



AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

**Tuesday, August 21, 2018, 7:00 p.m.
City Hall, 225 W. Center St., Courtroom, 2nd Floor**

Board of Mayor and Aldermen

Mayor John Clark, Presiding
Vice Mayor Mike McIntire
Alderman Jennifer Adler
Alderman Joe Begley

Alderman Betsy Cooper
Alderman Colette George
Alderman Tommy Olterman

City Administration

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

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG – Led by New Vision Youth

II.B. INVOCATION – Pastor Tiger Brooks, Indian Springs Baptist Church, Glenwood

III. ROLL CALL

IV.A. RECOGNITIONS & PRESENTATIONS

1. Bill Greene & Rab Summers – Property Donation
2. Keep Kingsport Beautiful Beautification Awards – Robin Cleary

IV.B. APPOINTMENTS

1. Appointments to the Parks and Recreation Advisory Committee (AF: 194-2018) (Mayor Clark)
 - Appointments
2. Appointments to the Public Art Committee (AF: 202-2018) (Mayor Clark)
 - Appointments

V. APPROVAL OF MINUTES

1. Work Session – August 6, 2018
2. Business Meeting – August 7, 2018

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

1. Amend Zoning of Parcels Located Along Hemlock Lane and Memorial Court (AF: 200-2018) (Ken Weems)
 - Public Hearing
 - Ordinance – 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

None

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Vacate a Permanent Utility Easement on Eastman Property (AF: 183-2018) (Jessica Harmon)
 - Ordinance – **Second Reading & Final Adoption**
2. Amend Zoning of 1210 and 1214 Conway Drive (AF: 187-2018) (Ken Weems)
 - Ordinance – **Second Reading & Final Adoption**
3. Amend Zoning of 1700 North John B Dennis Highway (AF: 188-2018) (Ken Weems)
 - Ordinance – **Second Reading & Final Adoption**
4. Ordinance to Appropriate Partnership Support Grant from Tennessee Arts Commission (AF: 175-2018) (Chris McCartt)
 - Ordinance – **Second Reading & Final Adoption**
5. Receive a Grant from the State of Tennessee for the Kingsport Senior Center and Appropriate the Funds (AF: 122-2018) (Shirley Buchanan)
 - Ordinance – **Second Reading & Final Adoption**

6. Appropriate Funds from the USDOJ / Bureau of Justice Assistance Grant FY 2017 Local Solicitation (AF: 177-2018) (David Quillin)
 - Ordinance – **Second Reading & Final Adoption**
7. Budget Adjustment Ordinance for FY18 (AF: 179-2018) (Chris McCartt)\ul style="list-style-type: none;">- Ordinance – **Second Reading & Final Adoption**
8. Amend City Code Section 98-62- Operators to Exercise Care, Maintain Lookout (AF: 186-2018) (David Quillin)
 - Ordinance – **Second Reading & Final Adoption**
9. Amending the Code of Ordinance by Adding Sections Regulating the Operation of Pedal Carriages and Amending Sections 6-1 through 6-3 Pertaining to Open Containers and Public Display or Consumption (AF: 189-2018) (Ken Weems)
 - Ordinance – **Second Reading & Final Adoption**

D. OTHER BUSINESS

Revised 8/17/18
Attachment I

1. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018A in an Amount not to Exceed \$10,350,000 (AF: 180-2018) (Jeff Fleming, Jim Demming)
 - Resolution – Initial
 - Resolution - Detailed

Revised 8/17/18
AF & Attachments

2. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018B in an Amount not to Exceed \$5,400,000 (AF: 181-2018) (Jeff Fleming, Jim Demming)
 - Resolution – Initial
 - Resolution – Detailed

Revised 8/17/18
Attachment I

3. Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018C in an Amount not to Exceed \$2,400,000 (AF: 182-2018) (Jeff Fleming, Jim Demming)
 - Resolution - Initial
 - Resolution – Detailed

4. Agreement with Public Procurement Authority for Cooperative Purchasing (AF: 193-2018) (Chris McCartt)
 - Resolution

5. Amend a Contractual Agreement, TDOT Project No: 82-5307-S3-019 with the Tennessee Department of Transportation for Reimbursement of Capital Expenses (AF: 199-2018) (Chris McCartt)
 - Resolution

6. Awarding the Bid for the Purchase of Three (3) 8 Passenger Vans to Empire Ford (AF: 204-2018) (Steve Hightower, David Frye)
 - Resolution
7. Proposed Stormwater Annual Compliance Report (AF: 196-2018) (Ryan McReynolds)
 - Resolution
8. Approving a Memorandum of Understanding with Petworks Kingsport Animal Shelter Services, Inc. (AF: 203-2018) (Jeff Fleming)
 - Resolution
9. Accept New Permanent Utility Easement from Eastman Chemical Company (AF: 205-2018) (Jessica Harmon)
 - Resolution
10. Approval of Funding Plan and Authorization to Pursue ONEKingsport Projects (AF: 201-2018) (Lynn Tully)
 - Funding Plan
11. Amend the Fee Resolution by Adding a Fee for Pedal Carriage Permits (AF: 206-2018) (Ken Weems)
 - Resolution
12. Execute an Agreement with Frontier Health for Counseling Services for Kingsport City Schools (AF: 207-2018) (David Frye)
 - Resolution
13. Apply for and Accept a Section 5307 Operations Grant from the Federal Transit Administration Grant and U.S. Department of Transportation (AF: 198-2018) (Chris McCartt)
 - Resolution

VII. CONSENT AGENDA

None

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, August 6, 2018, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor John Clark

Vice-Mayor Mike McIntire

Alderman Jennifer Adler

Alderman Joe Begley

Alderman Betsy Cooper

Alderman Colette George

Alderman Tommy Olterman

(left at 5:45 p.m.)

City Administration

Jeff Fleming, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Clark.
2. **ROLL CALL:** By Deputy City Recorder Angie Marshall.
3. **KINGSPORT CENTER FOR HIGHER EDUCATION.** Jeff McCord and Jennifer Thacker gave a presentation on the Academic Village. They provided details and statistics and answered questions from the board. Discussion followed.
4. **MAIN STREET REDEVELOPMENT/AEP.** Assistant City Manager for Operations Ryan McReynolds presented this item and presented options to the board. Discussion followed and the board asked for firmer numbers on one of the options before making a decision.

Note: Alderman Olterman left the meeting at this time.

5. REVIEW OF AGENDA ITEMS ON THE AUGUST 7, 2018 REGULAR BUSINESS MEETING AGENDA. City Manager Fleming and members of staff gave a summary or presentation for each item on the proposed agenda. The following items were discussed at greater length or received specific questions or concerns.

VI.A.2 Amend Zoning of 1210 and 1214 Conway Drive (AF: 187-2018). City Planner Ken Weems presented this item and answered questions for the board. Ms. Beverly Leigh made comments in opposition and there was considerable discussion.

VI.A.3 Amend Zoning of 170 North John B. Dennis Highway (AF: 188-2018). City Planner Ken Weems presented this item. Discussion followed.

VI.B.3 Appropriate Funds from the USDOJ/Bureau of Justice Assistance Grant FY17 Local Solicitation (AF: 177-2018). Police Chief Quillin noted this grant would go towards the purchase of in-car video cameras.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, August 6, 2018**

VI.B.6 Amend Code of Ordinances by Adding Sections Regulating the Operation of Pedal Carriages and Amending Sections 6-1 through 6-3 Pertaining to Open Containers and Public Display of Consumption (AF: 189-2018). City Planner Ken Weems gave a presentation on this item and providing details on this addition to downtown. There was considerable discussion on the minimum age for patrons when alcohol was present, but the board as a whole agreed that the suggested age of 16 was too low. Staff stated it could be raised to 18 years old.

Assistant City Manager for Administration Chris McCartt invited everyone to attend the World's Longest Drive event being held at Meadowview Sunday and Monday.

6. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Clark adjourned the meeting at 6:47 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, August 7, 2018, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor John Clark, Presiding

Vice Mayor Mike McIntire

Alderman Jennifer Adler

Alderman Joe Begley

Alderman Betsy Cooper

Alderman Colette George

Alderman Tommy Olterman

City Administration

Chris McCartt, Assistant City Manager for Administration

J. Michael Billingsley, City Attorney

James Demming, City Recorder/Chief Financial Officer

I. CALL TO ORDER: 7:00 p.m., by Mayor John Clark.

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG: City Attorney Mike Billingsley.

II.B. INVOCATION: Vice-Mayor Mike McIntire.

III. ROLL CALL: By City Recorder Demming. All Present.

IV.A. RECOGNITIONS AND PRESENTATIONS.

1. Cartegraph High Performance Award (Vice Mayor McIntire)
2. Farmers Market Week Proclamation (Mayor Clark)

IV.B. APPOINTMENTS/REAPPOINTMENTS. None.

V. APPROVAL OF MINUTES.

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

- A. July 16, 2018 Regular Work Session
- B. July 17, 2018 Regular Business Meeting

Approved: All present voting “aye.”

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS.

1. **Vacate a Permanent Utility Easement on Eastman Property** (AF: 183-2018) (Jessica Harmon).

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

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

Motion/Second: Olterman/George, to pass:

AN ORDINANCE TO VACATE A PERMANENT UTILITY EASEMENT LOCATED ON TAX MAP 76 PARCEL 6.90 SITUATED IN THE CITY, THIRTEETH CIVIL DISTRICT OF SULLIVAN COUNTY; TO APPROVE A RELEASE OF EASEMENT WITH EASTMAN CHEMICAL COMPANY- AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RELEASE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Amend Zoning of 1210 and 1214 Conway Drive (AF: 187-2018)
(Ken Weems).

PUBLIC COMMENT ON ITEM VI.A.2. Several citizens from this neighborhood as well as the developer, spoke about this item, eleven in opposition and three in favor.

Motion/Second: Olterman/McIntire, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG CONWAY DRIVE FROM R-1B, RESIDENTIAL DISTRICT TO PD, PLANNED DEVELOPMENT DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Amend Zoning of 170 North John B. Dennis Highway (AF: 188-2018) (Ken Weems).

PUBLIC COMMENT ON ITEM VI.A.3. None.

Motion/Second: McIntire/George, to pass:

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG NORTH JOHN B DENNIS HIGHWAY FROM M-1, LIGHT MANUFACTURING DISTRICT TO M-2, GENERAL MANUFACTURING DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

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

B. BUSINESS MATTERS REQUIRING FIRST READING.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

1. Appropriate Partnership Support Grant from Tennessee Arts Commission (AF: 175-2018) (Chris McCartt).

Motion/Second: Adler/George, to pass:

AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE ARTS COMMISSION FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Grant from State of Tennessee for the Kingsport Senior Center and Appropriate the Funds (AF: 122-2018) (Shirley Buchanan).

Motion/Second: McIntire/Cooper, to pass:

Resolution No. 2019-019, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GRANT FROM THE STATE OF TENNESSEE COMMISSION ON AGING AND DISABILITY FOR THE SENIOR CENTER

Passed: All present voting "aye."

Motion/Second: McIntire/George, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM FIFTYFORWARD FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Appropriate Funds from the USDOJ/Bureau of Justice Assistance Grant FY17 Local Solicitation (AF: 177-2018) (David Quillin).

Motion/Second: George/Adler, to pass:

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANT GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE STATE OF TENNESSEE OFFICE OF CRIMINAL JUSTICE PROGRAMS FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

4. Budget Adjustment Ordinance for FY18 (AF: 179-2018) (Chris McCartt).

Motion/Second: George/Cooper, to pass:

AN ORDINANCE TO AMEND THE GENERAL FUND AND THE LIBRARY GOVERNING BOARD FUND FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

5. Amend City Code Section 98-62 - Operators to Exercise Care, Maintain Lookout (AF: 186-2018) (David Quillin).

Motion/Second: Cooper/Olterman, to pass:

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, SECTION 98-62 RELATING TO USE OF OPERATORS TO EXERCISE CARE, MAINTAIN LOOKOUT; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

6. Amend Code of Ordinances by Adding Sections Regulating the Operation of Pedal Carriages and Amending Sections 6-1 through 6-3 Pertaining to Open Containers and Public Display of Consumption (AF: 189-2018) (Ken Weems).

Motion/Second: Adler/George, to amend:

Motion/Second: McIntire/George, to pass:

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, BY ADDING NEW SECTIONS 26-155 THROUGH 26-174 REGARDING PEDAL CARRIAGES; AMENDING SECTION 6-1 RELATING TO THE DEFINITION OF THE TERMS ALCOHOLIC BEVERAGE OR BEVERAGE, BEER, CONTAINER, OPEN, PUBLIC PLACE, AND UNSEALED; SECTION 6-2 RELATING TO POSSESSION OF OPEN CONTAINERS IN MOTOR VEHICLES OR ON PUBLIC PROPERTY; SECTION 6-3 RELATING TO PUBLIC DISPLAY OR CONSUMPTION OF BEER, WINE OR OTHER ALCOHOLIC BEVERAGES; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; TO PROVIDE FOR SEVERABILITY OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Amend Zoning Code Pertaining to Development Guidelines in the Gateway District Overlay (AF: 165-2018) (Jessica Harmon).

Motion/Second: McIntire/George, to pass:

ORDINANCE NO. 6745, AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, SECTION 114-421 PERTAINING TO THE GATEWAY DISTRICT OVERLAY BY DELETING SECTION 114-421 AND REPLACING IT WITH THE LANGUAGE HEREIN BELOW AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Begley, Cooper, George, McIntire and Olterman voting "aye" and Adler voting "nay."

2. Vacate a Portion of an Access Easement on the Pierce Property (AF: 166-2018) (Jessica Harmon).

Motion/Second: McIntire/Cooper, to pass:

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

ORDINANCE NO. 6746, AN ORDINANCE TO VACATE A PORTION OF AN ACCESS EASEMENT LOCATED ON THE PIERCE PROPERTY AT 1000 JERICHO DRIVE SITUATED IN THE CITY, SEVENTH CIVIL DISTRICT OF SULLIVAN COUNTY; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Adler, Begley, Cooper, George, McIntire and Olterman voting “aye.”

3. Budget Ordinance for Reedy Creek Trunkline Project (AF: 171-2018) (Ryan McReynolds)

Motion/Second: McIntire/Adler, to pass:

ORDINANCE NO. 6747, AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Adler, Begley, Cooper, George, McIntire and Olterman voting “aye.”

4. Amend City Code Section 90-159 - Elimination of the Sidewalk Board (AF: 164-2018) (Ryan McReynolds)

Motion/Second: George/Cooper, to pass:

ORDINANCE NO. 6748, AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSFORT, TENNESSEE, SECTION 90-159 PERTAINING TO THE SIDEWALK BOARD BY DELETING SECTION 90-159 AND REPEALING ORDINANCE NUMBERS 2786 AND 6179 PERTAINING TO THE CREATION OF THE SIDEWALK BOARD AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Adler, Begley, Cooper, George, McIntire and Olterman voting “aye.”

D. OTHER BUSINESS.

1. Grant from Department of Justice Edward Byrne Memorial Justice Assistance Program (JAG) FY18 Local Solicitation (AF: 178-2018) (David Quillin).

Motion/Second: McIntire/Cooper, to pass:

Resolution No. 2019-020, A RESOLUTION APPROVING AN APPLICATION FOR AND RECEIPT OF A FISCAL YEAR 2018 LOCAL SOLICITATION GRANT FROM THE UNITED STATES DEPARTMENT OF JUSTICE BUREAU OF JUSTICE ASSISTANCE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER FOR SUCH APPLICATION AND RECEIPT OF GRANT FUNDS

Passed: All present voting “aye.”

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

2. Great Urban Parks Grant Application (AF: 176-2018) (Chris McCartt)

Motion/Second: Adler/Cooper, to pass:

Resolution No. 2019-021, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GREAT URBAN PARKS GRANT FROM THE NATIONAL RECREATION AND PARK ASSOCIATION

Passed: All present voting "aye."

3. Agreement with National IPA for Cooperative Purchasing (AF: 192-2018) (Chris McCartt).

Motion/Second: George/McIntire, to pass:

Resolution No. 2019-022, A RESOLUTION APPROVING AN AGREEMENT WITH THE NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY FOR COOPERATIVE PURCHASING AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

4. Highway Entrance Permit with TDOT for Meadowview Roadway (AF: 195-2018) (Ryan McReynolds).

Motion/Second: Olterman/Adler, to pass:

Resolution No. 2019-023, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE PERMITS WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION, AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE PERMIT

Passed: All present voting "aye."

~~**5. Memorandum of Understanding - Engineering and Design Agreement with Kingsport Power Company (dba AEP) for Relocation of the Existing Line Associated with Main Street Redevelopment**~~ (AF: 184-2018) (Ryan McReynolds). This item was withdrawn on August 3, 2018.

6. Purchase Order to Southern Lighting & Traffic Systems for Traffic Signal Cabinets (AF: 190-2018) (Ryan McReynolds).

Motion/Second: George/Cooper, to pass:

Resolution No. 2019-024, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR TRAFFIC SIGNAL CABINETS TO SOUTHERN LIGHTING & TRAFFIC SYSTEMS

Passed: All present voting "aye."

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

7. Purchase Heart Monitors from Physio Controls, Inc. (AF: 185-2018) (Scott Boyd).

Motion/Second: McIntire/Adler, to pass:

Resolution No. 2019-025, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THREE LIFEPAK 15 HEART MONITORS FROM PHYSIO CONTROL, INC.

Passed: All present voting "aye."

8. Accept Donation from Eastman Chemical Company of Real Property and a Permanent Utility Easement to Extend Meadowview Parkway to Wilcox Drive (AF: 197-2018) (Lynn Tully).

Motion/Second: McIntire/Cooper, to pass:

Resolution No. 2019-026, A RESOLUTION ACCEPTING A DONATION FROM EASTMAN CHEMICAL COMPANY OF REAL PROPERTY AND A DONATION OF A PERMANENT UTILITY EASEMENT, APPROVING A QUITCLAIM DEED OF GIFT AND DEED OF PERMANENT UTILITY EASEMENT, FROM EASTMAN CHEMICAL COMPANY; AND AUTHORIZING THE MAYOR TO EXECUTE THE DOCUMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE DONATION

Passed: All present voting "aye."

VII. CONSENT AGENDA.

Motion/Second: George/Cooper, to adopt:

1. Approval of Easements and Right-of-Way for Meadowview Road Extension (AF: 191-2018) (Ryan McReynolds).

Pass:

APPROVAL OF EASEMENTS AND RIGHT-OF-WAY FOR MEADOWVIEW ROAD EXTENSION

Passed: All present voting "aye."

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. McCartt pointed out that school has started back, noting the many great festivals and successful summer programs the city offered. He also commented on the upcoming Google event at the library.

B. MAYOR AND BOARD MEMBERS. Alderman Olterman commented on the Big Shots golf event at Meadowview on August 12. Alderman George commended staff for recovering from the Friday night storm at Funfest before the Saturday night concert. Alderman Adler congratulated the platinum partners recognized

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, August 7, 2018**

by Healthy Kingsport before the meeting. She also stated August 11 was National Night Out and provided details. Mayor Clark mentioned the upcoming Low Country Boil and the Farmers Market.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Clark adjourned the meeting at 8:40 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor



AGENDA ACTION FORM

Appointments to the Parks and Recreation Advisory Committee

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

Action Form No.: AF-194-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Committee
 Presentation By: Mayor Clark

Recommendation:

Approve appointments.

Executive Summary:

It is recommended to reappoint Reba Barber and Alan Meade to the Parks and Recreation Advisory Committee and appoint Heather Quigley to replace Susan Krein.

The recommended replacement member, Heather Quigley, was collected from the Serve Kingsport volunteer process open to all residents of Kingsport.

If approved by the Board of Mayor and Aldermen, appointments will be for three-year terms effective immediately and will expire July 1, 2021.

Attachments:

1. Bios

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

Reba Barber

Reba is currently Manager of Global Infrastructure Technical Architecture in IT Digital Services at Eastman. Reba began her career in Public Accounting for a regional firm in Mississippi and transitioned to Financial Services at Eastman. She celebrated her 30th year at Eastman in June this year.

Reba is active in her community with various volunteer organizations including President of Preston Forest Community Association and a member of Kingsport Parks and Recreation Advisory Council. She graduated from the University of Southern Mississippi in her hometown of Hattiesburg, Mississippi, and she is proud to have called Kingsport home for 30 years. Reba is a Certified Public Accountant and a Certified Information Technology Professional.

Alan Meade PT, ScDPT, MPH

Alan is currently Director of Rehab Services at Holston Medical Group in Tri-Cities Tennessee and Southwest Virginia, a position he has held for 20 years. In this role, Alan has participated in Holston's development of an Accountable Care Organization, and has been involved in developing a variety of value-based payment arrangements with several insurers. Alan is an active member of the Tennessee Physical Therapy Chapter, currently serving as President of the Tennessee Physical Therapy Association. He served as the TN. PT Licensing Board Consultant for 18 years in areas of Investigation, Foreign-Educated issues, and Continuing Competency. He is Adjunct Faculty at East Tennessee State University's Physical Therapy Program. He is very active in his community with the Covenant Counseling Center, Kingsport Parks & Recreation Advisory Committee and at First Baptist Church serving in many leadership roles.

Alan has a Bachelor of Science in Physical Therapy degree from the University of Tennessee Center for Health Sciences, a Bachelor of Science degree in Community Health Education and Masters in Public Health and Industrial Education from East Tennessee State University. In 2012 he completed his Doctorate of Science in Physical Therapy (ScDPT) at the University of Tennessee Health Science Center.

Heather Quigley, PhD

Heather is a PhD Chemical Engineer (Virginia Tech) and Senior Scientist in Eastman's Fibers Innovation Technology Division. She has been with Eastman since 2014, and resides in Kingsport with her husband John (also with Eastman). She has a strong interest in outdoor activities, including whitewater sports.



AGENDA ACTION FORM

Appointments to the Public Art Committee

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

Action Form No.: AF-202-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Committee
 Presentation By: Mayor Clark

Recommendation:

Approve appointments.

Executive Summary:

It is recommended to appoint Joe Zoeller and Laura Feagins to the Public Art Committee.

Joe Zoeller attended a recent Public Art Roundtable and is very active in the community. It is recommended for him to fill an unexpired term ending July 31, 2019.

Laura Feagins is self-nominated through ServeKingsport. It is recommended she fill a three-term expiring July 31, 2021.

If approved by the Board of Mayor and Aldermen, both appointments will begin immediately.

Attachments:

1. Bios

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

Joseph R. Zoeller

Bio

Joseph (Joe) Zoeller was born in Jamaica, NY and raised on Long Island, NY. He attended Hofstra University (B.S. Chemistry), Purdue University (M.S. Chemistry), and Virginia Tech (Ph.D. Chemistry). He was employed at Eastman Chemical Company for 34 years, receiving numerous awards both from Eastman and International Societies for his scientific endeavors. During his tenure at Eastman, he maintained an active public service record, serving on numerous scientific advisory boards at universities, international societies, and government agencies. Locally, Joe's public service during his years at Eastman focused on educational and child care issues, including serving as PTA co-vice president/president at Jackson Elementary and Dobyns-Bennett High School, as well as serving and both as co-president and Treasurer for Kingsport City PTA Council. However, Joe always maintained an interest in art and over the last decade has become an active participant in the local art community as an active member of the Kingsport Art Guild and now serves as Secretary for Impressions Fine Art Gallery (our local artist co-op.) His artwork has been accepted at several juried shows and won several awards at local art shows. His work has been displayed or is currently on display at Art in the Heart, the Renaissance Center, Impressions Fine Art Gallery, the Arts Depot in Abingdon, and will be on display at the Woolworth Walk in Asheville within the coming year.

Contact Information:

Joseph Zoeller
2421 Rivermont Drive
Kingsport, TN 37660
Phone: 423-571-0565
Email: jzoeller@chartertn.net

Laura King Feagins

A native of Wilson, N.C., Laura King Feagins, 45, moved to Kingsport from Charleston, S.C., in 1985. She graduated from Kingsport's Dobyns-Bennett High School in 1990 and received her Bachelor of Science degree in early childhood education from Carson-Newman University, Jefferson City, Tenn., in 1995. She has been a teacher for more than 20 years, holding positions at Andrew Jackson Elementary School, Mountain View United Methodist Church and Colonial Heights Presbyterian Church. For the past seven years, she has taught preschool at First Friends-First Baptist Church. Laura is a member of Mafair United Methodist Church, where she has served on the Worship Committee, Children's Director Search Committee and Finance Committee. She also served as Stewardship co-chair for six years. Laura also volunteers on the Kingsport Chamber Annual Dinner Committee. She is married to Bob Higgs Feagins and they have one son, Higgs Thomas Edward Feagins. Laura enjoys reading, exercising, the theater, the Symphony and spending time with her family and friends. Most of all, she loves being a wife and mother.

Laura Feagins

2232 Silverdale Road, Kingsport, 37660
423-963-3830



AGENDA ACTION FORM

Amend Zoning of Parcels Located Along Hemlock Lane and Memorial Court

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

Action Form No.: AF-200-2018
 Work Session: August 20, 2018
 First Reading: August 21, 2018

Final Adoption: September 4, 2018
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Consider ordinance amending the zoning ordinance to rezone property located on Tax Map 61E, Parcels 20, 21, 22, 23, 24, 25, 27, 31, 34, 35, and 36 from R-1C, Residential District to B-3, Highway Oriented Business District.

Executive Summary:

This is an owner-requested rezoning of approximately 4.6 acres located adjacent to the intersection of Fort Henry Drive and North Eastman Road from R-1C to B-3. The purpose of the rezoning is to accommodate construction of a new pharmacy, restaurant, and future commercial uses. During planning commission consideration of the item, the rezoning applicant voluntarily removed 2140 Memorial Court from rezoning consideration in an effort to provide a larger buffer to 2144 Memorial Court. A total of 6 people spoke against the rezoning request during the public comment portion of the rezoning hearing. A total of 4 people spoke in favor of the rezoning request during the public comment portion of the rezoning hearing. The primary concern of those speaking in opposition is the loss of the homes along Memorial Court that are located in the rezoning proposal. During their July 2018 regular meeting, the Kingsport Regional Planning Commission voted 4-2 to send a negative recommendation (a recommendation to not rezone the amended rezoning area) to the Board of Mayor and Aldermen. The notice of public hearing was published on August 6, 2018.

Attachments:

1. Notice of Public Hearing
2. Map of Rezoning Site as Amended by the Applicant
3. Zoning Ordinance
4. Staff Report

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

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 August 21, 2018 to consider the rezoning for parcels 20, 21, 22, 23, 24, 25, 27, 31, 34, 35, and 36 along Memorial Court and Hemlock Lane from R-1C District to B-3 District. 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.

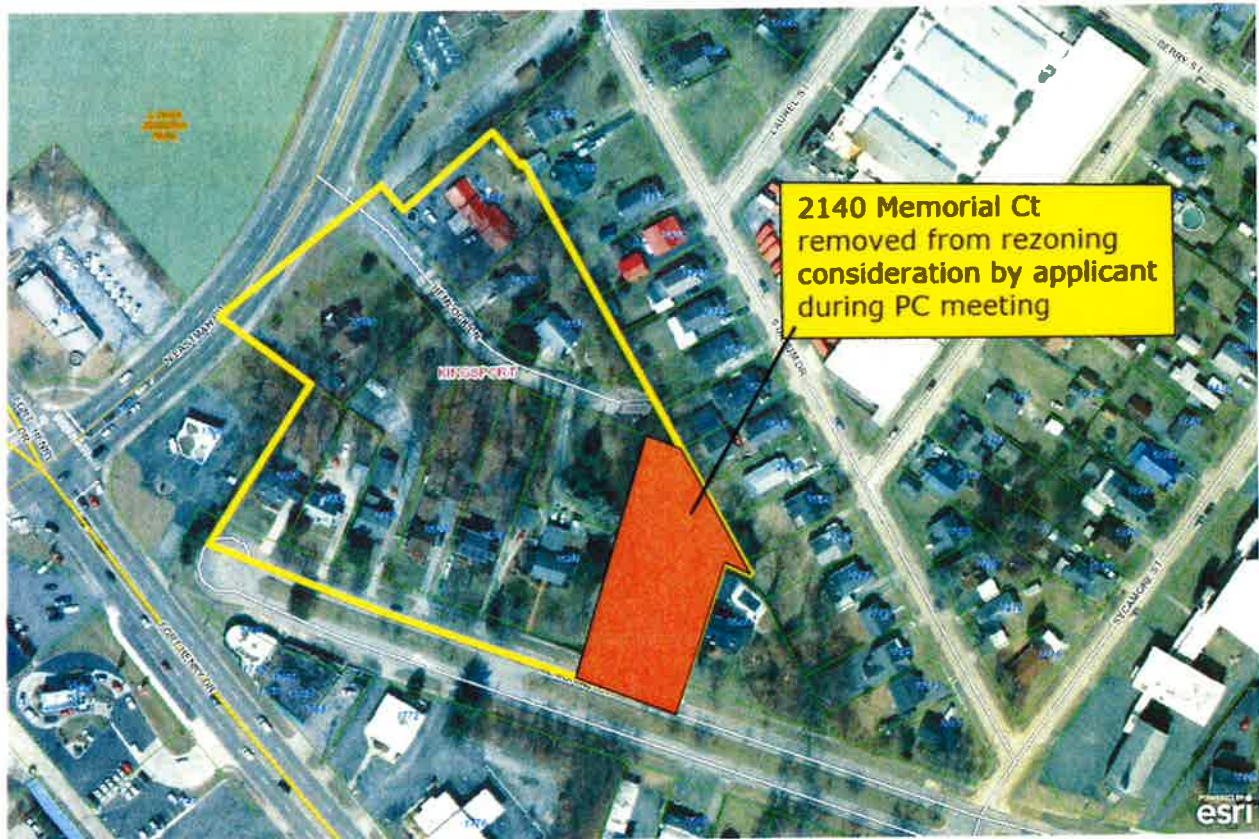
The property proposed for rezoning is generally described as follows:

BEGINNING at a point, said point being the southern corner of parcel 8, Tax Map 61E in common with the southern right-of-way of Hemlock Lane; thence in a northwesterly direction, approximately 375 feet to a point, said point being the western corner of parcel 2; thence in a southwesterly direction, approximately 7 feet to a point, said point being the southern corner of parcel 1; thence in a northwesterly direction, approximately 56 feet to a point, said point being the western corner of parcel 1; thence in a southwesterly direction, approximately 135 feet to a point, said point being the southern corner of parcel 37.10 in common with the northern right-of-way of Hemlock Lane and the eastern right-of-way of North Eastman Road; thence in a northwesterly direction, following the eastern right-of-way of North Eastman Road, approximately 40 feet to a point, said point lying on the boundary of parcel 37.10 in common with the eastern right-of-way of North Eastman Road; thence in a southwesterly direction, following into the right-of-way of North Eastman Road, approximately 235 feet to a point, said point lying inside the right-of-way of North Eastman Road; thence in a southeasterly direction, crossing through the right-of-way of North Eastman Road, approximately 130 feet to a point, said point being the eastern corner of parcel 26; thence in a southwesterly direction, crossing into the right-of-way of Memorial Court, approximately 220 feet to a point, said point lying inside the right-of-way of Memorial Court; thence in a southeasterly direction, traversing through the right-of-way of Memorial Court, approximately 440 feet to a point, said point lying inside the right-of-way of Memorial Court; thence in a northeasterly direction, crossing through the right-of-way of Memorial Court, approximately 290 feet to a point, said point being the northern corner of parcel 19 in common with the southern right-of-way of Hemlock Lane; thence in a southeasterly direction, following the southern right-of-way of Hemlock Lane, approximately 40 feet to the point of BEGINNING, and being all of parcels 20, 21, 22, 23, 24, 25, 27, 31, 34, 35, and 36, as well as the entirety of Hemlock Lane, approximately 450 feet in length, a portion of North Eastman Road right-of-way, approximately 230 feet in length, and a portion of Memorial Court right-of-way, approximately 440 feet in length, Tax Map 61E as shown on the December 2016 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the City Manager, Kingsport Library, and Planning Manager 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 KINGSFORT
Angie Marshall, Deputy City Clerk
PIT: 8/6/18

During Planning Commission consideration of the Memorial Court rezoning, applicant Eric Kennedy voluntarily removed 2140 Memorial Court from rezoning consideration. Mr. Kennedy stated that he voluntarily removed 2140 Memorial in order to provide a larger commercial buffer from 2144 Memorial Court, located due east of 2140 Memorial Court.



Subsequently, maps contained in the rezoning report differ from the rezoning area that the Planning Commission took action on. The maps contained in the BMA presentation of the item reflect the amended rezoning site (without 2140 Memorial Court).

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG HEMLOCK LANE AND MEMORIAL COURT FROM R-1C, RESIDENTIAL DISTRICT TO B-3, HIGHWAY ORIENTED BUSINESS DISTRICT IN THE 11TH 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 located along Hemlock Lane and Memorial Court from R-1C, Residential District to B-3, Highway Oriented Business District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the southern corner of parcel 8, Tax Map 61E in common with the southern right-of-way of Hemlock Lane; thence in a northwesterly direction, approximately 375 feet to a point, said point being the western corner of parcel 2; thence in a southwesterly direction, approximately 7 feet to a point, said point being the southern corner of parcel 1; thence in a northwesterly direction, approximately 56 feet to a point, said point being the western corner of parcel 1; thence in a southwesterly direction, approximately 135 feet to a point, said point being the southern corner of parcel 37.10 in common with the northern right-of-way of Hemlock Lane and the eastern right-of-way of North Eastman Road; thence in a northwesterly direction, following the eastern right-of-way of North Eastman Road, approximately 40 feet to a point, said point lying on the boundary of parcel 37.10 in common with the eastern right-of-way of North Eastman Road; thence in a southwesterly direction, following into the right-of-way of North Eastman Road, approximately 235 feet to a point, said point lying inside the right-of-way of North Eastman Road; thence in a southeasterly direction, crossing through the right-of-way of North Eastman Road, approximately 130 feet to a point, said point being the eastern corner of parcel 26; thence in a southwesterly direction, crossing into the right-of-way of Memorial Court, approximately 220 feet to a point, said point lying inside the right-of-way of Memorial Court; thence in a southeasterly direction, traversing through the right-of-way of Memorial Court, approximately 440 feet to a point, said point lying inside the right-of-way of Memorial Court; thence in a northeasterly direction, crossing through the right-of-way of Memorial Court, approximately 290 feet to a point, said point being the northern corner of parcel 19 in common with the southern right-of-way of Hemlock Lane; thence in a southeasterly direction, following the southern right-of-way of Hemlock Lane, approximately 40 feet to the point of BEGINNING, and being all of parcels 20, 21, 22, 23, 24, 25, 27, 31, 34, 35, and 36, as well as the entirety of Hemlock Lane, approximately 450 feet in length, a portion of North Eastman Road right-of-way, approximately 230 feet in length, and a portion of Memorial Court right-of-way, approximately 440 feet in length, Tax Map 61E as shown on the December 2016 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.

