° 02' 00" W, a distance of 158.00 feet to an iron pin corner to lot 28; thence with the line common to Lots 28 & 29 N 51° 58' 00" W, a distance of 150.00 feet to an iron pin in the line of Lot 25; thence with same N 38° 02' 00" E, a distance of 50.00 feet to an iron pipe at the common corner for Lots 16, 25, 29 & 30; thence with the lines of Lots 16 & 17 and Lots 25 & 24 N 51° 58' 00" W, a distance of 120.00 feet to an iron pin at a common corner for Lots 17, 18, 23 & 24; thence with the line for Lots 17 & 18 N 38° 02' 00" E, a distance of 108.00 feet to a drill hole in a concrete walk in the Southwesterly line of Arch Street; thence with same and the lines of lots 17, 16 & 31 S 51° 58' 00" E, a distance of 270.00 feet to the POINT OF BEGINNING; and being Lots 16, 17, 29, 30 & 31, Block 38, containing 0.842 acre, more or less.

BEING PART of the same property conveyed to Kingsport Press, Inc., by deeds of record in Book 330, page 230, Book, 396, page 219, Book 394, page 432, Book 330, page 34, and Book 330, page 469, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Kingsport Press, Inc. filed with the Secretary of State of California on October 10, 1985, the name of Kingsport Press, Inc. was changed to Arcata Graphics Kingsport of record in Book 1034C, page 311, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Arcata Graphics Kingsport filed with the Secretary of State of California on August 4, 1994, the name of Arcata Graphics Kingsport was changed to Quebecor Printing Kingsport Inc. of record in Book 1034C, page 302, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Quebecor Printing Kingsport, Inc., filed with the Secretary of State of California on September 1, 2000, the name of Quebecor Printing Kingsport, Inc. was changed to Quebecor World Kingsport Inc., of record in Book 1834C, page 404, Register's Office for Sullivan County, Tennessee.

TRACT 3

BEGINNING on an iron pipe at the intersection of the Southwesterly line of Arch Street with the Northwesterly line of Roller Street, a corner for Lot 27, Block 38; thence with said line of Roller Street and the lines of Lots 27 & 26, Block 38, then with the lines of Lots 22 & 21, Block 37, then crossing a vacated alley S 38° 02' 00" W, a distance of 213.41 feet to an iron pin in the

Northeasterly line of said alley; thence with same and the lines of Lots 1 through part of 6, Block 37 N 51° 58' 00" W, a distance of 139.68 feet to the point of curvature of a tangent curve, concave to the Southwest, having a radius of 886.20 feet, a central angle of 4° 34' 13", a chord bearing of N 54° 15' 07" W, a chord distance of 70.67 feet; thence Northwesterly along said curve, and the lines of part of Lot 6 through Lot 8, an arc distance of 70.69 feet to an iron pin in the line of Lot 9, Block 37; thence with the line of Lot 9 and crossing a vacated alley N 33° 27' 47" E, a distance of 78.48 feet to an iron pin in the Southwesterly line of another vacated alley; thence with same and with the lines of Lots 9 through 14, Block 37 N 51° 58' 00" W, a distance of 197.71 feet to an iron pin corner for Lot 15; thence crossing said alley N 39° 19' 00" E, a distance of 25.01 feet to an iron pin, a corner for Lots 4 & 5, Block 38 and in the Northeasterly line of said alley; thence with same and the lines of Lots 4, 3 & 2 S 51° 58' 00" E, a distance of 183.70 feet to an iron pipe corner for Lots 2 & 1, Block 38; thence with the line of said lots N 38° 02' 00" E, a distance of 113.00 feet to an iron pipe in the Southwesterly line of Arch Street; thence with same and the line of lot 1, then crossing another vacated alley, then the line of Lot 27 S 51° 58' 00" E, a distance of 230.00 feet to the POINT OF BEGINNING; and being Lots 21, 22 and an unnumbered parcel, Block 37, Lots 1, 26 & 27, Block 38, and three vacated alleys in Blocks 37 & 38, Kingsport, Tennessee, containing 1.205 acres, more or less.

BEING PART of the same property conveyed to Kingsport Press, Inc., by deed of record in Book 330, page 230, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Kingsport Press, Inc. filed with the Secretary of State of California on October 10, 1985, the name of Kingsport Press, Inc. was changed to Arcata Graphics Kingsport of record in Book 1034C, page 311, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Arcata Graphics Kingsport filed with the Secretary of State of California on August 4, 1994, the name of Arcata Graphics Kingsport was changed to Quebecor Printing Kingsport Inc. of record in Book 1034C, page 302, Register's Office for Sullivan County, Tennessee.

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TRACT 4

BEGINNING on an iron pin in the Easterly line of Clinchfield Street, said iron pin being located S 10° 23' 01" W, a distance of 284.04 feet along said line from the intersection of said line with the Southwesterly line of Press Street; thence by a line common with Dobyns Taylor Hardware S 51° 58' 00" E, a distance of 364.49 feet to an iron pin corner with Lot 39; thence with the line of Lot 39 S 38° 02' 00" W, a distance of 148.40 feet to an iron pin in the Northeasterly line of an alley; thence with same N 51° 58' 00" W, a distance of 286.74 feet to an iron pin in the Easterly line of Clinchfield Street; thence with same N 10° 23' 01" E, a distance of 167.53 feet to the

POINT OF BEGINNING; and being a part of Block 27, Kingsport, Tennessee, containing 1.109 acres, more or less.

BEING PART of the same property conveyed to Kingsport Press, Inc., by deed of record in Book 330, page 230, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Kingsport Press, Inc. filed with the Secretary of State of California on October 10, 1985, the name of Kingsport Press, Inc. was changed to Arcata Graphics Kingsport of record in Book 1034C, page 311, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Arcata Graphics Kingsport filed with the Secretary of State of California on August 4, 1994, the name of Arcata Graphics Kingsport was changed to Quebecor Printing Kingsport Inc. of record in Book 1034C, page 302, Register's Office for Sullivan County, Tennessee.

BY Certificate of Amendment of Articles of Incorporation of Quebecor Printing Kingsport, Inc., filed with the Secretary of State of California on September 1, 2000, the name of Quebecor Printing Kingsport, Inc. was changed to Quebecor World Kingsport Inc., of record in Book 1834C, page 404, Register's Office for Sullivan County, Tennessee.

The foregoing legal descriptions were derived from a survey dated April 25, 2007, prepared by Joseph D. Connelly (RLS Tennessee License Number 836) of Connelly Land Surveying, 1561 Fuller Street, Kingsport, Tennessee 37664.

EXHIBIT B

BOOK 2613C PAGE 0427

1. Prior to any part of the Property being used for a residence, domicile, daycare, school, or church, and any related recreational uses, or any use with an outdoor playground, the Property owner must notify Grantor in writing and must demonstrate to the satisfaction of Grantor that (a) such action will comply with all requirements of all applicable federal, state and local authorities, including but not limited to any land use restrictions imposed on the Property pursuant to that certain Brownfield Voluntary Agreement & Administrative Settlement dated as of November 24, 2007, by and between the Tennessee Department of Environment and Conservation ("TDEC") and Donee, (b) any such proposed use listed above will not pose a danger to public health, safety, or the environment, and (c) the payment of the Development Costs (as hereinafter defined) related to the proposed action have been fully assumed by and provided for by Grantee and/or its successors or assigns. Any such proposed use of the Property may only be undertaken after receipt of written consent from Grantor, which consent cannot be unreasonably withheld or untimely given. Failure of Grantor to respond within thirty (30) days to Grantee's notification and demonstration in compliance with the above requirements shall be deemed to be consent, and

2. The Property owner shall not use, access, or otherwise disturb the groundwater beneath the Property, unless required by any federal or state-level government agency of competent jurisdiction. There shall be no installation of groundwater wells for the intended use as a potable water source, and

3. Modification of existing surface and subsurface concrete and asphalt (including building floors, foundations and parking areas):

a. Prior to initiating any subsurface invasive activities (e.g., drilling or excavating), or any demolition activities that might adversely impact the integrity of the existing surface and subsurface concrete and asphalt (including building floors, foundations and parking areas), the Property owner must notify Grantor of the planned activities and obtain Grantor's prior written consent as provided hereinafter. This requirement shall not apply to activities being performed by Grantor or Grantor's contractors in coordination with TDEC.

b. Within the Potential Solvent-Impacted Area identified on Figure B-1 attached hereto, the surface and subsurface concrete and asphalt (including building floors, foundations and parking areas) functions as an effective barrier that prevents direct contact with contaminated soil, retards the uncontrolled upward and perhaps lateral movement of contaminant vapors, and prevents infiltration of rainwater and the associated potential for the leaching of contaminants from soils into groundwater and/or the accelerated dispersion of contaminated groundwater. Prior to any removal or breaching of this surface and subsurface concrete and asphalt (including building floors, foundations and parking areas) within the Potential Solvent-Impacted Area, the Property owner must notify Grantor and must demonstrate to the satisfaction of Grantor that (1) any such proposed removal or breaching will not significantly increase the potential for direct contact with contaminated soil, uncontrolled movement of contaminant vapors, or

infiltration of rainwater, and (2) the payment of the Development Costs related to the proposed action have been assumed by and provided for by Grantee and/or its successors or assigns. Any such proposed action on the Property may only be undertaken after receipt of written consent from Grantor, which consent cannot be unreasonably withheld or untimely given. Failure of Grantor to respond within thirty (30) days to the above-referenced notification and demonstration in compliance with the above requirements shall be deemed to be consent.

c. Prior to the removal of any of the surface and subsurface concrete and asphalt (including building floors, foundations and parking areas) at the Property, the Property owner must first obtain Grantor's prior written approval of an action plan that describes (1) how the shallow soils will be tested, prior to or immediately upon barrier removal, to determine if soil contamination may exist that might pose a material threat to human health or the environment; (2) what response actions will be taken if soil contamination is found, (3) a schedule of implementation, to include the reporting of soil and/or ground water testing results and response actions taken to TDEC; and (4) how the formerly covered area will be reconstructed to effectively limit infiltration of storm water through the newly exposed soil. In addition, for any portion of the Potential Solvent-Impacted Area or any other area where it may be deemed necessary by TDEC, this action plan must also describe how an effective barrier layer will be reconstructed over the area where the existing barrier layer(s) was removed. Prior to any removal or breaching of this surface and subsurface concrete and asphalt (including building floors, foundations and parking areas), the Property owner must notify Grantor and must demonstrate to the satisfaction of Grantor that (i) any such proposed removal or breaching will not significantly increase the potential for direct contact with contaminated soil, uncontrolled movement of contaminant vapors, or infiltration of rainwater, and (ii) the payment of the Development Costs related to the proposed action have been assumed by and provided for by Grantee and/or its successors or assigns. Any such proposed action on the Property may only be undertaken after receipt of written consent from Grantor, which consent cannot be unreasonably withheld or untimely given. Failure of Grantor to respond within thirty (30) days to the above-referenced notification and demonstration in compliance with the above requirements shall be deemed to be consent.

