

Minutes of the Budget Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, May 9, 2022, 2:00 PM
Boardroom – City Hall – 415 Broad Street

PRESENT: Board of Mayor and Aldermen
Mayor Patrick W. Shull, Presiding
Vice-Mayor Colette George
Alderman Betsy Cooper
Alderman Darrell Duncan
Alderman Paul Montgomery
Alderman Tommy Olterman (*arrived after roll call*)
Alderman James Phillips

City Administration

Chris McCartt, City Manager
Ryan McReynolds, Deputy City Manager
Michael Borders, Assistant City Manager
Jessica Harmon, Assistant City Manger
J Michael Billingsley, City Attorney
Bart Rowlett, Assistant City Attorney
Lisa Winkle, City Recorder/Treasurer
Scott Boyd, Fire Chief
Dale Phipps, Police Chief
Tyra Copas, Human Resources Director
John Rose, Economic Development Director
John Morris, Budget Director
Adrienne Batara, Public Relations Director
Michael Thompson, Public Works Director
Angie Marshall, Municipal Clerk/Deputy City Recorder

1. **CALL TO ORDER:** 2:00 p.m. by Mayor Patrick W. Shull.
2. **ROLL CALL:** By City Recorder/Treasurer Winkle.
3. **FY23 BUDGET REVIEW.** City Manager McCartt recognized the Leadership and Management Team members in attendance. He described the financial health of the city and the budget timeline, pointing out this was a yearlong process. Human Resources Manager Copas discussed the current employment climate, noting the city is at an all-time high for turnover. She stated the biggest issue for losing employees is because of pay and noted the importance of bringing the payscale up to market value. Mr. McCartt then presented the general fund operating and capital budgets. He confirmed for Alderman Phillips this is a balanced budget with no tax increase, although there was 2.3 million dollars in underfunded needs, including the competitive pay increase. The mayor suggested the board come to a consensus regarding employee pay, noting he wouldn't normally support a tax increase but ask for budget cuts. He pointed out the cuts have already been made due to inflation. The

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board asked staff to present a budget showing a twelve cent as well as a nineteen cent property tax increase.

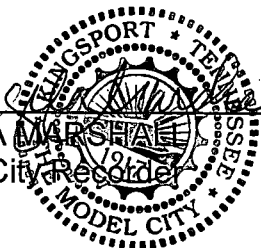
NOTE: At this time the board took a five minute recess.

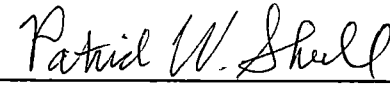
Deputy City Manager McReynolds presented the budget for utilities, highlighting both sewer and water fund projects as well as a debt summary for each fund if no additional projects were added. He then discussed the utility rates and the reasons that increases are necessary to implement. He described the four year phased approach on how the new rate structure would be implemented. He pointed out that even with the increase Kingsport is still competitive to other local cities. Mr. McReynolds confirmed if no action is taken then the state will step in since the sewer fund has been deficient the past three years. There was considerable discussion.

Alderman Phillips asked if there was any danger of projects currently budgeted for one price will come back higher once the budget is implemented. Budget Director Morris explained there is a contingency fund built in that would most likely cover an increase. He stated another option would be to break the project up into phases and just complete what is necessary in a phase one scenario. Some discussion followed.

4. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Shull adjourned the meeting at 4:42 p.m.


ANGELA MARSHALL
Deputy City Recorder




PATRICK W. SHULL
Mayor