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING _____

PASSED ON 2ND READING _____

Kingsport Regional Planning Commission
Rezoning Report

File Number 18-101-00007

Memorial Court Rezoning

Property Information			
Address	2104, 2105, 2108, and 2112 Hemlock Ln and 2108, 2112, 2116, 2120, 2124, 2132, and 2140 Memorial Ct.		
Tax Map, Group, Parcel	Map 61E, Parcels 19, 20, 21, 22, 23, 24, 25, 27, 31, 34, 35, and 36		
Civil District	11		
Overlay District	n/a		
Land Use Designation	Commercial/ Retail and Single Family Residential		
Acres	5 +/-		
Existing Use	Single family residential	Existing Zoning	R-1C
Proposed Use	Pharmacy, restaurant, and future commercial	Proposed Zoning	B-3
Owner /Applicant Information			
Name: Eric Kennedy Address: 2116 Memorial Ct City: Kingsport State: TN Zip Code: 37664 Phone: (423) 440-1989		Intent: <i>To rezone from R-1C (Residential District) to B-3 (Highway Oriented Business District) for pharmacy, restaurant, and future commercial use.</i>	
Planning Department Recommendation			
<p>The Kingsport Planning Division recommends sending a POSITIVE recommendation to the Kingsport Board of Mayor and Aldermen for the following reason:</p> <p><i>The proposed B-3 zone is in partial conformance with the Future Land Use Plan for commercial use. Staff feels that commercial zoning for the portion of the site that is currently classified as single family residential in the land use plan will facilitate the quickest practical redevelopment of property southeast of the rezoning site.</i></p> <p>Staff Field Notes and General Comments:</p> <p><i>The rezoning site slopes toward Memorial Court. Future requests of right-of-way vacating for all of Hemlock Ln and a portion of Memorial Ct would be required prior to the submitted zoning development plan being implemented.</i></p> <p><i>To date, the resident of 2140 Memorial Ct. has commented against the rezoning (2140 Memorial Ct is owned by the rezoning applicant). The resident of 2140 Memorial Ct wishes to keep leasing the property for residential use. Additionally, the owners of 2144 Memorial Ct commented against the rezoning effort. The owners of 2144 Memorial Ct sent a letter containing their comments (attached to this report).</i></p>			
Planner:	Ken Weems	Date:	July 9, 2018
Planning Commission Action		Meeting Date:	July 26, 2018
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

Kingsport Regional Planning Commission

Rezoning Report

File Number 18-101-00007

PROPERTY INFORMATION

ADDRESS	2104, 2105, 2108, and 2112 Hemlock Ln
	2108, 2112, 2116, 2120, 2124, 2132, and 2140 Memorial Ct.
DISTRICT	11
OVERLAY DISTRICT	n/a
EXISTING ZONING	R-1C (Residential District)
PROPOSED ZONING	B-3 (Highway Oriented Business)
ACRES	5 +/-
EXISTING USE	Single family residential
PROPOSED USE	Pharmacy, restaurant, and future commercial

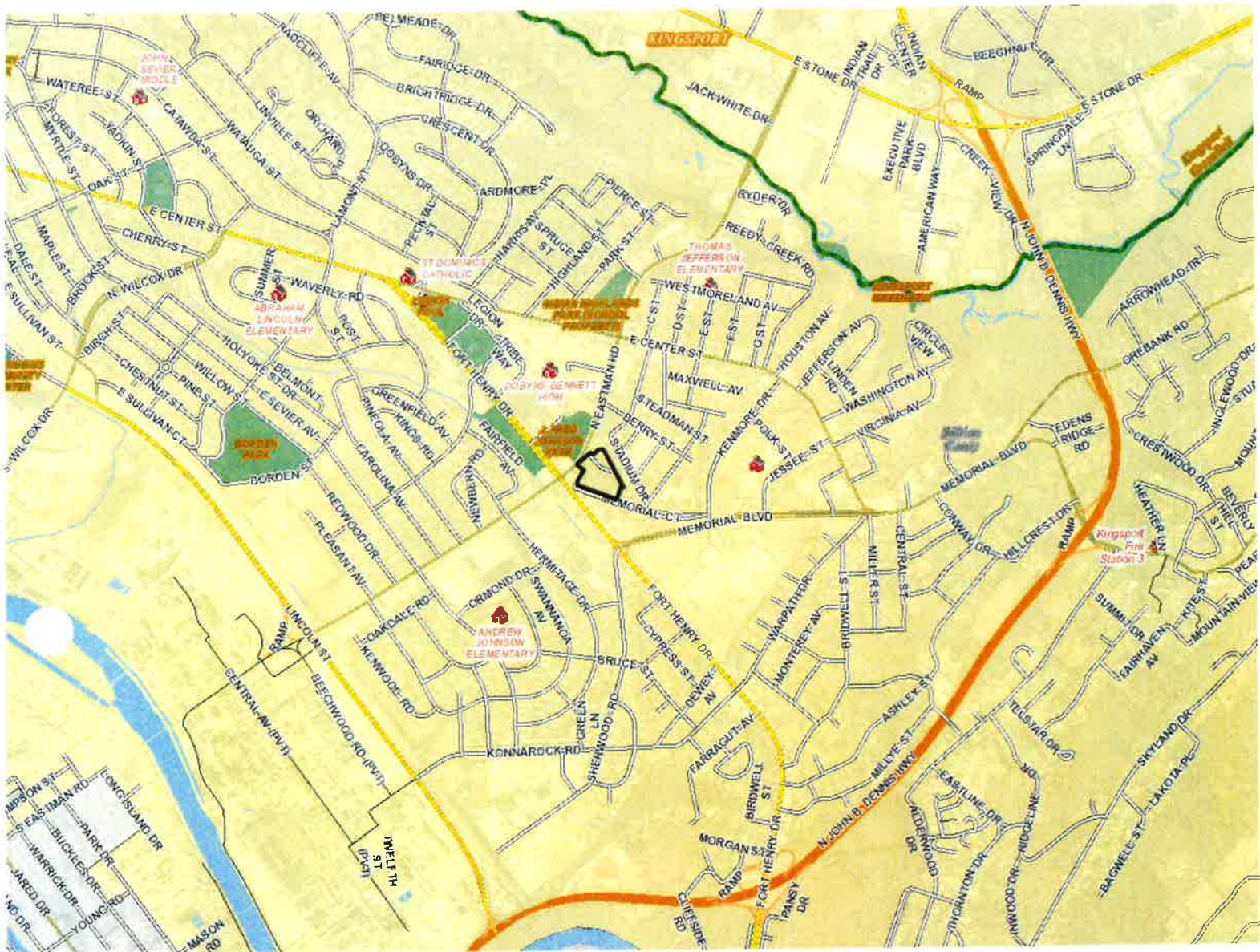
PETITIONER

ADDRESS **428 Meadow Brook Dr., Kingsport, TN 37663**

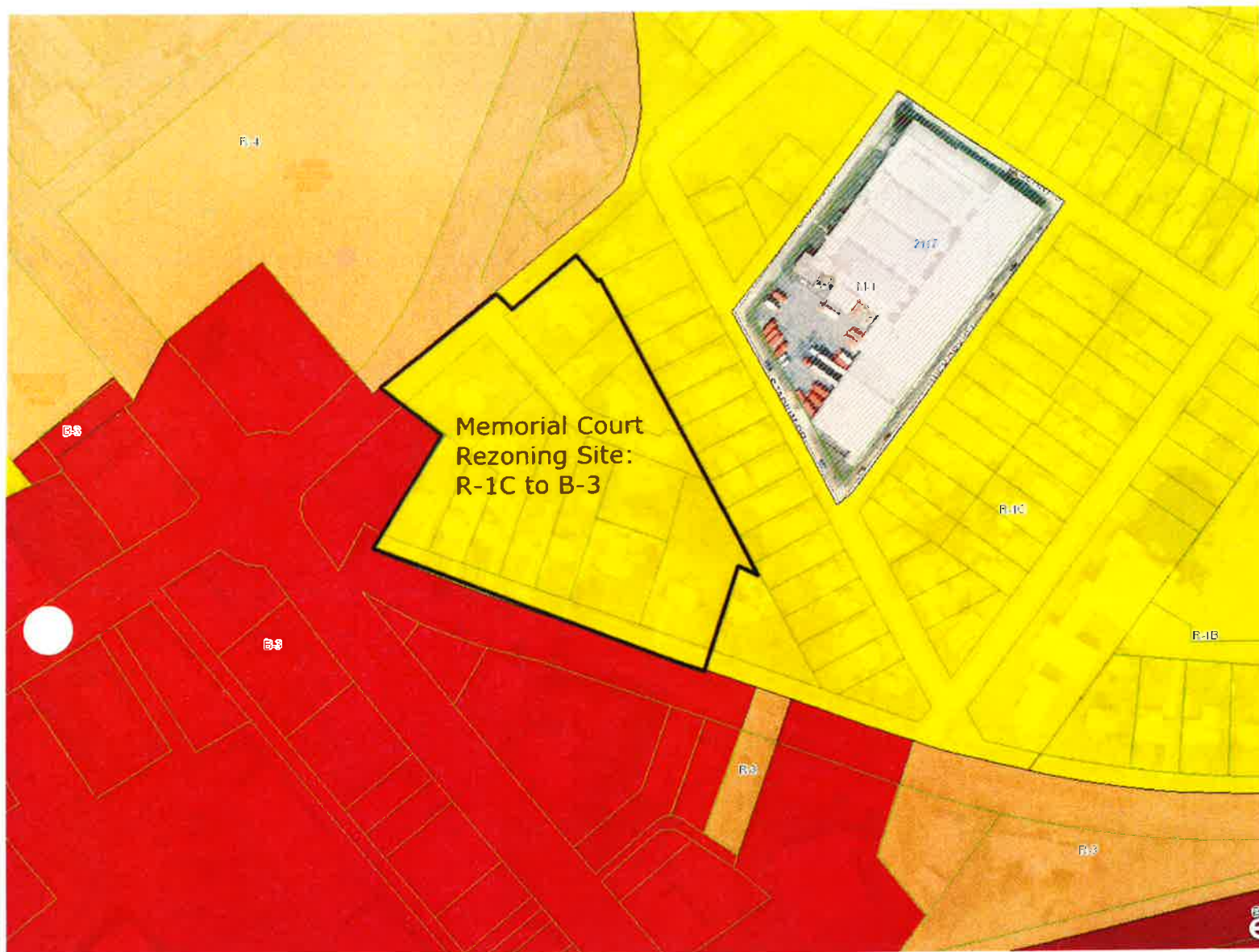
INTENT

To rezone from R-1C (Residential District) to B-3 (Highway Oriented Business District) for pharmacy, restaurant, and future commercial use.

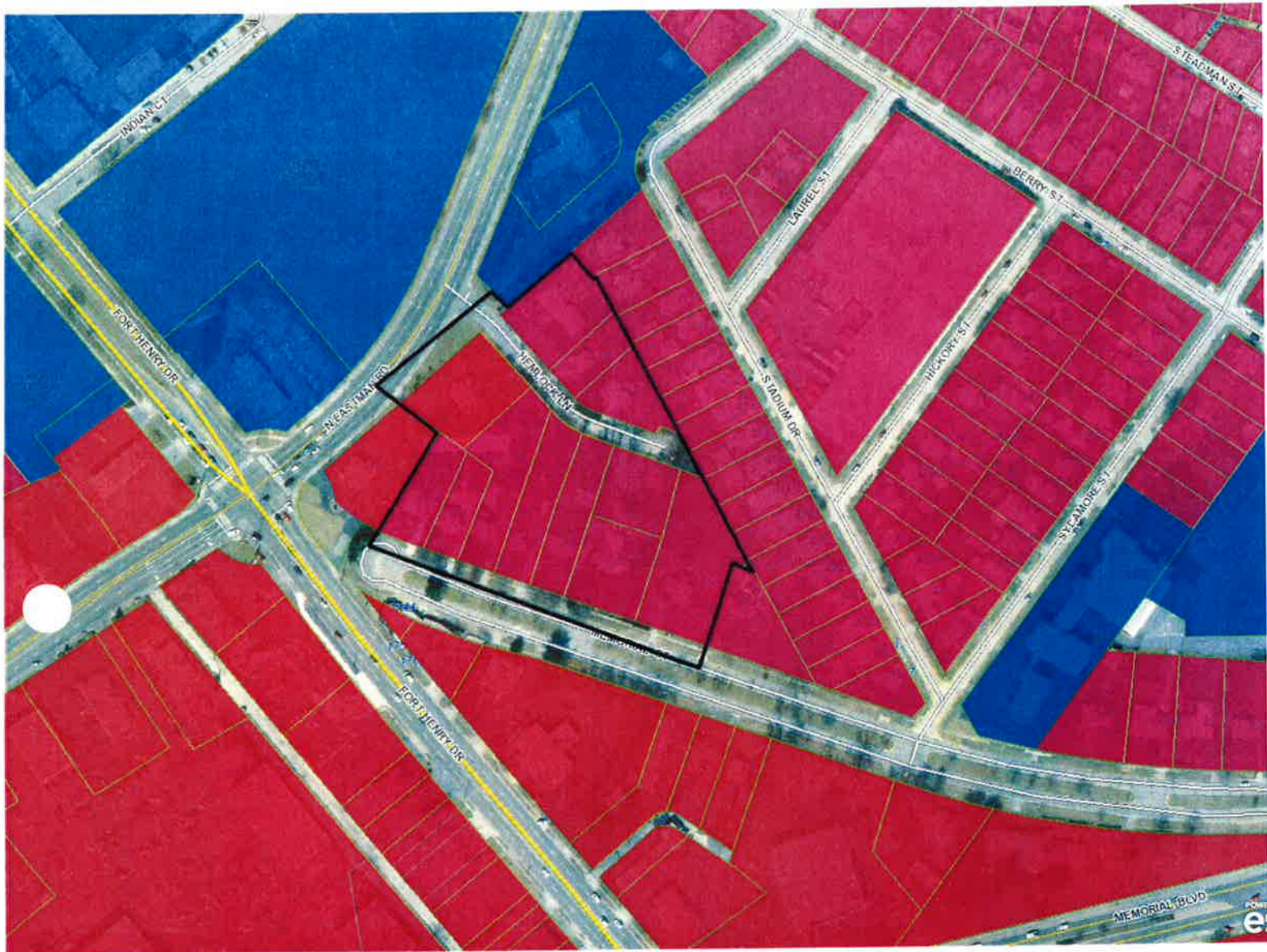
Vicinity Map



Surrounding Zoning Map



**Future Land Use Plan 2030
Designation: Commercial and Single Family**



File Number 18-101-00007

Page 6 of 12

North View (Pleasant View Baptist)



West View (Perspective from the Hemlock Ln Cul-de-sac)



South View (Toward Pal's from the Memorial Ct Cul-de-sac)



South View (Existing Homes Along Memorial Ct)



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Use	History Zoning Action Variance Action
North, East, Northwest	1	<u>Zone: City R-4</u> Use: church	n/a
Further North and Northwest	2	<u>Zone: City R-4</u> <u>Use: J Fred Johnson Park</u>	City-owned
East	3	<u>Zone: City R-1C</u> <u>Use: existing single family along</u> <u>Stadium Drive</u>	n/a
Further East	4	<u>Zone: City M-1</u> Use: Cintas Uniform Services	n/a
Southeast and South	5	<u>Zone: City R-1C</u> Use: existing single family	n/a
Further South	6	<u>Zone: B-3</u> Use: bank	n/a
West	7	<u>Zone: City B-3</u> <u>Use: gold store</u>	n/a

Existing Uses Location Map



File Number 18-101-00007

ZDP Analysis and Property Features

The submitted zoning development plan is conceptual in nature and was created for rezoning purposes. Since the site abuts single family use and zone, a 30 foot wide planting strip is the required where the rezoning site abuts residential zone. The planting strip contains a 6 foot tall wood fence along with hardwood trees for every 50 feet of distance. Prior to either the pharmacy or the restaurant use being implemented, the applicant must request that a portion of Memorial Court be abandoned and surplused. Additionally, the pharmacy and restaurant use must also rely on 1744, 1748, 1756, 1764, and 1768 Fort Henry Drive being razed (all of these addresses are owned by the rezoning applicant and already zoned B-3).

Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 9, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property?** The rezoning site is located between existing B-3 and M-1 zones that contain conforming uses. The submitted site plan calls for the appropriate landscaping buffer for commercial property that abuts a residential zone. Ideally, all properties along the adjacent section of Memorial Court would be included in the development plans and rezoning proposal.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The proposal will likely have an impact on the single family use of 2144 Memorial Court. Impact mitigation via screening to the city's landscaping code standard is being proposed.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property, in staff's opinion, does have a reasonable economic use as currently zoned. The location of the rezoning site also yields itself to reasonable economic use with its proposed zone.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal will primarily impact existing streets. Hemlock Lane is not of great concern as the rezoning applicants own all property surrounding and using Hemlock Lane. A greater impact will be experienced with the final disposition of Memorial Court. The current plan is for the rezoning applicants to propose a property surplus and right-of-way abandonment of a portion of Memorial Court, ultimately terminating Memorial Court in a cul-de-sac in the vicinity of the existing 2144 and 2140 Memorial Court.

5. **Whether the proposal is in conformity with the policies and intent of the land use plan?** The land use plan addresses the rezoning site as appropriate for commercial use and single family use. It is staff's opinion that the property's highest and best use can also be captured by implementing the B-3 zone. Careful consideration must be paid to protect 2144 Memorial Court in the context of adjacent commercial zoning.

Proposed use: commercial/retail

The Future Land Use Plan Map recommends commercial/retail and single family

6. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions of the property present an opportunity for future commercial development. The greatest concern for the rezoning site is the proximity to existing single family uses. The single family uses along Stadium Drive should realize little impact mainly due to the topography of the site. 2144 Memorial Court will be more heavily impacted.
7. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** There are no adverse uses proposed.
8. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning is considered an extension of the existing B-3 zones to the south of the rezoning site.
9. **Whether the present district boundaries are illogically drawn in relation to existing conditions?** The present district boundaries are logically drawn in relation to the existing conditions. This is a unique proposal in that the rezoning applicants own a lot of existing single family homes in the area. The future proposal of closing existing streets will alter the area to make it more conducive to commercial use. The proper landscaping buffer / planting strip is being proposed, but may not be enough buffer in the opinion of those most closely impacted.

CONCLUSION

Staff recommends sending a POSITIVE recommendation to rezone from R-1C to B-3. The rationale for this recommendation is based upon the redevelopment of the area becoming the best stimulus for redevelopment of other existing commercial properties that have road frontage along the south side of Memorial Court.



AGENDA ACTION FORM

Vacate a Permanent Utility Easement on Eastman Property

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

Action Form No.: AF-183-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: **August 21, 2018**
 Staff Work By: Jessica Harmon
 Presentation By: Jessica Harmon

Recommendation:

- Hold public hearing
- Approve ordinance vacating a portion a permanent utility easement on Eastman property

Executive Summary:

This is a request to vacate a permanent utility easement located on Tax Map 76 Parcel 6.90 owned by Eastman Chemical Company. The easement contained a waterline that served the bathrooms located off the 16th tee of the Golf Course. Eastman has had the waterlines relocated from the area of the permanent utility easement to another area which better serves their needs. Since the waterline has been relocate, City staff sees no need to retain the permanent utility easement. An easement for the relocated waterline has been obtained. During their August 2018 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation for the vacating to the Board of Mayor and Aldermen. The Notice of Public Hearing was published on July 23, 2018. In order to fully release the easement, the Mayor will need to execute the Release of Easement Document.

Attachments:

1. Notice of Public Hearing
2. Ordinance
3. Staff Report
4. Release
5. Memo

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Vacate a Permanent Utility Easement on Eastman Property

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

Action Form No.: AF-183-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Jessica Harmon
 Presentation By: Jessica Harmon

Recommendation:

- Hold public hearing
- Approve ordinance vacating a portion a permanent utility easement on Eastman property

Executive Summary:

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Attachments:

1. Notice of Public Hearing
2. Ordinance
3. Staff Report
4. Release

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

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, August 7, 2018, to consider the vacating of a utility easement located Tax Map 76 Parcel 6.90. 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 vacating is generally described as follows:

BEGINNING at a point on the northwesterly sideline of the City of Kingsport property, said point being 129.05 feet northwest of the southeast corner; thence with the centerline of a permanent utility easement described by the following calls: N 37°54'28" E, 42.89 feet, N 42°39'53" E, 70.26 feet, N 40°01'01" E 108.15 feet, N 68°38'08" E 63.92 feet, N 13°08'52" W 52.32 feet, N 75°52'04" 194.93 feet, S 59°27'35" E" 167.50 feet, S 52°49'10" E" 233.67 feet, S 48°56'37" E" 139.88 feet, S 57°28'33" E" 399.45 feet, S 55°09'47" E" 133.30 feet; thence S 84°57'25" E" 68.98 feet to a point on the edge of Wilcox Drive, said point being the terminus of said easement and containing approximately 16,752.30 square feet, more or less.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the City Manager, Kingsport Library, and Planning Office for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-343-9783.

CITY OF KINGSPORT
Angie Marshall, Deputy City Clerk
P1T: 07/23/18

ORDINANCE NO. _____

AN ORDINANCE TO VACATE A PERMANENT UTILITY EASEMENT LOCATED ON TAX MAP 76 PARCEL 6.90 SITUATED IN THE CITY, THIRTEETH CIVIL DISTRICT OF SULLIVAN COUNTY; TO APPROVE A RELEASE OF EASEMENT WITH EASTMAN CHEMICAL COMPANY- AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RELEASE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE;

WHEREAS, after due investigation and careful consideration at meeting held on July 26, 2018, the Kingsport Regional Planning Commission has determined that the public interest of the city is best served and warrants vacating the easement described herein, nor can any future use of the same for right-of-way purposes be reasonably anticipated; and

WHEREAS, the easement has been declared surplus; and

WHEREAS, as a result of its action at the meeting held on July 28, 2018, the Kingsport Regional Planning Commission recommends to the board of mayor and aldermen to vacate for the easement described herein; and

WHEREAS, the owner of the fee of the property has requested that the city approve and execute a Release of Easement document.

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

SECTION I. The city hereby vacates and closes to public use all of the permanent utility easement located on Tax Map 76 parcel 6.90 within the City of Kingsport, 13th Civil District of Sullivan County, Tennessee, which for purposes of this vacation is further described as follows:

BEGINNING at a point on the northwesterly sideline of the City of Kingsport property, said point being 129.05 feet northwest of the southeast corner; thence with the centerline of a permanent utility easement described by the following calls: N 37°54'28" E, 42.89 feet, N 42°39'53" E, 70.26 feet, N 40°01'01" E 108.15 feet, N 68°38'08" E 63.92 feet, N 13°08'52" W 52.32 feet, N 75°52'04" 194.93 feet, S 59°27'35" E" 167.50 feet, S 52°49'10" E" 233.67 feet, S 48°56'37" E" 139.88 feet, S 57°28'33" E" 399.45 feet, S 55°09'47" E" 133.30 feet; thence S 84°57'25" E" 68.98 feet to a point on the edge of Wilcox Drive, said point being the terminus of said easement and containing approximately 16,752.30 square feet, more or less.

All as shown on a sketch titled "PROPOSED PERMANENT UTILITY EASEMENT ACROSS THE EASTMAN CHEMICAL CO., INC. PROPERTY LOCATED IN THE 13TH CIVIL DISTRICT OF SULLIVAN CO. TN, OFFICE OF THE CITY ENGINEER, KINGSFORT, TENNESSEE DATE: JUNE, 1997, SCALE: 1" = 200'.

Being the same easement conveyed to the city by Deed of Permanent Utility Easement dated December 30, 1997, and recorded in deed book 1281C, page 226 in the Register of Deeds Office of Sullivan County, Tennessee, at Blountville to which reference is hereby made.

SECTION II. That a Release of Easement with Eastman Chemical Company vacating a permanent utility easement is approved.

SECTION III. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Release of Easement with Eastman Chemical Company and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the release, said release being as follows:

RELEASE OF EASEMENT

The CITY OF KINGSFORT, TENNESSEE, a Tennessee municipal corporation, in consideration of \$1.00 and other good and valuable consideration the receipt of which is hereby acknowledged, does hereby release and quitclaim unto EASTMAN CHEMICAL COMPANY, a Delaware Corporation, and its successors and assigns, all the right, title, and interest vested in it by virtue of the grant to the City of Kingsport, by Eastman Chemical Company, contained in the Permanent Utility Easement agreement dated December 30, 1997, and recorded in the Register of Deeds Office of Sullivan County, Tennessee Deed Book 1281C, page 226.

IN WITNESS WHEREOF, the City of Kingsport, Tennessee has caused its corporate name and seal to be hereunto affixed this ____ day of _____, 2018.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

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

Property Information	Utility Easement Relocation – Eastman Chemical Company		
Address	Wilcox Drive		
Tax Map, Group, Parcel	Easement located on TM 76 Parcel 6.90		
Civil District	13 th Civil District		
Overlay District	Gateway		
Land Use Designation	Industrial		
Acres	+/- .38 acres		
Applicant #1 Information		Intent	
Name: Eastman Chemical Company Address: PO Box 511 City: Kingsport State: TN Zip Code: 37662 Phone Number:		Intent: <i>To vacate the existing permanent utility easement and locate a new easement along the new waterline.</i>	
Planning Department Recommendation			
(Approve, Deny, or Defer) <p>The Kingsport Planning Division recommends vacating the permanent utility easement located along Tax Map 77 Parcel 6.90 and relocate it to the location of the new waterline.</p> <ul style="list-style-type: none"> Request reviewed by all city departments Waterline has been relocated. Easement no longer needed or used. <p>Staff Field Notes and General Comments:</p> <p>The permanent utility easement runs from Wilcox Drive along a driveway up to the golf course property and provides water to the restrooms located off the 16th tee. The waterline has been relocated per Eastman's request so this section of easement is no longer needed. A new easement has been prepared to cover the new waterline.</p>			
Planner:	Harmon	Date: 7/13/18	
Planning Commission Action		Meeting Date:	July 26, 2018
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

PROPERTY INFORMATION**Permanent Utility Easement Relcoation**

ADDRESS	Wilcox Drive
DISTRICT, LAND LOT	Sullivan County 13th Civil District, TM 76 Parcel 6.90
OVERLAY DISTRICT	Gateway
CURRENT ZONING	BC
PROPOSED ZONING	No Change
ACRES +/- 0.38	
EXISTING USE	Utilities
PROPOSED USE	Utilities

PETITIONER 1: Eastman Chemical Company
P.O Box 511 Kingsport, TN 37662

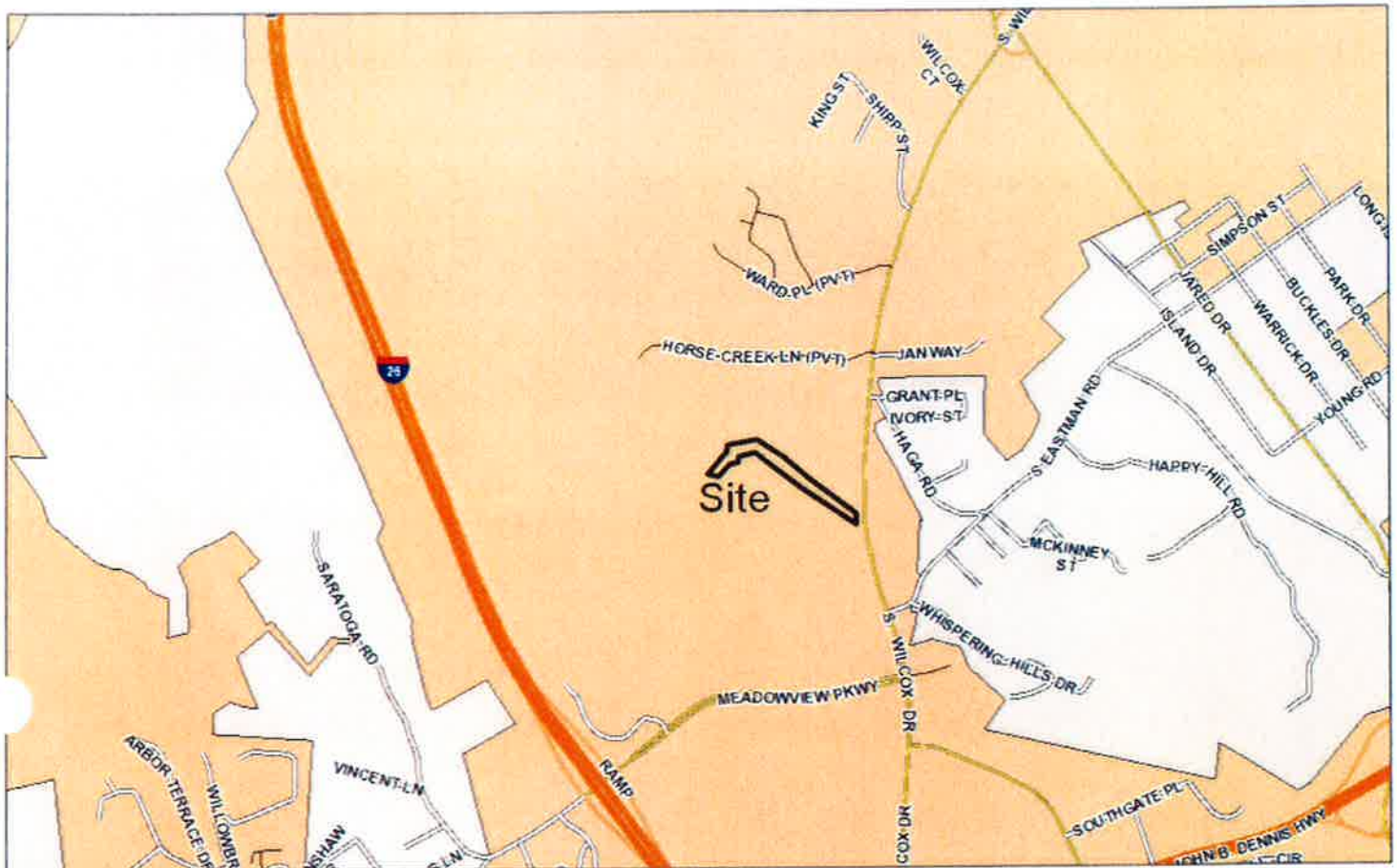
INTENT

Eastman Chemical Company has requested that the City of Kingsport vacate the permanent utility easement that was deeded to them back in 1997. Contained within this easement was the waterline that served the bathrooms located off the 16th tee. Eastman has had the waterlines relocated from the area of the permanent utility easement to another area which better serves their needs.

City Departments, as well as local utility providers, have taken a look at the request to vacate the utility easement. Since the waterline is no longer needed and a new line has been provided, city staff no longer sees any future use for this easement.

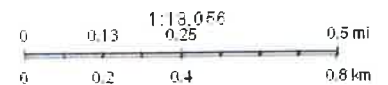
A new easement is being proposed to cover the extent of the new waterline.

Location



7/2/2018, 11:21:27 AM

- Water Lines
- Urban Growth Boundary



Prepared by Kingsport Planning Department for the Kingsport Regional Planning Commission Meeting on July 26, 2018

Zoning



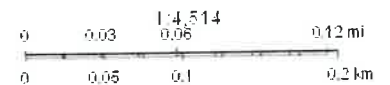
7/2/2018, 11:17:03 AM

Sullivan Co Parcel Data

City Zoning

<Null>

T4/C	B-2E	AP	B-3	B-4P	GC	M-2	P-D
R-5	A-1	B-1	B-3	B-4P	M-1	MX	PBC-3
GC	A-2	B-2	B-4	BC	M-1P	P-1	PBC*



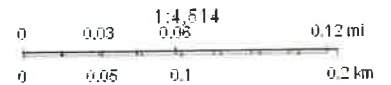
Map is a screenshot of the GIS.