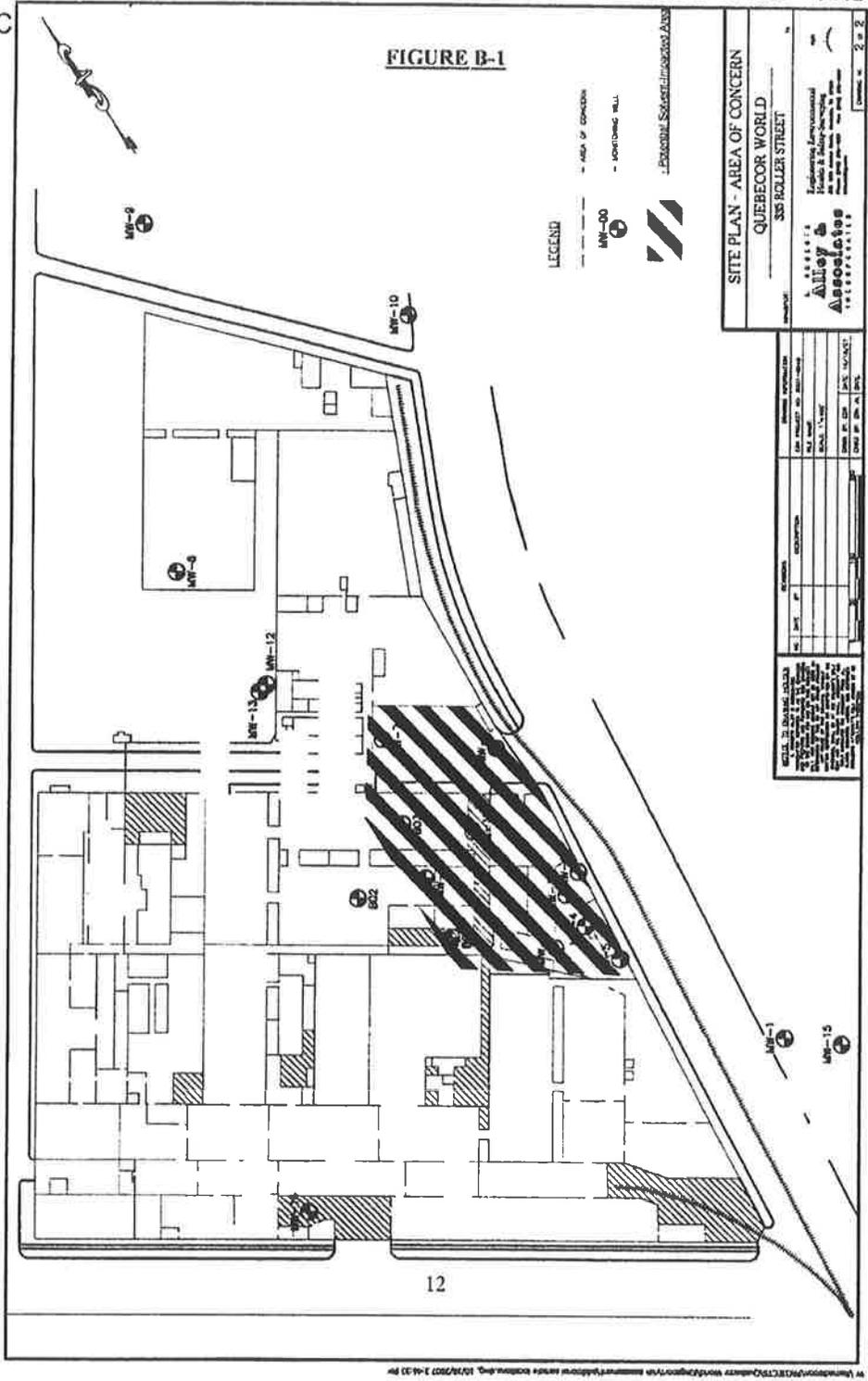
d. Prior to any removal of soil, ground water and/or debris from the Property, and prior to any burial at the Property of any soils and/or debris generated from on-site demolition or construction activities, the Property owner must notify Grantor of such planned action and demonstrate to Grantor's satisfaction that such soils and debris will be managed in accordance with applicable regulatory requirements (environmental and occupational safety). Any such proposed action on the Property may only be undertaken after receipt of written consent from Grantor, which consent cannot be unreasonably withheld or untimely given. Failure of Grantor to respond within thirty (30) days to the above-referenced notification and demonstration in compliance with the above requirements shall be deemed to be consent.

4. The Property owner shall be responsible for any response actions triggered by or resulting from the modification of existing surface and subsurface concrete and asphalt (including building floors, foundations and parking areas), and

5. The Property owner shall not unreasonably interfere with access to groundwater monitoring wells at the Property for purposes of groundwater monitoring or well maintenance or repair, nor shall the well casing locks and/or locking mechanisms be intentionally removed or in any way deliberately modified to not operate properly. The Property owner must secure Grantor's approval before taking any action to modify, close, or abandon any groundwater monitoring well located on the Property.

For purposes this Special Warranty Deed, "Development Costs" arise out of, relate to, result from or are caused by the future development or redevelopment of the Property, including, without limitation, any and all costs, expenses, claims, demands, damages, losses, liabilities, penalties, and fines, which arise out of, relate to, result from or are caused by the residential use of the Property or the adverse impact of the integrity of the existing surface and subsurface concrete and asphalt (including building floors, foundations and parking areas) on the Property; provided, that such amounts include but are not limited to costs and expenses arising, resulting or resulting from lawsuits, actions, orders, judgments, investigations, and other proceedings.

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EXHIBIT C

BOOK 2613C PAGE 0431

1. County taxes for the year of 2007 a lien, due and payable, but not delinquent until March 1, 2008.
2. Easement and Waiver Agreement of record in Book 1829C, page 437 and re-recorded in Book 1830C, page 484 and Book 1834C, page 406 in the Register's Office for Sullivan County, Tennessee.
3. Any rights which the City of Kingsport may have acquired to maintain and/or operate an underground sewer or drainage pipe line, and any rights incident thereto, which line is now located upon the Property, as set out in the deed dated April 25, 1938, from Kingsport Corporation to Kingsport Press, Inc. of record in Deed Book 34-A, page 549 in the Register's Office for Sullivan County, Tennessee.
4. Easement of record in Deed Book 39-A, page 5 in the Register's Office for Sullivan County, Tennessee.
5. Easements of record in Book 171A, page 474 and Book 168A, page 559 in the Register's Office for Sullivan County, Tennessee.
6. Right, title and interest, if any, of others in the alley located along the southwest line of the Property.
7. Agreement of record in Book 833C, page 9 in the Register's Office for Sullivan County, Tennessee.
8. Reservation of pipeline easement of record in Deed Book 86-A, page 224 in the Register's Office for Sullivan County, Tennessee.

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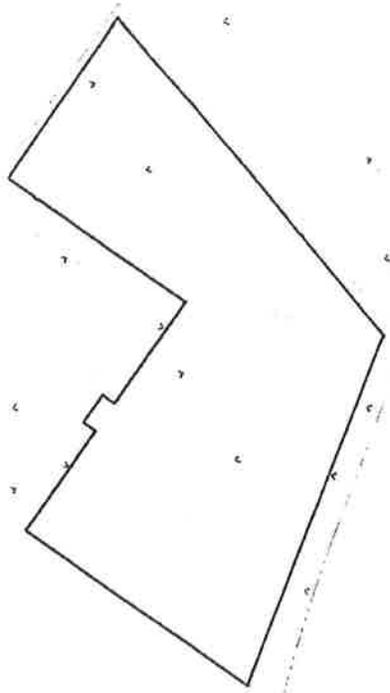
MARY LOU DUNCAN
REGISTER OF DEEDS
SULLIVAN COUNTY, TENNESSEE
04 Dec 2007 TIME 02:25 p
BOOK 2613C PAGE 0413
TAX C CF 2.00
FEE 65.00 TOTAL 67.00
RECEIPT NO. 2007-066256

Sullivan County, Tenn. Register of Deeds: Received for record on the 04 day of
Dec, 2007 at 02:25 PM Noted in Note Book 0083 Page 0054

Mary Lou Duncan

02:25 p
0413
67.00

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This Instrument Was Prepared By:
HUNTER, SMITH & DAVIS, LLP
Attorneys At Law, P. O. Box 3740, Kingsport, Tennessee 37664

**TERMINATION OF RIGHT OF RE-ENTRY
AND RIGHT OF RE-TAKING**

THIS TERMINATION OF RIGHT OF RE-ENTRY AND RIGHT OF RE-TAKING, made and entered into as of this ____ day of _____, 2009, by and between **QUEBECOR WORLD KINGSPORT INC**, party of the first part (herein “Quebecor”), **CITY OF KINGSPORT, TENNESSEE**, party of the second part, (herein the “City”), and **THE PRESS GROUP, LLC**, party of the third part, a Tennessee limited liability company (herein “The Press Group”):

WITNESSETH:

A Quebecor and the City have heretofore entered into a Special Warranty Deed dated November 30, 2007, of record in Book 2613C, page 419, Office of the Register of Deeds for Sullivan County at Blountville, Tennessee (the “Special Warranty Deed”), pursuant to which Quebecor has conveyed to the City certain real property as described therein (the “Property”).

B. The Special Warranty Deed contains certain Restrictive Covenants applicable to the Property pursuant to that certain Brownfield Voluntary Agreement and Administrative Settlement dated as of November 24, 2007 (the “Brownfield Agreement”) and reserves to Quebecor the right to re-enter and retake the Property and terminate the City’s estate in the Property in the event the City or its successors or assigns shall breach, fail to comply with or otherwise violate the Restrictive Covenants.

C. The City and The Press Group have entered into an agreement whereby The Press Group will acquire a portion of the Property and re-develop such property for medical office uses (herein the “MOB Property”), which MOB Property is described in Exhibit B and represents a portion of the Property acquired by the City from Quebecor pursuant to the Special Warranty Deed.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) cash in hand paid, the receipt of which is hereby acknowledged, and other good and valuable consideration, the party of the first part by these presents does grant, transfer, quitclaim, assign, convey unto _____ and does hereby release and terminate all right of re-entry and all right of re-taking, as provided for in the Special Warranty Deed, of the following described property located in the City of Kingsport, 11th Civil District of Sullivan County, Tennessee, to-wit:

BEING a portion of the property conveyed to City of Kingsport, Tennessee by Special Warranty Deed dated November 30, 2007 from Quebecor World Kingsport Inc. of record in said Register's Office in Book 2613C, page 419. (Map _____).

In furtherance of the foregoing, Quebecor does hereby does grant, transfer, quitclaim, assign, convey unto _____ all of Quebecor's right of re-entry and all right of re-taking, as provided for in the Special Warranty Deed, in foregoing described property.

This instrument applies only to the property described herein and Quebecor hereby reserves and retains its right of re-entry and all right of re-taking as to all other property described in the Special Warranty Deed.

WITNESS the following signature, this date and day first above written.

QUEBECOR WORLD KINGSPORT INC.

By: _____
Name: _____
Title: _____

**STATE OF TENNESSEE
COUNTY OF SULLIVAN**

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared, _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of Quebecor World Kingsport Inc., a California corporation, and that he as such _____ of Quebecor World Kingsport Inc., a California corporation, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as such _____.

WITNESS my hand and official seal this _____ day of _____, 2009.

Notary Public

My commission expires:

STATE OF TENNESSEE

COUNTY OF _____

The undersigned affiant being first duly sworn, makes oath that the actual consideration for the foregoing transfer, or the value of the property hereinabove described, whichever is greater, is \$ QUITCLAIM.

AFFIANT

SWORN TO AND SUBSCRIBED before me, this _____ day of _____, 2009.

Notary Public

My commission expires:

NAME AND ADDRESS OF PROPERTY OWNER
OR THE PERSON OR ENTITY RESPONSIBLE
FOR THE PAYMENT OF THE REAL PROPERTY
TAX:

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$41,835,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

WHEREAS, it is necessary and in the public interest of the City of Kingsport, Tennessee (the "Municipality"), to issue its General Obligation Public Improvement Bonds (the "Bonds"), for the purpose of financing certain public works projects, as hereinafter specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE:

SECTION 1. That for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; the acquisition, construction, improvement, and equipping of public parks and recreational facilities; the acquisition, construction and improvement to streets, roads, bridges, and walk/bike paths within the Municipality; the acquisition of land; the expansion of the demolition landfill; the improvement of the Municipality's stormwater system, including land acquisition; the improvement of public parking, including the downtown public parking garage; the acquisition, construction, improvement, and equipping of public buildings within the Municipality, including the library and the Justice Center; the improvement and equipping of the Municipality's telecommunication system; the improvement, renovation, and equipping of schools and related school facilities, including parking lots, buildings and security enhancements; the improvement and expansion of the wastewater system, including the acquisition of new lines, land and easements; the improvement, expansion, and replacement of water system facilities, including the acquisition of new lines; the improvement and expansion of the Meadowview Conference Center; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of the above project, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds, the issuance of the Bonds of the Municipality in the aggregate principal amount of not to exceed Forty-One Million Eight Hundred Thirty-Five Thousand Dollars (\$41,835,000) is hereby authorized. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be later determined.

SECTION 2. That the principal of, premium, if any, and interest on, the Bonds, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Bonds, the full faith and credit of the Municipality will be irrevocably pledged.

SECTION 3. That the Bonds described and authorized by this Resolution shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act").

SECTION 4. That after the adoption of this Resolution, the City Recorder is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the Municipality.

SECTION 5. That this Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

Adopted and approved this 6th day of October, 2009.

MAYOR

ATTEST:

APPROVED AS TO FORM:

CITY RECORDER

CITY ATTORNEY

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of the City of Kingsport, Tennessee, shall have been filed with the City Recorder protesting the issuance of the Bonds, such Bonds will be issued as proposed.

STATE OF TENNESSEE)
COUNTIES OF HAWKINS AND)
SULLIVAN)

I, James H. Demming, hereby certify that I am the duly qualified and acting City Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of an Initial Resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen of said Municipality held on October 6, 2009; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$41,835,000 General Obligation Public Improvement Bonds of said Municipality; (4) that the actions by the said Board of Mayor and Aldermen including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board of Mayor and Aldermen was present and acting throughout the meeting.