Aerial Old & New



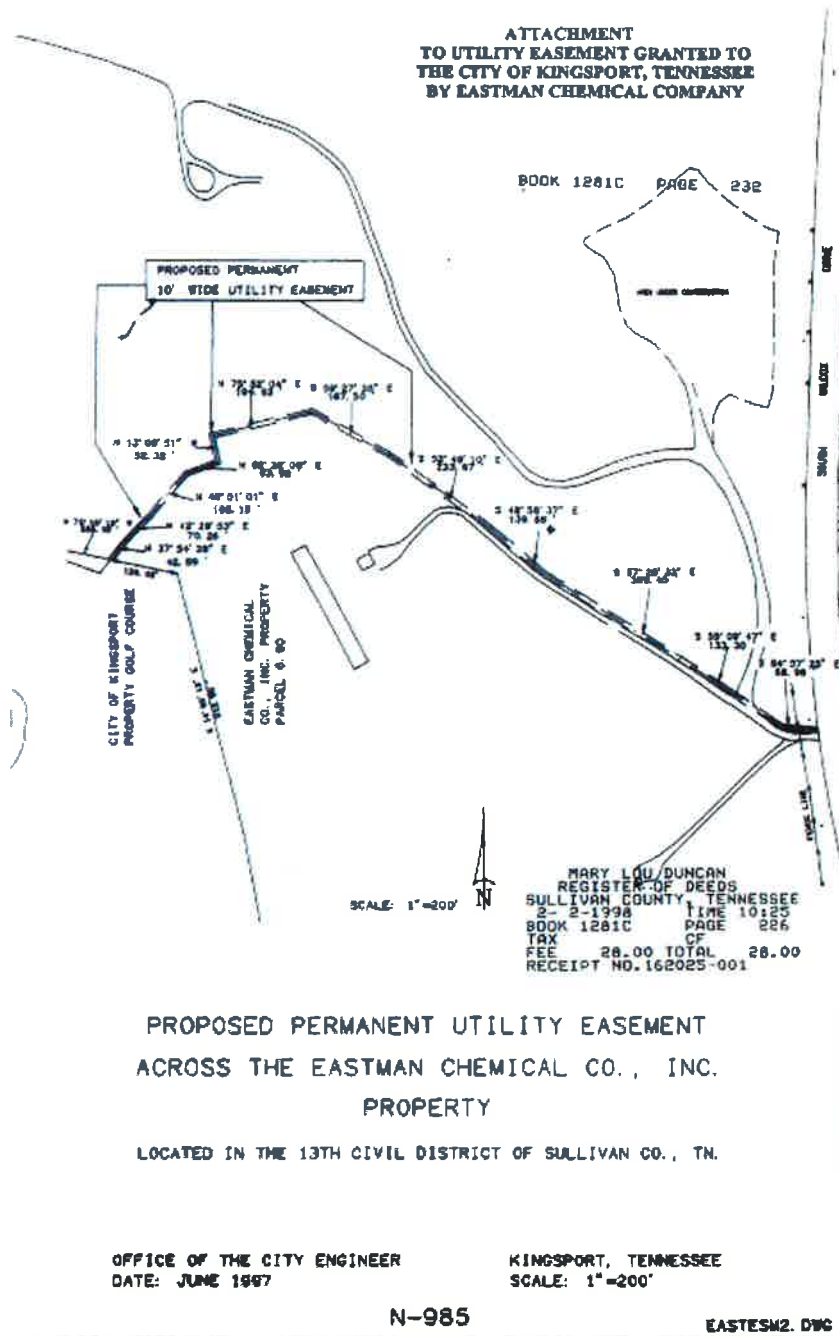
7/2/2018, 11:15:44 AM

- Sullivan Co Parcel Data
- Sewer Manholes
- Urban Growth Boundary
- Sewer Mains
- Water Lines

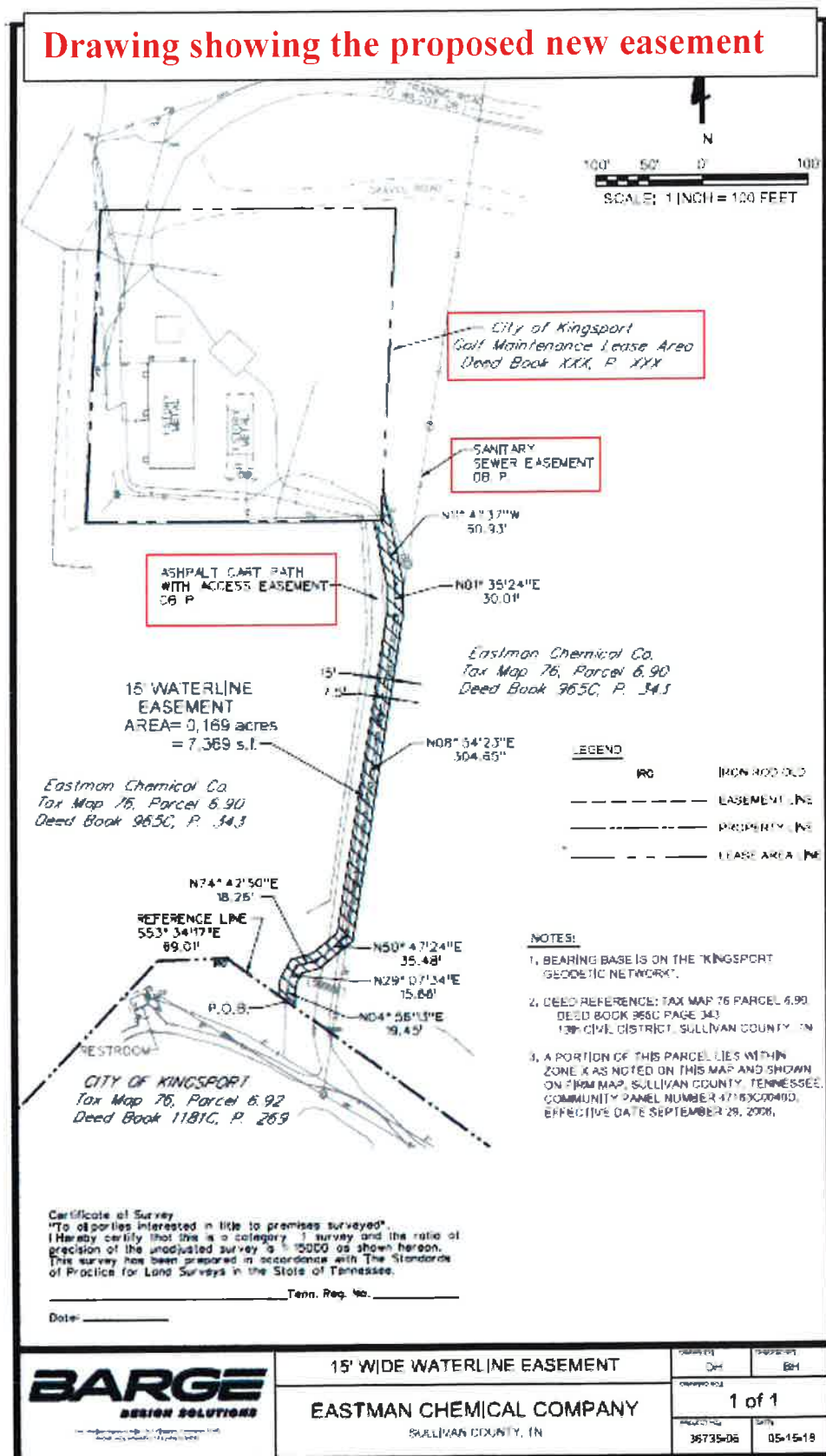


Map's Auto-Save Date: 7/2/2018

Drawing showing the recorded easement to be vacated



Sullivan County, Tenn. Register of Deeds: Received for record on the 2 day of
February 1998 at 10:25 M. Noted in Note Book 29 Page 139
Mary Lou Duncan
Register



Prepared by Kingsport Planning Department for the
Kingsport Regional Planning Commission Meeting on July 26, 2018

RECOMMENDATION:

Staff recommends sending a favorable recommendation to the Board of Mayor and Alderman for the vacating of the permanent utility easement located on Tax Map 76 Parcel 6.90 and the new easement to be located on along the new waterline.

THIS INSTRUMENT PREPARED BY:
Wilson Worley PC
2021 Meadowview Lane 2nd Floor, P.O. Box 88
Kingsport, Tennessee 37662

RELEASE OF EASEMENT

The CITY OF KINGSPORT, TENNESSEE, a Tennessee municipal corporation, in consideration of \$1.00 and other good and valuable consideration the receipt of which is hereby acknowledged, does hereby release and quitclaim unto EASTMAN CHEMICAL COMPANY, a Delaware Corporation, and its successors and assigns, all the right, title, and interest vested in it by virtue of the grant to the City of Kingsport, by Eastman Chemical Company, contained in the Permanent Utility Easement agreement dated December 30, 1997, and recorded in the Register of Deeds Office of Sullivan County, Tennessee Deed Book 1281C, page 226.

IN WITNESS WHEREOF, the City of Kingsport, Tennessee has caused its corporate name and seal to be hereunto affixed this ____ day of _____, 2018.

APPROVED AS TO FORM:

CITY OF KINGSPORT, TENNESSEE

J. MICHAEL BILLINGSLEY
CITY ATTORNEY

By: _____
Print Name: **John Clark**
Title: **Mayor**

STATE OF TENNESSEE)
) SS
COUNTY OF SULLIVAN)

Personally appeared before me, _____, a Notary Public in and for the aforesaid state and county, John Clark, with whom I am personally acquainted and who, upon oath, acknowledged himself to be Mayor of the City of Kingsport, Tennessee, the within-named bargainor, a municipal corporation, and that as such, John Clark, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal this ____ day of _____, 2018.

Notary Public

My commission expires: _____



AGENDA ACTION FORM

Amend Zoning of 1210 and 1214 Conway Drive

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

Action Form No.: AF-187-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- ~~Hold public hearing~~
- Approve ordinance amending the zoning ordinance to rezone the parcel containing both 1210 and 1214 Conway Drive from R-1B, Residential District to PD, Planned Development District.

Executive Summary:

This is an owner-requested rezoning of approximately 8 acres located on a parcel that contains both 1210 and 1214 Conway Drive from R-1B to PD. The purpose of the rezoning is to accommodate construction of 38 single family homes on the property. A total of 7 people spoke against the rezoning request during the public hearing portion of rezoning. The primary concern of those speaking in opposition is that the existing neighborhood streets are not suited for added traffic. During their July 2018 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation in support of the rezoning to the Board of Mayor and Aldermen. The notice of public hearing was published on July 23, 2018.

Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



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Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

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 August 7, 2018 to consider the rezoning for parcel 1 along Hillcrest Drive from R-1B District to PD District. 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 rezoning is generally described as follows:

BEGINNING at a point, said point being the southern corner of parcel 11, Tax Map 62I; thence in a southeasterly direction, approximately 324 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, following the northern right-of-way of North John B. Dennis Highway, approximately 1,145 feet to a point, said point being the eastern corner of parcel 1 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northwesterly direction, approximately 310 feet to a point, said point being the northern corner of parcel 1 in common with the southern right-of-way of Hillcrest Drive; thence in a southwesterly direction, approximately 1,210 feet to the point of BEGINNING, and being all of parcel 1, Tax Maps 62G, 62J, and 62I as shown on the December 2016 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the City Manager, Kingsport Library, and Planning Manager 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
Angie Marshall, Deputy City Clerk
PIT: 7/23/18

ORDINANCE NO. _____

PRE-FILED
CITY RECORDER

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG CONWAY DRIVE FROM R-1B, RESIDENTIAL DISTRICT TO PD, PLANNED DEVELOPMENT DISTRICT IN THE 11TH 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 located along Conway Drive from R-1B, Residential District to PD, Planned Development District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the southern corner of parcel 11, Tax Map 62I; thence in a southeasterly direction, approximately 324 feet to a point, said point being the southern corner of parcel 1 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, following the northern right-of-way of North John B. Dennis Highway, approximately 1,145 feet to a point, said point being the eastern corner of parcel 1 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northwesterly direction, approximately 310 feet to a point, said point being the northern corner of parcel 1 in common with the southern right-of-way of Hillcrest Drive; thence in a southwesterly direction, approximately 1,210 feet to the point of BEGINNING, and being all of parcel 1, Tax Maps 62G, 62J, and 62I as shown on the December 2016 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.

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING _____

PASSED ON 2ND READING _____

Kingsport Regional Planning Commission
Rezoning Report

File Number 18-101-00008

Conway Drive Rezoning

Property Information			
Address		1210 and 1214 Conway Drive	
Tax Map, Group, Parcel		Map 62G, Parcel 26	
Civil District		11	
Overlay District		n/a	
Land Use Designation		Single Family Residential	
Acres		8 +/-	
Existing Use	vacant	Existing Zoning	R-1B
Proposed Use	Single Family Residential	Proposed Zoning	PD
Owner /Applicant Information			
Name: Vic Davis Address: 1300 Jan Way City: Kingsport State: TN Zip Code: 37660 Phone: (423) 817-7300		Intent: <i>To rezone from R-1B (Residential District) to PD (Planned Development District) for future single family land use.</i>	
Planning Department Recommendation			
<p>The Kingsport Planning Division recommends sending a POSITIVE recommendation to the Kingsport Board of Mayor and Aldermen for the following reason:</p> <p><i>The proposed PD zone conforms to the land use plan as an appropriate zone for single family use.</i></p> <p>Staff Field Notes and General Comments:</p> <p><i>The rezoning site slopes downhill toward N John B Dennis Hwy. The adjacent residential use along Ashley Street is already buffered to an extent due to mature trees located in the rear of the Ashley Street lots.</i></p> <p><i>As of July 17, four residents of the area have contacted the Planning Department in regard to the rezoning proposal. All of the residents were concerned that either low-income housing or apartments were being proposed. The only opposing comment received so far is from Mr. & Mrs. Hess, 3307 Hillcrest Drive (their property abuts the rezoning site on the east side). The Hess Family is opposed to the future street connection to Conway Drive since the area is already dangerous for traffic in their opinion.</i></p>			
Planner:	Ken Weems	Date:	July 9, 2018
Planning Commission Action		Meeting Date:	July 26, 2018
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

PROPERTY INFORMATION

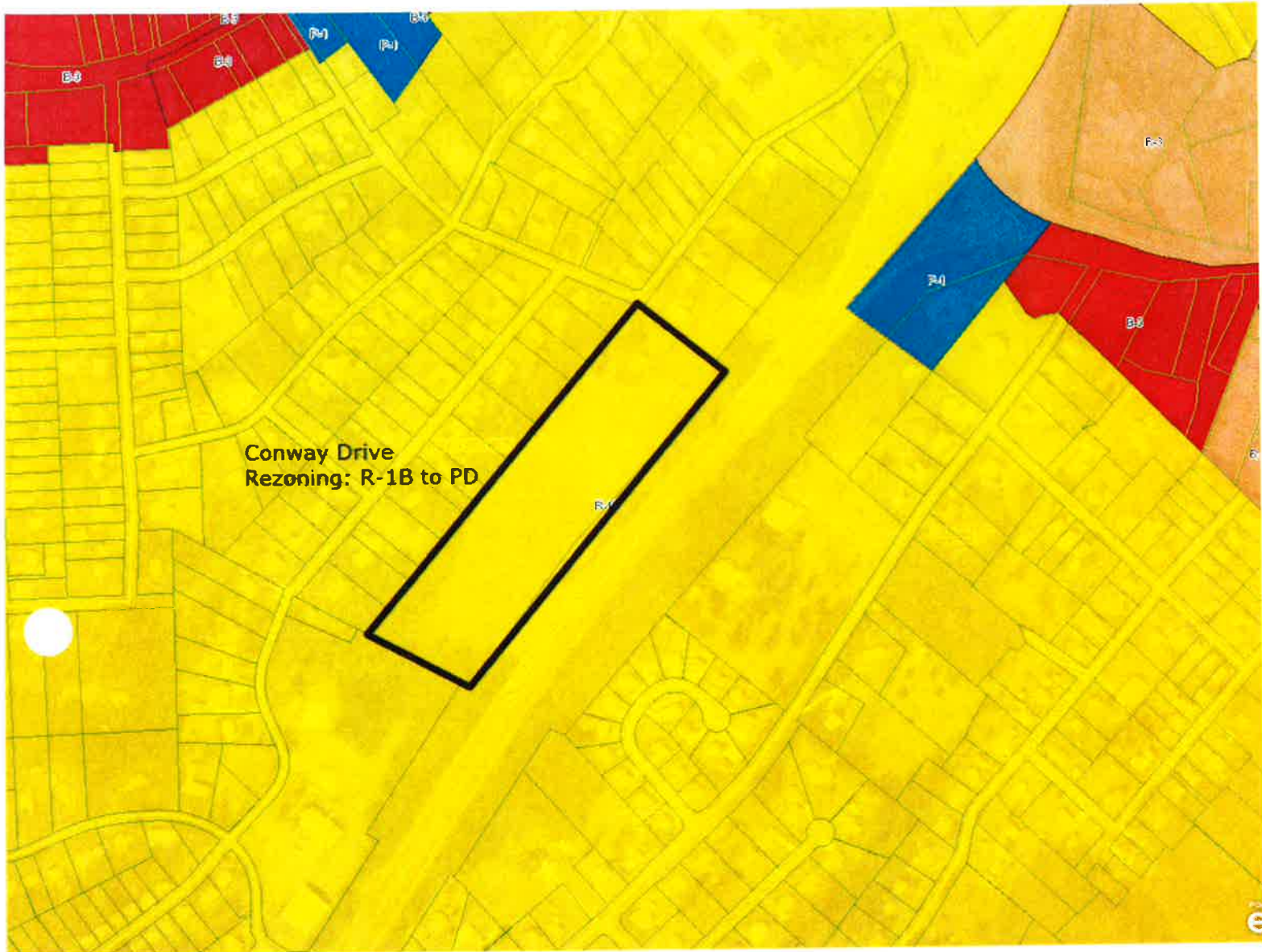
ADDRESS	1210 and 1214 Conway Drive.
DISTRICT	11
OVERLAY DISTRICT	n/a
EXISTING ZONING	R-1B (Residential District)
PROPOSED ZONING	PD (Planned Development)
ACRES	8.5 +/-
EXISTING USE	vacant land
PROPOSED USE	Single family residential

INTENT

To rezone from R-1B (Residential District) to PD (Planned Development District) for future single family land use.

File Number 18-101-00008

Surrounding Zoning Map



**Future Land Use Plan 2030
Designation: Single Family**



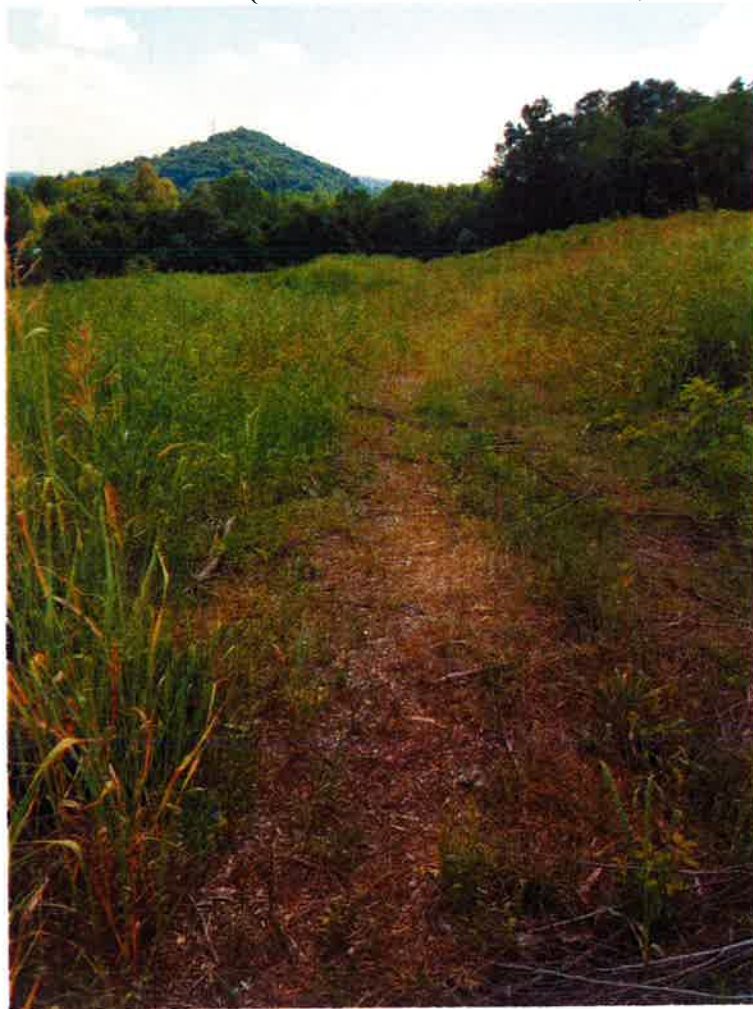
Aerial



North View (Toward Ashley Street)



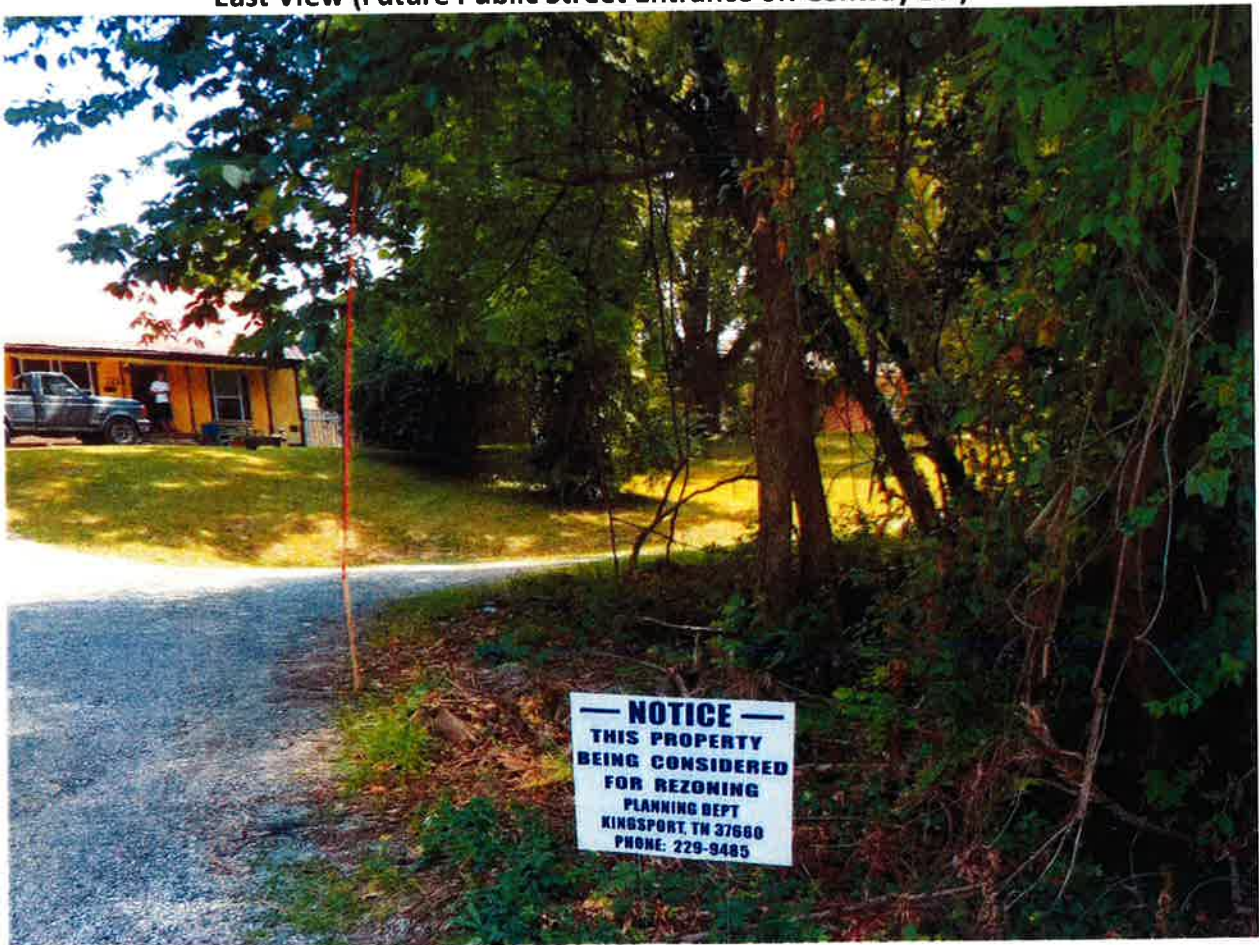
West View (Toward Meadow View Area)



South View (cars traveling along N John B Dennis Hwy)



East View (Future Public Street Entrance off Conway Dr.)



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Use	History Zoning Action Variance Action
North, East, Northwest	1	Zone: City R-1B Use: <u>existing single family</u>	n/a
Further North and Northwest	2	Zone: City R-1B Use: <u>existing single family</u>	n/a
East	3	Zone: City R-1B Use: <u>existing single family</u>	n/a
Further East	4	Zone: City R-1B Use: N John B Dennis right-of-way	n/a
Southeast and South	5	Zone: City R-1B Use: N John B Dennis right-of-way	n/a
Further South	6	Zone: City R-1B Use: bank	n/a
West	7	Zone: City R-1B Use: <u>existing single family</u>	n/a

Existing Uses Location Map



Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 9, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property?** The proposal will permit uses that are suitable for this area that has already been developed as single family. The PD zone requires planning commission approval of development plans which will control development and provide for public input for all phases of development.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property to be affected by the proposal has a reasonable economic use as currently zoned. The same reasonable economic use is acknowledged for the proposed PD zone as well.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal of will not cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools.
5. **Whether the proposal is in conformity with the policies and intent of the land use plan?** The land use plan addresses the rezoning site as appropriate for single family use

Proposed use: single family

The Future Land Use Plan Map recommends single family

6. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions of the property present an opportunity for relatively secluded single family development. The topography of the site will make it visible to traffic along N John B Dennis Hwy, yet difficult to see from the majority of surrounding homes.

7. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** There are no adverse uses proposed.
8. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning is will be an isolated district similar to how most PD zones are inside the city. The land use plan designation restricts the use of the property to single family use only.
9. **Whether the present district boundaries are illogically drawn in relation to existing conditions?** The present district boundaries are logically drawn in relation to the existing conditions. The PD zone will provide the same type of single family land use as realized on all surrounding private property.

CONCLUSION

Staff recommends sending a POSITIVE recommendation to rezone from R-1B to PD. The rationale for this recommendation is based upon conformance with the future land use plan as appropriate for single family development.



AGENDA ACTION FORM

Amend Zoning of 1700 North John B Dennis Highway

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

Action Form No.: AF-188-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

- Hold public hearing
- Approve ordinance amending the zoning ordinance to rezone the parcel containing 1700 North John B Dennis Highway from M-1, Light Manufacturing District to M-2, General Manufacturing District.

Executive Summary:

This is a city-owned property rezoning of approximately 1 acre located at 1700 North John B Dennis Highway from M-1 to M-2. The purpose of the rezoning is to accommodate a facility for repackaging of base materials used for specialized dog training (to include a stable form of explosives). No public comment has been received about this item. During their July 2018 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation in support of the rezoning to the Board of Mayor and Aldermen. The notice of public hearing was published on July 23, 2018.

Attachments:

1. Notice of Public Hearing
2. Zoning Ordinance
3. Staff Report

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Oiterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Amend Zoning of 1700 North John B Dennis Highway

To: Board of Mayor and Aldermen
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Recommendation:

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Executive Summary:

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Begley	—	—	—
Cooper	—	—	—
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McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

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 August 7, 2018 to consider the rezoning for parcel 26 along North John B Dennis Highway from M-1 District to M-2 District. 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 rezoning is generally described as follows:

BEGINNING at a point, said point being the eastern corner of parcel 26, Tax Map 61M; thence in a northwesterly direction, approximately 182 feet to a point, said point being the northern corner of parcel 26; thence in a southwesterly direction, approximately 381 feet to a point, said point being the southwestern corner of parcel 26 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, following the northern right-of-way of North John B. Dennis Highway, approximately 210 feet to a point, said point being a southern corner of parcel 26 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, approximately 195 feet to the point of BEGINNING, and being all of parcel 26, Tax Maps 61M and 76D as shown on the December 2016 Sullivan County Tax Maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map and description is on file in the offices of the City Manager, Kingsport Library, and Planning Manager 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
Angie Marshall, Deputy City Clerk
PIT: 7/23/18

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG NORTH JOHN B DENNIS HIGHWAY FROM M-1, LIGHT MANUFACTURING DISTRICT TO M-2, GENERAL MANUFACTURING DISTRICT IN THE 11TH 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 located along North John B Dennis Highway from M-1, Light Manufacturing District to M-2, General Manufacturing District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the eastern corner of parcel 26, Tax Map 61M; thence in a northwesterly direction, approximately 182 feet to a point, said point being the northern corner of parcel 26; thence in a southwesterly direction, approximately 381 feet to a point, said point being the southwestern corner of parcel 26 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, following the northern right-of-way of North John B. Dennis Highway, approximately 210 feet to a point, said point being a southern corner of parcel 26 in common with the northern right-of-way of North John B. Dennis Highway; thence in a northeasterly direction, approximately 195 feet to the point of BEGINNING, and being all of parcel 26, Tax Maps 61M and 76D as shown on the December 2016 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.

JOHN CLARK, Mayor

ATTEST:

JAMES H. DEMMING, City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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

Kingsport Regional Planning Commission
Rezoning Report

File Number 18-101-00009

1700 N John B Dennis Rezoning

Property Information			
Address		1700 N John B Dennis Highway	
Tax Map, Group, Parcel		Map 61M, A, 26	
Civil District		11	
Overlay District		n/a	
Land Use Designation		Utilities	
Acres		1 +/-	
Existing Use	Former Tennessee Electric Company site	Existing Zoning	M-1
Proposed Use	Facility for repackaging of base materials used for specialized dog training (to include a stable form of explosive material)	Proposed Zoning	M-2
Owner /Applicant Information			
Name: City of Kingsport Address: 225 W Center St. City: Kingsport State: TN Zip Code: 37660 Phone: (423) 229-9368		Intent: <i>To rezone from M-1 (Light Manufacturing District) to M-2 (General Manufacturing District) to accommodate a facility for repackaging of base materials used for specialized dog training (to include a stable form of explosives)</i>	
Planning Department Recommendation			
<p>The Kingsport Planning Division recommends sending a POSITIVE recommendation to the Kingsport Board of Mayor and Aldermen for the following reason:</p> <p><i>The proposed M-2 zone for the area will provide a secluded area for the proposed use. The site itself is challenging to access at any point other than the driveway entrance, which also boosts security of the site.</i></p> <p>Staff Field Notes and General Comments:</p> <p><i>The rezoning site was declared surplus by the City in June of 2017. The property has yet to be sold.</i></p> <p><i>The rezoning site contains an approximate 5,000 +/- sq ft building and gated yard in the rear of the property.</i></p> <p><i>To date, no calls or comments have been received about the rezoning proposal.</i></p> <p><i>The City's raw water tunnel is located under this property and contained within an easement.</i></p>			
Planner:	Ken Weems	Date:	July 9, 2018
Planning Commission Action		Meeting Date:	July 26, 2018
Approval:			
Denial:		Reason for Denial:	
Deferred:		Reason for Deferral:	

PROPERTY INFORMATION

ADDRESS	1700 N John B Dennis Highway
DISTRICT	11
OVERLAY DISTRICT	n/a
EXISTING ZONING	M-1 (Light Manufacturing District)
PROPOSED ZONING	M-2 (General Manufacturing District)
ACRES	1 +/-
EXISTING USE	vacant building and gated rear yard
PROPOSED USE	Facility for repackaging of base materials used for specialized dog training (to include stable explosives)

INTENT

To rezone from M-1 (Light Manufacturing District) to M-2 (General Manufacturing District) to accommodate a facility for repackaging of base materials used for specialized dog training (to include a stable form of explosives)

Vicinity Map



Surrounding Zoning Map



**Future Land Use Plan 2030
Designation: Utilities**



Aerial



North View (Downtown Kingsport in Background)



East View (With Rear of Building in View)



South View (Toward N John B Dennis Hwy)



Building View from Front



Existing Zoning/ Land Use Table

Location	Parcel / Zoning Petition	Zoning / Use	History Zoning Action Variance Action
North, East, Northwest	1	<u>Zone: City M-1</u> <u>Use: power station</u>	n/a
Further North and Northwest	2	<u>Zone: City M-1</u> <u>Use: power station</u>	n/a
East	3	<u>Zone: City B-3</u> <u>Use: building material storage</u>	n/a
Further East	4	<u>Zone: City R-3</u> <u>Use: apartments</u>	n/a
Southeast and South	5	<u>Zone: City R-3</u> <u>Use: vacant</u>	n/a
Further South	6	<u>Zone: City R-3</u> <u>Use: raw water intake</u>	n/a
West	7	<u>Zone: City M-1</u> <u>Use: vacant, difficult terrain</u>	n/a

Existing Uses Location Map



Standards of Review

Planning Staff shall, with respect to each zoning application, investigate and make a recommendation with respect to factors 1 through 9, below, as well as any other factors it may find relevant.

1. **Whether or not the proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property?** The proposal will permit uses that are suitable for this area which has contained industrial and utility uses for many decades.
2. **Whether or not the proposal will adversely affect the existing use or usability of adjacent or nearby property?** The adjacent and nearby property will not be adversely affected by the proposal. This is primarily due to the topography of the site. The existing building and lot sits on a bench of a slope between the neighboring private property to east and all other surrounding property which is owned by the City of Kingsport.
3. **Whether the property to be affected by the proposal has a reasonable economic use as currently zoned?** The property to be affected by the proposal has a reasonable economic use as currently zoned. The same reasonable economic use is acknowledged for the proposed M-2 zone as well.
4. **Whether the proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools?** The proposal of will not cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools. The advantage of the site is its controlled access and industrial/utility natured surrounding uses.
5. **Whether the proposal is in conformity with the policies and intent of the land use plan?** The land use plan addresses the rezoning site as appropriate for utility use

Proposed use: general manufacturing

The Future Land Use Plan Map recommends utility use.

6. **Whether there are other existing or changed conditions affecting the use and development of the property which gives supporting grounds for either approval or disapproval of the proposal?** The existing conditions of the property present supporting grounds for the zoning change due to the topography of the site and surrounding industrial/utility uses.

7. **Whether the zoning proposal will permit a use which can be considered environmentally adverse to the natural resources, environment and citizens of the City of Kingsport?** The element of handling explosives can be considered adverse in nature, but only when improperly handled out of accordance with material safety data guidelines.
8. **Whether the change will create an isolated district unrelated to similar districts:** The proposed rezoning is similar in nature to the existing surrounding light manufacturing zones. The largest existing M-2 zone in the city, which contains Eastman, is approximately 300 feet from the rezoning area.
9. **Whether the present district boundaries are illogically drawn in relation to existing conditions?** The present district boundaries are logically drawn in relation to the existing conditions. The M-2 is considered appropriate for this site due to the unique topography of the rezoning area and adjacent manufacturing/utility land uses.

CONCLUSION

Staff recommends sending a POSITIVE recommendation to rezone from M-1 to M-2. The rationale for this recommendation is based upon conformance with adjacent existing land uses and the topography of the site which allows for a controlled environment to better contain M-2 uses.



AGENDA ACTION FORM

Ordinance to Appropriate Partnership Support Grant from Tennessee Arts Commission

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

Action Form No.: AF-175-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
Staff Work By: B. Macdonald
Presentation By: C. McCart

Recommendation:

Approve the Ordinance.

Executive Summary:

The Tennessee Arts Commission has awarded the City of Kingsport for the Office of Cultural Arts a partnership grant of \$6,000 for FY19 which will be used for public art initiatives and community engagement through Sculpture Walk Workshops and Exhibition.

Grant dollars should be appropriated to FY19 general operating support 110-4505-471.20-20 for artistic contract employment. Local match is included in our FY19 budget.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: JP

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Ottermann	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Ordinance to Appropriate Partnership Support Grant from Tennessee Arts Commission

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

Action Form No.: AF-175-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: B. Macdonald
 Presentation By: C. McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The Tennessee Arts Commission has awarded the City of Kingsport for the Office of Cultural Arts a partnership grant of \$6,000 for FY19 which will be used for public art initiatives and community engagement through Sculpture Walk Workshops and Exhibition.

Grant dollars should be appropriated to FY19 general operating support 110-4505-471.20-20 for artistic contract employment. Local match is included in our FY19 budget.

Attachments:

1. Ordinance

Funding source appropriate and funds are available:

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Ottermann	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE ARTS COMMISSION FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund Cultural Arts operating budget be amended by appropriating grant funds received from the Tennessee Arts Commission in the amount of \$6,000 for public art initiatives and community engagement through Sculpture Walk Workshops and Exhibitions. The grant requires a 1:1 match and is provided for in the operating budget.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 110: General Fund			
<u>Revenues:</u>	\$	\$	\$
110-0000-332-3200 TN. Arts Commission	0	6,000	6,000
Totals:	0	6,000	6,000
<u>Expenditures:</u>	\$	\$	\$
110-4505-471-2020 Professional Consultant	23,000	6,000	29,000
Totals:	23,000	6,000	29,000

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

JOHN CLARK, Mayor

ATTEST:

ANGIE MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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



AGENDA ACTION FORM

Receive a Grant from the State of Tennessee for the Kingsport Senior Center and Appropriate the Funds

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

Action Form No.: AF-122-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: S. Buchanan
 Presentation By: S. Buchanan

Recommendation:

Approve the ~~Resolution~~ and Ordinance.

Executive Summary:

Funds were appropriated in the State budget beginning in July, 2018. \$50,000 is being awarded to each of the eight accredited Senior Centers across the State of Tennessee. This grant award is a result of the initial request to the State. The funds will be used for replacement of exercise equipment, staff training, and cafeteria furniture replacement.

Attachments:

1. Resolution
2. Ordinance

Funding source appropriate and funds are available:

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Receive a Grant from the State of Tennessee for the Kingsport Senior Center and Appropriate the Funds

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

Action Form No.: AF-122-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: S. Buchanan
 Presentation By: S. Buchanan

Recommendation:

Approve the Resolution and Ordinance.

Executive Summary:

Funds were appropriated in the State budget beginning in July, 2018. \$50,000 is being awarded to each of the eight accredited Senior Centers across the State of Tennessee. This grant award is a result of the initial request to the State. The funds will be used for replacement of exercise equipment, staff training, and cafeteria furniture replacement.

Attachments:

1. Resolution
2. Ordinance

Funding source appropriate and funds are available:

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GRANT FROM THE STATE OF TENNESSEE COMMISSION ON AGING AND DISABILITY FOR THE SENIOR CENTER

WHEREAS, the State of Tennessee, through its Commission on Aging and Disability has offered grant funds for accredited senior centers; and

WHEREAS, the grant funds will be used at the Kingsport Senior Center and will be for the replacement of exercise equipment, staff training, and cafeteria furniture replacement; and

WHEREAS, the maximum amount of the grant award is \$50,000.00, and the grant requires no match.

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for and receive grant funds from the State of Tennessee Commission on Aging and Disability in the amount of \$50,000.00 for the Kingsport Senior Center, which will require no match.

SECTION II. That the mayor is authorized and directed to execute any and all documents including those necessary and proper to demonstrate the city's compliance with the grant requirements or its provisions necessary to effectuate the purpose of the grant or this resolution.

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

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

ADOPTED this the 7th day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM FIFTYFORWARD FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Projects-Special Revenue Fund budget be amended by appropriating grant funds received from FiftyForward in the amount of \$50,000 for operations and programs to the FiftyForward project (NC1901).

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 111: General Projects-Special Rev Fund</u>			
<u>FiftyForward Grant (NC1901)</u>			
<u>Revenues:</u>	\$	\$	\$
111-0000-332-4810 FiftyForward	0	50,000	50,000
<i>Totals:</i>	0	50,000	50,000
<u>Expenditures:</u>	\$	\$	\$
111-0000-601-2020 Professional Consultant	0	20,000	20,000
111-0000-601-2040 Travel	0	5,500	5,500
111-0000-601-2041 Registration	0	1,500	1,500
111-0000-601-3012 Food	0	4,000	4,000
111-0000-601-3020 Operating Supplies & Tools	0	19,000	19,000
<i>Totals:</i>	0	50,000	50,000

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

JOHN CLARK, Mayor

ATTEST:

ANGIE MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

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



AGENDA ACTION FORM

Appropriate Funds from the USDOJ / Bureau of Justice Assistance Grant FY 2017 Local Solicitation

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

Action Form No.: AF-177-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
Staff Work By: Captain Gore
Presentation By: Chief Quillin

Recommendation:

Approve the Budget Ordinance.

Executive Summary:

On August 15, 2017, via Action Form 220, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a US DOJ Bureau of Justice Assistance Grant. We have been notified that we were approved for \$21,030.00 which will be utilized to purchase equipment and/or technology improvements.

There are no matching fund requirements.

Attachments:

1. Budget Ordinance

Funding source appropriate and funds are available: js

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Appropriate Funds from the USDOJ / Bureau of Justice Assistance Grant FY 2017 Local Solicitation

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

Action Form No.: AF-177-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Captain Gore
 Presentation By: Chief Quillin

Recommendation:

Approve the Budget Ordinance.

Executive Summary:

On August 15, 2017, via Action Form 220, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a US DOJ Bureau of Justice Assistance Grant. We have been notified that we were approved for \$21,030.00 which will be utilized to purchase equipment and/or technology improvements.

There are no matching fund requirements.

Attachments:

1. Budget Ordinance

Funding source appropriate and funds are available: *JA*

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

PRE-FILED
CITY RECORDER

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANT GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE STATE OF TENNESSEE OFFICE OF CRIMINAL JUSTICE PROGRAMS FOR THE YEAR ENDING JUNE 30, 2019; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Justice Assistant Grant Fund budget be amended by appropriating grant funds received from the Department of Justice Edward Byrne Memorial Justice Assistance Program (JAG) in the amount of \$21,030 to the Justice Assistant Grant project (JG1900) to purchase equipment and /or technology improvements. No matching funds are required.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 134: Justice Assist Grant Fund			
Local Law Enforcement Equip (JG1900)			
Revenues:	\$	\$	\$
134-0000-331-4537 Bureau of Justice/JAG	0	21,030	21,030
Totals:	0	21,030	21,030
Expenditures:			
134-3030-443-9006 Purchases Over \$5,000	0	21,030	21,030
Totals:	0	21,030	21,030

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

JOHN CLARK, Mayor

ATTEST:

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

Budget Adjustment Ordinance for FY18

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

Action Form No.: AF-179-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
Staff Work By: Judy Smith
Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The City of Kingsport received a letter July 3, 2017 notifying the City that the Tennessee General Assembly passed legislation revising the Public Library Laws of the state. In order to comply with the changes the General Assembly made, the Library budget was separated from the General Fund and set up in a separate Fund for FY19.

As part of the legislative change, revenue received for the Library such as Library Contributions, Library Fees, books sales, copier revenue and Overdue book fines have to be held separately for the library. Previously, these revenues have been included in the General Fund.

This ordinance will transfer \$47,908 from the General Fund operating budget to the Library Governing Board operating budget to capture the revenue that was received for fines and fees in FY18.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: js

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Budget Adjustment Ordinance for FY18

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

Action Form No.: AF-179-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Judy Smith
 Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The City of Kingsport received a letter July 3, 2017 notifying the City that the Tennessee General Assembly passed legislation revising the Public Library Laws of the state. In order to comply with the changes the General Assembly made, the Library budget was separated from the General Fund and set up in a separate Fund for FY19.

As part of the legislative change, revenue received for the Library such as Library Contributions, Library Fees, books sales, copier revenue and Overdue book fines have to be held separately for the library. Previously, these revenues have been included in the General Fund.

This ordinance will transfer \$47,908 from the General Fund operating budget to the Library Governing Board operating budget to capture the revenue that was received for fines and fees in FY18.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL FUND AND
THE LIBRARY GOVERNING BOARD FUND FOR THE
YEAR ENDING JUNE 30, 2018; AND TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund budget and the Library Governing Board budget be amended by transferring \$47,908 from the General Fund operating budget to the Library Governing Board operating budget.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 110: General Fund			
<u>Expenditures:</u>	\$	\$	\$
110-4540-474-3010 Office Supplies	38,969	(13,806)	25,163
110-4540-474-3014 Computer Supplies	24,820	(650)	24,170
110-4540-474-3020 Operating Supplies & Tools	2,677	(2,677)	0
110-4032-463-3020 Operating Supplies & Tools	29,289	(11,775)	17,514
110-4504-471-3020 Operating Supplies & Tools	54,020	(19,000)	35,020
110-4804-481-7087 Library Governing Board	0	47,908	47,908
Totals:	149,775	0	149,775
Fund 137: Library Governing Board			
<u>Revenues:</u>	\$	\$	\$
137-0000-391-0100 From General Fund	0	47,908	47,908
Totals:	0	47,908	47,908
<u>Expenditures:</u>	\$	\$	\$
137-4540-474-2005 Appropriations-L Materials	0	47,908	47,908
Totals:	0	47,908	47,908

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

JOHN CLARK, Mayor

ATTEST:

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

Amend City Code Section 98-62- Operators to Exercise Care, Maintain Lookout

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

Action Form No.: AF-186-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
Staff Work By: Captain Gore
Presentation By: Chief Quillin

Recommendation:

Approve the Ordinance.

Executive Summary:

The City of Kingsport's Code of Ordinances, specifically traffic related laws, frequently mirror those defined in the Tennessee Code Annotated (T.C.A). After a review and comparison of City Code Sec. 98-62- Operators to exercise care, maintain lookout with T.C.A. 55-8-136-Drivers to exercise due care it is recommended to amend Sec. 98-62 to mirror T.C.A. 55-8-136. This amendment would enhance clarity and efficiency in the enforcement of Sec. 98-62.

T.C.A. 55-8-136. Drivers to exercise due care (section b).

(b) Notwithstanding any speed limit or zone in effect at the time, or right-of-way rules that may be applicable, every driver of a vehicle shall exercise due care by operating the vehicle at a safe speed, by maintaining a safe lookout, by keeping the vehicle under proper control and by devoting full time and attention to operating the vehicle, under the existing circumstances as necessary in order to be able to see and to avoid endangering life, limb or property and to see and avoid colliding with any other vehicle or person, or any road sign, guard rail or any fixed object either legally using or legally parked or legally placed, upon any roadway, within or beside the roadway right-of-way including, but not limited to, any adjacent sidewalk, bicycle lane, shoulder or berm.

Current City Code Sec. 98-62- Operators to exercise care, maintain lookout.

It shall be unlawful to operate a motor vehicle in such manner as shall indicate a failure to keep a proper lookout or an absence of due care, having regard to actual and potential hazards, or when special hazards exist with respect to pedestrians or other traffic or because of weather or street conditions, and in any event, speed and operation shall be so controlled as shall be necessary to avoid colliding with any person, vehicle or other conveyance on or entering the street or highway in compliance with legal requirements and the duty of all persons to use due care.

Attachments:

1. Ordinance

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

Amend City Code Section 98-62- Operators to Exercise Care, Maintain Lookout

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

Action Form No.: AF-186-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
 Staff Work By: Captain Gore
 Presentation By: Chief Quillin

Recommendation:

Approve the Ordinance.

Executive Summary:

The City of Kingsport's Code of Ordinances, specifically traffic related laws, frequently mirror those defined in the Tennessee Code Annotated (T.C.A.). After a review and comparison of City Code Sec. 98-62- Operators to exercise care, maintain lookout with T.C.A. 55-8-136-Drivers to exercise due care it is recommended to amend Sec. 98-62 to mirror T.C.A. 55-8-136. This amendment would enhance clarity and efficiency in the enforcement of Sec. 98-62.

T.C.A. 55-8-136. Drivers to exercise due care (section b).

(b) Notwithstanding any speed limit or zone in effect at the time, or right-of-way rules that may be applicable, every driver of a vehicle shall exercise due care by operating the vehicle at a safe speed, by maintaining a safe lookout, by keeping the vehicle under proper control and by devoting full time and attention to operating the vehicle, under the existing circumstances as necessary in order to be able to see and to avoid endangering life, limb or property and to see and avoid colliding with any other vehicle or person, or any road sign, guard rail or any fixed object either legally using or legally parked or legally placed, upon any roadway, within or beside the roadway right-of-way including, but not limited to, any adjacent sidewalk, bicycle lane, shoulder or berm.

Current City Code Sec. 98-62- Operators to exercise care, maintain lookout.

It shall be unlawful to operate a motor vehicle in such manner as shall indicate a failure to keep a proper lookout or an absence of due care, having regard to actual and potential hazards, or when special hazards exist with respect to pedestrians or other traffic or because of weather or street conditions, and in any event, speed and operation shall be so controlled as shall be necessary to avoid colliding with any person, vehicle or other conveyance on or entering the street or highway in compliance with legal requirements and the duty of all persons to use due care.

Attachments:

1. Ordinance

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES,
CITY OF KINGSPORT, TENNESSEE, SECTION 98-62 RELATING
TO USE OF OPERATORS TO EXERCISE CARE, MAINTAIN
LOOKOUT; AND TO FIX THE EFFECTIVE DATE OF THIS
ORDINANCE

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

SECTION I. That Section 98-62 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 98-62. Drivers to exercise due care.

Notwithstanding any speed limit or zone in effect at the time, or right-of-way rules that may be applicable, **every driver of a vehicle shall exercise due care by operating the vehicle at a safe speed, by maintaining a safe lookout, by keeping the vehicle under proper control and by devoting full time and attention to operating the vehicle, under the existing circumstances as necessary in order to be able to see and to avoid endangering life, limb or property** and to see and avoid colliding with any other vehicle or person, or any road sign, guard rail or any fixed object either legally using or legally parked or legally placed, upon any roadway, within or beside the roadway right-of-way including, but not limited to, any adjacent sidewalk, bicycle lane, shoulder or berm.

SECTION II. 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.

JOHN CLARK, Mayor

ATTEST:

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

Amending the Code of Ordinance by Adding Sections Regulating the Operation of Pedal Carriages and Amending Sections 6-1 through 6-3 Pertaining to Open Containers and Public Display or Consumption

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

Action Form No.: AF-189-2018
 Work Session: August 6, 2018
 First Reading: August 7, 2018

Final Adoption: August 21, 2018
Staff Work By: Weems and Billingsley
Presentation By: Ken Weems

Recommendation:

Approve the Ordinance.

Executive Summary:

This ordinance creates regulations for pedal carriage operation on certain streets at certain times in the downtown area. Staff worked with city resident Mr. Rod Monroe to develop these regulations since late 2017. The pedal carriage route map shows precisely the streets and times at which the pedal carriage is allowed to operate. As written, the ordinance allows beer to be consumed while the pedal carriage is being operated. When beer is present on the pedal carriage, all riders must be a minimum of 16 years old. The planning and legal department staff worked with the public works department and police department to develop these regulations.

Attachments:

1. Ordinance
2. Tracked Changes to Existing Code Sections
3. Pedal Carriage Route Map

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—



AGENDA ACTION FORM

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Attachments:

1. Ordinance
2. Tracked Changes to Existing Code Sections
3. Pedal Carriage Route Map

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Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, BY ADDING NEW SECTIONS 26-155 THROUGH 26-174 REGARDING PEDAL CARRIAGES; AMENDING SECTION 6-1 RELATING TO THE DEFINITION OF THE TERMS ALCOHOLIC BEVERAGE OR BEVERAGE, BEER, CONTAINER, OPEN, PUBLIC PLACE, AND UNSEALED; SECTION 6-2 RELATING TO POSSESSION OF OPEN CONTAINERS IN MOTOR VEHICLES OR ON PUBLIC PROPERTY; SECTION 6-3 RELATING TO PUBLIC DISPLAY OR CONSUMPTION OF BEER, WINE OR OTHER ALCOHOLIC BEVERAGES; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; TO PROVIDE FOR SEVERABILITY 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 Section 26 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to add the following:

Sec. 26-155. Definitions.

The following words, terms and phrases, when used in this article, will have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Beer means beverages as defined at T.C.A. § 57-5-101(b), and amendments thereto.

Commercial pedal carriage means a pedal carriage for hire or operated as part of a for profit or not-for-profit business or enterprise.

Commercial pedal carriage business means the business of operating one (1) or more commercial pedal carriages for profit or not-for profit.

Container means any bottle, can, vessel, device, or other receptacle used for holding or containing any amount of liquid.

Driver means any person who drives, steers, or operates a pedal carriage on the streets of the city for a commercial pedal carriage business.

For hire means transporting a person or persons for a fare.

Open means any opening or breach through which the contents of any can, bottle, or container may pass in order to be consumed by any person.

Owner means a person who holds the legal title to the pedal carriage or who is the lessee of the pedal carriage from the owner.

Pedal carriage (also known as "quadricycle") means a bicycle with four (4) or more wheels that is human powered and operated by one (1) or more persons for the purpose of, or capable of, transporting additional passengers in seats or on a platform made a part of or otherwise attached to the pedal carriage. Pedal carriage does not include a bicycle with

trainer or beginner wheels affixed thereto, nor does it include a wheelchair or other vehicle with the purpose of operation by or for the transportation of the disabled person. A pedal carriage may include a motor to assist the pedal carriage during emergencies or when necessary to propel uphill, and any pedal carriage so equipped will comply with the motor vehicle registration laws of the State of Tennessee.

Sealed means a container that is not open.

Sec. 26-156. Purpose.

It is the purpose of this article to regulate commercial pedal carriage businesses to ensure that such businesses are not operated to the detriment of the safety of the public, and to minimize the effect of commercial pedal carriages on traffic and congestion by limiting the time and place of operation.

Sec. 26 157. Permit required.

Any person engaged in the commercial pedal carriage business in the city must have a valid permit issued pursuant to this article, and the failure to engage in such business without a valid permit that is not suspended, revoked, or expired is an offense.

Sec. 26-158. Application for commercial pedal carriage business permit, application fee, renewal, expiration; appeal of denial.

(a) An application for a commercial pedal carriage business permit must be made on forms provided by the city manager or designee and application must contain the following:

- (1) The name and address of the applicant;
- (2) Designate whether the applicant is a natural person, partnership, corporation, limited liability company, unincorporated association, or other entity;
- (3) The names and addresses of any partners, if a partnership, of all officers and directors, if a corporation, the members, managing members, or directors and president of a limited liability company, or agent for an unincorporated association.
- (4) The names of all parties having a ten (10) percent or greater financial interest in the business;
- (5) The names and addresses of all persons authorized to operate a commercial pedal carriage on behalf of the business;
- (6) A list of all pedal carriages owned, leased, or controlled by such applicant that will be used in the city as a commercial pedal carriage, each of which will be uniquely identified;
- (7) The seating capacity set forth in the manufacturer's specifications for each pedal carriage;
- (8) Locations of passenger loading and unloading zones and staging areas;
- (9) Proof of liability insurance required by this article;
- (10) Proof that the driver of the commercial pedal carriage has met the requirements for a driver set out in this section and an affirmative statement that such driver is knowledgeable of and will comply with all state traffic laws; and
- (11) Such further information as the city manager or designee may require establishing the applicant's eligibility for a commercial pedal carriage business permit.

Additionally, every applicant will affirm in the application that it will only use drivers that meet and maintain the following requirements:

- (1) Possess a valid Tennessee driver license with applicable "for hire" endorsement;

- (2) Is at least twenty-one (21) years old;
- (3) Has not been convicted of, or pled guilty or *nolo contendere* to a felony, within the past five (5) years;
- (4) Has no more than three (3) moving violations within the past three (3) years;
- (5) Has not have been convicted of careless driving, reckless driving, or driving while impaired or intoxicated within the past three (3) years;
- (6) Has not have been convicted of a misdemeanor for offenses against persons as defined by T.C.A. § 39-13-101 within the past three (3) years;
- (7) Has not have been convicted of disorderly conduct or public intoxication within the past twelve (12) months;
- (8) Has not have been convicted of a misdemeanor offense for any drug or drug-related charge within the past three (3) years; and
- (9) Has not have been found guilty of violating any provision of this article within the past six (6) months.

(b) All applicants for a commercial pedal carriage business permit must acknowledge in the application that the provisions of this article have been reviewed, and that its drivers understand the responsibilities and restrictions contained in this article.

(c) Each application will be signed by the owner(s) or duly authorized officer of a business, which will be deemed to be a certification that the information on the application is accurate. Any material misrepresentation made on an application will be grounds for denial or revocation of the permit.

(d) The city manager or designee will review the application and investigate or cause to be investigated each applicant for a commercial pedal carriage business permit to determine the accuracy of the information in the application and whether the applicant is qualified. Based upon the application and the investigation the city manager or designee will make a determination whether to issue the permit for the business.

(e) A nonrefundable fee for the permit must be paid at the time of the submission of the application. To cover the expense involved in the reviewing and investigation of the application a fee for the initial application and each renewal application for each commercial pedal carriage business permit will be established by the board of mayor and aldermen in the fee resolution.

(f) Each permit will expire on December 1 of each year at midnight. Renewal of the permit may be made up to one month before its expiration date, upon submission of an application and payment of the fee established for such application by the board of mayor and aldermen in the fee resolution.

(g) The permit is not transferable. The city manager or designee may promulgate rules as to whether, and the extent to which, any commercial pedal carriage business permit remains valid after any change in the beneficial ownership of a pedal carriage business, including, without limitation, any such change resulting from a direct or indirect, voluntary or involuntary, sale or transfer of a beneficial ownership interest.

(h) If a commercial pedal carriage business permit is denied, suspended, or revoked the city manager or designee will provide notice and an opportunity to be heard as provided for in section 26-168.

(i) It will be unlawful for a pedal carriage business to operate or authorize the operation of, or for a driver to operate, a commercial pedal carriage that does not comply with the requirements of this section.

Sec. 26-159. Vehicle safety and equipment standards.

(a) No commercial pedal carriage business or driver will operate or allow the operation of a commercial pedal carriage on any street unless the commercial pedal carriage meets the following equipment and safety standards:

- (1) Seating for all passengers in accordance with the rated seating capacity of the pedal carriage set forth in the manufacturer's specifications for the pedal carriage.
- (2) Tires will be of a size appropriate for the commercial pedal carriage with no mismatched tires. There will be no cuts to the tire, localized worn spots that expose the ply, or visible tread wear indicators.
- (3) A fully operational horn, bell, or other audible signaling device.
- (4) Front and rear braking system must be capable of being manipulated by the permitted driver from the normal position of operation and is capable of causing a commercial pedal carriage with a loaded passenger compartment to come to a complete stop in a linear path of motion. The braking system controlling the rear wheels will be hydraulic or mechanical disc or drum brakes, which are unaffected by rain or wet conditions.
- (5) A secondary or emergency brake system.
- (6) Headlights, tail lights, mirrors, turn signals and other requirements. Each commercial pedal carriage will be equipped with the operational equipment set forth in the subsections below:

- a. Battery-operated headlights capable of projecting a beam of white light visible five hundred (500) feet from the front of the pedal carriage under ordinary atmospheric conditions and must be illuminated at all times when an operation.
- b. Battery-operated taillights, including a red light and brake light affixed to the rear of the pedal carriage capable of displaying a light visible five hundred (500) feet from the rear of the pedal carriage vehicle under ordinary atmospheric conditions and must be illuminated at all times during operation. Turn signals must be affixed to the front and rear of the pedal carriage.
- c. Reflectors on the front of the pedal carriage frame, and a red reflector mounted on each side of the rear of the pedal carriage, at least one (1) inch from the outer edge and centered.
- d. Reflectors on the spokes of the wheels of the pedal carriage.
- e. Reflective tape on the sides of the pedal carriage frame.

- (7) A mirror affixed to the pedal carriage to reflect to the pedal carriage driver a view of the street from a distance of at least two hundred (200) feet from the rear of the pedal carriage.
- (8) A sign attached to the interior of the pedal carriage within view of passengers indicating the name and telephone number of the pedal carriage business, the pedal carriage registration number contained on the permit for the pedal carriage, and a telephone number that can be used to direct consumer complaints about such pedal carriage to the police department.
- (9) Has equipment that complies with the requirements in state law, including T.C.A. section 55-9-401.

(b) The maximum width of a commercial pedal carriage will be sixty-five (65) inches and the maximum length will be seventeen (17) feet.

(c) It is unlawful for a pedal carriage business to operate or authorize the operation of, or for a driver to operate, a commercial pedal carriage that does not comply with the requirements of this section.

Sec. 26-160. Commercial pedal carriage business permit display on pedal carriage.

The commercial pedal carriage business permit must be displayed on the pedal carriage to be operated by the holder of the permit so as to be in clear view of the passengers at all times when the pedal carriage is in operation.

Sec. 26-161. Alteration of permit and driver's permit prohibited.

It is unlawful for any person willfully to alter, deface, obliterate, or destroy a commercial pedal carriage business permit or cause or allow the same to occur.

Sec. 26-162. Limitation on location and hours of operation.

(a) No person will operate a commercial pedal carriage except on permitted streets shown in the boundary of the Pedal Carriage Route Map maintained by the police department, and a commercial pedal carriage is prohibited from transporting passengers on any other streets, unless so directed by a police officer, or when a street on the Pedal Carriage Route Map is closed to vehicular traffic.

(b) No person will operate a commercial pedal carriage on Center or Clinchfield Streets, except to cross such streets at intersections controlled by a traffic light.

(c) No person will operate a commercial pedal carriage on a public street except between 5:30 p.m. to 10:00 p.m. Monday through Friday and 2:00 p.m. to 10:00 p.m. on Saturday and Sunday.

Sec. 26-163. Copy of Route Map displayed.

A copy of the Pedal Carriage Route Map must be displayed on each commercial pedal carriage, where the map will be in clear view of the passengers at all times when the commercial pedal carriage is in operation.

Sec. 26-164. Compliance with federal, state and local traffic laws.

Every commercial pedal carriage will be operated in compliance with all applicable federal, state, and local traffic laws, and in a manner so as to assure the safety of persons and property. Except as provided in this article, a commercial pedal carriage is subject to all provisions of state and local law governing the operation of a bicycle, which include, but are not limited to, provisions of the vehicle and traffic law.

Sec. 26-165. Operating restrictions and conditions.

(a) A commercial pedal carriage business or driver will not:

- (1) Operate a commercial pedal carriage to transport a greater number of passengers than the rated seating capacity set forth in the pedal carriage manufacturer's specifications;
- (2) Operate a commercial pedal carriage in motion while a passenger is standing in such commercial pedal carriage;
- (3) Operate a commercial pedal carriage in any bicycle lane;
- (4) Operate, block, stand, or park on a public sidewalk at any time, except as needed to move for an emergency vehicle;
- (5) Drive or operate a commercial pedal carriage on Center or Clinchfield Streets except to cross such streets at intersections controlled by a traffic light;

- (6) Block, stand or park within intersections, crosswalks, parking spaces designated for persons with disabilities, including but not limited to, loading and unloading passengers;
- (7) Permit a commercial pedal carriage to be steered simultaneously by anyone in addition to the driver;
- (8) Operate a commercial pedal carriage while consuming alcohol, within ten (10) hours of the consumption of alcohol, or while such pedal carriage driver's ability to operate such pedal carriage is impaired by the consumption of alcohol, the use of any drug, or by any other means or while such pedal carriage driver is in an intoxicated condition;
- (9) Operate a commercial pedal carriage without a currently valid Tennessee driver license with applicable "for hire" endorsement;
- (10) Solicit passengers verbally or by gesture, directly or indirectly, upon the streets or other areas of the city;
- (11) Use any public street or other public property as a waiting area unless such area is a legal motor vehicle parking area;
- (12) Drive or operate the commercial pedal carriage if it is boarded by any person who is not a paid passenger;
- (13) Wash or cause to be washed any commercial pedal carriage on any street or sidewalk in the city; or
- (14) Allow sound, music, loudspeaker, public address system, radio, sound amplifier, or similar device to be used or played, or yelling or conversation be conducted, in such a manner that the sound carries to points of habitation or adjacent properties and is audible above the level of conversational speech at a distance of fifty (50) feet or more from the point of origin of the sound, or use any bell, siren, horn, loudspeaker, or any similar device to be used to attract the attention of possible customers nor use any such device to attract attention.

(b) A commercial pedal carriage business and driver are responsible for ensuring the safe operation of the pedal carriage, including loading and unloading passengers.

(c) A driver will not willfully impede the normal flow of traffic on any street at any time. A commercial pedal carriage is required to pull immediately to the nearest curb area when one (1) or more vehicles are unable to safely pass or continue in normal traffic flow.

(d) All commercial pedal carriage businesses must provide one (1) off-street parking space for every four (4) passenger spaces, as determined by the maximum seating capacity of a commercial pedal carriage. Off street parking may be dedicated, shared, or provided by agreement with another commercial establishment. At the beginning and end of each tour, passengers may only board and disembark the pedal carriage in the location of the commercial pedal carriage business's off-street parking.

(e) The driver will not collect fares, make change, or take on or discharge passengers while the commercial pedal carriage is in motion.

(f) No owner, operator, servant, agent, driver, or other employees of the commercial pedal carriage business will provide or serve alcoholic beverages or beer to passengers.

(g) No alcoholic beverages except beer will be open or consumed by a commercial pedal carriage passenger nor may alcoholic beverages, except beer be transported on a commercial pedal carriage. Beer lawfully purchased for consumption may be open or consumed by a commercial pedal carriage passenger under the following conditions:

- (1) Beer transported to or brought on the commercial pedal carriage must be in a sealed container, but the container will in no event be glass.
- (2) Beer may be consumed from cans or plastic or foam cups.

(3) Beer may be consumed only when the pedal carriage passenger is seated on a pedal carriage, and open containers of beer are only allowed while the passenger is on aboard the pedal carriage. No open container of beer may be removed from the commercial pedal carriage.

(4) The commercial pedal carriage business and driver must not allow consumption of beer by passengers under the age of twenty-one (21). If beer is present on a commercial pedal carriage, all passengers must be at least twenty-one (21) years of age.

(5) If beer is allowed to be consumed on a commercial pedal carriage the following notice will be in full display on the commercial pedal carriage:

a. When beer is present on this pedal carriage, no persons under the age of twenty-one (21) will be allowed on the pedal carriage.

b. Each passenger is asked to drink responsibly.

c. No passenger is able to take any open container of beer with them when they exit the pedal carriage.

(6) A driver will not serve beer to anyone, will not operate a commercial pedal carriage while under the influence of alcoholic beverages, and will not consume alcoholic beverages while operating a commercial pedal carriage;

(7) At the conclusion of the trip, any open container of beer must remain with the driver to be disposed of in a container provided by the driver.

(8) No beer will be served or brought on the commercial pedal carriage by the driver or any owner, operator, servant, agent, driver, or other employee of the commercial pedal carrier business.

(9) Any violations of this section may be enforced as set out in sections 26-172 and 173.

(i) No glassware of any kind, including, but not limited, to bottles, receptacles or drinking glasses are allowed on a commercial pedal carriage.

(j) Drivers will require all passengers under age sixteen (16) to wear helmets and will offer helmets for all other passengers, regardless of age, at no cost.

(k) Drivers will remain with the commercial pedal carriage at all times while the pedal carriage is operating a tour, including during any planned or unplanned stops during the tour.

(l) If there are exigent circumstances and a police officer or other authorized officer or employee of the city directs a driver to move the commercial pedal carriage from any street, avenue or other location, such driver will comply with the direction and will not operate the commercial pedal carriage on such street or location for the duration of such exigent circumstances. For the purposes of this subsection, exigent circumstances will include, but not be limited to, unusually heavy pedestrian or vehicular traffic, existence of any obstructions in the public space, an accident, fire or other emergency, a parade, demonstration or other such event at or near such location.

(m) If there are exceptional circumstances, the police chief or designee is authorized to restrict or prohibit any driver from operating any commercial pedal carriage on any street or other location for a specified period of time. For the purposes of this subsection, exceptional circumstances will include, but not be limited to, unusually heavy pedestrian or vehicular traffic, existence of any obstructions in the public space, a parade, or other such event or occurrence at or near such location.

Sec. 26-166. Seating capacity to be displayed on pedal carriage.

The manufacturer's rated seating capacity as stated in the approved commercial pedal carriage business permit will be displayed on the pedal carriage, so that the seating capacity will be in clear view of the passengers at all times.

Sec. 26-167. Refusal to carry orderly passengers prohibited.

A commercial pedal carriage will be operated so that the boarding of new passengers is at no place other than a single fixed point at the beginning of a route.

Sec. 26-168. Hearing upon denial of permit of renewal, suspension and revocation.