WITNESS my official signature and seal of said Municipality this 6th day of October, 2009.

CITY RECORDER

(SEAL)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$41,835,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF.

WHEREAS, on October 6, 2009, the Board of Mayor and Aldermen (the "Board") of the Municipality adopted an "Initial Resolution Authorizing the Issuance of Not to Exceed \$41,835,000 General Obligation Public Improvement Bonds of the City of Kingsport, Tennessee, to Provide Funding for Certain Public Works Projects and to Fund the Incidental and Necessary Expenses Related Thereto" (the "Initial Resolution"), authorizing and directing, among other things, the issuance by the Municipality of its General Obligation Public Improvement bonds for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; the acquisition, construction, improvement, and equipping of public parks and recreational facilities; the acquisition, construction and improvement to streets, roads, bridges, and walk/bike paths within the Municipality; the acquisition of land; the expansion of the demolition landfill; the improvement of the Municipality's stormwater system, including land acquisition; the improvement of public parking, including the downtown public parking garage; the acquisition, construction, improvement, and equipping of public buildings within the Municipality, including the library and the Justice Center; the improvement and equipping of the Municipality's telecommunication system; the improvement, renovation, and equipping of schools and related school facilities, including parking lots, buildings and security enhancements; the improvement and expansion of the wastewater system, including the acquisition of new lines, land and easements; the improvement, expansion, and replacement of water system facilities, including the acquisition of new lines; the improvement and expansion of the Meadowview Conference Center; the acquisition of all property real and personal, appurtenant thereto or connected with such work (collectively, the "Project"); and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of the above project, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds;

WHEREAS, the Recorder of the Municipality published a copy of the Initial Resolution and the Notice required by Section 9-21-206, Tennessee Code Annotated, as amended, in a newspaper of general circulation within the Municipality;

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue and sell bonds for the purpose of financing the Project;

WHEREAS, the Initial Resolution authorized payment of the principal of, interest on, and the premium, if any, of the bonds from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$41,835,000 General Obligation Public Improvement Bonds, in one or more series, as either Federally Taxable Build America Bonds (as defined herein) or as Federally Tax-Exempt Bonds (as defined herein), as shall be determined by the Mayor in accordance with the provisions herein (the "Bonds"), for the purpose of financing the costs of the Project, reimbursing the Municipality, paying capitalized interest, and paying costs incident to the financing thereof;

WHEREAS, it is necessary to authorize an official statement in connection with the issuance of the Bonds; and,

WHEREAS, it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Bonds herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

"Act" shall mean Title 9, Chapter 21, Tennessee Code Annotated, as amended.

"Authorized Representative of the Municipality" means the then Mayor, the then Recorder, or the then Treasurer, of the Municipality, authorized by resolution or by law to act on behalf of and bind the Municipality.

"Board" means the Board of Mayor and Aldermen of the Municipality.

"Bond", means individually, and "Bonds" means collectively, the General Obligation Public Improvement Bonds of the Municipality, authorized to be issued by this Resolution of the Board.

"Bond Counsel" means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

"Bondholder", "Owner", or any similar term, when used with reference to the Bonds, means any Person who shall be the registered owner of any then Outstanding Bond or Bonds.

"City Attorney" means the duly appointed City Attorney of the Municipality, or his or her successors.

"Closing Date" means the date of sale, delivery, and payment of the Bonds.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds, and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or effect the Bonds.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Direct Payment Credit” means any refundable direct payment credit received by the Municipality from the United States Treasury pursuant to Section 54AA and Section 6431 of the Code with respect to any series of Bonds qualifying as Federally Taxable Build America Bonds under Section 54AA(g) of the Code for which the Municipality makes an irrevocable election as set forth herein.

“DTC” means The Depository Trust Company, New York, New York.

“Federally Taxable Build America Bonds” means for purposes of this resolution, any series of Bonds, the interest on which is includable in gross income of the holders thereof for federal income tax purposes and that, when issued, are “qualified bonds” within the meaning of Section 54AA(g)(2) of the Code qualifying to receive Direct Payment Credits.

“Federally Tax-Exempt Bonds” means any series of Bonds, the interest on which is intended to be excludable from gross income of the holders thereof for federal income tax purposes.

“Government Obligations” means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of Federal agencies to the extent unconditionally guaranteed by the United States of America, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Interest Payment Date” means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Mayor” means the duly elected, qualified, and acting Mayor of the Municipality, or his or her successors.

“Outstanding,” “Bonds Outstanding,” or “Outstanding Bonds” means, as of a particular date, all Bonds issued and delivered and authenticated under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Municipality at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Municipality for the

benefit of the Owner thereof; (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered and authenticated pursuant to this Resolution, unless proof satisfactory to the Municipality is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (4) any Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered Outstanding until the maturity thereof only for the purposes of being exchanged, transferred, or registered.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“Principal Payment Date” means each date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Recorder” means the duly appointed, qualified, and acting Recorder of the Municipality, or his or her successors.

“Registration Agent” means Regions Bank, or its successor, or successors hereafter appointed in the manner provided in this Resolution.

“Resolution” means this Resolution, as supplemented and amended.

“State” means the State of Tennessee.

“Treasurer” means the duly appointed, qualified, and acting Treasurer of the Municipality, or his or her successors.

Section 3. Authorization. For the purpose of providing funds to finance the Project, to reimburse the Municipality, to pay capitalized interest, to pay legal, fiscal, administrative, and engineering costs, and to pay costs incident to the financing thereof, there is hereby authorized to be issued general obligation public improvement bonds of the Municipality, in one or more series, in the aggregate principal amount of not to exceed Forty-One Million Eight Hundred Thirty-Five Thousand Dollars (\$41,835,000), or such lesser aggregate amount as may be determined by the Authorized Representatives of the Municipality executing the Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance herewith.

Section 4. Form of Bonds; Execution. (a) The Bonds, or any series thereof, are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000, or any integral multiple thereof. All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit “A” attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or

any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. Each series of Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Recorder, and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon, and shall be approved as to form by the manual or facsimile signature of the City Attorney. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of an officer of the Registration Agent on the certificate set forth on the Bonds.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Municipality to sign such Bond, although on the respective dates of the adoption by the Municipality of this Resolution, such individuals may not have been such officers.

Section 5. Maturities, Interest Rates, Payment, and Certain Other Provisions of Bonds. (a) The Bonds shall be issued in one or more series, and subject to the adjustments permitted under Section 19 hereof shall be known as "General Obligation Public Improvement Bonds," shall be dated as of the date of issuance and delivery, and shall have such series designation or other dated date as shall be determined by the Mayor pursuant to Section 19 hereof. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be later determined. The Bonds shall bear interest from the date thereof at a rate or rates to be hereafter determined by the Municipality when said Bonds, or any series thereof, are sold, but not exceeding the maximum rate allowed by law, such interest being payable (subject to the adjustments permitted under Section 19 hereof) semi-annually on the first day of March and September of each year, commencing September 1, 2010. Subject to the adjustments permitted pursuant to Section 19 hereof, each series of Bonds shall be issued as either Federally Tax-Exempt Bonds or Federally Taxable Build America Bonds, and the Bonds shall mature serially or be subject to mandatory redemption and be payable on March 1 of each year, subject to prior optional redemption, as hereinafter provided, either serially or through mandatory redemption, in the years 2012 through 2030, inclusive.

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal of, and the premium, if any, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond.

(b) Interest on the Bonds shall be payable by check or other form of draft of the Registration Agent deposited by the Registration Agent in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the Owners of such Bonds, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Registration Agent as of the close of business on the fifteenth (15th) calendar day of the month next preceding the applicable Interest Payment Date (the "Regular Record Date"). The principal or redemption price, if any, of all Bonds shall be payable upon presentation and surrender of such Bonds at the principal corporate trust office of the Registration Agent. All payments of the principal of, premium, if any, and interest on, the Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

(c) Any interest on any Bond which is payable but is not punctually paid or duly provided for on any Interest Payment Date on which interest is due (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by check or other form of draft of the Registration Agent to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangement satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) calendar days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) calendar days prior to the date of the proposed payment to the Owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) calendar days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner at the address thereof as it appears in the registration books of the Municipality maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any Owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on, the Bonds when due.

(d) The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global Bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this Section, the Bonds shall be registered in

the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

(i) any successor of DTC or its nominee;

(ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,

(iii) any Person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

(e) The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including, but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. The Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this subsection (e) of this Section 5.

Section 6. Redemption. (a) Subject to the adjustments permitted under Section 19 hereof, the Bonds maturing March 1, 2012, through March 1, 2020, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2021, are subject to redemption prior to maturity on March 1, 2020, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par, plus accrued interest to the date fixed for redemption.

(b) Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption. Each such notice of redemption shall state: (1) the redemption date; (2) the redemption price; (3) if less than all Outstanding Bonds are to be redeemed, the registered number and the CUSIP number printed on the Bonds (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) that on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date provided sufficient funds are available on such redemption date to fully pay the redemption price of and the interest on the Bonds called for redemption; and, (5) the

place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registration Agent. Neither failure to mail any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which notice was correctly given.

(c) If notice of redemption shall have been given in the manner and under the conditions provided herein and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(d) Prior to any redemption date, the Municipality shall deposit with the Registration Agent an amount of money sufficient to pay the redemption price of all of the Bonds or portions of Bonds which are to be redeemed on that date.

(e) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Resolution.

(f) In case any Bond is of a denomination larger than \$5,000, a portion of such Bond - \$5,000 or any integral multiple thereof - may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In selecting Bonds for redemption, the Municipality shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If part but not all of a Bond shall be selected for redemption, the Owner thereof or his, her, or its legal representative shall present and surrender such Bond to the Registration Agent for payment of the principal amount thereof so called for redemption and the premium, if any, on such principal amount thereof so called for redemption, and the Municipality shall execute and the Registration Agent shall authenticate and deliver to such Owner or legal representative, without charge therefor, for the unredeemed portion of the Bond surrendered, a Bond or Bonds of the same maturity, bearing the same interest rate, and of authorized denomination or denominations.

Section 7. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 8. Registration Books and Registration Agent. (a) The Municipality hereby appoints Regions Bank, as registration agent and paying agent (the "Registration Agent") with respect to the Bonds and authorizes the Registration Agent so long as any of the Bonds shall

remain Outstanding, to maintain at the principal corporate trust office of the Registration Agent, books for the registration and transfer of the Bonds on behalf of the Municipality. The Registration Agent shall register in such books and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer and to authenticate and deliver the Bonds either at original issuance, upon transfer, or as otherwise directed by the Municipality. The Registration Agent is authorized to make all payments of principal, interest, and redemption premium, if any, with respect to the Bonds.

(b) The Registration Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by a written instrument of acceptance executed and delivered to the Recorder prior to or on the Closing Date.

Section 9. Exchange of Bonds. Bonds upon surrender thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bonds duly executed by the Owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Bonds surrendered for exchange.

Section 10. Transfer of Bonds. (a) Each Bond shall be transferable only on the registration books maintained by the Registration Agent at the principal corporate trust office of the Registration Agent, upon the surrender for cancellation thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bond duly executed by the Owner thereof or his, her, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Registration Agent shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The Municipality and the Registration Agent may deem and treat the Person in whose name any Bond shall be registered upon the registration books maintained by the Registration Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Registration Agent upon such Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

Section 11. Regulations with Respect to Exchanges and Transfers. (a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Municipality shall execute, and the Registration Agent shall deliver, Bonds in accordance with the provisions of this Resolution. For every exchange or transfer of Bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the

contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

(b) Neither the Municipality nor the Registration Agent shall be obligated to exchange or transfer any Bond during the fifteen (15) calendar days next preceding an Interest Payment Date or the first mailing of any notice of redemption or with respect to any Bond, after such Bond has been called for redemption.

Section 12. Mutilated, Lost, Stolen, or Destroyed Bonds. (a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Municipality may execute, and upon the request of an Authorized Representative of the Municipality and the Registration Agent shall deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Municipality and the Registration Agent: (1) such security or indemnity as may be required by an Authorized Representative of the Municipality to save the Municipality and the Registration Agent harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, an Authorized Representative of the Municipality and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Municipality and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, an Authorized Representative of the Municipality may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the Municipality and the Registration Agent in connection therewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Municipality and the Registration Agent such security or indemnity as an Authorized Representative of the Municipality and the Registration Agent may require to save the Municipality and the Registration Agent harmless and evidence to the satisfaction of an Authorized Representative of the Municipality and the Registration Agent, of the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Municipality (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other

rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 13. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Registration Agent shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Registration Agent. Such executed certificate of authentication by the Registration Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution as of the date of authentication. The certificate of authentication of the Registration Agent on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Registration Agent, but it shall not be necessary that the same officer sign and date the certificate of authentication on all Bonds that may be issued hereunder.