The city manager or designee may deny, revoke, or suspend a commercial pedal carriage business permit for a violation of this article, after notice and an opportunity to be heard upon the occurrence of any one (1) or more of the following conditions:

- (1) The occurrence of fraud, misrepresentation, or false statements contained in the application for such permit;
- (2) The operation of a pedal carriage, owned by the pedal carriage business, by a pedal carriage driver who does not have in full force and effect a valid Tennessee driver license with a "for hire" endorsement;
- (3) Violation by a pedal carriage business of any of the provisions of this article, rules promulgated pursuant to this article, or any other law applicable to the operation of a pedal carriage;
- (4) The insurance required by section 26-171(b) has lapsed or is not enforce;
- (5) A violation by a driver of any provision of this article; or
- (6) A continued possession by a pedal carriage business of a permit or use of a driver would pose an exigent danger to the public.

Sec. 26-169. Appeal by holder of a pedal carriage business permit.

The decision of the city manager or designee to deny, revoke, or suspend a commercial pedal carriage business permit will be final, provided upon receipt of notice that a commercial pedal carriage business permit has been denied, suspended, or revoked, by the city manager or designee, the applicant or permit holder may appeal the decision by petition for common law writ of certiorari set out in T.C.A. § 27-8-101. Any denial, suspension, or revocation of a permit will be effective during such appeal unless otherwise stayed by a court of competent jurisdiction. No judicial review will be available until all administrative remedies have been exhausted.

Sec. 26-170. Operating after suspension or revocation.

It is unlawful for any person to operate a commercial pedal carriage during any period in which the commercial pedal carriage business's permit is expired, suspended, or revoked.

Sec. 26-171. Indemnity for benefit of city; insurance.

(a) Any commercial pedal carriage business operating under this article will hold the city harmless against any and all liability, loss, costs, damages, or expense which may accrue to the city by reason of the negligence, default, or misconduct of the business, its owner, operator, servants, agents, drivers, or other employees, in connection with the rights granted to such business under this article. Nothing in this article will be considered to make the city liable for damages because of any negligent act or omission or commission by any commercial pedal carriage business, its owner, operator, servants, agents, drivers, or other employees, during the operation of a commercial pedal carriage business or

service, either with respect to injuries to persons or damage to property that may be sustained.

(b) Any commercial pedal carriage business desiring a permit to do business will give and maintain a policy of comprehensive general liability insurance from an insurance company authorized to do business in the State of Tennessee for each commercial pedal carriage in use, with minimum general liability coverage of \$2,000,000.00 per commercial pedal carriage, known as combined single limit insurance coverage. Such insurance will inure to the benefit of any person who will be injured or will sustain damage to property caused by the negligence or misconduct of a commercial pedal carriage business, its servants or agents. Certified copies of such insurance policies will be filed with the city manager. Any insurance policy issued pursuant to this section will provide that the same may not be canceled or not renewed without at least thirty (30) days' written notice to be sent by registered or certified mail, return receipt requested, to the city manager, except that cancellation for non-payment of premium shall require no more than fourteen (14) days, properly mailed, written notice of cancellation. Additionally, the commercial pedal carriage business will notify the city manager of any modification, amendment, cancellation or substitution of any insurance policy required under this section within fourteen (14) days of the date of the notice to the pedal carriage business of such modification, amendment, cancellation or substitution.

(c) Any insurance policy issued pursuant to this section shall further provide that the insolvency or bankruptcy of the insured shall not relieve the company from the payment of damages for injuries or death sustained or loss occasioned within the provisions of the policy and that the prepayment of any judgment that may be recovered against the insured upon any claim covered by such policy shall not be a condition precedent to any right of action against the company upon the policy, but that the company shall be bound to the extent of its liability under the policy and shall pay and satisfy such judgment, and that action may be maintained upon such judgment by the injured person or his or her heirs, or personal representatives, as the case may be, to enforce the liability of the company as therein set forth.

(d) If the policy of insurance required by this section lapses for any reason, the commercial pedal carrier business permit issued will become void for such commercial pedal carriage business, subject to notice and a prompt hearing as provided in section 26-168.

Sec. 26-172. Enforcement.

All police officers of the police department will have the power to enforce any provision of this article or any rule or regulation promulgated pursuant to this article.

Sec. 26-173. Penalties.

Any violation of this article will subject the responsible person or entity to a penalty of \$50.00, and court costs, for each day of violation. Each day of violation may constitute a separate violation. Additionally, the failure to comply with this article may result in the denial, suspension, or revocation of a commercial pedal carriage business permit.

Sec. 26-174. Severability.

The provisions of this article will be deemed to be severable. If any provision of this article is determined to be unconstitutional or otherwise invalid, such determination will not affect the validity of other provisions of this article.

SECTION II. That Section 6-1 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 6-1. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Alcoholic beverage or beverage means and includes alcohol, spirits, liquor, wine high alcohol content beer, and every liquid containing alcohol, spirits, wine and high alcohol content beer and capable of being consumed by a human being, other than patent medicine, or beer. Notwithstanding any section to the contrary in this chapter, except for beer, the term *alcoholic beverage or beverage* also includes any liquid product containing distilled alcohol capable of being consumed by a human being, manufactured or made with distilled alcohol regardless of alcoholic content. Liquid products intended for beverage purposes containing alcohol that do not meet the definition of beer shall also be alcoholic beverages. Notwithstanding the provisions of this definition, products or beverages containing less than one-half of one percent alcohol by volume, other than wine as defined in this section, shall not be considered to be alcoholic beverages.

Applicant means the person applying for a certificate of good moral character or a license.

Application means the form an applicant is required to file in order to obtain a certificate of good moral character or a license.

Beer means beverages as defined at T.C.A. section 57-5-101(b) and amendments thereto.

Bottle means any container, vessel or other receptacle used for holding any alcoholic beverage.

Certificate of good moral character means the certificate provided for in T.C.A. § 57-3-208 in connection with the prescribed procedure for obtaining a state liquor retailer's license.

Container means any bottle, can, vessel, device, or other receptacle used for holding or containing any amount of wine, beer, or alcoholic beverage.

Distiller means any person who owns, occupies, carries on, works, conducts or operates any distillery, either by himself or by his agent.

Distillery means any place or premises wherein any liquors are manufactured for sale.

Federal statutes means the statutes of the United States in effect or as they may be changed.

Inspection fee means the monthly fee a licensee is required by this chapter to pay, the amount of which is determined by a percentage of the gross sales of a licensee.

License means a license issued by the state under this chapter for the purpose of authorizing the holder thereof to engage in the business of selling alcoholic beverages at retail in the city.

License fee means the annual fee a licensee is required by this chapter to pay at or prior to the time of the issuance of a license.

Licensee means the holder of a license.

Liquor district means the geographical area within the corporate limits of the city for each of the six separate areas designated as districts I through VI, inclusive, all as shown on a map, dated August 5, 1969, entitled "Liquor Store District Map of the City of Kingsport," including any future amendments to the map.

Liquor store means the building or the part of a building where a licensee conducts any business authorized by his license.

Manufacture means distilling, rectifying and operating a winery or any device for the production of alcoholic beverages.

Manufacturer means a distiller, vintner and rectifier of alcoholic beverages.

Open means any opening or breach through which the contents of any can, bottle, or container may pass in order to be consumed by any person.

Public place means any location frequented by the public, or where the public is present or likely to be present, or where a person may reasonably be expected to be observed by members of the public. Public places also includes the premises of any shopping center, manufactured housing complex, apartment house complex, or any other premises frequented by the public at large, but does not include premises used solely as a private residence, whether permanent or temporary in nature.

Rectifier means any person who rectifies, purifies or refines any alcoholic beverage by any process other than as provided for on distillery premises, and also any person who, without rectifying, purifying or refining an alcoholic beverage, shall, by mixing an alcoholic beverage with any other material, thereby manufacture any imitation thereof, or who compounds an alcoholic beverage for sale under the name of whiskey, brandy, gin, rum, wine, spirits, cordials, bitters or any other name.

Retail sale or sale at retail means a sale of an alcoholic beverage to a consumer or to any person for any purpose other than for resale.

Sale or sell means the exchange or barter of an alcoholic beverage, and also any delivery made otherwise than gratuitously of an alcoholic beverage; the soliciting or receiving of an order for an alcoholic beverage; the keeping, offering or exposing an alcoholic beverage for sale.

State alcoholic beverage commission means the Tennessee Alcoholic Beverage Commission, provision for which is made in the state statutes.

State liquor retailer's license means a license issued under the state statutes, including the provisions contained in T.C.A. § 57-3-101 et seq., for the purpose of authorizing the holder thereof to engage in the business of selling alcoholic beverages at retail.

State rules and regulations means all applicable rules and regulations of the state applicable to alcoholic beverages in effect or as they may be changed, including without limitation the local option liquor rules and regulations of the state alcoholic beverage commission.

State statutes means the statutes of the state in effect or as they may be changed.

Unsealed means the original seal, cork, cap, or other enclosing device is broken or removed or on which the federal revenue strip stamp has been broken.

Vintner means any person who owns, occupies, carries on, works, conducts or operates any winery, either by himself or by his agent.

Wholesale sale or sale at wholesale means a sale to any person for purposes of resale.

Wholesaler means any person who sells at wholesale any alcoholic beverage for which a license is required under T.C.A. § 57-3-101 et seq.

Wine means the product of the normal alcoholic fermentation of the juice of fresh, sound, ripe grapes, with the usual cellar treatment and necessary additions to correct defects due to climatic, saccharine and seasonal conditions, including champagne, sparkling and fortified wine of an alcoholic content not to exceed 21 percent by volume. No other product shall be called wine unless designated by appropriate prefixes descriptive of the fruit or other product from which the product was predominantly produced or unless designated as an artificial or imitation wine.

Winery means any place or premises wherein wines are manufactured from any fruit or brandies are distilled as the byproduct of wine or other fruit, or where cordials are compounded; and also includes a winery for the manufacture of wine.

SECTION III. That Section 6-2 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 6-2. Possession of open containers in motor vehicles or on public property.

(a) It shall be unlawful for any person to possess open or unsealed cans, bottles or containers of beer, wine, or alcoholic beverage in or upon any motor vehicle while traveling or parked upon the public streets, alleys or highways of the city or while upon the premises of any public parking area, public park, playground, auditorium, theater, stadium, school, school grounds, or any public place.

(b) This section shall not apply to motorized carts designed for use upon golf courses, provided that the cart is being used for the purpose of playing golf on an established golf course or to passengers while on a commercial pedal carriage operated pursuant to the requirements and restrictions in section 26-155 et seq.

SECTION IV. That Section 6-3 of the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended to read as follows:

Sec. 6-3. Public display or consumption of beer, wine or other alcoholic beverages.

(a) It shall be unlawful for any person to drink or consume beer, wine or alcoholic beverage or to display, exhibit or show openly any open or unsealed container of beer, wine, or alcoholic beverage upon any public street or sidewalk or in any public parking area, public park, playground, auditorium, theater, stadium, school, school grounds, or any public place.

(b) This section shall not apply to the following:

- (1) Patrons of premises licensed for on-premises consumption while the patrons are in or upon such premises;
- (2) Patrons of premises occupied by lease or license for private purposes and not open to the general public;
- (3) Patrons of premises licensed for on-premises consumption where attendance may be controlled by the lessee;

- (4) Patrons of premises that have been granted special permission by the city beverage board or the state alcoholic beverage commission, whichever is applicable, for such consumption;
- (5) When granted a permit by the beverage board for a temporary outdoor service permit;
- (6) When granted a special permit for outdoor service areas or a permit for sidewalk cafe dining facilities; or
- (7) When granted a special event permit and otherwise complying with the rules established by the board of mayor and aldermen and of the beverage board relating to the service of beer outdoors or pursuant to a special event or temporary permit issued pursuant to section 6-213(f)(2),(3), (4) or (6).

(c) Subsection (b) of this section may include outdoor areas.

SECTION V. 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.

JOHN CLARK, Mayor

ATTEST:

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 Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018A in an Amount not to Exceed \$10,350,000

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

Action Form No.: AF-180-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Judy Smith/Jim Demming
 Presentation By: Jeff Fleming/Jim Demming

Recommendation:

Approve the initial and detailed bond resolutions authorizing the issuance of General Obligation Improvement Bonds, Series 2018A in an amount not to exceed \$10,350,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$10,350,000 of General Obligation Improvement Bonds to finance the construction/equipping of various general government capital projects as listed in the attached schedule (see Attachment I).

These projects are included in the approved FY2019 Capital Improvement Program (CIP). In addition, Attachment II includes a projected debt service schedule based on recent market conditions. Once the bonds are sold, final schedules will be provided to the BMA. The proposed amount of the bond issue includes estimated costs associated with issuing the bonds. These items are also detailed in Attachment II.

The adoption of the initial bond resolution will enable staff to proceed with the advertisement of the resolution and provide for the required 20-day period during which any protest petitions may be filed with the City.

It is recommended that the BMA adopt this initial bond resolution and detailed bond resolution that authorize the issuance of these General Obligation Improvement Bonds, Series 2018A in an amount not to exceed \$10,350,000.

Attachments:

1. Attachment I
2. Attachment II
3. Initial Resolution
4. Detailed Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

City of Kingsport
FY2019 Capital Improvement Plan (CIP)
Projects to be Funded:

ATTACHMENT I

General Fund

Education - Facilities Maintenance	\$1,000,000
Facilities Maintenance - Facilities Improvements	425,000
IT - Technology Infrastructure & Back office Improvements	360,000
Bays Mountain - Nature Center Improvements	300,000
Bays Mountain - Animal Habitats	270,000
Bays Mountain - Planetarium Improvements	265,000
Economic Development - Higher Ed Parking Lot Expansion	250,000
Library - Library Improvements	225,000
Facilities Maintenance - Facilities ADA	175,000
Bays Mountain - Exhibit Upgrades	66,000
Bays Mountain - Nature Center Balcony Improvements	60,000
Bays Mountain - Watershed Exhibit Redesign	40,000
Facilities Maintenance - Court/Public Facilities	3,700,000
Main Street Transmission Upgrades	3,000,000
Total General Fund	<u><u>\$10,136,000</u></u>

Aquatic Center Fund

Aquatic Center - Pool Expansion	<u><u>\$2,330,000 *</u></u>
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Sewer Fund

WWTP Improvements (SCADA)	917,000
Main St Replacement	400,000
Total Sewer Fund	<u><u>\$1,317,000</u></u>

Water Fund

WTP Chemical Feed	2,000,000
Fire Protection & Water Age Upgrades	1,442,000
Main St Replacement	400,000
Tank Rehabilitation	150,000
Total Water Fund	<u><u>\$3,992,000</u></u>

Grand Total	<u><u>\$17,775,000</u></u>
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*** Updated Cost Estimate August 13, 2018**

Preliminary

City of Kingsport, Tennessee

\$9,790,000 General Obligation Improvement Bonds, Series 2018A

General Fund Projects

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2019	-	-	153,852.66	153,852.66
06/30/2020	400,000.00	3.000%	362,006.26	762,006.26
06/30/2021	415,000.00	3.000%	350,006.26	765,006.26
06/30/2022	425,000.00	3.000%	337,556.26	762,556.26
06/30/2023	440,000.00	3.000%	324,806.26	764,806.26
06/30/2024	450,000.00	3.000%	311,606.26	761,606.26
06/30/2025	465,000.00	3.000%	298,106.26	763,106.26
06/30/2026	480,000.00	5.000%	284,156.26	764,156.26
06/30/2027	500,000.00	5.000%	260,156.26	760,156.26
06/30/2028	525,000.00	5.000%	235,156.26	760,156.26
06/30/2029	475,000.00	5.000%	208,906.26	683,906.26
06/30/2030	500,000.00	4.000%	185,156.26	685,156.26
06/30/2031	520,000.00	4.000%	165,156.26	685,156.26
06/30/2032	540,000.00	4.000%	144,356.26	684,356.26
06/30/2033	560,000.00	3.250%	122,756.26	682,756.26
06/30/2034	580,000.00	3.250%	104,556.26	684,556.26
06/30/2035	595,000.00	3.375%	85,706.26	680,706.26
06/30/2036	620,000.00	3.375%	65,625.00	685,625.00
06/30/2037	640,000.00	3.375%	44,700.00	684,700.00
06/30/2038	660,000.00	3.500%	23,100.00	683,100.00
Total	\$9,790,000.00		\$4,067,427.82	\$13,857,427.82

Yield Statistics

Bond Year Dollars	\$109,720.75
Average Life	11.207 Years
Average Coupon	3.7070726%
Net Interest Cost (NIC)	3.3237632%
True Interest Cost (TIC)	3.2445259%
Bond Yield for Arbitrage Purposes	3.0756217%
All Inclusive Cost (AIC)	3.3248874%

IRS Form 8038

Net Interest Cost	3.1432807%
Weighted Average Maturity	11.075 Years

2018 New Money v7.13.18vco | General Fund | 8/13/2018 | 2:34 PM

RAYMOND JAMES

Page 7

Preliminary

City of Kingsport, Tennessee

\$9,790,000 General Obligation Improvement Bonds, Series 2018A

General Fund Projects

Sources & Uses

Dated 09/28/2018 | Delivered 09/28/2018

Sources Of Funds	
Par Amount of Bonds	\$9,790,000.00
Reoffering Premium	489,099.95
Total Sources	\$10,279,099.95
Uses Of Funds	
Deposit to Project Construction Fund	10,136,000.00
Costs of Issuance	72,278.85
Total Underwriter's Discount (0.700%)	68,530.00
Rounding Amount	2,293.10
Total Uses	\$10,279,099.95

Preliminary

City of Kingsport, Tennessee

\$9,790,000 General Obligation Improvement Bonds, Series 2018A

General Fund Projects

Detail Costs Of Issuance

Dated 09/28/2018 | Delivered 09/28/2018

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$25,096.13
Bond Counsel	\$72,586.52
Registration/Paying/Escrow Agent	\$752.88
Moody's	\$11,042.30
S&P	\$10,791.34
POS/Official Statement	\$752.88
CUSIPS	\$1,254.80
TOTAL	\$72,276.85

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,350,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018A 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 Improvement Bonds, Series 2018A (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, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and court facilities; acquisition of public works equipment, including improvements to technology infrastructure and back office improvements; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park; 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 any of the above projects, 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 Ten Million Three Hundred Fifty Thousand Dollars (\$10,350,000) 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 21st day of August, 2018.

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 August 21, 2018; (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 \$10,350,000 General Obligation Improvement Bonds, Series 2018A 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 21st day of August, 2018.

(SEAL)

CITY RECORDER

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$10,350,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018A, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on August 21, 2018, 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 \$10,350,000 General Obligation Improvement Bonds, Series 2018A 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 of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and court facilities; acquisition of public works equipment, including improvements to technology infrastructure and back office improvements; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs (collectively, the “Project”); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of 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, 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;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$10,350,000 General Obligation Improvement Bonds, Series 2018A (the “Bonds”), for the purposes of financing the costs of the Project, reimbursing the Municipality, paying capitalized interest, and paying costs incident to the issuance of the Bonds;

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 Improvement Bonds, Series 2018A 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 the registration agent selected by the Municipality, 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 issuance of the Bonds, there is hereby authorized to be issued General Obligation Improvement Bonds, Series 2018A of the Municipality, in the aggregate principal amount of not to exceed Ten Million Three Hundred Fifty Thousand Dollars (\$10,350,000), 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 Improvement Bonds, Series 2018A” 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 March 1, 2019. 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 2020 through 2038, 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, 2020 through March 1, 2026, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity on March 1, 2026, 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 shall appoint a 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.

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.

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 percent (99%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Raymond James & Associates, Inc., Nashville, Tennessee, the Municipality's municipal advisor (the "Municipal 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 Municipal 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 March 1, 2019, 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, 2020 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 Improvement Bonds, Series 2018A"; 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.

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 Municipal 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 remaining 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 Improvement Bonds, Series 2018A, 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 \$10,350,000. 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 Municipal Advisor to provide municipal advisory services for the Municipality and services related to the issuance, sale, and delivery of the Bonds, entering into an agreement with a dissemination agent to provide continuing disclosure services, 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.

Approved and adopted this 21st day of August, 2018.

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 August 21, 2018; (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 \$10,350,000 General Obligation Improvement Bonds, Series 2018A 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 21st day of August, 2018.

RECORDER

(SEAL)

EXHIBIT "A"
FORM OF BOND

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS
CITY OF KINGSFORT
GENERAL OBLIGATION IMPROVEMENT BOND,
SERIES 2018A

Interest Rate: Maturity Date: Dated Date: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF KINGSFORT, 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 U.S. Bank National Association, 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 March 1 and September 1 of each year (the "Interest Payment Date"), commencing March 1, 2019, 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 as otherwise provided in said Code.

This bond is one of a series of bonds known as “General Obligation Improvement Bonds, Series 2018A” (the “Bonds”), issued by the Municipality in the aggregate principal amount of \$_____. The Bonds, which are issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including transmission upgrades; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and court facilities; acquisition of public works equipment, including playground equipment and improvements to technology infrastructure and back office improvements; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and paying legal, fiscal, administrative, and engineering costs, reimbursing the Municipality for the costs of any of the above projects, paying capitalized interest, and (2) paying 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 August 21, 2018, entitled “Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$10,350,000 General Obligation Improvement Bonds, Series 2018A, 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.

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, 2020 through March 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity on March 1, 2026, 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 the Dated Date.

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 Improvement Bonds, Series 2018A of the City of Kingsport, Tennessee.

U.S.BANK NATIONAL ASSOCIATION,
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.



AGENDA ACTION FORM

Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018B in an Amount not to Exceed \$5,400,000.

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

Action Form No.: AF-181-2018
Work Session: August 20, 2018
First Reading: N/A

Final Adoption: August 21, 2018
Staff Work By: Judy Smith/Jim Demming
Presentation By: Jeff Fleming/Jim Demming

Recommendation: Approve the initial and detailed bond resolutions authorizing the issuance of General Obligation Improvement Bonds, Series 2018B in an amount not to exceed \$5,400,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$5,400,000 of General Obligation Improvement Bonds to finance the construction/equipping of various water and sewer system capital projects as listed in the attached schedule (see Attachment I). The revenues of the City's water and sewer systems will be used for the repayment of these bonds.

These projects are included in the approved FY2019 Capital Improvement Program (CIP). In addition, Attachment II includes a projected debt service schedule based on recent market conditions. Once the bonds are sold, final schedules will be provided to the BMA. The proposed amount of the bond issue includes estimated costs associated with issuing the bonds. These items are also detailed in Attachment II.

The adoption of the initial bond resolution will enable staff to proceed with the advertisement of the resolution and provide for the required 20-day period during which any protest petitions may be filed with the City.

It is recommended that the BMA adopt this initial bond resolution and detailed bond resolution that authorize the issuance of these General Obligation Improvement Bonds, Series 2018B in an amount not to exceed \$5,400,000.

Attachments:

1. Attachment I
2. Attachment II
3. Initial Resolution
4. Detailed Resolution

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

City of Kingsport
FY2019 Capital Improvement Plan (CIP)
Projects to be Funded:

ATTACHMENT I

General Fund

Education - Facilities Maintenance	\$1,000,000
Facilities Maintenance - Facilities Improvements	425,000
IT - Technology Infrastructure & Back office Improvements	360,000
Bays Mountain - Nature Center Improvements	300,000
Bays Mountain - Animal Habitats	270,000
Bays Mountain - Planetarium Improvements	265,000
Economic Development - Higher Ed Parking Lot Expansion	250,000
Library - Library Improvements	225,000
Facilities Maintenance - Facilities ADA	175,000
Bays Mountain - Exhibit Upgrades	66,000
Bays Mountain - Nature Center Balcony Improvements	60,000
Bays Mountain - Watershed Exhibit Redesign	40,000
Facilities Maintenance - Court/Public Facilities	3,700,000
Main Street Transmission Upgrades	3,000,000
Total General Fund	<u><u>\$10,136,000</u></u>

Aquatic Center Fund

Aquatic Center - Pool Expansion	<u><u>\$2,330,000</u></u> *
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Sewer Fund

WWTP Improvements (SCADA)	917,000
Main St Replacement	400,000
Total Sewer Fund	<u><u>\$1,317,000</u></u>

Water Fund

WTP Chemical Feed	2,000,000
Fire Protection & Water Age Upgrades	1,442,000
Main St Replacement	400,000
Tank Rehabilitation	150,000
Total Water Fund	<u><u>\$3,992,000</u></u>

Grand Total	<u><u>\$17,775,000</u></u>
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*** Updated Cost Estimate August 13, 2018**

Preliminary

City of Kingsport, Tennessee

\$5,145,000 General Obligation Refunding Bonds, Series 2018B

Water & Sewer Project

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2019	-	-	80,827.03	80,827.03
06/30/2020	190,000.00	3.000%	190,181.26	380,181.26
06/30/2021	200,000.00	3.000%	184,481.26	384,481.26
06/30/2022	205,000.00	3.000%	178,481.26	383,481.26
06/30/2023	210,000.00	3.000%	172,331.26	382,331.26
06/30/2024	215,000.00	3.000%	166,031.26	381,031.26
06/30/2025	220,000.00	3.000%	159,581.26	379,581.26
06/30/2026	230,000.00	5.000%	152,981.26	382,981.26
06/30/2027	240,000.00	5.000%	141,481.26	381,481.26
06/30/2028	255,000.00	5.000%	129,481.26	384,481.26
06/30/2029	265,000.00	5.000%	116,731.26	381,731.26
06/30/2030	280,000.00	4.000%	103,481.26	383,481.26
06/30/2031	290,000.00	4.000%	92,281.26	382,281.26
06/30/2032	300,000.00	4.000%	80,681.26	380,681.26
06/30/2033	315,000.00	3.250%	68,681.26	383,681.26
06/30/2034	325,000.00	3.250%	58,443.76	383,443.76
06/30/2035	335,000.00	3.375%	47,881.26	382,881.26
06/30/2036	345,000.00	3.375%	36,575.00	381,575.00
06/30/2037	355,000.00	3.375%	24,931.26	379,931.26
06/30/2038	370,000.00	3.500%	12,950.00	382,950.00
Total	\$5,145,000.00	-	\$2,198,495.95	\$7,343,495.95

Yield Statistics

Bond Year Dollars	\$59,491.63
Average Life	11.563 Years
Average Coupon	3.6954713%
Net Interest Cost (NIC)	3.3409018%
True Interest Cost (TIC)	3.2668622%
Bond Yield for Arbitrage Purposes	3.0733939%
All Inclusive Cost (AIC)	3.3558075%

IRS Form 8038

Net Interest Cost	3.1680907%
Weighted Average Maturity	11.424 Years

2018 New Money v8.16.18vco | Water & Sewer Fund | 8/16/2018 | 5:29 PM

RAYMOND JAMES

Page 11

Preliminary

City of Kingsport, Tennessee

\$5,145,000 General Obligation Refunding Bonds, Series 2018B

Water & Sewer Project

Sources & Uses

Dated 09/28/2018 | Delivered 09/28/2018

Sources Of Funds	
Par Amount of Bonds	\$5,145,000.00
Reoffering Premium	246,954.20
Total Sources	\$5,391,954.20
Uses Of Funds	
Deposit to Project Construction Fund	5,309,000.00
Costs of Issuance	43,081.89
Total Underwriter's Discount (0.700%)	36,015.00
Rounding Amount	3,877.31
Total Uses	\$5,391,954.20

Preliminary

City of Kingsport, Tennessee

\$5,145,000 General Obligation Refunding Bonds, Series 2018B

Water & Sewer Project

Detail Costs Of Issuance

Dated 09/28/2018 | Delivered 09/28/2018

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$14,952.05
Bond Counsel	\$13,456.84
Registration/Paying/Escrow Agent	\$448.56
Moody's	\$6,578.90
S&P	\$8,429.38
POS/Official Statement	\$448.56
CUSIPs	\$747.60
TOTAL	\$43,061.89

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,400,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018B 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 Improvement Bonds, Series 2018B (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; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; 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 issuance and sale of the Bonds, the issuance of the Bonds of the Municipality in the aggregate principal amount of not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000) 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. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

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 21st day of August, 2018.

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 August 21, 2018; (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 \$5,400,000 General Obligation Improvement Bonds, Series 2018B 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 21st day of August, 2018.

(SEAL)

CITY RECORDER

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$5,400,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018B, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on August 21, 2018, 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 \$5,400,000 General Obligation Improvement Bonds, Series 2018B 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 of public art; construction, expansion and improvement of the Municipality’s water system; construction, expansion and improvement of the Municipality’s sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs (collectively, the “Project”); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of 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, 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 to the extent the proceeds of the Bonds are used to fund projects for the Municipality’s water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality’s water and sewer system;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$5,400,000 General Obligation Improvement Bonds, Series 2018B (the “Bonds”), for the purposes of financing the costs of the Project, reimbursing the Municipality, paying capitalized interest, and paying costs incident to the issuance of the Bonds;

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 Improvement Bonds, Series 2018B 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 the registration agent selected by the Municipality, 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 issuance of the Bonds, there is hereby authorized to be issued General Obligation Improvement Bonds, Series 2018B of the Municipality, in the aggregate principal amount of not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000), 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 Improvement Bonds,

Series 2018B” 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 March 1, 2019. 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 2020 through 2038, 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, 2020 through March 1, 2026, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity on March 1, 2026, 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 shall appoint a 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. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

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.

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 percent (99%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Raymond James & Associates, Inc., Nashville, Tennessee, the Municipality's municipal advisor (the “Municipal 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 Municipal 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 March 1, 2019, 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, 2020 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 Improvement Bonds, Series 2018B"; 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.

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 Municipal 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 remaining 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 Improvement Bonds, Series 2018B, 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 \$5,400,000. 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 Municipal Advisor to provide financial advisory services for the Municipality and services related to the issuance, sale, and delivery of the Bonds, entering into an agreement with a dissemination agent to provide continuing disclosure services, 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.

Approved and adopted this 21st day of August, 2018.

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 August 21, 2018; (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 \$5,400,000 General Obligation Improvement Bonds, Series 2018B 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 21st day of August, 2018.

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 IMPROVEMENT BOND,
SERIES 2018B

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 U.S. Bank National Association, 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 March 1 and September 1 of each year (the "Interest Payment Date"), commencing March 1, 2019, 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 as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Improvement Bonds, Series 2018B" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$ _____. The Bonds, which are issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and paying legal, fiscal, administrative, and engineering costs, reimbursing the Municipality for the costs of any of the above projects, paying capitalized interest, and (2) paying 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 August 21, 2018, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$5,400,000 General Obligation Improvement Bonds, Series 2018B, 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. To the extent the proceeds of the Bonds are used to fund projects for the Municipality's water and sewer system, such Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

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, 2020 through March 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity on March 1, 2026, 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 the Dated Date.

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 Improvement Bonds, Series 2018B of the City of Kingsport, Tennessee.

U.S. BANK NATIONAL ASSOCIATION,
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.



AGENDA ACTION FORM

Consideration of Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2018C in an Amount not to Exceed \$2,400,000

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

Action Form No.: AF-182-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Judy Smith/Jim Demming
 Presentation By: Jeff Fleming/Jim Demming

Recommendation: Approve the initial and detailed bond resolutions authorizing the issuance of General Obligation Improvement Bonds, Series 2018C in an amount not to exceed \$2,400,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$2,400,000 of General Obligation Improvement Bonds to finance the construction/equipping of an expansion to the facilities at the City's Aquatic Center. This project is included in the approved FY2019 Capital Improvement Program (CIP). (see Attachment I). The original projected cost for this project was \$1,830,000. Recent cost estimates have increased the projected cost to \$2,330,000. Because of the relationship with the YMCA (a non-profit entity), as their facility is located on the same site and connected with the Aquatic Center, our bond counsel has advised that these bonds will be issued as private activity bonds in accordance with IRS regulations. Although there will not be any impact on the interest rates, the City will need to comply with the certain public hearing requirements included in these regulations.

In addition, Attachment II includes a projected debt service schedule based on recent market conditions. Once the bonds are sold, final schedules will be provided to the BMA. The proposed amount of the bond issue includes estimated costs associated with issuing the bonds. These items are also detailed in Attachment II.

The adoption of the initial bond resolution will enable staff to proceed with the advertisement of the resolution and provide for the required 20-day period during which any protest petitions may be filed with the City.

It is recommended that the BMA adopt this initial bond resolution and detailed bond resolution that authorize the issuance of these General Obligation Improvement Bonds, Series 2018C in an amount not to exceed \$2,400,000.

Attachments:

1. Attachment I
2. Attachment II
3. Initial Resolution
4. Detailed Resolution

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

**City of Kingsport
FY2019 Capital Improvement Plan (CIP)
Projects to be Funded:**

ATTACHMENT I

General Fund

Education - Facilities Maintenance	\$1,000,000
Facilities Maintenance - Facilities Improvements	425,000
IT - Technology Infrastructure & Back office Improvements	360,000
Bays Mountain - Nature Center Improvements	300,000
Bays Mountain - Animal Habitats	270,000
Bays Mountain - Planetarium Improvements	265,000
Economic Development - Higher Ed Parking Lot Expansion	250,000
Library - Library Improvements	225,000
Facilities Maintenance - Facilities ADA	175,000
Bays Mountain - Exhibit Upgrades	66,000
Bays Mountain - Nature Center Balcony Improvements	60,000
Bays Mountain - Watershed Exhibit Redesign	40,000
Facilities Maintenance - Court/Public Facilities	3,700,000
Main Street Transmission Upgrades	3,000,000
Total General Fund	<u><u>\$10,136,000</u></u>

Aquatic Center Fund

Aquatic Center - Pool Expansion	<u><u>\$2,330,000</u></u> *
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Sewer Fund

WWTP Improvements (SCADA)	917,000
Main St Replacement	400,000
Total Sewer Fund	<u><u>\$1,317,000</u></u>

Water Fund

WTP Chemical Feed	2,000,000
Fire Protection & Water Age Upgrades	1,442,000
Main St Replacement	400,000
Tank Rehabilitation	150,000
Total Water Fund	<u><u>\$3,992,000</u></u>

Grand Total	<u><u>\$17,775,000</u></u>
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* Updated Cost Estimate August 13, 2018

Preliminary

City of Kingsport, Tennessee

\$2,255,000 General Obligation Improvement Bonds, Series 2018C

Aquatic Center Project

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2019			35,418.44	35,418.44
06/30/2020	85,000.00	3.000%	83,337.50	168,337.50
06/30/2021	85,000.00	3.000%	80,787.50	165,787.50
06/30/2022	90,000.00	3.000%	78,237.50	168,237.50
06/30/2023	90,000.00	3.000%	75,537.50	165,537.50
06/30/2024	95,000.00	3.000%	72,837.50	167,837.50
06/30/2025	100,000.00	3.000%	69,987.50	169,987.50
06/30/2026	100,000.00	5.000%	66,987.50	166,987.50
06/30/2027	105,000.00	5.000%	61,987.50	166,987.50
06/30/2028	110,000.00	5.000%	56,737.50	166,737.50
06/30/2029	115,000.00	5.000%	51,237.50	166,237.50
06/30/2030	125,000.00	4.000%	45,487.50	170,487.50
06/30/2031	130,000.00	4.000%	40,487.50	170,487.50
06/30/2032	135,000.00	4.000%	35,287.50	170,287.50
06/30/2033	140,000.00	3.250%	29,887.50	169,887.50
06/30/2034	140,000.00	3.250%	25,337.50	165,337.50
06/30/2035	145,000.00	3.375%	20,787.50	165,787.50
06/30/2036	150,000.00	3.375%	15,893.76	165,893.76
06/30/2037	155,000.00	3.375%	10,831.26	165,831.26
06/30/2038	160,000.00	3.500%	5,600.00	165,600.00
Total	\$2,255,000.00	-	\$962,693.46	\$3,217,693.46

Yield Statistics

Bond Year Dollars	\$26,048.38
Average Life	11.551 Years
Average Coupon	3.6957906%
Net Interest Cost (NIC)	3.3406307%
True Interest Cost (TIC)	3.2663860%
Bond Yield for Arbitrage Purposes	3.0756217%
All Inclusive Cost (AIC)	3.3448384%

IRS Form 8038

Net Interest Cost	3.1673185%
Weighted Average Maturity	11.414 Years

2018 New Money/7 13 18vco | Aquatic Center | 8/13/2018 | 2:34 PM

RAYMOND JAMES

Page 15

Preliminary
City of Kingsport, Tennessee
\$2,255,000 General Obligation Improvement Bonds, Series 2018C
Aquatic Center Project

Sources & Uses

Dated 09/28/2018 | Delivered 09/28/2018

Sources Of Funds	
Par Amount of Bonds	\$2,255,000.00
Reoffering Premium	108,298.45
Total Sources	\$2,363,298.45
Uses Of Funds	
Deposit to Project Construction Fund	2,330,000.00
Costs of Issuance	16,648.04
Total Underwriter's Discount (0.700%)	15,785.00
Rounding Amount	865.41
Total Uses	\$2,363,298.45

Preliminary

City of Kingsport, Tennessee

\$2,255,000 General Obligation Improvement Bonds, Series 2018C

Aquatic Center Project

Detail Costs Of Issuance

Dated 09/28/2018 | Delivered 09/28/2018

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$5,780.57
Bond Counsel	\$5,202.51
Registration/Paying/Escrow Agent	\$173.42
Moody	\$2,543.45
S&P	\$2,485.64
POS/Official Statement	\$173.42
CUSIPS	\$289.03
TOTAL	\$16,648.04

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,400,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018C 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 Improvement Bonds, Series 2018C (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 Two Million Four Hundred Thousand Dollars (\$2,400,000) 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. The Bonds shall additionally be payable from, but not secured by, 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, and revenues to be derived from the operation of the Municipality's aquatic center.

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 21st day of August, 2018.

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 August 21, 2018; (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 \$2,400,000 General Obligation Improvement Bonds, Series 2018C 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 21st day of August, 2018.

CITY RECORDER

(SEAL)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$2,400,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2018C, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on August 21, 2018, 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 \$2,400,000 General Obligation Improvement Bonds, Series 2018C 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 such bonds shall additionally be payable from, but not secured by, 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, and revenues to be derived from the operation of the Municipality's aquatic center;

WHEREAS, the Board finds that it is necessary and desirable to issue not to exceed \$2,400,000 General Obligation Improvement Bonds, Series 2018C (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 Improvement Bonds, Series 2018C 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 U.S. Bank National Association, 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 bonds of the Municipality, in one or more series, in the aggregate principal amount of not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000), 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 Improvement Bonds, Series 2018C,” 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 March 1, 2019. 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 2020 through 2038, 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, 2020 through March 1, 2026, are not subject to redemption

prior to maturity. The Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity on March 1, 2026, 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 additionally be payable from, but not secured by, 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, and revenues to be derived from the operation of the Municipality's aquatic center.

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.

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 percent (99%) of par, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Raymond James & Associates, Inc., Nashville, Tennessee, the Municipality's financial advisor (the "Municipal 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 Municipal 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 March 1, 2019, 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, 2020, 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 Improvement Bonds, Series 2018C"; 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 Municipal Advisor, for municipal 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 Municipal 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 Improvement Bonds, Series 2018C, 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 \$2,400,000. 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 Municipal Advisor to provide municipal 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.

Approved and adopted this 21st day of August, 2018.

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 August 21, 2018; (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 \$2,400,000 General Obligation Improvement Bonds, Series 2018C, 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 21st day of August, 2018.

RECORDER

(SEAL)

EXHIBIT "A"
FORM OF BOND

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTIES OF SULLIVAN AND HAWKINS
CITY OF KINGSFORT
GENERAL OBLIGATION IMPROVEMENT BOND,
SERIES 2018C

Interest Rate: Maturity Date: Dated Date: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

THE CITY OF KINGSFORT, 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 U.S. Bank National Association, 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 March 1 and September 1 of each year (the "Interest Payment Date"), commencing September 1, 2019, 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 as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Improvement Bonds, Series 2018C" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$ _____. 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 August 21, 2018, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$2,400,000 General Obligation Improvement Bonds, Series 2018C, 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, 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, and revenues to be derived from the operation of the Municipality's aquatic center.

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, 2020 through March 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2027 are subject to redemption prior to maturity on March 1, 2026, 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 the Dated Date.

(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 Improvement Bonds, Series 2018C of the City of Kingsport, Tennessee.

U.S. BANK NATIONAL ASSOCIATION,
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.



AGENDA ACTION FORM

Agreement with Public Procurement Authority for Cooperative Purchasing

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

Action Form No.: AF-193-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Committee
 Presentation By: Chris McCart

Recommendation:

Approve the Resolution recommending that the City sign the Public Procurement Authority Master Intergovernmental Cooperative Purchasing Agreement.

Executive Summary:

After a competitive solicitation and selection process by principal procurement agencies, a number of suppliers have entered into master agreements to provide a variety of goods, products and services to the applicable principal procurement agency and participating public agencies. The City benefits by being able to make purchases utilizing the Public Procurement Authority Intergovernmental Purchasing Agreement with the confidence we are receiving competitive pricing knowing the products and services awarded have already been through the procurement process of the principal procurement agency. Utilizing cooperative purchasing agreements often leads to increased efficiency by decreasing the amount of time it takes from requisition entry to product/service receipt.

This Intergovernmental Agreement is by and between Public Procurement Authority and the City of Kingsport. This agreement is for members of National Purchasing Partners ("NPP"), including members of FireRescue GPO and Public Safety GPO.

Attachments:

1. Resolution
2. Agreement

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE PUBLIC PROCUREMENT AUTHORITY FOR COOPERATIVE PURCHASING AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city benefits by being able use cooperative purchasing with the confidence that the city is receiving competitive pricing knowing the products and services awarded have already been through the procurement process of the principal procurement agency; and

WHEREAS, the city would like to enter into an agreement with the Public Procurement Authority for cooperative purchasing.

Now therefore,

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

SECTION I. That an agreement with Public Procurement Authority is approved.

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

Intergovernmental Cooperative Purchasing Agreement

This Intergovernmental Agreement (Agreement) is by and between the "Lead Contracting Agency" and participating government entities ("Participating Agencies"), that are members of National Purchasing Partners ("NPP"), including members of FireRescue GPO and Public Safety GPO, that agree to the terms and conditions of this Agreement. The Lead Contracting Agency and all Participating Agencies shall be considered as "parties" to this agreement.

WHEREAS, upon completion of a formal competitive solicitation and selection process, the Lead Contracting Agency has entered into Master Price Agreements with one or more Vendors to provide goods and services, often based on national sales volume projections;

WHEREAS, NPP provides group purchasing, marketing and administrative support for governmental entities. NPP's marketing and administrative services are free to its membership, which includes participating public entities and nonprofit institutions throughout North America.

WHEREAS, NPP has instituted a cooperative purchasing program under which member Participating Agencies may reciprocally utilize competitively solicited Master Price Agreements awarded by the Lead Contracting Agency;

WHEREAS, the Master Price Agreements provide that all qualified government members of NPP may purchase goods and services on the same terms, conditions and pricing as the Lead Contracting Agency, subject to applicable local and state laws of the Participating Agencies;

WHEREAS, the parties agree to comply with the requirements of the Intergovernmental Cooperation Act as may be applicable to the local and state laws of the Participating Agencies;

WHEREAS, the parties desire to conserve and leverage resources, and to improve the efficiency and economy of the procurement process while reducing solicitation and procurement costs;

WHEREAS, the parties are authorized and eligible to contract with governmental bodies and Vendors to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, the parties desire to contract with Vendors under the terms of the Master Price Agreements;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1: LEGAL AUTHORITY

Each party represents and warrants that it is eligible to participate in this Agreement because it is a local government created and operated to provide one or more governmental functions and possesses adequate legal authority to enter into this Agreement.

ARTICLE 2: APPLICABLE LAWS

The procurement of goods and services subject to this Agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules, and regulations that govern each party's procurement policies. Competitive Solicitations are intended to meet the public contracting requirements of the Lead Contracting Agency and may not be appropriate under, or satisfy Participating Agencies' procurement laws. It is the responsibility of each party to ensure it has met all applicable solicitation and procurement requirements. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.

ARTICLE 3: USE OF BID, PROPOSAL OR PRICE AGREEMENT

- a. A "procuring party" is defined as the Lead Contracting Agency or any Participating Agency that desires to purchase from the Master Price Agreements awarded by the Lead Contracting Agency.
- b. Each procuring party shall be solely responsible for their own purchase of goods and services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation of law or contract by a procuring party.
- c. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar goods and services outside the scope of the Master Price Agreement.
- d. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
- e. The cooperative use of bids, proposals or price agreements obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid, proposal or price agreement, except as modified where otherwise allowed or required by applicable law, and does not relieve the party of its other solicitation requirements under state law or local policies.

ARTICLE 4: PAYMENT OBLIGATIONS

The procuring party will make timely payments to Vendors for goods and services received in accordance with the terms and conditions of the procurement. Payment for goods and services, inspections and acceptance of goods and services ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor shall be resolved in accordance with the law and venue rules of the state of the procuring party.

ARTICLE 5: COMMENCEMENT DATE

This Agreement shall take effect after execution of the "Lead Contracting Agency Endorsement and Authorization" or "Participating Agency Endorsement and Authorization," as applicable.

ARTICLE 6: TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated by a party giving 30 days written notice to "Lead Contracting Agency"

ARTICLE 7: ENTIRE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 8: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by all parties, except that any alterations, additions, or deletions of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO OR MORE ORIGINALS BY EXECUTION AND ATTACHMENT OF "THE LEAD CONTRACTING AGENCY ENDORSEMENT AND AUTHORIZATION" OR "PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION," AS APPLICABLE. ONCE EXECUTED, IT IS THE RESPONSIBILITY OF EACH PARTY TO FILE THIS AGREEMENT WITH THE PROPER AGENCY IF REQUIRED BY LOCAL OR STATE LAW.

PUBLIC PROCUREMENT AUTHORITY ENDORSEMENT AND AUTHORIZATION

The undersigned acknowledges, on behalf of the Public Procurement Authority ("Lead Contracting Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Public Procurement Authority to Participating Agencies locally, regionally, and nationally through NPP. Copies of Master Price Agreements and any amendments thereto made available by the Public Procurement Authority will be provided to Participating Agencies and NPP to facilitate use by Participating Agencies.

The undersigned understands that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agencies.

The undersigned affirms that he/she is an agent of the Public Procurement Authority and is duly authorized to sign this Public Procurement Authority Endorsement and Authorization.

[Acknowledgements Deleted for Inclusion in this Resolution]

PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION

The undersigned acknowledges, on behalf of the City of Kingsport ("Participating Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Lead Contracting Agency to Participating Agencies locally, regionally, and nationally through NPP.

The undersigned further acknowledges that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agency and that neither the Lead Contracting Agency nor NPP shall be held liable for any costs or damages incurred by or as a result of the actions of the Vendor or any other Participating Agency. Upon award of contract, the Vendor shall deal directly with the Participating Agency concerning the placement of orders, disputes, invoicing and payment.

The undersigned affirms that he/she is an agent of the City of Kingsport and is duly authorized to sign this Participating Agency Endorsement and Authorization.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Intergovernmental Cooperative Purchasing Agreement

This Intergovernmental Agreement (Agreement) is by and between the "Lead Contracting Agency" and participating government entities ("Participating Agencies"), that are members of National Purchasing Partners ("NPP"), including members of FireRescue GPO and Public Safety GPO, that agree to the terms and conditions of this Agreement. The Lead Contracting Agency and all Participating Agencies shall be considered as "parties" to this agreement.

WHEREAS, upon completion of a formal competitive solicitation and selection process, the Lead Contracting Agency has entered into Master Price Agreements with one or more Vendors to provide goods and services, often based on national sales volume projections;

WHEREAS, NPP provides group purchasing, marketing and administrative support for governmental entities. NPP's marketing and administrative services are free to its membership, which includes participating public entities and nonprofit institutions throughout North America.

WHEREAS, NPP has instituted a cooperative purchasing program under which member Participating Agencies may reciprocally utilize competitively solicited Master Price Agreements awarded by the Lead Contracting Agency;

WHEREAS, the Master Price Agreements provide that all qualified government members of NPP may purchase goods and services on the same terms, conditions and pricing as the Lead Contracting Agency, subject to applicable local and state laws of the Participating Agencies;

WHEREAS, the parties agree to comply with the requirements of the Intergovernmental Cooperation Act as may be applicable to the local and state laws of the Participating Agencies;

WHEREAS, the parties desire to conserve and leverage resources, and to improve the efficiency and economy of the procurement process while reducing solicitation and procurement costs;

WHEREAS, the parties are authorized and eligible to contract with governmental bodies and Vendors to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, the parties desire to contract with Vendors under the terms of the Master Price Agreements;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1: LEGAL AUTHORITY

Each party represents and warrants that it is eligible to participate in this Agreement because it is a local government created and operated to provide one or more governmental functions and possesses adequate legal authority to enter into this Agreement.

ARTICLE 2: APPLICABLE LAWS

The procurement of goods and services subject to this Agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules, and regulations that govern each party's procurement policies. Competitive Solicitations are intended to meet the public contracting requirements of the Lead Contracting Agency and may not be appropriate under, or satisfy Participating Agencies' procurement laws. It is the responsibility of each party to ensure it has met all applicable solicitation and procurement requirements. Participating Agencies are urged to seek independent review by their legal counsel to ensure compliance with all local and state solicitation requirements.

ARTICLE 3: USE OF BID, PROPOSAL OR PRICE AGREEMENT

- a. A "procuring party" is defined as the Lead Contracting Agency or any Participating Agency that desires to purchase from the Master Price Agreements awarded by the Lead Contracting Agency.
- b. Each procuring party shall be solely responsible for their own purchase of goods and services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation of law or contract by a procuring party.
- c. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar goods and services outside the scope of the Master Price Agreement.
- d. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
- e. The cooperative use of bids, proposals or price agreements obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid, proposal or price agreement, except as modified where otherwise allowed or required by applicable law, and does not relieve the party of its other solicitation requirements under state law or local policies.

ARTICLE 4: PAYMENT OBLIGATIONS

The procuring party will make timely payments to Vendors for goods and services received in accordance with the terms and conditions of the procurement. Payment for goods and services, inspections and acceptance of goods and services ordered by the

procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor shall be resolved in accordance with the law and venue rules of the state of the procuring party.

ARTICLE 5: COMMENCEMENT DATE

This Agreement shall take effect after execution of the “Lead Contracting Agency Endorsement and Authorization” or “Participating Agency Endorsement and Authorization,” as applicable.

ARTICLE 6: TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated by a party giving 30 days written notice to “Lead Contracting Agency”

ARTICLE 7: ENTIRE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete Agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 8: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by all parties, except that any alterations, additions, or deletions of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO OR MORE ORIGINALS BY EXECUTION AND ATTACHMENT OF “THE LEAD CONTRACTING AGENCY ENDORSEMENT AND AUTHORIZATION” OR “PARTICIPATING AGENCY ENDORSEMENT AND AUTHORIZATION,” AS APPLICABLE. ONCE EXECUTED, IT IS THE RESPONSIBILITY OF EACH PARTY TO FILE THIS AGREEMENT WITH THE PROPER AGENCY IF REQUIRED BY LOCAL OR STATE LAW.

**PUBLIC PROCUREMENT AUTHORITY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of the Public Procurement Authority ("Lead Contracting Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Public Procurement Authority to Participating Agencies locally, regionally, and nationally through NPP. Copies of Master Price Agreements and any amendments thereto made available by the Public Procurement Authority will be provided to Participating Agencies and NPP to facilitate use by Participating Agencies.

The undersigned understands that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agencies.

The undersigned affirms that he/she is an agent of the Public Procurement Authority and is duly authorized to sign this Public Procurement Authority Endorsement and Authorization.



Date: 07/31/2018

BY: Teila Leighton
ITS: Contract Manager

Public Procurement Authority Contact Information:

Address: 25030 SW Parkway Ave. Suite 330
Wilsonville, OR 97070
Telephone: 855-524-4572
Email: teila@ppa-or.gov

**PARTICIPATING AGENCY
ENDORSEMENT AND AUTHORIZATION**

The undersigned acknowledges, on behalf of the City of Kingsport ("Participating Agency") that he/she has read and agrees to the general terms and conditions set forth in the enclosed Intergovernmental Cooperative Purchasing Agreement regulating use of the Master Price Agreements and purchase of goods and services that from time to time are made available by the Lead Contracting Agency to Participating Agencies locally, regionally, and nationally through NPP.

The undersigned further acknowledges that the purchase of goods and services under the provisions of the Intergovernmental Cooperative Purchasing Agreement is at the absolute discretion of the Participating Agency and that neither the Lead Contracting Agency nor NPP shall be held liable for any costs or damages incurred by or as a result of the actions of the Vendor or any other Participating Agency. Upon award of contract, the Vendor shall deal directly with the Participating Agency concerning the placement of orders, disputes, invoicing and payment.

The undersigned affirms that he/she is an agent of the City of Kingsport and is duly authorized to sign this Participating Agency Endorsement and Authorization.

_____ Date: _____
BY: _____
ITS: _____

Participating Agency Contact Information:

Contact Person: _____
Address: _____

Telephone No.: _____
Email: _____



AGENDA ACTION FORM

Amend a Contractual Agreement, TDOT Project No: 82-5307-S3-019 with the Tennessee Department of Transportation for Reimbursement of Capital Expenses

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

Action Form No.: AF-199-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Chris Campbell
 Presentation By: Chris McCartt

Recommendation:

Approve the Resolution.

Executive Summary:

In November of 2017, the Transit Center was awarded additional funding thru FTA and TDOT which will be utilized to fund items such as contingency, project management, and FF&E. This action is approving the amended contract with TDOT to add their additional matching funds of \$40,000. The Local match amount has already been approved.

Attachments:

1. Resolution
2. Grant Amendment

Funding source appropriate and funds are available: *js*

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AMENDMENT ONE TO TENNESSEE DEPARTMENT OF TRANSPORTATION CONTRACT NUMBER GG-17-52819-00 FOR THE REIMBURSEMENT OF CAPITAL EXPENSES FOR THE NEW TRANSIT CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, in November, 2016, the board approved Tennessee Department of Transportation (TDOT) Contract Number GG-17-52819-00 for the grant of funds for the construction of the Transit Center; and

WHEREAS, in November, 2017, TDOT and the Federal Transit Authority (FTA) awarded additional funds and the city and the FTA have previously approved the addition and allocated the funds; and

WHEREAS, this amendment provides \$40,000.00 from TDOT in additional grant funds; and

WHEREAS, the city has already provided its required match; and

WHEREAS, the current contract needs to be amended to add these funds, as well as extend the term of the contract; and

Now therefore,

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

SECTION I. That Amendment One to TDOT Contract Number GG-17-52819-00 is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Amendment One to TDOT Contract Number GG-17-52819-00 and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

AMENDMENT ONE
OF GRANT CONTRACT GG-17-52819-00

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

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

B. TERM OF CONTRACT:

This Grant Contract shall be effective for the period beginning on January 1, 2016 ("Effective Date") and ending on December 31, 2020, ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

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

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Five Hundred Fifty-five Thousand, Five Hundred Dollars and No Cents (\$555,500.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment One is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

3. Grant Contract section C.6. Budget Line-Items is deleted in its entirety and replaced with the following:

C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval

of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

4. Grant Contract section D.8. Communications and Contacts is deleted in its entirety and replaced with the following:

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The State:

Alaire Gage,
Program Monitor 2
Tennessee Department of Transportation
Multimodal Transportation Resources Division
Suite 1200 James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243
alaire.gage@tn.gov
Telephone # (615) 313-3192
FAX # (615) 253-1482

The Grantee:

Chris Campbell, AICP
Public Transportation Manager
Kingsport Area Transit Service
109 Clay Street
Kingsport, TN 37660
ChrisCampbell@KingsportTn.gov
Telephone # (423) 224-2857
FAX # (423) 224-2615

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

5. Grant Contract section D.23. State Liability is deleted in its entirety and replaced with the following:

D.23. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Grant Contract. In no event will the State be liable to the Grantee or any other party for any lost revenues, lost profits, loss of business, loss of grant funding, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Grant Contract or otherwise. The State's total liability under this Grant Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability originally established in Section C.1 of this Grant Contract. This limitation of liability is cumulative and not per incident.

6. Grant Contract section D.27. State Interest in Equipment or Motor Vehicles is deleted in its entirety and replaced with the following:

D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars (\$5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Vehicle identification number;
- c. Manufacturer's serial number or other identification number, when applicable;
- d. Consecutive inventory equipment or motor vehicles tag identification;
- e. Acquisition date, cost, and check number;
- f. Fund source, State Grant number, or other applicable fund source identification;
- g. Percentage of state funds applied to the purchase;
- h. Location within the Grantee's operations where the equipment or motor vehicles is used;
- i. Condition of the property or disposition date if Grantee no longer has possession;
- j. Depreciation method, if applicable; and
- k. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and

substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

7. The following is added as Grant Contract section D.33. Iran Divestment Act:

D.33. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Grant Contract. The Grantee certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

8. Grant Contract section E. 2. Debarment and Suspension is deleted in its entirety and replaced with the following:

D.34. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

b. have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section

b. of this certification; and

d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified, or presently fall under any of the prohibitions of sections a-d.

9. The following is added as Grant Contract section E.2. Drug Free Workplace:

E.2. Drug Free Workplace. The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

10. The following is added as Grant Contract section E.8. Disclosure of Personally Identifiable Information:

E.8. Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that come to the attention of the Grantee. Any such report shall be made by the Grantee within twenty-four (24) hours after the instance has come to the attention of the Grantee. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Grantee shall bear the cost of notification to individuals having personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

11. The following is added as Grant Contract section E.9. Equal Opportunity:

E.9. Equal Opportunity. As a condition for receipt of grant funds, the Grantee agrees to comply with 41 C.F.R. § 60-1.4 as that section is amended from time to time during the term.

12. The following is added as Grant Contract section E.10. Match/Share Requirement:

E.10. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

13. The following is added as Grant Contract section E.11. Reimbursements to Reflect Match/Share:

E.11. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

14. The following is added as Grant Contract section E.12. No Retainage Allowed:

E. 12. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.

15. The following is added as Grant Contract section E. 13. Competitive Procurements:

E.13. Competitive Procurements. Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

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

Amendment Effective Date. The revisions set forth herein shall be effective July 1, 2018. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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


ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

 <h2 style="text-align: center;">GRANT AMENDMENT</h2>					
Agency Tracking # 40100-04317		Edison ID 52819		Contract # GG-17-52819-00	
Amendment # 1					
Contractor Legal Entity Name City of Kingsport					Edison Vendor ID 1562
Amendment Purpose & Effect(s) To extend contract end date from December 31, 2019 to December 31, 2020, and to increase Total Contract Funding Amount by \$40,000 00 from \$515,500.00 to \$555,500 00					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				End Date: December 31, 2020	
TOTAL Contract Amount INCREASE per this Amendment (zero if N/A): \$40,000.00					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
17	\$515,500.00				\$515,500.00
19	\$40,000.00				\$40,000.00
TOTAL:	\$555,500.00				\$555,500.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				OCR USE GG-17-52819-01	
Speed Chart (optional)		Account Code (optional) 71304000			

Edison Address # 17

AMENDMENT ONE OF GRANT CONTRACT GG-17-52819-00

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

1. Grant Contract section **B. TERM OF CONTRACT** is deleted in its entirety and replaced with the following:

B. TERM OF CONTRACT:

This Grant Contract shall be effective for the period beginning on January 1, 2016 ("Effective Date") and ending on December 31, 2020, ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

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

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Five Hundred Fifty-five Thousand, Five Hundred Dollars and No Cents (\$555,500.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment One is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

3. Grant Contract section C.6. Budget Line-Items is deleted in its entirety and replaced with the following:

C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

4. Grant Contract section D.8. Communications and Contacts is deleted in its entirety and replaced with the following:

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The State:

Alaire Gage, Program Monitor 2
Tennessee Department of Transportation
Multimodal Transportation Resources Division
Suite 1200 James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243
alaire.gage@tn.gov
Telephone # (615) 313-3192

FAX # (615) 253-1482

The Grantee

Chris Campbell, AICP
Public Transportation Manager
Kingsport Area Transit Service
109 Clay Street Kingsport, TN 37660
ChrisCampbell@KingsportTn.gov
Telephone # (423) 224-2857
FAX # (423) 224-2615

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

5. Grant Contract section D.23. State Liability is deleted in its entirety and replaced with the following:

D.23. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Grant Contract. In no event will the State be liable to the Grantee or any other party for any lost revenues, lost profits, loss of business, loss of grant funding, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Grant Contract or otherwise. The State's total liability under this Grant Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability originally established in Section C.1 of this Grant Contract. This limitation of liability is cumulative and not per incident.

6. Grant Contract section D.27. State Interest in Equipment or Motor Vehicles is deleted in its entirety and replaced with the following:

D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars (\$5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a

security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Vehicle identification number;
- c. Manufacturer's serial number or other identification number, when applicable;
- d. Consecutive inventory equipment or motor vehicles tag identification;
- e. Acquisition date, cost, and check number;
- f. Fund source, State Grant number, or other applicable fund source identification;
- g. Percentage of state funds applied to the purchase;
- h. Location within the Grantee's operations where the equipment or motor vehicles is used;
- i. Condition of the property or disposition date if Grantee no longer has possession;
- j. Depreciation method, if applicable; and
- k. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered

into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

7. The following is added as Grant Contract section D.33. Iran Divestment Act:

D.33. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Grant Contract. The Grantee certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

8. Grant Contract section E. 2. Debarment and Suspension is deleted in its entirety and replaced with the following:

D.34. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified, or presently fall under any of the prohibitions of sections a-d.

9. The following is added as Grant Contract section E.2. Drug Free Workplace:

E.2. Drug Free Workplace. The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

10. The following is added as Grant Contract section E.8. Disclosure of Personally Identifiable Information:

E.8. Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that come to the attention of the Grantee. Any such report shall be made by the Grantee within twenty-four (24) hours after the instance has come to the attention of the Grantee. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Grantee shall bear the cost of notification to individuals having personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

11. The following is added as Grant Contract section E.9. Equal Opportunity:

E.9. Equal Opportunity. As a condition for receipt of grant funds, the Grantee agrees to comply with 41 C.F. R. § 60-1.4 as that section is amended from time to time during the term.

12. The following is added as Grant Contract section E.10. Match/Share Requirement:

E.10. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

13. The following is added as Grant Contract section E.11. Reimbursements to Reflect Match/Share:

E.11. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

14. The following is added as Grant Contract section E.12. No Retainage Allowed:

E.12. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.

15. The following is added as Grant Contract section E.13. Competitive Procurements:

E.13. Competitive Procurements. Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

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

Amendment Effective Date. The revisions set forth herein shall be effective July 1, 2018. All other terms and conditions of this Grant Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

CITY OF KINGSPORT

JOHN CLARK, MAYOR

DATE

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

J. MICHAEL BILLINGSLEY, CITY ATTORNEY
APPROVED AS TO FORM AND LEGALITY

DATE

JAMES H. DEMMING
CITY RECORDER

DATE

DEPARTMENT OF TRANSPORTATION:

JOHN C. SCHROER, COMMISSIONER

DATE

JOHN REINBOLD, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY

DATE

ATTACHMENT ONE

UNIVERSAL MULTIMODAL TRANSPORTATION RESOURCES BUDGET

	STATE SHARE	FEDERAL SHARE*	GRANT CONTRACT	GRANTEE SHARE	TOTAL
SCOPE—CAPITAL					
11 00 S0 Capital Assistance, Non-ADA - TDOT	\$555,500.00	\$4,444,000.00	\$555,500.00	\$555,500.00	\$5,555,000.00
11 00.S1 Capital Assistance, ADA - TDOT					
11.1x xx Revenue Rolling Stock					
11.2x xx Transitways / Line					
11.3x xx Station Stops & Terminals					
11.4x xx Support Equip / Facilities					
11.5x xx Electrification / Power Dist					
11.6x xx Signal & Communication Equip					
11.7x xx Other Capital Items					
11.8x xx State / Programs Administration					
11.9x xx Transit Enhancements					
12 xx xx Fixed Guideway					
14 xx xx New Start					
SCOPE—OPERATING					
30 00 00 Operating Assistance - TDOT					
30.xx.xx Operating Assistance					
SCOPE—RURAL TRANSIT ASST PROGRAM					
43.5x.xx Rural Transit Assistance Program					
SCOPE—PLANNING					
44 00 S0 Planning - TDOT					
44.xx.xx Planning					
SCOPE—MANAGEMENT TRAINING					
50 xx.xx Management Training					
SCOPE—OVERSIGHT REVIEWS					
51.xx.xx Oversight Review					
SCOPE—RESEARCH PROJECTS					
55.xx.xx Research Projects					
SCOPE—SAFETY & SECURITY					
57.xx.xx Safety and Security					
SCOPE - UNIVERSITY RESEARCH					
70.xx.xx					
SCOPE - Non-Add Scope Codes					
99.xx.xx					
SCOPE - OTHER					
xx.xx.xx - Other					
xx.xx.xx - Other					
GRAND TOTAL	\$555,500.00	\$4,444,000.00	\$555,500.00	\$555,500.00	\$5,555,000.00

*Federal share not distributed in this grant contract.

GRANT BUDGET LINE-ITEM DETAIL INFORMATION

Line Item Detail For: CAPITAL	State	Federal	Grant Contract	Grantee	Total Project
11.00.S0 Capital Assistance, Non-ADA - TDOT	\$555,500.00	\$4,444,000.00	\$555,500.00	\$555,500.00	\$5,555,000.00
TOTAL	\$555,500.00	\$4,444,000.00	\$555,500.00	\$555,500.00	\$5,555,000.00



AGENDA ACTION FORM

Awarding the Bid for the Purchase of Three (3) 8 Passenger Vans to Empire Ford

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

Action Form No.: AF-204-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Committee
 Presentation By: Steve Hightower/David Frye

Recommendation:

Approve the Resolution.

Executive Summary:

Bids were opened on July 31, 2018 for the purchase of Three (3) 8 Passenger Vans, Gasoline Powered. The advertisement for the Invitation to Bid was published in the Kingsport Times News on July 15, 2018. The City of Kingsport received three bids submitted by Ted Russell Ford, Empire Ford and Fairway Ford. Empire Ford submitted the lowest bid at \$26,369.00 per unit for a Ford Transit 150. It is the recommendation of the Fleet Manager and the committee to accept the compliant bid from Empire Ford and to proceed with the purchase of Three (3) Ford Transit 150 Vans for Kingsport City Schools.

\$52,738.00 Unit Price (\$26,369.00 per Unit Price x Qty. 2) – Transition School to Work Program
 \$26,369.00 Unit Price (Qty. 1) – DBHS Activities

\$101,747.00 Total Purchase

These units are new Fleet Vehicles.

Additional information is included in the recommendation memo.

Funding is identified in Project/Account # 142-7200-831-0729 IDIS19 & DBHS Activities Funds.

Attachments:

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo w/ Photo

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF
3 EIGHT PASSENGER VANS TO EMPIRE FORD AND
AUTHORIZING THE CITY MANAGER TO EXECUTE A
PURCHASE ORDER FOR THE SAME

WHEREAS, bids were opened July 31, 2018, for the purchase of three (3) eight passenger vans for use at Kingsport City Schools; and

WHEREAS, upon review of the bids, the board finds Empire Ford is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase three (3) eight passenger Ford Transit 150 Vans from Empire Ford, at a total purchase cost of \$101,747.00; and

WHEREAS, funding is identified in account number 142-7200-831-0729 IDIS19 & DBHS activities funds.

Now therefore,

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

SECTION I. That the bid for the purchase of three (3) eight passenger Ford Transit 150 Vans, at a total purchase cost of \$101,747.00, is awarded to Empire Ford, and the city manager is authorized to execute a purchase order for same.