Section 14. Permitted Acts and Functions of Registration Agent. The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent.

Section 15. Resignation or Removal of the Registration Agent and Appointment of Successors. (a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) calendar days' written notice to the Recorder; provided, however, until a successor Registration Agent is appointed the Registration Agent shall continue to carry out the duties and obligations of the Registration Agent created by this Resolution. The Registration Agent may be removed at any time by resolution of the Municipality filed with such Registration Agent. Any successor Registration Agent shall be appointed by resolution of the Municipality and shall be a trust company or a bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Fifty Million Dollars (\$50,000,000), and be willing and able to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign, and deliver any monies held by it as Registration Agent, and all books and records held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Recorder until such successor be appointed.

Section 16. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding.

Section 17. Source of Payment and Security. The Bonds, including the principal thereof, the premium, if any, and the interest thereon, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of, premium, if any, and interest on the Bonds the full faith and credit of the Municipality is hereby irrevocably pledged. If issued as a “Federally Taxable Build America Bond” the Bonds are additionally payable from, but not secured by, Direct Payment Credits received in respect of such series of Bonds.

Section 18. Levy of Taxes. For the purpose of providing for the payment of the principal of, premium, if any, and interest on, the Bonds, to the extent necessary, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient, to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal, premium, if any, and interest, or any of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the General Fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in the General Fund of the Municipality, and used solely for the payment of principal and interest on the Bonds as the same shall become due. The tax herein provided may be reduced to the extent of any appropriations from Direct Payment Credits and from any other funds, taxes and revenues of the Municipality to the payment of debt service on the Bonds.

Section 19. Sale of Bonds. (a) The Bonds shall be sold at public sale (the “Public Sale”) in the manner provided by law, in one or more series, at a price of not less than ninety-nine and one-fourth percent (99.25%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Morgan Keegan & Company, Inc., Nashville, Tennessee, the Municipality’s financial advisor (the “Financial Advisor”); provided that no series of Federally Taxable Build America Bonds may be sold at a premium in excess of that permitted by Section 54AA(d)(2)(C) of the Code. The Bonds, or any series thereof, shall be sold at public sale by physical delivery of bids or by electronic bidding by means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor.

(b) If the Bonds are sold in more than one series, the Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown authorized in Section 3 hereof for each series, and to make corresponding adjustments to the maturity dates of each series designated in Section 5 hereof; provided, however, that the total aggregate principal amount of all series issued does not exceed the total aggregate amount of Bonds authorized to be issued hereunder.

(c) The Mayor is further authorized:

(1) to make an irrevocable election in accordance with subsection (d) below directing that any series of Bonds be issued as Federally Taxable Build America Bonds pursuant to Section 54AA(g)(2) of the Code or directing that any series of Bonds be issued as Federally Tax-Exempt Bonds;

(2) to change the dated date of the Bonds or any series thereof;

(3) to specify the series designation of the Bonds, or any series thereof, to a designation;

(4) to change the first interest payment date on the Bonds, or any series thereof, to a date other than September 1, 2010, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(5) to adjust the principal and interest payment dates and determined maturity or mandatory redemption amounts of the Bonds, or any series thereof, provided that (i) the total principal amount of all series of Bonds does not exceed the total amount of Bonds authorized herein, (ii) the first maturity date of the Bonds, or any series thereof, is a date not earlier than March 1, 2012, and (iii) the final maturity date of each series of Bonds shall not exceed twenty (20) fiscal years from the dated date of its series;

(6) to change the optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds, or any series thereof, does not exceed two percent (2%) of the principal amount thereof;

(7) to sell the Bonds, or any series thereof, or any maturities thereof, as term bonds with mandatory redemption requirements as determined by the Mayor, as the Mayor shall deem most advantageous to the Municipality; and,

(8) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Municipality and to enter into agreements with such insurance company with respect to any series of Bonds to the extent not inconsistent with this Resolution.

(d) Each series of Bonds shall be sold as either Federally Tax-Exempt Bonds or as Federally Taxable Build America Bonds as determined by the Mayor, in consultation with the Financial Advisor, by taking into account which type of Bond will result in the lowest cost to the Municipality with respect to such series of Bonds taking into consideration the Direct Payment Credit projected to be received if such series of Bonds is issued as Federally Taxable Build America Bonds and such other factors affecting the cost of the Municipality, including redemption provisions relating to each such series. The Mayor will cause to be filed with the transcript of proceedings for any series of Federally Taxable Build America Bonds, a report of the Financial Advisor as to the factors taken into account by the Financial Advisor in

recommending that any series be issued as Federally Taxable Build America Bonds. If issued as Federally Taxable Build America Bonds, the Mayor is directed to make the irrevocable election required under Section 54AA(g)(2) to qualify such series of Bonds for Direct Payment Credits on each interest payment date. The Mayor is further authorized to submit Form 8038-CP prior to each interest payment date for the purpose of receiving the Direct Payment Credit with respect to each interest payment date, or take such other actions required for receipt of the Direct Payment Credit required by the Internal Revenue Service of the United States Treasury. Alternatively, as shall be determined by the Mayor, application for the Direct Payment Credit pursuant to the Form 8038-CP can be made by the Registration Agent, and the Mayor and City Recorder are hereby authorized to enter into an agreement with the Registration Agent with respect to its duties under this resolution. The Mayor shall further designate and direct the deposit of the Direct Payment Credit with either the Registration Agent for the payment of the interest on the Federally Taxable Build America Bonds or with the Treasurer for application to the payment of principal and interest on the Bonds. All decisions by the Mayor made pursuant to this subsection shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(e) The Mayor of the Municipality is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Board. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Board, in one or more series, as the Mayor shall deem to be advantageous to the Municipality, and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than “General Obligation Public Improvement Bonds”; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this Resolution or bonds authorized by other resolution or resolutions adopted by the Board.

(e) The Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate allowed by law. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Board with respect thereto shall be required. The form of the Bond attached hereto as Exhibit A, shall be conformed to reflect any changes made pursuant to this Section.

(f) The Mayor and the Recorder are authorized to cause the Bonds to be authenticated and delivered to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. Notice of such Public Sale shall be given in accordance with the provisions of the Act. The Mayor and Recorder are hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds.

Section 20. Approval of Preliminary Official Statement and Official Statement. (a) The Mayor, the Recorder, and the City Manager, or any of them, working with the Financial Advisor, are hereby authorized to cause the preparation and distribution, which may include

electronic distribution, of a Preliminary Official Statement in connection with the sale of the Bonds in such form and containing such information as the Mayor shall determine appropriate and consistent with the terms of this Resolution and to deem the Preliminary Official Statement final for the purpose of Securities and Exchange Commission Rule 15c(2)(12).

(b) The Board hereby authorizes an Official Statement of the Municipality substantially in the form of the Preliminary Official Statement relating to the Bonds, with such modifications thereto as the Mayor and the Recorder approve. The Mayor and Recorder are hereby authorized and directed to execute copies of said Official Statement and to deliver said Official Statement to the purchaser of such Bonds, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Board hereby consents to the lawful use of said Official Statement and the information contained therein in connection with the public offering and sale of the Bonds by the initial purchaser of such Bonds. The Mayor and the Recorder are authorized to deem the Official Statement final for the purpose of Securities and Exchange Commission Rule 15(c)(2)(12).

(c) The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of pricing and other information.

Section 21. Disposition of Bond Proceeds and Other Funds. The proceeds of the sale of the Bonds and certain other funds shall be used and applied as follows:

(a) Accrued interest, if any, shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof and used to pay interest on the Bonds on the first Interest Payment Date following delivery of the Bonds.

(b) Such amount as is necessary from the proceeds from the sale of the Bonds (including premium, if any, received) shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund, which is hereby authorized to be created, to be known as the "General Obligation Public Improvement Bonds, Series 2009D, Project Fund," or such other series designation as shall be determined by the Mayor (the "Project Fund"), to be kept separate and apart from all other funds of the Municipality. The funds in the Project Fund shall be disbursed solely to pay the costs of the Project, to reimburse the Municipality, to pay capitalized interest, and to pay costs incurred in connection with the issuance of the Bonds, including necessary legal, accounting, engineering, and fiscal expenses, printing, advertising, and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds and the financing of the Project. Monies in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any. Monies in the Project Fund shall be expended only for the purposes authorized by this Resolution. Monies if any, remaining in the Project Fund upon completion of the purposes authorized by this Resolution shall be transferred to the Bond Fund and used to pay principal of and interest

on the Bonds. Monies in the Project Fund may be invested as directed by an Authorized Representative of the Municipality in any investment authorized for municipal funds under the applicable laws of the State of Tennessee. All income derived from such investments shall be deposited in the Bond Fund and used to pay principal and interest on the Bonds, unless, by resolution, the Municipality directs retention of such earnings in the Project Fund to pay the costs of the Project.

(c) Any amounts remaining from the principal proceeds of the sale of the Bonds shall be used for the purpose of paying the costs incurred in connection with the issuance of the Bonds.

Section 22. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related expenditures be reimbursed from the proceeds of the Bonds. Therefore, the Board of the Municipality finds and determines, as follows:

(a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;

(b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Bonds;

(c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Bonds for the purpose of financing the Project;

(d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Bonds are available; and,

(e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Bonds to finance the costs of the Project and other related expenditures in an amount not to exceed \$41,835,000. Pending the issuance of such Bonds, funds necessary to finance such costs shall be advanced from such source of funds on hand and available for such purpose, and any amounts so advanced shall be reimbursed from the proceeds of the Bonds.

Section 23. Non-Arbitrage Certification. The Municipality certifies and covenants with the Owners of any series of Federally Tax-Exempt Bonds issued hereunder that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Municipality reserves the right, however, to make any investment of such monies

permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owners of the Bonds for purposes of federal income taxation.

The Mayor and the City Recorder, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either Federally Tax-Exempt Bonds or as Federally Taxable Build America Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

Section 24. Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Municipality to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

Section 25. Amendments. After the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owners of all the Outstanding Bonds have been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights of the Bondholders. The laws of the State of Tennessee shall govern this Resolution.

Section 26. No Action to be Taken Affecting Validity of the Bonds. The Board hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owners from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the owners thereof for purposes of federal income taxation.

Section 27. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the entire indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of, premium, if any, and interest on, the Bonds, as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"; which Trustee may be the Registration Agent), in trust, at or before the date of maturity or redemption, sufficient monies or Government Obligations, the principal of and interest on which, when due and payable, will provide sufficient monies to pay or redeem the Bonds Outstanding hereunder and to pay premium, if any, and interest thereon when due until the maturity or redemption date; provided, if such Bonds are to be redeemed prior to the maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice; or,

(c) By delivering such Bonds to the Registration Agent, for cancellation by such Registration Agent.

If the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Board instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of, premium, if any, and interest on, such Bonds when due, then and in that case indebtedness evidenced by such Bonds shall be discharged and satisfied, and all covenants, agreements, and obligations of the Municipality to the owners of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate, and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the Owners thereof shall thereafter be entitled only to payment out of the monies or Government Obligations deposited as aforesaid.

Except as otherwise provided in this Section neither Government Obligations nor monies deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on, said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest, to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the

case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

Nothing contained in this Section shall be construed to alter or change the redemption provisions set forth herein. No redemption privilege shall be exercised with respect to the Bonds except at the option and election of the Municipality. The optional right of redemption shall not be exercised by the Registration Agent unless expressly so directed by an Authorized Representative of the Municipality.

Section 28. Miscellaneous Acts. The Mayor, the Recorder, the Treasurer, the City Manager, and the City Attorney, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, specifically including but not limited to, entering into an agreement with the Financial Advisor to provide financial advisory services for the Municipality and services related to the issuance, sale, and delivery of the Bonds, and making arbitrage certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery of the Bonds.

Section 29. Failure to Present Bonds. (a) In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Municipality to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the Treasurer or the official of the Municipality designated by law as the custodian of such funds, any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Municipality.

Section 30. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal of such Bonds need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force

and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 31. No Recourse Under Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in the Initial Resolution or this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Bonds.

Section 32. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 33. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or enforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 34. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Section 35. Aggregate Issuance. Notwithstanding the foregoing, in no event shall the total principal amount of Bonds issued hereunder, together with those certain General Obligation Bonds, Series 2009E, exceed \$41,835,000 principal amount in the aggregate.

Approved and adopted this 6th day of October, 2009.

MAYOR

ATTEST:

APPROVED AS TO FORM:

RECORDER

CITY ATTORNEY

STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS

I, James H. Demming, hereby certify that I am the duly qualified and acting Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on October 6, 2009; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the authorization, issuance, and sale of not to exceed \$41,835,000 General Obligation Public Improvement Bonds of said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purposes; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 6th day of October, 2009.

RECORDER

(SEAL)

FORM OF BOND

EXHIBIT "A"

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS
CITY OF KINGSPORT
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND,
SERIES 2009D
[Federally Taxable Build America Bonds-Direct Payment]

Interest Rate: Maturity Date: Dated Date: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF KINGSPORT, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation located in Sullivan and Hawkins Counties, Tennessee, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, unless this bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for, upon the presentation and surrender hereof at the principal corporate trust office of Regions Bank, or its successor as paying agent and registration agent (the "Registration Agent"), the Principal Amount identified above, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, semiannually on ____ 1 and ____ 1 of each year (the "Interest Payment Date"), commencing _____ 1, 2010, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date (the "Regular Record Date"), in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount. Provided, however, that should the Municipality default in the payment of interest on such Interest Payment Date, such defaulted interest (the "Defaulted Interest") shall be payable to the person in whose name this bond is registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest established by notice mailed by the Registration Agent on behalf of the Municipality not less than ten (10) calendar days preceding such Special Record Date by first class mail, postage prepaid, to the Registered Owner hereof at the address thereof as it appears on the registration books of the Municipality maintained by the Registration Agent as of the date of such notice, which notice shall identify the proposed payment of such Defaulted Interest and the Special Record Date therefor.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Public Improvement Bonds, Series 2009D" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$41,835,000. The Bonds, which are issued for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; the acquisition, construction, improvement, and equipping of public parks and recreational facilities; the acquisition, construction and improvement to streets, roads, bridges, and walk/bike paths within the Municipality; the acquisition of land; the expansion of the demolition landfill; the improvement of the Municipality's stormwater system, including land acquisition; the improvement of public parking, including the downtown public parking garage; the acquisition, construction, improvement, and equipping of public buildings within the Municipality, including the library and the Justice Center; the improvement and equipping of the Municipality's telecommunication system; the improvement, renovation, and equipping of schools and related school facilities, including parking lots, buildings and security enhancements; the improvement and expansion of the wastewater system, including the acquisition of new lines, land and easements; the improvement, expansion, and replacement of water system facilities, including the acquisition of new lines; the improvement and expansion of the Meadowview Conference Center; the acquisition of all property real and personal, appurtenant thereto or connected with such work (collectively, the "Project"); and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of the above project, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds, are authorized by appropriate resolutions of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen, adopted on October 6, 2009, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$41,835,000 General Obligation Public Improvement Bonds, In One or More Series, of the City of Kingsport, Tennessee, and Providing the Details Thereof", as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the Recorder of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions

upon which the Bonds are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This bond is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. For the prompt payment of this bond, both principal, premium, if any, and interest, as the same shall become due, the full faith, and credit of the Municipality is hereby irrevocably pledged. [This Bond is additionally payable from, but not secured by, refundable credits received by the Municipality with respect to the Bonds of the issue of which this bond is one from the United States Treasury pursuant to Section 54AA and Section 6431 of the Internal Revenue Code of 1986, as amended.]

The Municipality and the Registration Agent may deem and treat the person or entity in whose name this bond is registered as the absolute owner hereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on, this bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of \$5,000, or any authorized integral multiple thereof. At the principal corporate trust office of the Registration Agent, in the manner and subject to the limitations, conditions, and charges provided in the Bond Resolution, Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this paragraph, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;
- (ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,
- (iii) any Person, as defined in the Resolution, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

Subject to the provisions for registration and transfer contained herein and in the Resolution, this bond shall be transferable by the Registered Owner at the principal office of the Registration Agent upon surrender and cancellation of this bond, and thereupon a new Bond of the same series, principal amount, interest and maturity will be issued to the transferee as provided in the Resolution and upon payment of the transfer charges therein prescribed. Upon any such transfer, the Municipality shall execute and the Registration Agent shall authenticate and deliver in exchange for this bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Municipality and the Registration Agent, and any other person, may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

The Bonds maturing March 1, 2012, through March 1, 2020, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2021, are subject to redemption prior to maturity on March 1, 2020, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par plus accrued interest to the date fixed for redemption.

Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Registered Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption.

This bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such bond. This bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this bond in order to make this bond a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this bond and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE CITY OF KINGSPORT, TENNESSEE, by its Board of Mayor and Aldermen has caused this bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Recorder, to have its official seal, or a facsimile thereof, to be impressed or imprinted hereon, and to be approved as to form by the manual or facsimile signature of the City Attorney, all as of _____.

(SEAL)

ATTEST:

RECORDER

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the provisions of the within mentioned Resolution and is one of the General Obligation Public Improvement Bonds, Series 2009D of the City of Kingsport, Tennessee.

REGIONS BANK,
as Registration Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Registration Agent, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SUPPLEMENTAL INFORMATION Action Form 339-2009

Executive Summary *continued*:

SUBJECT: Consideration of an Initial and Detailed Bond Resolution Authorizing the Issuance of General Obligation Public Improvement Bonds in an Amount not to Exceed \$41,835,000.

The majority of these projects are included in the approved FY2010 Capital Improvement Program (CIP). Additional items proposed to be funded in this bond issue include, \$1,716,000 to fund certain energy efficiency related improvements for various City facilities that were addressed at a recent BMA work session, \$300,000 to provide funding for certain land acquisitions for expansion of the City's landfill, additional funding for the previously approved Convention Center expansion project (\$1,000,000), \$100,000 for downtown parking improvements, and \$2,550,000 has been included to address certain School System improvements (see Attachment II). The total amount of these projects to be included in this proposed bond issue is \$41,116,000.

It is anticipated that the City will be issuing a new type of bond that was recently authorized under the federal government's Stimulus Program. These bonds are called Build America Bonds (BABs). These bonds are essentially taxable bonds where the federal government subsidizes 35% of the issuer's interest cost. Under recent market conditions, the net interest cost of the BABs has been significantly lower than the regular tax exempt rates. The proceeds from these BABs can generally be used for any purpose allowable under regular governmental purpose debt regulations. One of the uses that are not permitted relates to private use issues.

Because of the proposed relationship with the YMCA (a non-profit entity), as their proposed facility is being located on the same site and connected with the Aquatic Center, our bond counsel has advised that a portion of the bonds needed to fund this project will be issued as private activity bonds in accordance with IRS regulations. At this time, the appropriate amount of the total funding to be provided through these private activity bonds has not been finalized. Therefore, the resolutions recommended for adoption in this action form have been drafted to authorize funding for the full project cost. The actual amount of BABs that will be ultimately issued will be limited to only those project costs that are able to be funded through these bonds.

It is recommended that the BMA adopt this initial bond resolution and detailed bond resolution that authorize the issuance of these General Obligation Public Improvement Bonds in an amount not to exceed \$41,835,000. The proposed amount of the bond issue includes estimated costs associated with issuing the bonds.

City of Kingsport
 Project Listing for Proposed Bond Issue
 October 2009

| Project Description | <u>Amount</u> | |
|---|------------------|---------------------|
| K-Play Park improvements | \$100,000 | |
| Greenbelt improvements and expansions | 200,000 | |
| Stormwater drainage infrastructure improvements | 600,000 | |
| Riverwalk Project - land acquisition, engineering and design studies | 900,000 | |
| Justice Center Design | 200,000 | |
| Library Design | 100,000 | |
| Downtown Parking | 100,000 | |
| Stadium Park and Dog Park parking lot improvements | 200,000 | |
| Road Improvements at various locations (1) | 6,000,000 | |
| Rock Springs Park & Lynn View Park facility improvements | 500,000 | |
| Economic Development - land acquisitions | 1,000,000 | |
| Bridge repair and improvements | 200,000 | |
| Renaissance Center Roof Repair | 200,000 | |
| Energy Efficiency projects - for various City facilities | 1,716,000 | |
| Communication System Improvements - emergency alerting system upgrades and improvements | <u>250,000</u> | \$12,266,000 |
| Schools Facility Improvements - see Attachment II | | 2,550,000 |
| <u>Solid Waste Projects</u> | | 300,000 |
| Landfill site expansion , land acquisition | | |
| <u>Wastewater System Funded Projects</u> | | |
| Rock Springs Areas 1-5 - sewer system expansions and improvements | 1,000,000 | |
| Rock Springs Areas 6-8 - sewer system expansions and improvements | 3,000,000 | |
| Stonetree Area - sewer system expansions and improvements | <u>2,000,000</u> | 6,000,000 |
| <u>Water System Funded Projects</u> | | |
| Water Plant Solids Treatment Improvements FY08-09 | 645,800 | |
| Galvanized Piping Replacement Program FY08-09 | 1,000,000 | |
| Galvanized Piping Replacement Program FY10 | 1,290,000 | |
| Annexations - system expansions and improvements | <u>1,064,200</u> | 4,000,000 |
| Subtotal | | 25,116,000 |
| <u>Regional Sales Tax Funded Projects</u> | | |
| Aquatic Center (2) | 15,000,000 | |
| MeadowView Conference Center Expansion | <u>1,000,000</u> | 16,000,000 |
| <u>Bond Proceeds to Fund Projects</u> | | <u>\$41,116,000</u> |

(1) - road projects include Gibson Mill Road Phase 4, Cleek Road Phase 2, and Netherland Road Realignment.

(2) - portion of aquatic center project includes private activity(use) issues due to inclusion of YMCA. A separate private activity bond will need to be issued to provide funding for that portion of the project. The actual amount has not been determined at this time.

| <u>School Projects</u> | <u>Amount</u> |
|---|----------------------------------|
| Reconfiguration of CTE Classrooms | \$250,000 |
| Security Modifications for Entrances to Schools | 300,000 |
| Lincoln Parking Lot | 200,000 |
| Overlook Road Parking | 200,000 |
| Relocate Jefferson Library/Office | 1,100,000 |
| Stadium Repairs | 200,000 |
| Legion Center Renovations | 300,000 |
| Total | <u><u>\$2,550,000</u></u> |



PULLED
10/6/2009

AGENDA ACTION FORM

Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Bonds (Aquatic Center) in an Amount not to Exceed \$15,000,000

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

Action Form No.: AF-338-2009
Work Session: October 5, 2009
First Reading: N/A
Final Adoption: October 6, 2009
Staff Work By: Jim Demming
Presentation By: Jim Demming/John Campbell

Recommendation:

Approve the initial and detailed bond resolutions authorizing the issuance of General Obligation Bonds in an amount not to exceed \$15,000,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$15,000,000 of General Obligation Bonds to finance the development and construction of an Aquatic Center. This project is included in the FY2010 Capital Improvement Program (CIP).

See attached summary for a more complete explanation.

Attachments

- 1. Initial Resolution
- 2. Detailed Resolution
- 3. Summary Sheet

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$15,000,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on October 6, 2009, the Board of Mayor and Aldermen (the "Board") of the City of Kingsport, Sullivan and Hawkins Counties, Tennessee (the "Municipality"), adopted an "Initial Resolution Authorizing the Issuance of Not to Exceed \$15,000,000 General Obligation Bonds of the City of Kingsport, Tennessee, to Provide Funding for Certain Public Works Projects and to Fund the Incidental and Necessary Expenses Related Thereto" (the "Initial Resolution"), authorizing and directing, among other things, the issuance by the Municipality of its general obligation bonds for the purpose of financing certain public works projects, consisting of the acquisition of public art; the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; and the acquisition of all property real and personal, appurtenant thereto or connected with such work (collectively, the "Project"); and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the financing thereof;

WHEREAS, the Recorder of the Municipality published a copy of the Initial Resolution and the Notice required by Section 9-21-206, Tennessee Code Annotated, as amended, in a newspaper of general circulation within the Municipality;

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue and sell bonds for the purpose of financing the Project;

WHEREAS, the Initial Resolution authorized payment of the principal of, interest on, and the premium, if any, of the bonds from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount, and from revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$15,000,000 General Obligation Bonds, in one or more series (the "Bonds"), for the purpose of financing the costs of the Project, reimbursing the Municipality, paying capitalized interest, and paying costs incident to the financing thereof;

WHEREAS, it is necessary to authorize an official statement in connection with the issuance of the Bonds; and,

WHEREAS, it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Bonds herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

“Act” shall mean Title 9, Chapter 21, Tennessee Code Annotated, as amended.

“Authorized Representative of the Municipality” means the then Mayor, the then Recorder, or the then Treasurer, of the Municipality, authorized by resolution or by law to act on behalf of and bind the Municipality.

“Board” means the Board of Mayor and Aldermen of the Municipality.

“Bond”, means individually, and “Bonds” means collectively, the General Obligation Bonds of the Municipality, authorized to be issued by this Resolution of the Board.

“Bond Counsel” means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

“Bondholder”, “Owner”, or any similar term, when used with reference to the Bonds, means any Person who shall be the registered owner of any then Outstanding Bond or Bonds.

“City Attorney” means the duly appointed City Attorney of the Municipality, or his or her successors.

“Closing Date” means the date of sale, delivery, and payment of the Bonds.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds, and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or effect the Bonds.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“DTC” means The Depository Trust Company, New York, New York.

“Government Obligations” means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of Federal agencies to the extent unconditionally guaranteed by the United States of America, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Interest Payment Date” means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Mayor” means the duly elected, qualified, and acting Mayor of the Municipality, or his or her successors.

“Outstanding,” “Bonds Outstanding,” or “Outstanding Bonds” means, as of a particular date, all Bonds issued and delivered and authenticated under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Municipality at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Municipality for the benefit of the Owner thereof; (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered and authenticated pursuant to this Resolution, unless proof satisfactory to the Municipality is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (4) any Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered Outstanding until the maturity thereof only for the purposes of being exchanged, transferred, or registered.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“Principal Payment Date” means each date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

“Recorder” means the duly appointed, qualified, and acting Recorder of the Municipality, or his or her successors.

“Registration Agent” means Regions Bank, or its successor, or successors hereafter appointed in the manner provided in this Resolution.

“Resolution” means this Resolution, as supplemented and amended.

“State” means the State of Tennessee.

“Treasurer” means the duly appointed, qualified, and acting Treasurer of the Municipality, or his or her successors.

Section 3. Authorization. For the purpose of providing funds to finance the Project, to reimburse the Municipality, to pay capitalized interest, to pay legal, fiscal, administrative, and engineering costs, and to pay costs incident to the financing thereof, there is hereby authorized to be issued general obligation school and public improvement bonds of the Municipality, in one or more series, in the aggregate principal amount of not to exceed Fifteen Million Dollars (\$15,000,000), or such lesser aggregate amount as may be determined by the Authorized Representatives of the Municipality executing the Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance herewith.

Section 4. Form of Bonds; Execution. (a) The Bonds, or any series thereof, are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit "A" attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. Each series of Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Recorder, and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon, and shall be approved as to form by the manual or facsimile signature of the City Attorney. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of an officer of the Registration Agent on the certificate set forth on the Bonds.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Municipality to sign such Bond, although on the respective dates of the adoption by the Municipality of this Resolution, such individuals may not have been such officers.

Section 5. Maturities, Interest Rates, Payment, and Certain Other Provisions of Bonds. (a) The Bonds shall be issued in one or more series, and subject to the adjustments permitted under Section 19 hereof shall be known as "General Obligation Bonds," shall be dated as of the date of issuance and delivery, and shall have such series designation or other dated date as shall be determined by the Mayor pursuant to Section 19 hereof. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be determined. The Bonds shall bear interest from the date thereof at a rate or rates to be hereafter determined by the Municipality when said Bonds, or any series

thereof, are sold, but not exceeding the maximum rate allowed by law, such interest being payable (subject to the adjustments permitted under Section 19 hereof) semi-annually on the first day of March and September of each year, commencing September 1, 2010. Subject to the adjustments permitted pursuant to Section 19 hereof, the Bonds shall mature serially or be subject to mandatory redemption and be payable on March 1 of each year, subject to prior optional redemption, as hereinafter provided, either serially or through mandatory redemption, in the years 2012 through 2030, inclusive.

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal of, and the premium, if any, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond.

(b) Interest on the Bonds shall be payable by check or other form of draft of the Registration Agent deposited by the Registration Agent in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the Owners of such Bonds, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Registration Agent as of the close of business on the fifteenth (15th) calendar day of the month next preceding the applicable Interest Payment Date (the "Regular Record Date"). The principal or redemption price, if any, of all Bonds shall be payable upon presentation and surrender of such Bonds at the principal corporate trust office of the Registration Agent. All payments of the principal of, premium, if any, and interest on, the Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

(c) Any interest on any Bond which is payable but is not punctually paid or duly provided for on any Interest Payment Date on which interest is due (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by check or other form of draft of the Registration Agent to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangement satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) calendar days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the

payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) calendar days prior to the date of the proposed payment to the Owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) calendar days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner at the address thereof as it appears in the registration books of the Municipality maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any Owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on, the Bonds when due.

(d) The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global Bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this Section, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

(i) any successor of DTC or its nominee;

(ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,

(iii) any Person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

(e) The Registration Agent is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including, but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. The Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this subsection (e) of this Section 5.

Section 6. Redemption. (a) Subject to the adjustments permitted under Section 19 hereof, the Bonds maturing March 1, 2012, through March 1, 2020, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2021, are subject to redemption prior to maturity on March 1, 2020, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to

be selected by lot by the Registration Agent), at the price of par, plus accrued interest to the date fixed for redemption.

(b) Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption. Each such notice of redemption shall state: (1) the redemption date; (2) the redemption price; (3) if less than all Outstanding Bonds are to be redeemed, the registered number and the CUSIP number printed on the Bonds (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) that on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date provided sufficient funds are available on such redemption date to fully pay the redemption price of and the interest on the Bonds called for redemption; and, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registration Agent. Neither failure to mail any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which notice was correctly given.

(c) If notice of redemption shall have been given in the manner and under the conditions provided herein and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(d) Prior to any redemption date, the Municipality shall deposit with the Registration Agent an amount of money sufficient to pay the redemption price of all of the Bonds or portions of Bonds which are to be redeemed on that date.

(e) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Resolution.

(f) In case any Bond is of a denomination larger than \$5,000, a portion of such Bond - \$5,000 or any integral multiple thereof - may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In selecting Bonds for redemption, the Municipality shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If part but not all of a

Bond shall be selected for redemption, the Owner thereof or his, her, or its legal representative shall present and surrender such Bond to the Registration Agent for payment of the principal amount thereof so called for redemption and the premium, if any, on such principal amount thereof so called for redemption, and the Municipality shall execute and the Registration Agent shall authenticate and deliver to such Owner or legal representative, without charge therefor, for the unredeemed portion of the Bond surrendered, a Bond or Bonds of the same maturity, bearing the same interest rate, and of authorized denomination or denominations.

Section 7. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 8. Registration Books and Registration Agent. (a) The Municipality hereby appoints Regions Bank as registration agent and paying agent (the "Registration Agent") with respect to the Bonds and authorizes the Registration Agent so long as any of the Bonds shall remain Outstanding, to maintain at the principal corporate trust office of the Registration Agent, books for the registration and transfer of the Bonds on behalf of the Municipality. The Registration Agent shall register in such books and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer and to authenticate and deliver the Bonds either at original issuance, upon transfer, or as otherwise directed by the Municipality. The Registration Agent is authorized to make all payments of principal, interest, and redemption premium, if any, with respect to the Bonds.

(b) The Registration Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by a written instrument of acceptance executed and delivered to the Recorder prior to or on the Closing Date.

Section 9. Exchange of Bonds. Bonds upon surrender thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bonds duly executed by the Owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Bonds surrendered for exchange.

Section 10. Transfer of Bonds. (a) Each Bond shall be transferable only on the registration books maintained by the Registration Agent at the principal corporate trust office of the Registration Agent, upon the surrender for cancellation thereof at the principal corporate trust office of the Registration Agent, together with an assignment of such Bond duly executed by the Owner thereof or his, her, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Registration Agent shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The Municipality and the Registration Agent may deem and treat the Person in whose name any Bond shall be registered upon the registration books maintained by the Registration Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Registration Agent upon such Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

Section 11. Regulations with Respect to Exchanges and Transfers. (a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Municipality shall execute, and the Registration Agent shall deliver, Bonds in accordance with the provisions of this Resolution. For every exchange or transfer of Bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

(b) Neither the Municipality nor the Registration Agent shall be obligated to exchange or transfer any Bond during the fifteen (15) calendar days next preceding an Interest Payment Date or the first mailing of any notice of redemption or with respect to any Bond, after such Bond has been called for redemption.

Section 12. Mutilated, Lost, Stolen, or Destroyed Bonds. (a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Municipality may execute, and upon the request of an Authorized Representative of the Municipality and the Registration Agent shall deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Municipality and the Registration Agent: (1) such security or indemnity as may be required by an Authorized Representative of the Municipality to save the Municipality and the Registration Agent harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, an Authorized Representative of the Municipality and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Municipality and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, an Authorized Representative of the Municipality may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the Municipality and the Registration Agent in connection therewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Municipality and the Registration Agent such security or indemnity as an

Authorized Representative of the Municipality and the Registration Agent may require to save the Municipality and the Registration Agent harmless and evidence to the satisfaction of an Authorized Representative of the Municipality and the Registration Agent, of the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Municipality (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 13. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Registration Agent shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Registration Agent. Such executed certificate of authentication by the Registration Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution as of the date of authentication. The certificate of authentication of the Registration Agent on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Registration Agent, but it shall not be necessary that the same officer sign and date the certificate of authentication on all Bonds that may be issued hereunder.

Section 14. Permitted Acts and Functions of Registration Agent. The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent.

Section 15. Resignation or Removal of the Registration Agent and Appointment of Successors. (a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) calendar days' written notice to the Recorder; provided, however, until a successor Registration Agent is appointed the Registration Agent shall continue to carry out the duties and obligations of the Registration Agent created by this Resolution. The Registration Agent may be removed at any time by resolution of the Municipality filed with such Registration Agent. Any successor Registration Agent shall be appointed by resolution of the Municipality and shall be a trust company or a bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Fifty Million Dollars (\$50,000,000), and be willing and able to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign, and deliver any monies held by it as Registration Agent, and all books and records held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Recorder until such successor be appointed.

Section 16. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding.

Section 17. Source of Payment and Security. The Bonds, including the principal thereof, the premium, if any, and the interest thereon, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of, premium, if any, and interest on the Bonds the full faith and credit of the Municipality is hereby irrevocably pledged. The Bonds shall also be payable from and be secured by a pledge of the revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee.

Section 18. Levy of Taxes. For the purpose of providing for the payment of the principal of, premium, if any, and interest on, the Bonds, to the extent necessary, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient, to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal, premium, if any, and interest, or any of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the General Fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in General Fund of the Municipality, and used for the payment of principal and interest on the Bonds as the same shall become due. There is also hereby pledged for such payments on the Bonds the revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee.

Section 19. Sale of Bonds. (a) The Bonds shall be sold at public sale (the "Public Sale") in the manner provided by law, in one or more series, at a price of not less than ninety-

nine and one-fourth percent (99.25%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Morgan Keegan & Company, Inc. Nashville, Tennessee, the Municipality's financial advisor (the "Financial Advisor"). The Bonds, or any series thereof, shall be sold at public sale by physical delivery of bids or by electronic bidding by means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor.

(b) If the Bonds are sold in more than one series, the Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown authorized in Section 3 hereof for each series, and to make corresponding adjustments to the maturity dates of each series designated in Section 5 hereof; provided, however, that the total aggregate principal amount of all series issued does not exceed the total aggregate amount of Bonds authorized to be issued hereunder.

(c) The Mayor is further authorized:

(1) to change the dated date of the Bonds or any series thereof;

(2) to specify the series designation of the Bonds, or any series thereof, to a designation;

(3) to change the first interest payment date on the Bonds, or any series thereof, to a date other than September 1, 2010, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) to adjust the principal and interest payment dates and determined maturity or mandatory redemption amounts of the Bonds, or any series thereof, provided that (i) the total principal amount of all series of Bonds does not exceed the total amount of Bonds authorized herein, (ii) the first maturity date of the Bonds, or any series thereof, is a date not earlier than March 1, 2012, and (iii) the final maturity date of each series of Bonds shall not exceed twenty (20) fiscal years from the dated date of its series;

(5) to change the optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds, or any series thereof, does not exceed two percent (2%) of the principal amount thereof;

(6) to sell the Bonds, or any series thereof, or any maturities thereof, as term bonds with mandatory redemption requirements as determined by the Mayor, as the Mayor shall deem most advantageous to the Municipality; and,

(7) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Municipality and to enter into agreements with such insurance company with respect to any series of Bonds to the extent not inconsistent with this Resolution.

(d) The Mayor of the Municipality is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Board. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Board, in one or more series, as the Mayor shall deem to be advantageous to the Municipality, and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this Resolution or bonds authorized by other resolution or resolutions adopted by the Board.

(e) The Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate allowed by law. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Board with respect thereto shall be required. The form of the Bond attached hereto as Exhibit A, shall be conformed to reflect any changes made pursuant to this Section.

(f) The Mayor and the Recorder are authorized to cause the Bonds to be authenticated and delivered to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. Notice of such Public Sale shall be given in accordance with the provisions of the Act. The Mayor and Recorder are hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds.

Section 20. Approval of Preliminary Official Statement and Official Statement. (a) The Mayor, the Recorder, and the City Manager, or any of them, working with the Financial Advisor, are hereby authorized to cause the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement in connection with the sale of the Bonds in such form and containing such information as the Mayor shall determine appropriate and consistent with the terms of this Resolution and to deem the Preliminary Official Statement final for the purpose of Securities and Exchange Commission Rule 15c(2)(12).

(b) The Board hereby authorizes an Official Statement of the Municipality substantially in the form of the Preliminary Official Statement relating to the Bonds, with such modifications thereto as the Mayor and the Recorder approve. The Mayor and Recorder are hereby authorized and directed to execute copies of said Official Statement and to deliver said Official Statement to the purchaser of such Bonds, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Board hereby consents to the lawful use of said Official Statement and the information contained therein in connection with the public offering and sale of the Bonds by the initial purchaser of such Bonds. The Mayor and the Recorder are authorized to deem the Official Statement final for the purpose of Securities and Exchange Commission Rule 15(c)(2)(12).

(c) The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of pricing and other information.

Section 21. Disposition of Bond Proceeds and Other Funds. The proceeds of the sale of the Bonds and certain other funds shall be used and applied as follows:

(a) Accrued interest, if any, shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof and used to pay interest on the Bonds on the first Interest Payment Date following delivery of the Bonds.

(b) The proceeds from the sale of the Bonds (including premium, if any, received) shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund, which is hereby authorized to be created, to be known as the "General Obligation Bonds, Series 2009E, Project Fund," or such other series designation as shall be determined by the Mayor (the "Project Fund"), to be kept separate and apart from all other funds of the Municipality. The funds in the Project Fund shall be disbursed solely to pay the costs of the Project, to reimburse the Municipality, to pay capitalized interest, and to pay costs incurred in connection with the issuance of the Bonds, including necessary legal, accounting, engineering, and fiscal expenses, printing, advertising, and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds and the financing of the Project. Monies in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any. Monies in the Project Fund shall be expended only for the purposes authorized by this Resolution. Monies if any, remaining in the Project Fund upon completion of the purposes authorized by this Resolution shall be transferred to the Bond Fund and used to pay principal of and interest on the Bonds. Monies in the Project Fund may be invested as directed by an Authorized Representative of the Municipality in any investment authorized for municipal funds under the applicable laws of the State of Tennessee. All income derived from such investments shall be deposited in the Bond Fund and used to pay principal and interest on the Bonds, unless, by resolution, the Municipality directs retention of such earning in the Project Fund to pay the costs of the Project.

(c) Any amounts remaining from the principal proceeds of the sale of the Bonds shall be used for the purpose of paying the costs incurred in connection with the issuance of the Bonds.

Section 22. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related

expenditures be reimbursed from the proceeds of the Bonds. Therefore, the Board of the Municipality finds and determines, as follows:

- (a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;
- (b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Bonds;
- (c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Bonds for the purpose of financing the Project;
- (d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Bonds are available; and,
- (e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Bonds to finance the costs of the Project and other related expenditures in an amount not to exceed \$15,000,000. Pending the issuance of such Bonds, funds necessary to finance such costs shall be advanced from such source of funds on hand and available for such purpose, and any amounts so advanced shall be reimbursed from the proceeds of the Bonds.

Section 23. Non-Arbitrage Certification. The Municipality certifies and covenants with the Owners of any series of tax-exempt Bonds issued hereunder that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owners of the Bonds for purposes of federal income taxation.

Section 24. Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Municipality to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

Section 25. Amendments. After the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owners of all the Outstanding Bonds have been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights of the Bondholders. The laws of the State of Tennessee shall govern this Resolution.

Section 26. No Action to be Taken Affecting Validity of the Bonds. The Board hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owners from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the owners thereof for purposes of federal income taxation.

Section 27. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the entire indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of, premium, if any, and interest on, the Bonds, as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers (“a Trustee”; which Trustee may be the Registration Agent), in trust, at or before the date of maturity or redemption, sufficient monies or Government Obligations, the principal of and interest on which, when due and payable, will provide sufficient monies to pay or redeem the Bonds Outstanding hereunder and to pay premium, if any, and interest thereon when due until the maturity or redemption date; provided, if such Bonds are to be redeemed prior to the maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice; or,

(c) By delivering such Bonds to the Registration Agent, for cancellation by such Registration Agent.

If the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Board instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of, premium, if any, and interest on, such Bonds when due, then and in that case indebtedness evidenced by such Bonds shall be discharged and satisfied, and all covenants, agreements, and obligations of the Municipality to the owners of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate, and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the Owners thereof shall thereafter be entitled only to payment out of the monies or Government Obligations deposited as aforesaid.

Except as otherwise provided in this Section neither Government Obligations nor monies deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on, said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest, to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

Nothing contained in this Section shall be construed to alter or change the redemption provisions set forth herein. No redemption privilege shall be exercised with respect to the Bonds except at the option and election of the Municipality. The optional right of redemption shall not be exercised by the Registration Agent unless expressly so directed by an Authorized Representative of the Municipality.

Section 28. Miscellaneous Acts. The Mayor, the Recorder, the Treasurer, the City Manager, and the City Attorney, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, specifically including but not limited to, entering into an agreement with the Financial Advisor to provide financial advisory services for the Municipality and services related to the issuance, sale, and delivery of the bonds, and making arbitrage certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery of the Bonds. The Municipality hereby appoints and authorizes the Mayor or the City

Manager to conduct a public hearing in accordance with and pursuant to terms and provisions of Section 147(f) of the Code in connection with the issuance of the Bonds.

Section 29. Failure to Present Bonds. (a) In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Municipality to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under the Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the Treasurer or the official of the Municipality designated by law as the custodian of such funds, any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Municipality.

Section 30. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal of such Bonds need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 31. No Recourse Under Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in the Initial Resolution or this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Initial Resolution or this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Bonds.

Section 32. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 33. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or enforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 34. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Section 35. Aggregate Issuance. Notwithstanding the foregoing, in no event shall the total principal amount of Bonds issued hereunder, together with those certain General Obligation Public Improvement Bonds, Series 2009D, exceed \$41,835,000 principal amount in the aggregate.

Approved and adopted this 6th day of October, 2009.

MAYOR

ATTEST:

APPROVED AS TO FORM:

RECORDER

CITY ATTORNEY

STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS

I, James H. Demming, hereby certify that I am the duly qualified and acting Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on October 6, 2009; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the authorization, issuance, and sale of not to exceed \$15,000,000 General Obligation Bonds of said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purposes; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 6th day of October, 2009.

RECORDER

(SEAL)

EXHIBIT "A"
FORM OF BOND

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS
CITY OF KINGSPORT
GENERAL OBLIGATION BOND,
SERIES 2009E

Interest Rate: Maturity Date: Dated Date: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF KINGSPORT, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation located in Sullivan and Hawkins Counties, Tennessee, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, unless this bond shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for, upon the presentation and surrender hereof at the principal corporate trust office of Regions Bank, or its successor as paying agent and registration agent (the "Registration Agent"), the Principal Amount identified above, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, semiannually on ____ 1 and _____ 1 of each year (the "Interest Payment Date"), commencing _____, _____, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date (the "Regular Record Date"), in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount. Provided, however, that should the Municipality default in the payment of interest on such Interest Payment Date, such defaulted interest (the "Defaulted Interest") shall be payable to the person in whose name this bond is registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest established by notice mailed by the Registration Agent on behalf of the Municipality not less than ten (10) calendar days preceding such Special Record Date by first class mail, postage prepaid, to the Registered Owner hereof at the address thereof as it appears on the registration books of the Municipality maintained by the Registration Agent as of the date of such notice, which notice shall identify the proposed payment of such Defaulted Interest and the Special Record Date therefor.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the

extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Bonds, Series 2009E" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$15,000,000. The Bonds, which are issued for the purpose of financing certain public works projects, consisting of the acquisition of public art; the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; the acquisition of all property real and personal, appurtenant thereto or connected with such work, to pay legal, fiscal, administrative, and engineering costs, 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 the Bonds, are authorized by appropriate resolutions of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen, adopted on October 6, 2009, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$15,000,000 General Obligation Bonds, in One or More Series, of the City of Kingsport, Tennessee, and Providing the Details Thereof", as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the Recorder of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bonds are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This bond is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. For the prompt payment of this bond, both principal, premium, if any, and interest, as the same shall become due, the full faith, and credit of the Municipality is hereby irrevocably pledged. This bond is also payable from revenues derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee.

The Municipality and the Registration Agent may deem and treat the person or entity in whose name this bond is registered as the absolute owner hereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and

interest on, this bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of \$5,000, or any authorized integral multiple thereof. At the principal corporate trust office of the Registration Agent, in the manner and subject to the limitations, conditions, and charges provided in the Bond Resolution, Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bonds will be made eligible for processing by DTC. The Bonds in the form of one global bond for each maturity need not be lithographed or printed on steel engraved or printed borders. Except as otherwise provided in this paragraph, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Municipality may discontinue use of DTC as depository for the Bonds at any time upon determination by the Municipality that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent and the Bonds may be delivered in physical form to the following:

- (i) any successor of DTC or its nominee;
- (ii) any substitute depository upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Municipality that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or,
- (iii) any Person, as defined in the Resolution, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Municipality of the use of DTC (or substitute depository or its successor).

Subject to the provisions for registration and transfer contained herein and in the Resolution, this bond shall be transferable by the Registered Owner at the principal office of the Registration Agent upon surrender and cancellation of this bond, and thereupon a new Bond of the same series, principal amount, interest and maturity will be issued to the transferee as provided in the Resolution and upon payment of the transfer charges therein prescribed. Upon any such transfer, the Municipality shall execute and the Registration Agent shall authenticate and deliver in exchange for this bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Municipality and the Registration Agent, and any other person, may treat

the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

The Bonds maturing _____, _____, through _____, _____, are not subject to redemption prior to maturity. The Bonds maturing on and after _____, _____, are subject to redemption prior to maturity on _____, _____, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par plus accrued interest to the date fixed for redemption.

Notice of intended redemption shall be given by the Registration Agent on behalf of the Municipality to the Registered Owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration books kept by the Registration Agent. Notice of intended redemption shall be given not less than thirty (30) calendar days, nor more than sixty (60) calendar days prior to the date fixed for redemption.

This bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such bond. This bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this bond in order to make this bond a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this bond and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE CITY OF KINGSPORT, TENNESSEE, by its Board of Mayor and Aldermen has caused this bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Recorder, to have its official seal, or a facsimile thereof, to be impressed or imprinted hereon, and to be approved as to form by the manual or facsimile signature of the City Attorney, all as of _____.

MAYOR

(SEAL)

ATTEST:

APPROVED AS TO FORM:

RECORDER

CITY ATTORNEY

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the provisions of the within mentioned Resolution and is one of the General Obligation Bonds, Series 2009E of the City of Kingsport, Tennessee.

REGIONS BANK,
as Registration Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Registration Agent, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$15,000,000 GENERAL OBLIGATION BONDS OF THE CITY OF KINGSPORT, TENNESSEE, TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

WHEREAS, it is necessary and in the public interest of the City of Kingsport, Tennessee (the "Municipality"), to issue its General Obligation Bonds (the "Bonds"), for the purpose of financing certain public works projects, as hereinafter specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE:

SECTION 1. That for the purpose of financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, renovation, improvement and equipping of a municipal recreational center and related facilities, including a public swimming pool; and the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of the above project, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds, the issuance of the Bonds of the Municipality in the aggregate principal amount of not to exceed Fifteen Million Dollars (\$15,000,000) is hereby authorized. The Bonds shall be issued at a date, at a rate or rates of interest not to exceed the maximum rate allowed by law, and upon terms and conditions to be later determined.

SECTION 2. That the principal of, premium, if any, and interest on, the Bonds, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Bonds, the full faith and credit of the Municipality will be irrevocably pledged, and from revenues to be derived from the one-quarter percent (0.25%) local option sales tax levied by the Municipality within the corporate limits of the Municipality within Sullivan County, Tennessee.

SECTION 3. That the Bonds described and authorized by this Resolution shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act").

SECTION 4. That after the adoption of this Resolution, the City Recorder is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the Municipality.

SECTION 5. That this Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

Adopted and approved this 6th day of October, 2009.

MAYOR

ATTEST:

APPROVED AS TO FORM:

CITY RECORDER

CITY ATTORNEY

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of the City of Kingsport, Tennessee, shall have been filed with the City Recorder protesting the issuance of the Bonds, such Bonds will be issued as proposed.

STATE OF TENNESSEE)
COUNTIES OF HAWKINS AND)
SULLIVAN)

I, James H. Demming, hereby certify that I am the duly qualified and acting City Recorder of the City of Kingsport, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of an Initial Resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen of said Municipality held on October 6, 2009; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$15,000,000 General Obligation Bonds of said Municipality; (4) that the actions by the said Board of Mayor and Aldermen including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board of Mayor and Aldermen was present and acting throughout the meeting.

WITNESS my official signature and seal of said Municipality this 6th day of October, 2009.

(SEAL)

CITY RECORDER

SUPPLEMENTAL INFORMATION Action Form 338-2009

Executive Summary *continued*:

SUBJECT: Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Bonds in an Amount not to Exceed \$15,000,000.

The approved FY2010 CIP included funding for the development and construction of an Aquatic Center. The total estimated cost of this project is approximately \$15,000,000.

Because of the proposed relationship with the YMCA (a non-profit entity), as their proposed facility is being located on the same site and connected with the Aquatic Center, our bond counsel has advised that a portion of these bonds will be issued as private activity bonds in accordance with IRS regulations. At this time, the appropriate amount of the total funding to be provided through these private activity bonds has not been finalized. Therefore, the resolutions recommended for adoption in this action form have been drafted to authorize funding for the full project cost. The actual amount of these private activity bonds that will be ultimately issued will be limited to only those project costs that were not able to be funded through a separate Build America bond issue that is being proposed for funding the remainder of the FY2010 CIP. The Build America bond issue is being presented as a separate action item for BMA consideration.

It is recommended that the BMA adopt this initial bond resolution and detailed bond resolution that authorize the issuance of these General Obligation Bonds in an amount not to exceed \$15,000,000. The proposed amount of the bond issue includes estimated costs associated with issuing the bonds.



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with the Downtown Kingsport Association (DKA)

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

Action Form No.: AF-342-2009
Work Session: October 5, 2009
First Reading: N/A

Final Adoption: October 6, 2009
Staff Work By: Campbell/Billingsley
Presentation By: Campbell

Recommendation: Approve the resolution.

Executive Summary:

After several meetings and discussions, including the information provided at the October 5, 2009 work session, the city staff recommends enter into an agreement with the Downtown Kingsport Association (DKA) for the services defined in section 2 of the attached agreement that will benefit the downtown area of Kingsport as well as the citizens as a whole. The amount of the contract is \$46,000, and that amount along with the \$2,000 it has already received from the contract for the month of July will equal the amount appropriated in the budget for this item. The attached contract will allow reimbursement to the DKA for eligible expenses from August 1, 2009 to June 30, 2010.

Attachments:

1. Resolution
2. Agreement

Funding source appropriate and funds are available: _____

| | <u>Y</u> | <u>N</u> | <u>O</u> |
|-----------|----------|----------|----------|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Shupe | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE CITY OF KINGSPORT AND THE DOWNTOWN KINGSPORT ASSOCIATION BENEFITING THE GENERAL WELFARE OF KINGSPORT RESIDENTS

WHEREAS, the City of Kingsport desires to enter into an agreement for services benefiting the general welfare of city residents with the Downtown Kingsport Association (DKA);

Now therefore,

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

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement with the Downtown Kingsport Association for services specified in the agreement from August 1, 2009 to June 30, 2010 and benefiting the general welfare of City of Kingsport residents.

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

ADOPTED this the 6th day of October, 2009.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
DOWNTOWN KINGSPORT ASSOCIATION
“CENTRAL BUSINESS DISTRICT PROJECT”

THIS AGREEMENT made and entered into as of this ____ day of October, 2009, by and between the City of Kingsport, hereafter called “CITY” and the Downtown Kingsport Association, hereafter called “ASSOCIATION”.

WITNESSETH:

WHEREAS, ASSOCIATION is a not-for-profit agency as defined by Tennessee Code Annotated §§6-54-111 and 48-51-101 et seq., and is eligible to receive funds for this purpose; and

WHEREAS, CITY is authorized by Tennessee Code Annotated §6-54-111 et seq. to provide financial assistance to nonprofit organizations and not-for-profit corporations; and

WHEREAS, ASSOCIATION has requested financial assistance pursuant to said state law which CITY has approved; and

WHEREAS, the parties desire to set forth the terms and conditions with respect to the use of funds to be provided.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

1. **PURPOSE OF THE AGREEMENT.** The purpose of this Agreement is to provide services in the central business district and to state the terms and conditions upon which financial assistance will be provided by CITY, the manner in which the project will be carried out by ASSOCIATION, and responsibilities of each party.
2. **DESCRIPTION OF THE PROJECT.** ASSOCIATION agrees as follows to undertake the following action items and responsibilities:
 - A. Implement the City’s policy and objectives for and in downtown Kingsport.
 - B. Maintain Main Street certification and implement the Main Street action program.
 - C. Undertake a marketing program for downtown Kingsport, which should include:

1. Providing a printed guide to downtown;
 2. Creating and maintaining a website promoting downtown; and
 3. Partnering with other entities tasked with promoting Kingsport (e.g. work closely with KCVB and the Chamber to develop & promote activities that attract visitors, encourage overnight/weekend stays).
- D.** Become the point of education for downtown stakeholders by conducting workshops for business and property owners about facade grants and other incentive programs, like Tax Increment Financing and provide supporting reasons to consider such incentives.
- E.** Serve as the contracting entity for the Downtown Concert Series.
- F.** Produce events that promote downtown, including by way of example:
1. Christmas lighting;
 2. Fall for Downtown Kingsport;
 3. Black Friday;
 4. Halloween; and
 5. July 4.
- G.** Operate a Welcoming Committee to facilitate the creation and success of new business ventures in downtown including becoming the point of information for topics related to downtown which should include meeting with potential business owners and developers to provide:
1. a thorough presentation of downtown advantages such as available grants, past incentive packages, available properties and their general costs, Tax Increment Financing, overview of the businesses currently downtown, value placed on arts, culture and history, discussion of community partnerships available to ensure their business' success (marketing through the Chamber, KCVB, etc.);
 2. a one-half hour to one hour guided tour, as needed; and
 3. leave behind collateral about downtown including contact information for key persons/organizations to assist in their decision making process.

H. Such other responsibilities as the board of mayor and aldermen may request and the DKA accept.

3. **MAXIMUM PAYMENT.** It is expressly understood and agreed that the total amount to be paid by CITY to ASSOCIATION under this Agreement will not exceed FORTY-SIX THOUSAND DOLLARS (\$46,000.00). Twenty-three thousand and NO/100 dollars (\$23,000.00) will be paid to the ASSOCIATION upon the proper execution of this Agreement by all parties. The remaining Twenty-three thousand and NO/100 dollars (\$23,000.00) will be paid to the ASSOCIATION on January 2, 2010.
4. **REQUEST FOR REIMBURSEMENT.** ASSOCIATION will submit a report to the CITY showing the actual net operating costs incurred on a biannual basis using forms and procedures specified by CITY. The reports are due upon the proper execution of this Agreement by all parties and on January 2, 2010.
5. **REIMBURSEMENT BY CITY.** CITY will review the semiannual reports, however, reimbursement of any cost, not to exceed the amount as shown in paragraph 3, will not constitute a final determination by CITY of the allow ability of such costs and will not constitute a waiver of any violation of the terms of the Agreement.
6. **AUDITS.** The final determination of the amount subject to reimbursement under the terms of this Agreement will be based on an audit conducted by or acceptable to CITY. ASSOCIATION will permit CITY or its representatives to inspect all work, materials, payrolls, and other records with regard to the project, and to audit the books, records, and accounts of ASSOCIATION with regard to the project. Such records will be retained for this purpose for a period of not less than three years. Subsequent to the close of ASSOCIATION's fiscal year for which operating assistance is provided, ASSOCIATION will furnish a final audit report prepared by a governmental audit agency, or an independent public accountant, which will include at minimum a statement of revenue, expense and any changes in financial position for ASSOCIATION's fiscal year.
7. **ACCOUNTING, RECORD KEEPING AND REPORTING REQUIREMENTS.** ASSOCIATION will establish and maintain an accounting, record-keeping and reporting system consistent with generally accepted accounting principles and no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller of the Treasury, State of Tennessee. ASSOCIATION further agrees to submit to CITY a copy of its most recent audited report at the same time said report is submitted to the State government.
8. **CHANGES.** Any changes in this Agreement will require a written amendment executed by all parties hereto.
9. **ASSIGNMENT AND SUBLETTING.** ASSOCIATION will not assign any rights to funds without prior written authorization from CITY.
10. **TERMINATION.** This Agreement may be terminated by either party by giving written notice to the other at least 30 days before the effective date of such

termination. In the event of termination, ASSOCIATION will be entitled to receive just and equitable compensation for any eligible operating expenses paid or incurred as of the termination date, but in no event will this amount exceed \$46,000.00.

11. **CHANGED CONDITIONS AFFECTING PERFORMANCE.** ASSOCIATION will immediately notify CITY of any change in conditions or of any other event which may significantly affect its ability to perform the Project in accordance with the provisions of this Agreement.
12. **ASSURANCES.** ASSOCIATION hereby assures CITY that ASSOCIATION is legally entitled to funds from CITY.
13. **OPERATING INFORMATION.** ASSOCIATION will provide any relevant information requested by CITY concerning ASSOCIATION'S Central Business District Program including, but not limited to contracts for third party financial arrangements, annual financial statements and audit reports, schedules and fees.
14. **PROJECT TERM.** CITY and ASSOCIATION have previously agreed that the project term for this Agreement is from August 1, 2009 to June 30, 2010. Accordingly, funds allocated by CITY to ASSOCIATION can be used to reimburse ASSOCIATION for eligible project expenses beginning on August 1, 2009. In no event will CITY participate in project expenses incurred after June 30, 2010.
15. **REPORTING.** ASSOCIATION will submit to the Board of Mayor and Aldermen a bi-annual report setting out how funds allocated by CITY to ASSOCIATION assist in carrying out the purpose of the project as described under the terms of this Agreement. The ASSOCIATION will give a formal presentation to the Board of Mayor and Aldermen at a public meeting to describe the results of the project.
16. **INDEPENDENT CONTRACTOR.** ASSOCIATION'S relationship with CITY is that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture or employer-employee relationship. ASSOCIATION is not the agent of the CITY and is not authorized to make any representation, contract or commitment on behalf of CITY. Neither ASSOCIATION nor its employees will, under any circumstances, be considered servants, agents, partners or a joint venture of CITY, and CITY will at no time be legally responsible for any negligence or other wrong doing by ASSOCIATION, or its employees or agents.
17. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** ASSOCIATION will indemnify, defend, and hold harmless CITY, including without limitation, its officers, agents, employees and volunteers from and against:
 - A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which CITY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with ASSOCIATION'S performance under the terms of this Agreement, excepting any liability arising out of the sole

negligence of the CITY. Such indemnification includes any damage to the person(s), or property(ies) of ASSOCIATION and third persons.

B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to ASSOCIATION and its officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

IN WITNESS WHEREOF, the signatures of the parties hereto as of the date and year first written in duplicate original form.

DOWNTOWN KINGSPORT ASSOCIATION

LISA K. CHILDRESS
Executive Director

CITY OF KINGSPORT

DENNIS R. PHILLIPS
Mayor

ATTEST:

ELIZABETH. A. GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Schools General Project Fund Budget.

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

Action Form No.: AF-316-2009
 Work Session: September 21, 2009
 First Reading: September 22, 2009

Final Adoption: October 6, 2009
 Staff Work By: David Frye
 Presentation By: David Frye

Recommendation:

Approve an Ordinance amending the General Project Fund Budget.

Executive Summary:

The FY 2009-2010 General Purpose School Fund budget includes \$200,000 that is budgeted in a fund transfer line item. These funds were budgeted to fund phases 2 and 3 of a 4 phase telephone system upgrade project. At this time it is necessary to amend the General Project Fund budget by increasing the estimated revenue and appropriations for the Kingsport City School Telephone System Upgrade project (GP0927) by \$200,000. This will bring the total project funding to \$277,141. The bid amount for the total project was \$298,916.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: _____

| | Y | N | O |
|-----------|---|---|---|
| Joh | — | — | — |
| Mallicote | — | — | — |
| Marsh | — | — | — |
| Munsey | — | — | — |
| Parham | — | — | — |
| Phillips | — | — | — |
| Shupe | — | — | — |