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

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

ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
BID OPENING
July 31, 2018
4:00 P.M.

Present: Brent Morelock, Procurement Manager; and Michelle Ramey, Assistant Procurement Manager,
Schools

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

The Procurement Manager opened with the following bids:

(3) 8 PASSENGER VANS				
Vendor:	Qty.:	Unit Cost:	Make/Model:	Delivery Time:
Ted Russell Ford	3	\$28,918.00	Ford Transit LRT 150 Wagon	90 Days
Empire Ford	3	\$26,369.00	Ford Transit 150	120 Days
Fairway Ford	3	\$26,994.00	2019 Ford Transit	120 Days

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



FLEET MAINTENANCE DIVISION
City of Kingsport, Tennessee

To: Michelle Ramey, Assistant Procurement Manager Schools
From: Steve Hightower, Fleet Manager
Date: August 7, 2018
Re: Passenger Van Purchase Recommendation

This will confirm my review and recommendation to purchase the compliant bid of the following vendor for use by the Schools Activities Department.

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Award to Vendor</u>	<u>Fuel Economy</u>
1	3	2019 Ford Transit	Empire Ford	15 City/ 19 Hwy

Low Compliant Bidder

The bidder was compliant in all major aspects of the minimum specification requirements for the Passenger Vans specified.

These units will be additions to the fleet

Delivery and Compliance

Delivery and Compliance to Specifications expectations have been added to insure prompt delivery of any vehicle or piece of equipment purchased by the City of Kingsport. Failure of the awarded vendor to deliver on time or correct pre acceptance inspection deficiencies within the allotted time results in a monetary penalty assessed on a daily basis. This process will insure the departments receive their replacement or new units in a timely manner. Specified time allotted for delivery is 120 days after notification of award with 10 days to correct inspection deficiencies and a \$50 dollar a day penalty assessed for non-compliance.

Fleet Fuel Economy Improvement

00%

No fleet fuel economy improvements would be realized since these units are additions to the fleet.

Trade In(s)

1. Trade in(s): N/A

Origin Information

1. New Unit Origin of Manufacture:
 - a. Van Mfg.– Kansas City, MO
 - i. 60% Domestic/ 40% Import
2. New Unit Purchase Dealer:
 - b. Van Dealer _ Empire Ford – Abingdon, VA.

Should you have any questions about this recommendation, please do not hesitate to contact me.

Thank you.



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



AGENDA ACTION FORM

Proposed Stormwater Annual Compliance Report

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

Action Form No.: AF-196-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: D. Wankel/D. Edwards
 Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Kingsport's stormwater permit requires that the municipal separate storm sewer system (MS4) submit an annual report to the Tennessee Department of Environment and Conservation (TDEC) by September 30 of each calendar year that covers the previous compliance year. A requirement states that prior to submitting the annual report to TDEC, the MS4 must issue a public notice to present the annual report for suggestions and comment. The Public Notice was published August 2, 2018.

Attachments:

1. Resolution
2. Public Notice
3. Permit Requirements/Activities
4. Proposed Annual Report

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A
STORMWATER ANNUAL COMPLIANCE REPORT REQUIRED
BY THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND
CONSERVATION

WHEREAS, the storm water permit the city has from the Tennessee Department of Environment and Conservation requires that the city submit on behalf of its municipal separate storm sewer system an annual report; and

WHEREAS, a public notice to receive suggestions and comments must be issued prior to the adoption of the annual report; and

WHEREAS, a public notice was published on August 5th, 2018, in the Kingsport Times-News, a newspaper of general circulation; and

WHEREAS, a public meeting was held by the board of mayor and alderman on the 21st day of August, 2018.

Now, therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized and directed to execute, in a form approved by the city attorney, the Stormwater Annual Compliance Report required by the Tennessee Department of Environment and Conservation.

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

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

ADOPTED this the 21st day of August, 2018.

John Clark, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PUBLIC NOTICE

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 Public Works staff will provide information to consider an annual report from the City of Kingsport's Municipal Separate Storm Sewer System (MS4) Stormwater Management Program to the Tennessee Department of Environment and Conservation at the August 21, 2018 BMA meeting. This information is available at the City's Water Services Operations Center located at 1113 Konnarock Rd. and City Hall at 225 W. Center St. If you would like additional information please contact the Kingsport Stormwater Division at 423-224-2727. This report may be found on the City's website at <http://publicworks.kingsporttn.gov/stormwater-management/public-involvement-and-participation>.

CITY OF KINGSPORT
Angie Marshall, City Clerk
P1T: 8/5/18

2016 303(d) LIST (Red River Watershed continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN05130206 039_0110	UNNAMED TRIB TO SPRING CREEK	Montgomery	5.38	Alteration of stream-side or littoral vegetation L Total Phosphorus L	Nonirrigated Crop Production	Category 5. (One or more uses impaired.) TMDLs needed.
TN05130206 039_0150	SPRING CREEK	Montgomery	22.5	Loss of biological integrity due to siltation L Total Phosphorus L Nitrate+Nitrite L Alteration of stream-side or littoral vegetation L	Nonirrigated Crop Production Land Development Sources Outside State	Category 5. (One or more uses impaired.) TMDLs needed.
TN05130206 039_1000	WEST FORK RED RIVER	Montgomery	10.2	Loss of biological integrity due to siltation L Nitrate+Nitrite L Total Phosphorus L Other Anthropogenic Habitat Alterations L	Land Development Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.

North Fork Holston River

This basin contains the following USGS Hydrologic Unit Codes: 06010101 (North Fork Holston)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010101 001_1000	NORTH FORK HOLSTON RIVER	Hawkins Sullivan	6.1	Mercury L	Industrial Point Source Source in Other State Contaminated Sediment	Category 5. (One or more uses impaired.) TMDL needed. Provides habitat for the federally listed mussel, five- rayed pigtoe (<i>Fusconaia cuneolus</i>) and fish, spotfin chub (<i>Cyprinella monacha</i>). <u>Advisory</u> due to Hg historically discharged by Olin in Saltville, VA.

South Fork Holston River

This basin contains the following USGS Hydrologic Unit Codes: 06010102 (South Fork Holston).

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 001_0100	MADD BRANCH	Sullivan	2.7	Physical Substrate Habitat Alterations NA Escherichia coli H	Discharges from MS4 area Channelization	Category 5. (One or more uses impaired) TMDL needed EPA approved a habitat alteration TMDL for the known pollutant on 8/16/06.

2016 303(d) LIST (South Fork Holston River Basin continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 001_1000	SOUTH FORK HOLSTON RIVER	Sullivan	5.5	Flow alteration NA Temperature Alterations L Total Phosphorus L	Upstream Impoundment Discharges from MS4 area Municipal Point Source	Category 5 (One or more uses impaired.) TMDLs needed. Flow alteration is 4c (Impairment not caused by a pollutant).
TN06010102 001_2000	SOUTH FORK HOLSTON RIVER	Sullivan	2.4	Low dissolved oxygen L Flow alterations NA Temperature Alterations L	Upstream Impoundment	Category 5 (One or more uses impaired.) TMDLs needed. Flow alteration is 4c (Impairment not caused by a pollutant).
TN06010102 001_0100	MILL CREEK	Sullivan	6.6	Escherichia coli H Alteration in stream-side or littoral vegetative cover L	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_0200	UNNAMED TRIB TO HORSE CREEK	Sullivan Washington	3.8	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 003_0300	FALL BRANCH	Washington	3.4	Escherichia coli H Alteration in stream-side or littoral vegetative cover L	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_0400	WALKER FORK CREEK	Sullivan	6.26	Alteration in stream-side or littoral vegetative cover L Loss of biological integrity due to siltation L	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_0410	LYNCH BRANCH	Sullivan	3.06	Escherichia coli H Alteration in stream-side or littoral vegetative cover L	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_0420	BLAIR GAP BRANCH	Sullivan	2.73	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 003_0500	BEAR CREEK	Sullivan	4.6	Alteration in stream-side or littoral vegetative cover L Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_0600	LITTLE HORSE CREEK	Sullivan	6.46	Alteration in stream-side or littoral vegetative cover L Loss of biological integrity due to siltation L Escherichia coli H	Pasture Grazing Discharges from MS4 area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 003_1000	HORSE CREEK	Sullivan	3.1	Alteration in stream-side or littoral vegetative cover L	Discharges from MS4 area	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 003_2000	HORSE CREEK	Sullivan	6.47	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.

2016 303(d) LIST (South Fork Holston River Basin continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 003_3000	HORSE CREEK	Sullivan	4.35	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 004T_0100	RUSSELL CREEK	Sullivan	5.5	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 006_1000	BOONE RESERVOIR	Washington Sullivan	1968 ac	PCBs NA Chlordane NA	Contaminated Sediment	Fishing advisory due to PCBs. Category 4a. EPA approved a chlordane and PCB TMDL for the known pollutants on 6/26/07.
TN06010102 006T_0100	GAMMON CREEK	Sullivan	3.8	Alteration in stream-side or littoral vegetative cover NA Nitrate+Nitrite L Low Dissolved Oxygen L Loss of biological integrity due to siltation NA Escherichia coli H	Channelization Discharges from MS4 area Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed. EPA approved a siltation/habitat alteration TMDL for some of the known pollutants on 8/16/06
TN06010102 006T_0200	WAGNER CREEK	Sullivan	5.5	Alteration in stream-side or littoral vegetative cover NA Loss of biological integrity due to siltation NA Escherichia coli NA	Pasture Grazing Discharges from MS4 area	Category 4a. EPA approved siltation/habitat alteration and pathogen TMDLs for the known pollutants on 8/16/06 and 9/25/06
TN06010102 006T_0300	CANDY CREEK	Sullivan	3.2	Alteration in stream-side or littoral vegetative cover NA Loss of biological integrity due to siltation NA Escherichia coli NA	Pasture Grazing	Category 4a. EPA approved a siltation/habitat alteration and pathogen TMDLs for the known pollutants on 8/16/06 and 9/25/06.
TN06010102 012_0100	UNNAMED TRIB TO SOUTH FORK HOLSTON RIVER	Sullivan	2.0	Alteration in stream-side or littoral vegetative cover NA Loss of biological integrity due to siltation NA Escherichia coli NA	Pasture Grazing	Category 4a. EPA approved a siltation/habitat alteration and pathogen TMDLs for the known pollutants on 8/16/06 and 9/25/06.
TN06010102 012_0200	PADDLE CREEK	Sullivan	4.44	Alteration in stream-side or littoral vegetative cover NA Escherichia coli L	Pasture Grazing	Category 4a. EPA approved a habitat alteration TMDL for the known pollutants on 8/16/06.
TN06010102 012_0300	UNNAMED TRIB TO SOUTH FORK HOLSTON RIVER	Sullivan	3.89	Alteration in stream-side or littoral vegetative cover NA Loss of biological integrity due to siltation NA Escherichia coli NA	Pasture Grazing	Category 4a. EPA approved a siltation/habitat alteration and pathogen TMDLs for the known pollutants on 8/16/06 and 9/25/06.
TN06010102 012_0400	MORRELL CREEK	Sullivan	4.89	Escherichia coli NA	Pasture Grazing	Category 4a. EPA approved pathogen TMDL for the known pollutant on 9/25/06.

2016 303(d) LIST (South Fork Holston River Basin continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 042_0500	CEDAR CREEK	Sullivan	11.8	Escherichia coli NA	Discharges from MS4 Area	Category 4a. EPA approved pathogen TMDL for some of the known pollutants on 9/25/06
TN06010102 042_1000	BEAVER CREEK	Sullivan	11.1	Nitrate+Nitrite Escherichia coli L NA	Discharges from MS4 Area Pasture Grazing	<u>Water contact advisory.</u> Category 5. (One or more uses impaired.) TMDL needed. EPA approved a pathogen TMDL for some of the known pollutants on 9/25/06.
TN06010102 042_2000	BEAVER CREEK	Sullivan	10.5	Alteration in stream-side or littoral vegetative cover Nitrate+Nitrite Loss of biological integrity due to siltation Escherichia coli NA L NA	Channelization Pasture Grazing Discharges from MS4 Area Sources Outside State Borders	<u>Water contact advisory.</u> Category 5. (One or more uses impaired.) TMDL needed. EPA approved siltation/habitat alteration and pathogen TMDLs for some of the known pollutants on 8/16/06 and 9/25/06.
TN06010102 045_1000	FALL CREEK	Sullivan	6.25	Escherichia coli H	Discharges from MS4 area	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 045_2000	FALL CREEK	Sullivan	15.72	Escherichia coli H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 046_0100	TRANBARGER BRANCH	Sullivan	1.4	Other Anthropogenic Habitat Alterations Escherichia coli NA H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDL needed. EPA approved a habitat alteration TMDL for the known pollutant on 8/16/06
TN06010102 046_0200	GRAVELLY CREEK	Sullivan	4.9	Alterations in stream-side or littoral vegetative cover Nitrate+Nitrite L L	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 046_0400	MILLER BRANCH	Sullivan	2.15	Loss of biological integrity due to siltation Escherichia coli L H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 046_0500	UNNAMED TRIB TO REEDY CREEK	Sullivan	1.8	Physical substrate habitat alterations Loss of biological integrity due to siltation Other Anthropogenic Habitat Alterations Escherichia coli L L L H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.

2016 303(d) LIST (South Fork Holston River Basin continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 046_0600	UNNAMED TRIB TO REEDY CREEK	Sullivan	3.88	Alterations in stream-side or littoral vegetative cover L Loss of biological integrity due to siltation L Escherichia coli H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 046_0700	CLARK BRANCH	Sullivan	3.75	Loss of biological integrity due to siltation L Escherichia coli H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 046_0800	GAINES BRANCH	Sullivan	2.7	Alterations in stream-side or littoral vegetative cover L Loss of biological integrity due to siltation L Escherichia coli H	Discharges from MS4 Area Pasture Grazing Specialty Crop Production	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 046_0900	TIMBERTREE BRANCH	Sullivan	1.92	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 046_1000	REEDY CREEK	Sullivan	5.42	Loss of biological integrity due to siltation NA Other Anthropogenic Habitat Alterations NA Escherichia coli H	Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDL needed. EPA approved a siltation/habitat alteration TMDL for the known pollutants on 8/16/06.
TN06010102 046_1200	UNNAMED TRIB TO REEDY CREEK	Sullivan	1.74	Flow Alterations NA	Upstream Impoundment	Category 4c. (Impairment not caused by a pollutant.)
TN06010102 046_2000	REEDY CREEK	Sullivan	7.99	Escherichia coli H	Pasture Grazing Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 046_3000	REEDY CREEK	Sullivan	6.0	Alterations in stream-side or littoral vegetative cover NA Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 047_0100	FORD CREEK	Washington	5.5	Loss of biological integrity due to siltation L Escherichia coli H	Pasture Grazing Discharges from MS4 Area	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 047_0200	RED RIVER	Washington	6.6	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 057_0100	KENDRICK CREEK UNNAMED TRIBUTARY	Washington	7	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 057_1000	KENDRICK CREEK	Sullivan Washington	4.8	Alterations in stream-side or littoral vegetative cover L Escherichia coli H	Discharges from MS4 Area Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.

2016 303(d) LIST (South Fork Holston River Basin continued)

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010102 0540_0800	PAINT SPRING BRANCH	Sullivan	1.02	Alteration in stream-side or littoral vegetative cover Loss of biological integrity due to siltation Escherichia coli NA NA NA	Pasture Grazing	Category 4a. EPA approved a siltation/habitat alteration and pathogen TMDL for the known pollutants on 8/16/06 and 9/25/06. (Named Painter Spring Branch in TMDLs.)
TN06010102 237_0100	BOOHER CREEK	Sullivan	7.2	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 237_0110	ROBINSON CREEK	Sullivan	3.3	Alterations in stream-side or littoral vegetative cover Escherichia coli L H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 237_1000	MUDDY CREEK	Sullivan	12.3	Escherichia coli H	Pasture Grazing	Category 5. (One or more uses impaired.) TMDL needed.
TN06010102 702_0100	POSSUM CREEK	Washington	3.9	Nitrate+Nitrite Alterations in stream-side or littoral vegetative cover Escherichia coli L L H	Discharges from MS4 Area Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 702_1000	CEDAR CREEK	Washington	10.1	Nitrate+Nitrite Loss of biological integrity due to siltation Alterations in stream-side or littoral vegetative cover Escherichia coli L L H	Discharges from MS4 Area Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.
TN06010102 729_1000	ROCK SPRINGS BRANCH	Sullivan	6.6	Alterations in stream-side or littoral vegetative cover Escherichia coli L H	Discharges from MS4 Area Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed.

Watauga River Basin

This basin contains the following USGS Hydrologic Unit Codes: 06010103 (Watauga River).

Waterbody ID	Impacted Waterbody	County	Miles/Acres Impaired	CAUSE / TMDL Priority	Pollutant Source	COMMENTS
TN06010103 001_1000	WATAUGA EMBAYMENT OF BOONE RESERVOIR	Washington Sullivan	2432 ac	PCBs Chlordane L L	Contaminated Sediment	Fishing advisory due to PCBs. Category 5. (One or more uses impaired.) TMDLs needed.
TN06010103 001T_0100	DARR CREEK	Washington Sullivan	3.85	Loss of biological integrity due to siltation Alteration in stream-side or littoral vegetative cover Escherichia coli L L NA	Pasture Grazing	Category 5. (One or more uses impaired.) TMDLs needed. EPA approved a pathogen TMDL that addresses some of the known pollutants on 7/16/15.



Tennessee Department of Environment and Conservation
Division of Water Resources
William R. Snodgrass Tennessee Tower,
312 Rosa L. Parks Avenue, 11th Floor, Nashville, Tennessee 37243
1-888-891-8332 (TDEC)

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

1. MS4 Information

Name of MS4: City of Kingsport		MS4 Permit Number: TNS075388
Contact Person: David Edwards		Email Address: DavidEdwards@KingsportTN.gov
Telephone: (423) 343-9845		MS4 Program Web Address: https://www.kingsporttn.gov/water-services/stormwater/
Mailing Address: 225 W. Center St.		
City: Kingsport	State: TN	ZIP code: 37660

What is the current population of your MS4? 53,558

What is the reporting period for this annual report? July 1 2017 to June 30 2018

2. Discharges to Waterbodies with Unavailable Parameters or Exceptional Tennessee Waters (Section 3.1)

- A. Does your MS4 discharge into waters with unavailable parameters (previously referred to as impaired) for pathogens, nutrients, siltation or other parameters related to stormwater runoff from urbanized areas as listed on TN's most current 303(d) list and/or according to the on-line state GIS mapping tool (tdeconline.tn.gov/dwr/)? If yes, attach a list. ☒ Yes ☐ No
- B. Are there established and approved TMDLs (<http://www.tn.gov/environment/article/wr-ws-tennessees-total-maximum-daily-load-tmdl-program>) with waste load allocations for MS4 discharges in your jurisdiction? If yes, attach a list. ☒ Yes ☐ No
- C. Does your MS4 discharge to any Exceptional Tennessee Waters (ETWs - http://environment-online.tn.gov:8080/pls/enf_reports/f?p=9034:34304:4880790061142)? If yes, attach a list. ☐ Yes ☒ No
- D. Are you implementing specific Best Management Practices (BMPs) to control pollutant discharges to waterbodies with unavailable parameters or ETWs? If yes, describe the specific practices: Monthly inspection frequency requirement, special pollutant abatement plans for pollutant hot spots, stricter stormwater pollution prevention plan and level of review. ☒ Yes ☐ No

3. Public Education/Outreach and Involvement/Participation (Sections 4.2.1 and 4.2.2)

- A. Have you developed a Public Information and Education plan (PIE)? ☒ Yes ☐ No
- B. Is your public education program targeting specific pollutants and sources, such as Hot Spots? If yes, describe the specific pollutants and/or sources targeted by your public education program: MS4 and construction site runoff; illicit discharges including septage, sediment, oil and grease; applicators of pesticides, herbicides and fertilizer; vehicle-related fluids and illegal dumping. ☒ Yes ☐ No
- C. Do you have a webpage dedicated to your stormwater program? If yes, provide a link/URL: <https://www.kingsporttn.gov/water-services/stormwater/> ☒ Yes ☐ No
- D. Summarize how you advertise and publicize your public education, outreach, involvement and participation opportunities: Website, Facebook, public notices, newspaper articles, TNSA and distribution of materials.

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

- E. Summarize the public education, outreach, involvement and participation activities you completed during this reporting period: Participation in the Tennessee Association of Broadcaster (TAB) program; 'Stormy' mascot appearances, elementary school RACE week; Public Works Day; Distributed 'Discover Waters of Tennessee' booklets to all 4th graders.
- F. Summarize any specific successful outcome(s) (e.g., citizen involvement, pollutant reduction, water quality improvement, etc.) fully or partially attributable to your public education and participation program during this reporting period: See attached

4. Illicit Discharge Detection and Elimination (Section 4.2.3)

- A. Have you developed and do you continue to update a storm sewer system map that shows the location of system outfalls where the municipal storm sewer system discharges into waters of the state or conveyances owned or operated by another MS4? ☒ Yes ☐ No
- B. If yes, does the map include inputs into the storm sewer collection system, such as the inlets, catch basins, drop structures or other defined contributing points to the sewershed of that outfall, and general direction of stormwater flow? ☒ Yes ☐ No
- C. How many outfalls have you identified in your storm sewer system? 930
- D. Do you have an ordinance, or other regulatory mechanism, that prohibits non-stormwater discharges into your storm sewer system? ☒ Yes ☐ No
- E. Have you implemented a plan to detect, identify and eliminate non-stormwater discharges, including illegal disposal, throughout the storm sewer system? If yes, provide a summary: Education of the public and targeted employees; implement standard operating procedures of municipal operations; complaint tracking, site plan review and inspections. ☒ Yes ☐ No
- F. How many illicit discharge related complaints were received this reporting period? 8
- G. How many illicit discharge investigations were performed this reporting period? 8
- H. Of those investigations performed, how many resulted in valid illicit discharges that were addressed and/or eliminated? 6

5. Construction Site Stormwater Runoff Pollutant Control (Section 4.2.4)

- A. Do you have an ordinance or other regulatory mechanism requiring:
- | | |
|---|---|
| Construction site operators to implement appropriate erosion prevention and sediment control BMPs consistent with those described in the TDEC EPSC Handbook? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Construction site operators to control wastes such as discarded building materials, concrete truck washout, chemicals, litter, and sanitary waste? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Design storm and special conditions for unavailable parameters waters or Exceptional Tennessee Waters consistent with those of the current Tennessee Construction General Permit (TNR100000)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
- B. Do you have specific procedures for construction site plan (including erosion prevention and sediment BMPs) review and approval? ☒ Yes ☐ No
- C. Do you have sanctions to enforce compliance? ☒ Yes ☐ No

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

- D. Do you hold pre-construction meetings with operators of priority construction activities and inspect priority construction sites at least monthly? ☒ Yes ☐ No
- E. How many construction sites disturbing at least one acre or greater were active in your jurisdiction this reporting period? 46
- F. How many active priority and non-priority construction sites were inspected this reporting period? 45
- G. How many construction related complaints were received this reporting period? 9

6. Permanent Stormwater Management at New Development and Redevelopment Projects (Section 4.2.5)

- A. Do you have a regulatory mechanism (e.g. ordinance) requiring permanent stormwater pollutant removal for development and redevelopment projects? If no, have you submitted an Implementation Plan to the Division? ☒ Yes ☐ No
☐ Yes ☐ No
- B. Do you have an ordinance or other regulatory mechanism requiring:
- Site plan review and approval of new and re-development projects? ☒ Yes ☐ No
- A process to ensure stormwater control measures (SCMs) are properly installed and maintained? ☒ Yes ☐ No
- Permanent water quality riparian buffers? If yes, specify requirements: Refer to Ordinance Section 38-169(d) and Chapter 6 of the Stormwater Management Manual. ☒ Yes ☐ No
- C. What is the threshold for development and redevelopment project plans plan review (e.g., all projects, projects disturbing greater than one acre, etc.)? All projects.
- D. How many development and redevelopment project plans were reviewed for this reporting period? 11
- E. How many development and redevelopment project plans were approved? 9
- F. How many permanent stormwater related complaints were received this reporting period? 14
- G. How many enforcement actions were taken to address improper installation or maintenance? 27
- H. Do you have a system to inventory and track the status of all public and private SCMs installed on development and redevelopment projects? ☒ Yes ☐ No
- I. Does your program include an off-site stormwater mitigation or payment into public stormwater fund? If yes, specify. ☐ Yes ☒ No

7. Stormwater Management for Municipal Operations (Section 4.2.6)

- A. As applicable, have stormwater related operation and maintenance plans that include information related to maintenance activities, schedules and the proper disposal of waste from structural and non-structural stormwater controls been developed and implemented at the following municipal operations:
- Streets, roads, highways? ☒ Yes ☐ No
- Municipal parking lots? ☒ Yes ☐ No
- Maintenance and storage yards? ☒ Yes ☐ No
- Fleet or maintenance shops with outdoor storage areas? ☒ Yes ☐ No
- Salt and storage locations? ☒ Yes ☐ No
- Snow disposal areas? ☐ Yes ☒ No
- Waste disposal, storage, and transfer stations? ☒ Yes ☐ No

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

- B. Do you have a training program for employees responsible for municipal operations at facilities within the jurisdiction that handle, generate and/or store materials which constitute a potential pollutant of concern for MS4s? ☒ Yes ☐ No
- If yes, are new applicable employees trained within six months, and existing applicable employees trained and/or retrained within the permit term? ☒ Yes ☐ No

8. Reviewing and Updating Stormwater Management Programs (Section 4.4)

- A. Describe any revisions to your program implemented during this reporting period including but not limited to:
 Modifications or replacement of an ineffective activity/control measure. None
 Changes to the program as required by the division to satisfy permit requirements. None
 Information (e.g. additional acreage, outfalls, BMPs) on newly annexed areas and any resulting updates to your program. None
- B. In preparation for this annual report, have you performed an overall assessment of your stormwater management program effectiveness? If yes, summarize the assessment results, and any modifications and improvements scheduled to be implemented in the next reporting period. Stormwater Management Plan Available upon request ☒ Yes ☐ No

9. Enforcement Response Plan (Section 4.5)

- A. Have you implemented an enforcement response plan that includes progressive enforcement actions to address non-compliance, and allows the maximum penalties specified in TCA 68-221-1106? If no, explain. ☒ Yes ☐ No
- B. As applicable, identify which of the following types of enforcement actions (or their equivalent) were used during this reporting period; indicate the number of actions, the minimum measure (e.g., construction, illicit discharge, permanent stormwater management), and note those for which you do not have authority:

Action	Construction	Permanent Stormwater	Illicit Discharge	In Your ERP?	
Verbal warnings	# <u>73</u>	# <u>17</u>	# <u>4</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Written notices	# <u>34</u>	# <u>12</u>	# <u> </u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Citations with administrative penalties	# <u>1</u>	# <u> </u>	# <u> </u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Stop work orders	# <u>1</u>	# <u> </u>	# <u> </u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Withholding of plan approvals or other authorizations	# <u>2</u>	# <u>4</u>	# <u> </u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Additional Measures	# <u> </u>	# <u> </u>	# <u> </u>	Describe: <u> </u>	

- C. Do you track instances of non-compliance and related enforcement documentation? ☒ Yes ☐ No
- D. What were the most common types of non-compliance instances documented during this reporting period?
Inspection frequency, documentation and SWPPP implementation.

10. Monitoring, Recordkeeping and reporting (Section 5)

A. Summarize any analytical monitoring activities (e.g., planning, collection, evaluation of results) performed during this reporting period. Beginning July 2017, the Stormwater Department has been doing additional monitoring on both Clark Branch and Tranbarger Branch, in an effort to obtain more data and pinpoint any sources of pollution. E-coli sampling was done at 6 sites along Clark Branch and 3 sites along Tranbarger Branch, one month in Summer, one month in Fall, and one month in Spring. Flow was measured at the most downstream sampling station. Benthic macroinvertebrate collection was done at an upstream and downstream location, along with physical parameters and habitat surveys, once in Fall and once in Spring. More information available upon request.

B. Summarize any non-analytical monitoring activities (e.g., planning, collection, evaluation of results) performed during this reporting period. During June 2018, Visual Stream Assessments were done, for impaired segments within the City limits, for Clark Branch, Gaines Branch, and unnamed tributary of Reedy Creek. The Maryland Protocol for Stream Corridor Assessment Survey was followed. More information available upon request.

C. If applicable, are monitoring records for activities performed during this reporting period ☐ Yes ☒ No submitted with this report.

11. Certification

This report must be signed by a ranking elected official or by a duly authorized representative of that person. See signatory requirements in sub-part 6.7.2 of the permit.

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

John Clark - Mayor

Printed Name and Title

Signature

Date

Annual reports must be submitted by September 30 of each calendar year (Section 5.4) to the appropriate Environmental Field Office (EFO), identified in the table below:

EFO	Street Address	City	Zip Code	Telephone
Chattanooga	1301 Riverfront Pkwy, Suite 206	Chattanooga	37402	(423) 634-5745
Columbia	1421 Hampshire Pike	Columbia	38401	(931) 380-3371
Cookeville	1221 South Willow Ave	Cookeville	38506	(931) 520-6688
Jackson	1625 Hollywood Drive	Jackson	38305	(731) 512-1300
Johnson City	2305 Silverdale Road	Johnson City	37601	(423) 854-5400
Knoxville	3711 Middlebrook Pike	Knoxville	37921	(865) 594-6035
Memphis	8383 Wolf Lake Drive	Bartlett	38133	(901) 371-3000
Nashville	711 R S Gass Boulevard	Nashville	37216	(615) 687-7000



AGENDA ACTION FORM

Approving a Memorandum of Understanding with Petworks Kingsport Animal Shelter Services, Inc.

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

Action Form No.: AF-203-2018
Work Session: August 20, 2018
First Reading: N/A


Final Adoption: August 21, 2018
Staff Work By: Fleming/J. Smith
Presentation By: Jeff Fleming

Recommendation:
Approve the Resolution.

Executive Summary:
Petworks is in the process of raising funds to construct a new animal shelter on the property it owns in the city on Stone Drive. The non-binding memorandum of understanding set out in the attached resolution provides a very general understanding of Petworks and the city, while the construction project is evaluated. It is expected that the evaluation will be completed by November 1, 2018.

If the city agrees that the project should proceed, an agreement outlining the city's participation will be drafted and presented for approval in the general framework set out in paragraphs 4 and 5 of the memorandum of understanding. Essentially, the city will provide \$100,000 upfront for engineering/design and the remaining \$580,000 will be provided after July 1, 2019, to match private donations to Petworks for the construction on the animal shelter. Petworks has to raise at least \$1,405,000 in private donations and in-kind contributions.

Attachments:
1. Resolution

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN MEMORANDUM OF UNDERSTANDING WITH PETWORKS KINGSPORT ANIMAL SHELTER SERVICES, INC. AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE MEMORANDUM OF UNDERSTANDING

WHEREAS, Petworks Kingsport Animal Shelter Services, Inc., is in the process of raising funds for the construction of a new animal shelter on property it owns in the city on Stone Drive; and

WHEREAS, Petworks has requested a non-binding memorandum of understanding setting out general framework of the city and the shelter's participation while the construction project is evaluated; and

WHEREAS, the evaluation is expected to be completed by November 1, 2018; and

WHEREAS, if the city proceeds with the construction project, an agreement outlining the city's participation will be drafted and presented for approval in the general framework set out in the memorandum of understanding.

Now therefore,

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

SECTION I. That a memorandum of understanding with Petworks Kingsport Animal Services, Inc., is approved.

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

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
PETWORKS KINGSPORT ANIMAL SHELTER SERVICES, INC.**

THIS MEMORANDUM OF UNDERSTANDING made and entered into as of the ____ day of _____, 2018, by the City of Kingsport, hereinafter called "CITY", and Petworks Kingsport Animal Shelter Services, Inc., hereinafter called "PETWORKS".

WITNESSETH:

WHEREAS, PETWORKS 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 the purpose contained herein; and

WHEREAS, CITY is authorized by Tennessee Code Annotated §6-54-111 et seq., and the official compilation of the Rules and Regulations of the State of Tennessee, Rules of the Comptroller of the Treasury, Division of Special Audit, chapter 0380-3-7, relating to Standard Procedures for

Appropriating and Disbursing Municipal Funds to Non-Profit Charitable Organizations, to provide financial assistance to nonprofit organizations and not-for-profit corporations; and

WHEREAS, PETWORKS would like to construct an animal shelter, hereinafter "Project" on property it acquired by purchase from private parties, and from a donation of land from CITY for animal control in CITY;

Now, therefore, the parties states the following:

1. This Memorandum of Understanding is not binding on the parties, but rather is to provide a very general understanding between the parties while the Project is evaluated to confirm the estimated project cost, timeline, cash flow, and commitments from the community.
2. Following the review of the Project, which will likely be completed by November 1, 2018, the parties will decide whether to proceed with the Project.
3. If the parties determine to continue with the Project, an agreement pertaining to such including CITY's participation, will be executed by the parties.
4. Such agreement will be subject to an annual appropriation by CITY; continuation of PETWORKS as a qualified entity pursuant to Tennessee Code Annotated §§ 6-54-111 and 48-51-101 et seq.; use of the Project which will be solely for the residents of CITY; a time frame for PETWORKS to raise funds for the construction of the Project, and to construct the Project; and other items as CITY and PETWORKS may agree, including items such as the term; scope of work; monitoring and reporting requirements; compensation; disposition of real property; audits; accounting, record keeping, and reporting requirements, maintenance of the project; assignment, subcontracting or subleasing; changed conditions affecting performance; staffing; termination and non-appropriation; assurances by PETWORKS; independent contractor status; indemnification for damages, taxes and contributions; and other items as the parties may agree.
5. CITY supports the Public/Private plan to equally share the cost of a new shelter with matching dollars secured from the community. CITY will provide \$100,000 upfront for engineering/design. The remaining \$580,000 will be provided after July 1, 2019, to match private donations. PETWORKS will raise at least \$1,405,000 in private donations and in-kind contributions. The project will be evaluated on or about November 1, 2018, to confirm the estimated project cost, timeline, cash flow, and commitments from the community. Following that review, a decision will be made jointly between CITY and PETWORKS to proceed.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Accept New Permanent Utility Easement from Eastman Chemical Company

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

Action Form No.: AF-205-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Jessica Harmon
 Presentation By: Jessica Harmon

Recommendation:

Accept Resolution of new permanent utility easement from Eastman Chemical Company.

Executive Summary:

This is a request to accept a new permanent utility easement from Eastman Chemical Company to be located on Tax Map 76 Parcel 6.90 Eastman has had the waterlines that served the restrooms located off the 16th tee at Cattails Golf Course relocated to the new location. This relocation was due to a desire for Eastman Chemical Company to open up their property for future development. The waterline has been installed and turned over to the City. In order for the City to be able to legally access and maintain the new line, a new permanent utility easement is needed.

Attachments:

1. Resolution
2. New Easement Drawing

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A DONATION FROM EASTMAN CHEMICAL COMPANY OF A PERMANENT UTILITY EASEMENT, APPROVING THE DEED OF PERMANENT UTILITY EASEMENT FROM EASTMAN CHEMICAL COMPANY; AND AUTHORIZING THE MAYOR TO EXECUTE THE DEED AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE DONATION

WHEREAS, the planning commission recommended the city abandon and relocate a utility easement on the Cattails property; and

WHEREAS, the new water lines service the bathrooms on the 16th hole at Cattails; and

WHEREAS, the water lines will cross property owned by Eastman Chemical Company; and

WHEREAS, Eastman Chemical Company has agreed to donate the property for the water utility easement; and

WHEREAS, to finalize the donation a Deed of Permanent Utility Easement needs to be executed.

Now therefore,

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

SECTION I. That the donation of Deed of Permanent Utility Easement for water and services from Eastman Chemical Company is accepted.

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

This DEED OF PERMANENT UTILITY EASEMENT, mad!! This _ day of _____, 2018 by and between EASTMAN CHEMICAL COMPANY, a Delaware corporation authorized to do business in Tennessee, Party of the First Part, and CITY OF KINGSPORT, TENNESSEE, a municipal corporation of the State of Tennessee, Party of the Second Part.

That for and in consideration of the sum of ONE DOLLAR AND 00/100th's (\$1.00), cash in hand paid, and other good and valuable consideration, the receipt of all of which is hereby acknowledged, the Party of the First Part has this day granted unto the Party of the Second Part, its successors and assigns, the permanent right-of-way and easement without any warranty, on, over and through the herein described property, for the purpose of installing, maintaining, and using water pipes, lines or fixtures, as may be necessary or convenient, said non-exclusive easement being located in the City of Kingsport, 13th Civil District of Sullivan County, Tennessee, and being more particularly described and bounded as follows and as also shown on Exhibit A attached hereto:

Being a 15 foot wide strip lying within Eastman Chemical Company property, Map 76 Parcel No. 6.90, situate in the 13th Civil District of Sullivan County, Tennessee, and being more particularly described as follows:

Starting at an iron rod old located on the south westerly property line of Eastman Chemical Company, corner to City of Kingsport property.

Thence along said property line south 53°34'17" east 69.01 feet to the Point of Beginning;

Thence with the centerline of the 15 foot wide easement the following seven calls:

Thence north 04°56'13" east 19.45 feet to a point;

Thence north 29°07'34" east 15.66 feet to a point;

Thence north 74°42'50" east 18.26 feet to a point;

Thence north 50°47'24" east 35.48 feet to a point;

Thence north 08°54'23" east 304.65 feet to a point;

Thence north 00°35'24" east 30.01 feet to a point;

Thence north 11°41'37" west 60.93 feet to a point;

Containing 0.169 acres, or 7,369 square feet, more or less, as shown on the drawing by Barge Design Solutions, signed by Brian Hill, Tennessee Registered Land Surveyor #2634 bearing File No. 36735-06 dated 05-15-18, and titled "15' Wide Waterline Easement", a copy of which is attached hereto. The bearings of this description are based on Kingsport Geodetic Reference Network.

And being part of the same property conveyed to Party of the First Part by Deed of Record in the in the Register of Deeds Office for Sullivan County at Blountville, Tennessee, in Deed Book 965C at page 343 to all of which reference is hereby expressly made.

Part of Sullivan County Tax Map 76, Parcel No. 6.90

Together with the non-exclusive right to enter upon said land and to remove any property or structure and remove any trees, or branches of trees, on said land which may endanger the safety of said services or interfere with the construction thereof.

TO HAVE AND TO HOLD unto the City of Kingsport, Tennessee, its successors and assigns, for a permanent right-of-way and easement to install, maintain, and use water pipes, lines or fixtures as may be necessary or convenient subject, however, to the following conditions:

(1) The right and easement hereby conveyed to the City are for the sole purpose of providing an easement for water service to the rest room facility on the Cattails Golf Course operated by the City of Kingsport, Tennessee;

(2) The City, its successors and assigns, will, to the extent permitted by state law, indemnify, defend, and save harmless Eastman, its successors and assigns, from any and all liability, loss, damages, or expense, or claims thereof, on account of injuries to property, including the property of the parties hereto, and on account of injuries to persons, including death, growing out of or caused in any way by the exercise of the rights hereby granted to the City.

(3) If the exercise of the rights hereby granted shall interfere with any use which Eastman may desire to make of its property, Eastman may give the City ninety (90) days written notice to change the location of said services, specifying in said notice the new location; and the City will, within said ninety (90) day period, at the cost and expense of Eastman, move said services to the new location as designated in said notice. Upon any relocation or relocations as aforesaid, all of the City's rights applicable to the land formerly occupied by said services shall terminate; and the City shall have the same rights, which are hereby granted to be effective from the time of such relocation or relocations, upon the land newly occupied, subject to all the conditions and provisions of this Deed of Easement, including provisions of Paragraphs 3, 4 and 5 hereof.

(4) In the exercise of the right and easement granted and conveyed herein, the City shall comply with all applicable federal, state and local environmental laws, regulations, and ordinances; and shall carry out its operations thereon to prevent the release, threatened release, leak, discharge, spill, disposal or emission of any hazardous material (including those designated as "oil" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. paragraph 1251, et seq. or defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. paragraph 9601, et seq. onto, under (including to the groundwater) or from the property (including groundwater). To the extent permitted by state law the City, its successors and assigns, will indemnify, defend, and save harmless Eastman, its successors and assigns, from any and all liability, loss, damage, or expense, or claims thereof resulting from the failure of the City to comply with its undertakings hereunder or any negligence or intentional misconduct of its employees, agents, representatives or subcontractors; or in connection with the release, threat of release, or suspected release of any hazardous materials (as previously described herein) by the City, its employees, agents, contractors, or subcontractors, to the air, soil, ground water or surface water at, on, about, under or within the parcel of land that is the subject of their Deed of Easement. Without limiting the generality of the foregoing, the indemnification provided by this paragraph shall specifically cover costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions, any cleanup, containment, remedial, removal or restoration work required or performed by any federal, state or

local governmental agency or political subdivisions or performed by any non-governmental entity or person pursuant to Section 107(a) (42 U.S.C. section 9607(a)) of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.), or Sections 311 (f) or (g) (33 U.S.C. section 1321 (f) or (g)) of the Clean Water Act (33 U.S.C. section 1251 et seq.), or Section 7003 (42 U.S.C. section 6973) of the Resource Conservation and Recovery Act (42 U.S.C. section 6901, et seq.), and like applicable statutes or ordinances of any state or local government, or rules issued thereunder.

(5) This conveyance is subject to such easements as now remain in effect for railroads, streets, sewers, waterlines, powerlines, and other similar rights, which have been granted or have been made by, or have by eminent domain or adverse possession been taken, from Eastman or its predecessors in title, if any.

(6) Eastman reserves the right fully to use and enjoy the strip of land hereinbefore described and all adjacent land of Eastman and to grant others the right to do so, either alone or jointly with Eastman, said rights so reserved including, but not being limited to, the construction, use and maintenance of lines, pipes, cable and fixtures for utilities of any type and to take all means which Eastman finds convenient for all said purposes, provided Eastman's or others actions or activities do not unreasonably interfere with the exercise by the City of the right and easement hereby reserved.

(7) Upon termination of the rights hereby conveyed to the City as to the land hereinbefore described, or any part of the same, the City at its sole expense shall remove its property from said land, or from the part or parts thereof to which the termination applies, and shall fully remove all the said property and restore the land to the reasonable satisfaction of Eastman. Upon failure of the City to do so, Eastman shall have the right at its option to remove the said property and to restore the land, at the expense of the City, to be payable to Eastman on demand.

(8) No waiver or failure to exercise any right of Eastman hereunder shall constitute a waiver of said right or of any other right then or subsequently occurring for breach of contract or any other account hereof.

(9) Any notice to the City by Eastman shall be considered given on the date it is mailed by registered or certified mail, with request for return receipt, addressed to the City of Kingsport, Att: City Manager's last known address.

(10) All references herein to the parties hereto include, and all provisions, covenants, and conditions herein shall inure to the benefit of and bind the parties hereto and their respective successors and assigns.

WITNESS the signature of the Party of the First Part on this the day and year first above written herein.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

SECTION IV. That the mayor is authorized and directed to take such acts as necessary, to effectuate the purpose of the donation of property from Eastman Chemical Company, the approved agreements listed herein, IRS Documents, and any and all documents necessary and proper to effectuate the donation and this resolution.

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

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

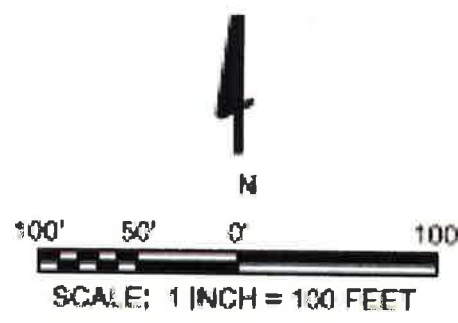
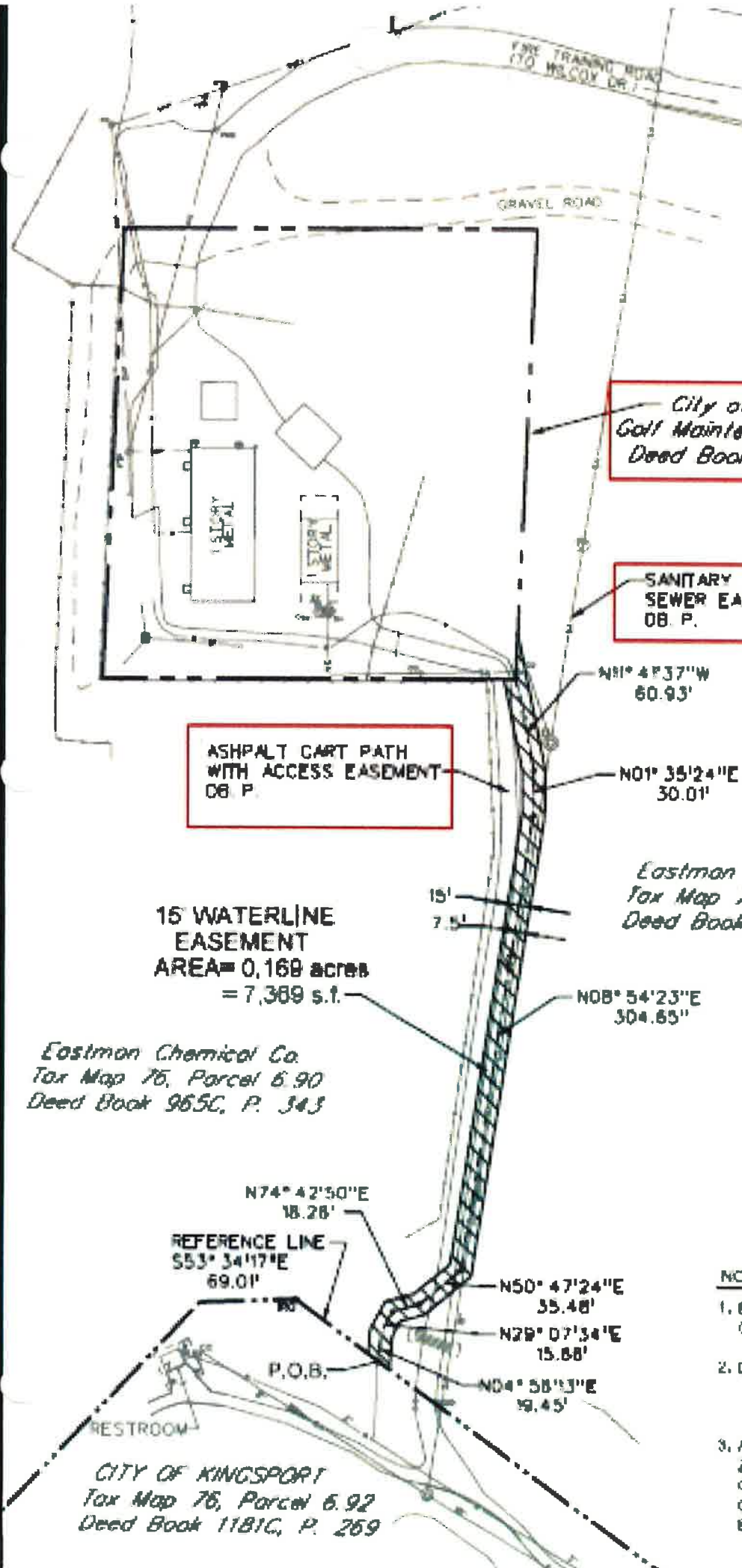
ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



City of Kingsport
Golf Maintenance Lease Area
Deed Book XXX, P. XXX

SANITARY
SEWER EASEMENT
OB. P.

ASHPALT CART PATH
WITH ACCESS EASEMENT
OB. P.

15' WATERLINE
EASEMENT
AREA= 0.168 acres
= 7,369 s.f.

Eastman Chemical Co.
Tax Map 76, Parcel 6.90
Deed Book 965C, P. 343

Eastman Chemical Co.
Tax Map 76, Parcel 6.90
Deed Book 965C, P. 343

LEGEND

--- IRON ROD OLD	IRON ROD OLD
----- EASEMENT LINE	EASEMENT LINE
----- PROPERTY LINE	PROPERTY LINE
----- LEASE AREA LINE	LEASE AREA LINE

NOTES:

1. BEARING BASE IS ON THE "KINGSPORT GEODETIC NETWORK".
2. DEED REFERENCE: TAX MAP 76 PARCEL 6.90, DEED BOOK 965C PAGE 343, 13th CIVIL DISTRICT, SULLIVAN COUNTY, TN
3. A PORTION OF THIS PARCEL LIES WITHIN ZONE X AS NOTED ON THIS MAP AND SHOWN ON FIRM MAP, SULLIVAN COUNTY, TENNESSEE, COMMUNITY PANEL NUMBER 4716X00400, EFFECTIVE DATE SEPTEMBER 28, 2006.


Certificate of Survey
"To all parties interested in title to premises surveyed".
I Herby certify that this is a category 1 survey and the ratio of
precision of the unadjusted survey is 1:10000 as shown hereon.
This survey has been prepared in accordance with The Standards
of Practice for Land Surveys in the State of Tennessee.

Tenn. Reg. No. _____
Date: _____



AGENDA ACTION FORM

Approval of Funding Plan and Authorization to Pursue ONEKingsport Projects

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

Action Form No.: AF-201-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Lynn Tully
 Presentation By: Lynn Tully

Recommendation: Approve the funding plan and authorize staff to proceed with projects as proposed.

Executive Summary:

The ONEKingsport process culminated in recommending five projects for the city to pursue in achieving its vision of becoming the premier city in northeast Tennessee. To that end, two of the projects underway within current funds are the Neighborhood Commission and Upgrades and Updates to Bays Mountain Park. Previous funding approval has allowed the remodeling for the Inventor Center and initial work being done by Engage Kingsport. Leaving the final two projects to get underway with this funding request: Outdoor Venue (Downtown Playground) and Riverfront Improvements (Rediscover the Riverfront).

The Outdoor Venue is estimated to require a total of \$640,000 of ONEKingsport funds for FY18 and FY19. This will allow for completion of an engineered design for the venue and parking areas, design of the pedestrian bridge, and design and construction of the bicycle pump track. Additionally, \$5M is estimated to be bonded in the FY20 year for construction of the parking area and transitional venue space and construction of the pedestrian bridge.

Riverfront Improvements include a total of \$417,660 for FY18 and FY19 ONEKingsport funds. This includes design and construction of the upper parking area and grading in the Riverbend Park segment, full design of the western access trails and fishing pier for Riverbend Park, and construction of a turnaround/parking area at Riverfront Landing Park to compliment the future whitewater improvements. Additionally, \$1M is estimated for bonding in FY20 to fund construction of the western trail and boardwalk to the new accessible fishing pier. Public and private grant funding is also being actively pursued in tandem with ONEKingsport funds and if awarded could move forward future phasing and completion of the riverfront projects.

All projects previously approved, and those included in this proposal are well within the funding allocation for FY18 and FY19 for ONEKingsport. The Summit Advisory Commission heard this funding plan at their August 15, 2018 meeting and recommend the projects as proposed.

Attachments:

1. FY18 & FY19 Funding Plan by Project

Funding source appropriate and funds are available: 

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

ONEKingsport Project Funds

Project	Phasing	Proposed Funding	FY18	FY19
Product Creation Center	\$ 301,000			
	Capital Needs	ONEKingsport Cash	\$ 181,000	
	Operating/Maintenance	Decrease due to revenue generation	\$ 30,000	\$ 90,000
Outdoor Venue	\$640,000			
	Venue & Parking Construction			
	Design	ONEKingsport Cash	\$ 200,000	
	Construction	Bond (\$2M)		
	Permanent Stage	Private Funding		
	Pedestrian Bridge			
	Design	ONEKingsport Cash		\$ 300,000
	Construction	Bond (\$3M)		
	Pump Track			
	Design	ONEKingsport Cash	\$ 15,000	
	Construction	ONEKingsport Cash		\$ 125,000
Rediscover Riverfront	\$417,660			
	Riverbend Park			
	Upper Parking			
	Design	ONEKingsport Cash	\$ 134,000	
	Western Access Trails & Pier			
	Design	ONEKingsport Cash		\$ 158,660
	Construction	Bond (\$1M)		
	Whitewater Park			
	Turn around and loading	ONEKingsport Cash	\$ 125,000	
TOTAL ONEKingsport Funding Requested			\$ 685,000	\$ 673,660



AGENDA ACTION FORM

Amend the Fee Resolution by Adding a Fee for Pedal Carriage Permits

To: Board of Mayor and Aldermen
 From: Jeff Fleming, City Manager *20x*

Action Form No.: AF-206-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Ken Weems
 Presentation By: Ken Weems

Recommendation:

Approve the amended Fee Resolution.

Executive Summary:

Section 26-157 of the new pedal carriage ordinance requires possession of a city-issued permit to start and maintain a pedal carriage business. The initial permit will be valid for one year. This proposed resolution adds an initial application fee of \$50 and an annual renewal fee of \$20 to the existing fee resolution for the pedal carriage permit.

Attachments:

1. Resolution

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AMENDING RESOLUTION NO. 2018-193 TO
PROVIDE FOR CHANGES IN THE CHARGES IN CHAPTER 66-
PARKS AND RECREATION

WHEREAS, it is now deemed advisable to amend Resolution No. 2018-193 to amend fees under Chapter 26 – Businesses; and

WHEREAS, various fees and charges provided for in the city's Code of Ordinances must be set and amended by resolution of the board of mayor and aldermen.

Now therefore,

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

SECTION I. That Resolution No. 2018-193, Chapter 26- Businesses, is amended as follows:

Chapter 26 - Businesses

- | | | |
|----|---|----------|
| A. | Massage parlor permit application fee (nonrefundable) | \$250.00 |
| B. | Fortunetellers, Clairvoyants and Similar Pursuits* | |
| | Permit application fee | \$250.00 |
| C. | Commercial Pedal Carriage* | |
| | Permit application fee | \$50.00 |
| | Annual renewal fee | \$20.00 |

**These permits shall remain valid for one year after issuance.*

SECTION II. That this resolution shall become effective August 22, 2018, and remain in force and effect until such time as it is revoked, further amended, or superseded.

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

ADOPTED this 21st day of August, 2018.

ATTEST:

JOHN CLARK, Mayor

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney



AGENDA ACTION FORM

Execute an Agreement with Frontier Health for Counseling Services for Kingsport City Schools

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

Action Form No.: AF-207-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Committee
 Presentation By: D. Frye

Recommendation:

Approve the Resolution.

Executive Summary:

The administration of Kingsport City Schools desires to enter into this agreement for the purpose of continuing current services of Holston Children and Youth Services/Frontier Health for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff, and students. It is recommended that approval be given to execute an agreement with Frontier Health for a total of \$120,400.00 for counseling services for the Kingsport City Schools.

Funding for this agreement is contained in Account 141-7154-711.03-99 of the 2018-2019 FY budget.

Attachments:

1. Resolution
2. Agreement

Funding source appropriate and funds are available

	Y	N	O
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH FRONTIER HEALTH FOR COUNSELING SERVICES FOR KINGSPORT CITY SCHOOLS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, Kingsport City Schools currently receives services from Holston Children and Youth Services/Frontier Health for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff, and students; and

WHEREAS, the city would like to continue these services; and

WHEREAS, the cost for the services is \$120,400.00 and funding is available in account 141-7154-711.03-99 of the School budget.

Now therefore,

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

SECTION I. That an agreement with Holston Children and Youth Services/Frontier Health is approved.

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

FRONTIER HEALTH
Holston Children and Youth Services
And
City of Kingsport for its KINGSPORT CITY SCHOOLS CONTRACTUAL AGREEMENT
LOCAL PROGRAM
SY 2018-2019

I Parties

Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City Schools are the parties to this agreement for alcohol and drug prevention and student assistance services.

II Purpose

This agreement is entered into by the stated parties for the purpose of making provision for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff and students.

III Services

The following services will be provided by Holston Children and Youth Services/Frontier Health to the Kingsport City School System under this agreement. The further development and alteration of these services will be reviewed and negotiated formally in April of each year by designated personnel of Holston Children and Youth Services/Frontier Health and the Kingsport City School System. Changes in services rendered by joint examination will be communicated to all appropriate personnel. Holston Children and Youth Services/Frontier Health Corporate agree to accept the following responsibilities under this contract, and shall provide the services set out below:

A. Training and consultation services for alcohol and other drug related issues: I. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System the necessary education, training, supervision, consultation, and other resources to school personnel for the purpose of instituting ongoing prevention to K-12 students. Training will be provided to each of the following

target groups within Kingsport City School System:

- a. General population of school personnel as needed
- b. School personnel specifically required to teach drug education units
- c. Elementary school teachers
- d. Core group of self-selected and nominated school personnel willing to commit to in-depth training
- e. Administrators and guidance counselors

2. Holston Children and Youth Services/Frontier Health will provide consultation services to the Kingsport City School System and its personnel as needed throughout the year. Those consultation services may be utilized in the following areas, but are not necessarily limited to these areas:

- a. Review and selection of curricula
- b. Involvement in establishment of school policies related to alcohol and other drug issues
- c. Coordination of local alcohol and drug related services offered within the Kingsport City School System
- d. Consultation with staff
- e. Review and dissemination of current research as related to specific drugs, prevention approaches, model school-based programs, etc.

3. The services outlined above will be provided on an as needed basis.

B. Counseling services for alcohol and drug related issues:

1. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System assessment of individuals referred, individual and group counseling as appropriate, training (when available), coordination with other services, and referral to appropriate services as necessary. These services will be available to the following people:

- a. Students
- b. Parents of students
- c. School personnel (consultation)
2. Counseling services will be provided on a full-time basis with the following guidelines:
 - a. Counselors will be available at Dobyne-Bennett High School, John Sevier and Ross N. Robinson Middle Schools four and a half (4 1/2) days per week
 - b. Counselors will be available to elementary schools on an as needed basis.

IV Financial

Holston Children and Youth Services/Frontier Health agree to maintain necessary records and accounts related to this contract, including personnel and financial records. All expenditures made pursuant to this contract shall be properly supported by payroll records, invoices, orders, contracts, canceled checks and other necessary documentation.

1. Holston Children and Youth Services/Frontier Health will utilize generally accepted accounting procedures in the operation of this contract.
2. Records will be maintained on a July 1 to June 30 fiscal year basis.
3. Financial records shall be retained for a period of five years (5) upon any dissolution of this contract.
4. All finances, including this contract, will be independently audited on a yearly basis by Holston Children and Youth Services/Frontier Health.
5. Written reports of financial operations pertaining to this contract will be made available upon request and/or less than on an annual basis.
6. The contract amount for FY 2018-2019 to be paid by Kingsport City School System for services described herein is \$120,400.00.
7. The contract sum is to be paid in three installments.

V Personnel

Holston Children and Youth Services/Frontier Health assume all responsibility for personnel matters. Personnel involved in services will be employees of Holston Children and Youth Services/Frontier Health Corporate. A criminal background check, which includes fingerprinting, will be required for those working in a position requiring proximity to school children, as noted in T.C.A. 49-5-413. Personnel interaction issues emanating between the two parties will be properly documented and communicated to insure the cooperative and constructive relationship between the parties and of the appropriate functioning of the services in operation.

VI Public Relations

Public relations activities pursuant to the promotion, explanation, display, representation, and orientation to community of the said service agreement and its operation will be developed and implemented as a joint negotiation of the parties in the agreement.

VII Compliance

Both parties agree to comply with the following statutes, regulations, standards, policies, and procedures in the operation of the program, which is subject of this contract:

1. All applicable federal and state laws and regulations for the assurance of the individual rights of clients served by the program.

2. Titles VI and VII of the Civil Rights Act of 1964, Section 503 and 504 of the Vocational

Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of sex, age, race, religious affiliation, handicap, or national origin, be subjected to discrimination in the provision of any services or in employment practices.

VIII Scope of Agreement

This contract, including any exhibits, constitutes the entire agreement between Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City School System for the operation of said Student assistance Program. Any alterations, amendments, or modifications in the provisions of this agreement shall be in writing, signed by the parties, and attached hereto.

IX Severability of Agreement

Each paragraph and provision of this agreement is severable from the entire agreements; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

X Termination of Agreement

This agreement may be terminated under the following circumstances:

1. By mutual agreement
2. Non-renewal requires a 60-day notice, unless prior agreement by both parties is made

XI Length of Agreement

This agreement shall become effective August 1, 2018 and remain in effect until June 30, 2019.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 21st day of August, 2018.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**FRONTIER HEALTH
Holston Children and Youth Services**

And

City of Kingsport for its

KINGSPORT CITY SCHOOLS

CONTRACTUAL AGREEMENT

LOCAL PROGRAM

SY 2018-2019

I Parties

Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City Schools are the parties to this agreement for alcohol and drug prevention and student assistance services.

II Purpose

This agreement is entered into by the stated parties for the purpose of making provision for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff and students.

III Services

The following services will be provided by Holston Children and Youth Services/Frontier Health to the Kingsport City School System under this agreement. The further development and alteration of these services will be reviewed and negotiated formally in April of each year by designated personnel of Holston Children and Youth Services/Frontier Health and the Kingsport City School System. Changes in services rendered by joint examination will be communicated to all appropriate personnel.

Holston Children and Youth Services/Frontier Health Corporate agree to accept the following responsibilities under this contract, and shall provide the services set out below:

A. Training and consultation services for alcohol and other drug related issues: I.

Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System the necessary education, training, supervision, consultation, and other resources to school personnel for the purpose of instituting ongoing prevention to K-12 students. Training will be provided to each of the following target groups within Kingsport City School System:

- a. General population of school personnel as needed
 - b. School personnel specifically required to teach drug education units
 - c. Elementary school teachers
 - d. Core group of self-selected and nominated school personnel willing to commit to in-depth training
 - e. Administrators and guidance counselors
2. Holston Children and Youth Services/Frontier Health will provide consultation services to the Kingsport City School System and its personnel as needed throughout the year. Those consultation services may be utilized in the following areas, but are not necessarily limited to these areas:
- a. Review and selection of curricula
 - b. Involvement in establishment of school policies related to alcohol and other drug issues
 - c. Coordination of local alcohol and drug related services offered within the Kingsport City School System
 - d. Consultation with staff

- e. Review and dissemination of current research as related to specific drugs, prevention approaches, model school-based programs, etc.

3. The services outlined above will be provided on an as needed basis.

B. Counseling services for alcohol and drug related issues:

1. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System assessment of individuals referred, individual and group counseling as appropriate, training (when available), coordination with other services, and referral to appropriate services as necessary. These services will be available to the following people:
 - a. Students
 - b. Parents of students
 - c. School personnel (consultation)
2. Counseling services will be provided on a full-time basis with the following guidelines:
 - a. Counselors will be available at Dobynt-Bennett High School, John Sevier and Ross N. Robinson Middle Schools four and a half (4.5) days per week.
 - b. Counselors will be available to elementary schools on an as needed basis.

IV Financial

Holston Children and Youth Services/Frontier Health agree to maintain necessary records and accounts related to this contract, including personnel and financial records. All expenditures made pursuant to this contract shall be properly supported by payroll records, invoices, orders, contracts, canceled checks and other necessary documentation.

1. Holston Children and Youth Services/Frontier Health will utilize generally accepted accounting procedures in the operation of this contract.
2. Records will be maintained on a July 1 to June 30 fiscal year basis.
3. Financial records shall be retained for a period of five years (5) upon any dissolution of this contract.
4. All finances, including this contract, will be independently audited on a yearly basis by Holston Children and Youth Services/Frontier Health.

5. Written reports of financial operations pertaining to this contract will be made available upon request and/or less than on an annual basis.
6. The contract amount for FY 2018-2019 to be paid by Kingsport City School System for services described herein is \$120,400.00.
7. The contract sum is to be paid in three installments.

V Personnel

Holston Children and Youth Services/Frontier Health assume all responsibility for personnel matters. Personnel involved in services will be employees of Holston Children and Youth Services/Frontier Health Corporate. A criminal background check, which includes fingerprinting, will be required for those working in a position requiring proximity to school children, as noted in T.C.A. 49-5-413. Personnel interaction issues emanating between the two parties will be properly documented and communicated to insure the cooperative and constructive relationship between the parties and of the appropriate functioning of the services in operation.

VI Public Relations

Public relations activities pursuant to the promotion, explanation, display, representation, and orientation to community of the said service agreement and its operation will be developed and implemented as a joint negotiation of the parties in the agreement.

VII Compliance

Both parties agree to comply with the following statutes, regulations, standards, policies, and procedures in the operation of the program, which is subject of this contract:

1. All applicable federal and state laws and regulations for the assurance of the individual rights of clients served by the program.
2. Titles VI and VII of the Civil Rights Act of 1964, Section 503 and 504 of the Vocational Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of sex, age, race, religious affiliation, handicap, or national origin, be subjected to discrimination in the provision of any services or in employment practices.

VIII Scope of Agreement

This contract, including any exhibits, constitutes the entire agreement between Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City School System for the operation of said Student Assistance Program. Any alterations, amendments, or modifications in the provisions of this agreement shall be in writing, signed by the parties, and attached hereto.

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X Termination of Agreement

This agreement may be terminated under the following circumstances:

1. By mutual agreement
2. Non-renewal requires a 60-day notice, unless prior agreement by both parties is made

XI Length of Agreement

This agreement shall become effective August 1, 2018 and remain in effect until June 30, 2019.

President, Frontier Health

Date

Mayor, City of Kingsport

Date

APPROVED AS TO FORM

City Attorney

ATTEST

City Recorder



AGENDA ACTION FORM

Apply for and Accept a Section 5307 Operations Grant from the Federal Transit Administration Grant and U.S. Department of Transportation

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

Action Form No.: AF-198-2018
 Work Session: August 20, 2018
 First Reading: N/A

Final Adoption: August 21, 2018
 Staff Work By: Chris Campbell
 Presentation By: Chris Campbell

Recommendation:

Approve the Resolution.

Executive Summary:

Annually, the Board of Mayor and Aldermen is required to approve a resolution authorizing the filing of an application with the Department of Transportation under the Urban Mass Transportation Act of 1964, as amended. This application provides funding for operation expenditures of fixed route bus and ADA/Handicapped transportation services.

Below are the program category amounts budgeted for the next annual operation cycle:

Federal Transit Administration	\$806,381
Tennessee Dept. of Transportation	\$373,190
City of Kingsport	\$373,190
Total	\$1,552,761

City's local share was budgeted during FY 17/18.

Attachments:

1. Resolution

Funding source appropriate and funds are available: js

	<u>Y</u>	<u>N</u>	<u>O</u>
Adler	—	—	—
Begley	—	—	—
Cooper	—	—	—
George	—	—	—
McIntire	—	—	—
Olterman	—	—	—
Clark	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FUNDS FROM THE U.S. DEPARTMENT OF TRANSPORTATION FOR FISCAL YEAR 2018-2019

WHEREAS, Federal Transit Administration Section 5307 Grant Funds in the total amount of \$1,552,761.00, including a \$373,190.00 local match, are available for operation of a fixed route bus service and ADA/handicapped transportation service for fiscal year 2018-2019; and

WHEREAS, the City of Kingsport must enter into a contract with the Federal Transit Administration to receive the funds under Section 5307 funds; and

WHEREAS, the \$373,190.00 local match is available in account number 123-000-101-00-00 (FTA 019).

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, all documents necessary and proper to apply for and receive Federal Transit Administration Section 5307 Grant Funds, in the total amount \$1,552,761.00, including a \$373,190.00 local match, that may include a contract with the Federal Transit Administration available through the Tennessee Department of Transportation for operation of a fixed route bus service and ADA/handicapped transportation service for fiscal year 2018-2019.

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

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

ADOPTED this the 21st day of August, 2018

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY