



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

Monday, July 31, 2017, 4:30 p.m.
City Hall, 225 W. Center St., Council Room, 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

Leadership Team

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager for Operations
J. Michael Billingsley, City Attorney
Jim Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief

Craig Dye, Fire Chief
Lynn Tully, Development Services Director
George DeCroes, Human Resources Director
Heather Cook, Marketing and Public Relations Director

1. Call to Order
2. Roll Call
3. Kingsport Housing and Redevelopment Authority Update – Maria Catron
4. General Shale Update – Chris McCartt
5. Review of Items on August 1, 2017 Business Meeting Agenda
6. Adjourn

Next Work Session, August 14, 2017: Church Circle Update and ONEKingsport Update FY18 Projects

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

Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$13,733,749.69	Niki Ensor	Niki Ensor	Raw Water Intake Replacement (1.5 M EDA Grant)	WA1504	8/1/2017	If no issues arise, 7 day test will be complete 7/28/17. Project substantially completed. J Cumby continues to work through punch list items.
\$7,500,000.00	Ryan McReynolds	Thompson, Michael	SR 347 (Rock Springs Road) [State & MTPO funded]	No City Funds	12/31/2020	TDOT plans to have a Preliminary ROW plans for review Fall 2017.
\$6,616,000.00	Chad Austin	Chad Austin	Reedy Creek Sewer Trunk Line	SW1706	3/21/2018	Contractor tunneling under W Sullivan St. Greenbelt closure from Industry Dr to Cloud Park to start 8/7 and continue for 30 days.
\$6,600,000.00	Niki Ensor	Niki Ensor	Water & Wastewater Facilities SCADA/Telemetry Project	WA1700/ SW1700/ SW1603	4/1/2019	Kick off meeting scheduled for 8/15/17
\$4,300,000.00	Chad Austin	Hank Clabaugh	Border Regions Utility Upgrades		2/17/2020	Design to begin January 2018
\$4,000,000.00	Chris McCartt	Mason, David	New KATS Transit Center	GP1718	11/15/2018	Bid Opening scheduled for 8/3/17.
\$3,750,000.00	Niki Ensor	Niki Ensor	Chemical Feed Design	WA1403	4/1/2019	Design underway
\$3,740,000.00	Niki Ensor	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	SW1708	6/1/2018	Received revised final plans 7/25/17 for comment. Will begin working with Rochelle to purchase easements.
\$3,300,000.00	Michael Thompson	Thompson, Michael	Indian Trail Drive Extension	GP1615	12/31/2017	Final bridge design underway. Utility coordination and ROW exhibit development continue.
\$2,291,714.00	Chad Austin	Mike Hickman	Colonial Heights Ph V Sewer & Water	SW1512/ WA1404	11/15/2017	contractor working in Chesterfield Area.
\$2,236,500.00	Chad Austin	Pamela Gilmer	Pendragon Sidewalk & Water Improvement		7/1/2018	Bids opened 7/20/17. Contract award going to BMA for approval 8/1/17.
\$1,926,364.00	Chad Austin	Mike Hickman	Colonial Heights Ph IV Sewer & Water	SW1511	9/3/2017	contractor working in Lebanon Rd and Droke Farm areas.
\$1,700,000.00	Michael Thompson	Thompson, Michael	Main Street Rebuild [City & MTPO Funded]	GP1516	4/1/2021	Environmental document has been submitted for TDOT review. Preliminary sketches have been prepared and stakeholder and public meetings are being scheduled for August.
\$1,500,000.00	Rob Cole	Mason, David	Bays Mountain Dam Rehabilitation	GP1707	12/31/2017	Project update meeting scheduled for 7/13.
\$1,250,000.00	Niki Ensor	Niki Ensor	Pipe Gallery Improvements	WA1505	3/31/2018	90% plans review meeting held 7/6/17. BWS&C waiting on final comments.

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$1,245,300.00	Chris McCartt	Mason, David	Centennial Park	GP1533	8/25/2017	concrete walks complete. Topsoil in place. Irrigation & landscaping underway. Final trim-out of fountain underway.
\$977,566.00	Ronnie Hammonds	Clabaugh, Hank	Wilcox Sidewalk Phase 5 [State & MTPO funded]	MPO15D	11/17/2017	Current work includes demolition of the existing concrete parapet wall on the river bridge.
\$961,140.00	Michael Thompson	Thompson, Michael	Stone Drive - Phase 2 (SR 1, US 11W) Sidewalk Improvements from Stonebrook Place Pvt. Dr. to Lynn Garden Drive [95% State Funded 5% City]		8/31/2020	Contract documents underway for consultant contract for survey and design.
\$940,000.00	Kitty Frazier	Clabaugh, Hank	Kingsport Greenbelt - Eastern Extension - Phase 1 [Fed. Grant & City funded]	GP1529	12/31/2017	Plans, specifications, DBE goal, advertisement and utility certification approved. Awaiting ROW certification. All parcel owners have signed agreements of sale, closings and partial releases remain.
\$831,797.00	Niki Ensor	Hank Clabaugh	Colonial Heights SLS	SW1511	9/15/2017	Work is currently focused on the Brightwood Lane site. Work includes removal of all rock for the wet well, valve, and utilities.
\$697,475.00	Michael Thompson	Thompson, Michael	Stone Drive - Phase 1 (SR 1, US 11W) Sidewalk Improvements from Stonebrook Place Pvt. Dr. to American Way [95% State Funded 5% City]	TBD	12/8/2018	Plans and Design Certification have been submitted to TDOT for review.
\$638,357.70		Clabaugh, Hank	2017 Contracted Paving - Colonial Heights Area		10/31/2017	Paving expected to begin in late August.
\$600,000.00	Kitty Frazier	Mason, David	Riverbend Park	GP1512	1/31/2018	BWSC under contract for master planning services.
\$522,000.00	Kitty Frazier	Mason, David	Borden Park Improvements Phase 1	GP1510	9/21/2017	New portion of Alt. 2 lot ready for base course. Tennis parking will then shift to allow last section of old asphalt to be removed.
\$415,000.00	Chad Austin	Chris Alley	SR 93- Fall Branch section (TDOT)		12/31/2020	Project moved to 2019; "B Date" package due 9/26/2018; TDOT Letting Date: December 2018
\$400,000.00	Michael Thompson	Thompson, Michael	Signalization of the SR 126 (Memorial Blvd. at Island Road Intersection [State & MTPO Funded])	MPO15A	9/30/2019	Bid opening scheduled for 8/15/2017.
\$352,000.00	Chad Austin	Chris Alley	SR 93- Horse Creek/Derby Drive Section (TDOT)		12/31/2021	Project moved to 2020; "B Date" package due 9/25/2019; TDOT Letting Date: December 2019
\$350,000.00	Kitty Frazier	Clabaugh, Hank	Buffalo Grasslands Boardwalk/Greenbelt Connector		12/31/2017	The contract award will go before the BMA on August 1st.
\$245,100.00	Rob Cole	Austin, Chad	Bays Mountain - Pavillion at Lily Pad Cove	GP1707	11/2/2017	Existing railing has been taken down and concrete forms for foundations have been placed.

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\$221,800.00	Tim Elsea	Elsea, Tim	Lynn Garden Signal System [MTPO & City funded]	MPO15C	1/31/2018	Bid documents sent to TDOT for review and approval.
\$200,000.00	Kitty Frazier	Mason, David	J. Fred Johnson Park Improvements	GP1629	9/15/2017	Building demolition should be complete by 7/28.
\$179,260.00	Tim Elsea	Elsea, Tim	Sullivan Street & Clay Street Signal	GP1740	10/13/2017	Anticipate construction to begin on or about July 24, 2017.
\$130,000.00	Lynn Tully	Mason, David	Church Circle Improvements	GP1224	11/17/2017	Project Advertisement 7/2/17. Bid opening scheduled for 8/1/17.
\$90,000.00	Kitty Frazier	Clabaugh, Hank	Reedy Creek Terrace Bridge	ST1503	12/31/2017	The bid opening is scheduled for July 26th.
\$45,884.40	Kitty Frazier	Mason, David	Shade Structures at Brickyard Park	GP1729	8/31/2017	Materials schedule to ship the week of August 7.

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AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

Tuesday, August 1, 2017, 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
Craig Dye, 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

II.B. INVOCATION – Pastor Rick Meade, Lynn Garden Baptist Church

III. ROLL CALL

IV.A. RECOGNITIONS & PRESENTATIONS

1. Dr. Lyle Ailshie, Kingsport City Schools Superintendent (Mayor Clark)
2. TNT Sportsplex (Alderman Begley)

IV.B. APPOINTMENTS

1. Appointments to the Construction Board of Adjustments and Appeals (AF: 211-2017) (Mayor Clark)
 - Appointments

2. Appointments to the Board of Mechanical, Plumbing and Gas (AF: 212-2017) (Mayor Clark)
 - Appointments

V. APPROVAL OF MINUTES

1. Work Session – July 17, 2017
2. Business Meeting – July 18, 2017

VI. COMMUNITY INTEREST ITEMS

A. PUBLIC HEARINGS

None

COMMENT

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

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Amend Ordinance No. 5540 Changing Certain Eligibility Parameters for Retiree Health Insurance (AF:209-2017) (Jeff Fleming)
 - Ordinance – First Reading
2. Award of Bid to Glass Machinery & Excavation, for Pendragon Sidewalk and Water Improvements (AF: 217-2017) (Ryan McReynolds)
 - Ordinance – First Reading
 - Resolution
3. Consideration of a Final Budget Adjustment Ordinance for FY17 (AF: 210-2017) (Jeff Fleming)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Ordinance Amending the FY18 Community Development Block Grant Budget (AF: 205-2017) (Lynn Tully)
 - Ordinance – **Second Reading and Final Adoption**
2. Reclassification of Three (3) Personnel Positions and Accept Two (2) Communication Specialists Positions from KECD 911 (AF: 198-2017) (David Quillin)
 - Ordinance – **Second Reading and Final Adoption**

D. OTHER BUSINESS

1. Approving Agreement to Subordinate a Sewer Tap Fee Lien for Property Located Inside the City Limits at 903 Beechwood Drive (AF: 216-2017) (Jim Demming)
 - Resolution

2. Enter into Agreement Allowing Bristol Broadcasting to Lease Space on Eden's View Water Tank to Install FM Broadcasting Antenna (AF: 213-2017) (Ryan McReynolds)
 - Resolution
3. Recreation Trails Program Grant Letter for Bid Acceptance (AF: 218-2017) (Chris McCartt)
 - Resolution
4. Authorize the Mayor to Sign all Documents Necessary and Proper to Purchase Property from General Shale (AF: 219-2017) (Chris McCartt)
 - Resolution
5. Initial and Detailed Bond Resolutions Authorizing Issuance of General Obligation Improvement Bonds, Series 2017A in an Amount not to Exceed \$15,600,000 (AF: 214-2017) (Jim Demming/Jeff Fleming)
 - Resolution
6. Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2017B in an Amount not to Exceed \$11,750,000 (AF: 215-2017) (Jim Demming/Jeff Fleming)
 - 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, July 17, 2017, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Vice-Mayor Mike McIntire

Alderman Jennifer Adler

Alderman-Elect Betsy Cooper

Alderman Colette George

Alderman Tommy Olterman

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 Vice-Mayor McIntire.
2. **ROLL CALL:** By Deputy City Recorder Marshall. Absent: Mayor John Clark and Alderman Joe Begley.
3. **UPDATE ON FAMILY JUSTICE CENTER.** Ms. Karen Boyd, attorney, gave a presentation on the progress of this three year grant, noting this is a non-profit and not an arm of the government. She discussed the reasoning and specifics of a location like this, as well as the benefits of the project, further stating the goal is to open without using government resources.
4. **SALES TAX, WELLNESS CLINIC, SAFETY AND PROJECTS STATUS.** City Manager Fleming gave details on this item.
5. **REVIEW OF AGENDA ITEMS ON THE JULY 18, 2017 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.B.1 Amend the FY18 Community Development Block Grant Budget (AF: 205-2017). Development Services Director Lynn Tully gave details on this item, noting the original budget that was adopted was based on the anticipated CDBG funds. She explained there was actually an unexpected increase of \$12,122, noting \$10,000 of that would be allocated to code enforcement whose primary goal is compliance. Discussion followed.

VI.B.2 Reclassification of Three (3) Personnel Positions and Accept Two (2) Communication Specialists Positions from KECD 911 (AF: 198-2017). Police Chief David Quillin presented this item, providing background information on the staffing and workload levels at the 911 Center from 1995 to 2015. He pointed out there has been more than a 70% increase in police, fire and EMS calls, prompting the need for additional dispatchers. He further explained the funding resources for four new positions at no additional budgetary cost and will actually result in a savings due to replacing a lower salary and less overtime.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, July 17, 2017

VI.D.1 Implement a Diabetes Prevention Program Offered Through the YMCA (AF: 200-2017). Leslie Phillips stated there were several at risk patients from the health screening earlier in the year. She pointed out the program initially required eight participants to move forward and seven have already signed up. Ms. Phillips explained the YMCA will start the program with the seven who have already committed, even if no one else signs up.

VI.D.2 Apply and Receive Funds from the Chancery Senior Elder Trust (AF: 204-2017). Senior Center Director Shirley Buchanan explained this was a continuation of last year's grant for computers, noting Kingsport will be joining with senior centers across the state.

VI.D.4 Memorandum of Understanding with the Tennessee Department of Transportation (TDOT) for a Multiphase Traffic Signal for SR36 at Holston Hills Drive (AF: 202-2017). Assistant City Manager for Operations Ryan McReynolds discussed this item. He also provided details on how the process of installing a traffic signal works in Tennessee, noting the criteria required. He answered questions from the board and there was some discussion.

VI.D.5 Purchase Order to Southern Lighting & Traffic Systems for Traffic Signal Cabinets (AF: 203-2017). Assistant City Manager McReynolds gave a presentation on this item and provided details on this project, noting this action was property acquisition. He also discussed the status of existing sidewalks and the funding for maintenance. He stated they were need-based and responsive to ADA requirements for safe and accessible passage.

VIII.D Emergency Repair for Justice Center Report. Assistant City Manager McReynolds explained the heat and air system went out in the Justice Center and needed repaired. He stated the procurement policy allows action without prior board approval but it must be reported.

6. ADJOURN. Seeing no other matters presented for discussion at this work session, Vice-Mayor McIntire adjourned the meeting at 5:50 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, July 18, 2017, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Vice Mayor Mike McIntire, Presiding
Alderman Jennifer Adler
Alderman Betsy Cooper

Alderman Colette George
Alderman Tommy Olterman

City Administration

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

- I. **CALL TO ORDER:** 7:00 p.m., by Vice Mayor Mike McIntire.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Alderman Adler.
- II.B. **INVOCATION:** Phip Sams, First Christian Church.
- III. **ROLL CALL:** By City Comptroller/Deputy City Recorder Lisa Winkle.
Absent: Mayor John Clark and Alderman Joe Begley. .
- IV.A. **RECOGNITIONS AND PRESENTATIONS.**
 1. Keep Kingsport Beautiful Beautification Awards.
- IV.B. **APPOINTMENTS/REAPPOINTMENTS.**
 1. **Reappointments to the Tree Advisory Board** (AF: 201-2017)
(Mayor Clark).

Motion/Second: Olterman/Adler, to approve:

REAPPOINTMENTS OF MESSRS. STEVE BINGHAM, COLE LUSK, JAMES BABB AND MS. CHRISTINE BARGER TO SERVE A SECOND TWO-YEAR TERM ON THE **TREE ADVISORY BOARD** EFFECTIVE IMMEDIATELY AND EXPIRING ON JULY 31, 2019.

Passed: All present voting "aye."

2. **Appointments to the Board of Electrical Examiners** (AF: 207-2017)
(Mayor Clark).

Motion/Second: Olterman/Adler, to approve:

APPOINTMENTS OF MESSRS. JIM HAUN , DOUG GILLIAM AND JOE MAGIERA, JR. TO SERVE A TWO-YEAR TERM ON THE **BOARD OF ELECTRICAL**

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EXAMINERS. ALL APPOINTMENTS ARE EFFECTIVE IMMEDIATELY AND WILL EXPIRE ON JULY 31, 2019.

Passed: All present voting "aye."

3. Reappointments to the Parks and Recreation Advisory Committee (AF: 208-2017) (Mayor Clark).

Motion/Second: Olterman/Adler, to approve:

REAPPOINTMENTS OF MESSRS. JEFF WALKER, PETER N. LODAL AND MS. LONI GARCIA TO SERVE A THREE-YEAR TERM ON THE **PARKS AND RECREATION ADVISORY COMMITTEE** EFFECTIVE IMMEDIATELY AND EXPIRING JULY 31, 2020.

Passed: All present voting "aye."

V. APPROVAL OF MINUTES.

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

- A. July 5, 2017 Regular Work Session
- B. July 5, 2017 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS. None.

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

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Amend the FY18 Community Development Block Grant Budget (AF: 205-2017) (Lynn Tully).

Motion/Second: George/Olterman, to pass:

AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Reclassification of Three (3) Personnel Positions and Accept Two (2) Communication Specialists Positions from KECD 911 (AF: 198-2017) (David Quillin).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, July 18, 2017**

Motion/Second: George/Adler, to pass:

Resolution No. 2018-010, RESOLUTION APPROVING THE RECLASSIFICATION OF THREE PERSONNEL POSITIONS IN CENTRAL DISPATCH; TO AMEND THE INTER-LOCAL AGREEMENT WITH THE EMERGENCY COMMUNICATIONS DISTRICT; AND TO AUTHORIZE THE MAYOR TO EXECUTE ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

Motion/Second: Olterman/Adler, to pass:

AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY ADDING COMMUNICATION SPECIALISTS POSITIONS FOR THE CENTRAL DISPATCH DIVISION OF THE POLICE DEPARTMENT AND BY APPROPRIATING THE FUNDS RECEIVED FROM THE KINGSFORT EMERGENCY DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Appropriate Partnership Support Grant from Tennessee Arts Commission (AF: 184-2017) (Chris McCartt).

Motion/Second: Cooper/Adler, to pass:

ORDINANCE NO. 6685, AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE ARTS COMMISSION FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Budget Ordinance Appropriating Funds and Enter into a Professional Services Agreement with Barge, Waggoner, Sumner & Cannon, Inc. (BWSC) for Meadowview Roadway Design & Permitting Services (AF: 195-2017) (Ryan McReynolds).

Motion/Second: Adler/George, to pass:

ORDINANCE NO. 6686, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY TRANSFERRING FUNDS TO THE ENTERPRISE PLACE IMPROVEMENTS PROJECT FOR THE YEAR ENDING JUNE 30, 2018; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

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D. OTHER BUSINESS.

1. Implement a Diabetes Prevention Program Offered Through the YMCA (AF: 200-2017) (Lesley Phillips).

Motion/Second: George/Olterman, to pass:

Resolution No. 2018-011, A RESOLUTION APPROVING A DIABETES PREVENTION PROGRAM; APPROVING A DIRECT PAYOR AGREEMENT WITH THE GREATER KINGSPORT YOUNG MEN'S CHRISTIAN ASSOCIATION; APPROVING A BUSINESS ASSOCIATE AGREEMENT WITH THE GREATER KINGSPORT YOUNG MEN'S CHRISTIAN ASSOCIATION AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENTS

Passed: All present voting "aye."

2. Apply and Receive Funds from the Chancery Senior Elder Trust (AF: 204-2017) (Shirley Buchanan)

Motion/Second: Adler/Cooper, to pass:

Resolution No. 2018-012, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH FIFTY FORWARD, AND ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A CHANCERY SENIOR ELDER TRUST OF TENNESSEE FOR THE KINGSPORT SENIOR CENTER

Passed: All present voting "aye."

3. Contractual Agreement with the Tennessee Department of Transportation for Reimbursement of Annual Operation Expenses for FY17-18 (AF: 197-2017) (Chris McCartt).

Motion/Second: George/Cooper, to pass:

Resolution No. 2018-013, A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A REIMBURSEMENT CONTRACT WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR THE CITY TRANSIT SYSTEM OPERATING EXPENDITURES FOR FISCAL YEAR 2017-2018

Passed: All present voting "aye."

4. Memorandum of Understanding with the Tennessee Department of Transportation (TDOT) for a Multiphase Traffic Signal for SR36 at Holston Hills Drive (AF: 202-2017) (Ryan McReynolds).

Motion/Second: Adler/George, to pass:

Resolution No. 2018-014, A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR A MULTIPHASE TRAFFIC SIGNAL FOR SR36 AT HOLSTON HILLS DRIVE

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AUTHORIZING THE MAYOR TO EXECUTE THE MEMORANDUM AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE MEMORANDUM

Passed: All present voting "aye."

5. Purchase Order to Southern Lighting & Traffic Systems for Traffic Signal Cabinets (AF: 203-2017) (Ryan McReynolds).

Motion/Second: Olterman/Cooper, to pass:

Resolution No. 2018-015, 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."

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

Motion/Second: Cooper/George, to adopt:

1. Approval of Easements and Right-of-Way (AF: 199-2017) (Ryan McReynolds).

Approve:

APPROVAL OF EASEMENT AND RIGHT-OF-WAY

Passed: All present voting "aye."

2. Approval of Easements and Rights-of-Way (AF: 206-2017) (Ryan McReynolds).

Approve:

APPROVAL OF EASEMENTS AND RIGHTS-OF-WAY

Passed: All present voting "aye."

VIII. COMMUNICATIONS.

A. CITY MANAGER. Mr. Fleming remarked on Item D, stating the procurement policy allows for the recent emergency purchase of the HVAC system at the police department with the requirement to announce it to the BMA.

B. MAYOR AND BOARD MEMBERS. Alderman Olterman talked about the recent reception for Dr. Lyle Ailshie, noting he was a great leader in the school system and wished him well. He also commented on the Times News story on his grandson. Alderman George stated with Funfest starting there would be lots of visitors, encouraging folks to be thoughtful, friendly and to participate and thanking city services. She also stated the movie theatre would be opening Thursday at the mall with free popcorn and coke refills.

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Alderman Adler thanked the 911 Dispatch Center and also provided details on the neighborliness at the Appalachian Service Project. Alderman Cooper commented on the unique amenities provided by the river, pointing out the rafts and kayaks she observed out this past Sunday. Vice-Mayor McIntire thanked Louise Dixon and commending the Showtime Centennial Edition. He pointed out that school starts back before the next BMA meeting, noting there would be increased traffic and to watch out for kids. Lastly, he recognized police, fire, public works, and all personnel for that contribute to Funfest. He encouraged everyone to get out and enjoy it.

C. VISITORS. None.

D. EMERGENCY REPAIR FOR JUSTICE CENTER REPORT.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Vice Mayor McIntire adjourned the meeting at 7:40 p.m.

ANGELA MARSHALL
Deputy City Recorder

JOHN CLARK
Mayor



AGENDA ACTION FORM

Appointments to the Construction Board of Adjustments and Appeals

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

Action Form No.: AF-211-2017
 Work Session: July 31, 2017
 First Reading: N/A
 Final Adoption: August 1, 2017
 Staff Work By: Dee Morgan
 Presentation By: Mayor Clark

Recommendation:

Approve appointments.

Executive Summary:

It is requested that Bob Prendergast and Jim Wright be reappointed to the Construction Board of Adjustments and Appeals. If approved by the Board of Mayor and Aldermen, Mr. Prendergast and Mr. Wright will be reappointed to a three-year term effective immediately and will expire August 31, 2020.

It is also requested that Marvin Egan be appointed to fulfill the unexpired term of Dave Stauffer to the Construction Board of Adjustments and Appeals. If approved by the Board of Mayor and Aldermen, Mr. Egan's term will begin immediately and will expire February 28, 2019.

Marvin Egan founded Egan Construction, LLC in 1998. He enjoys residential building, whether new construction or renovations, as he likes to help people make their dreams become realities. He was ordained by Midway Baptist Church and currently evangelizes throughout Kentucky, Tennessee, and Virginia.

Attachments:

None

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



AGENDA ACTION FORM

Appointments to the Board of Mechanical, Plumbing and Gas

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

Action Form No.: AF-212-2017
Work Session: July 31, 2017
First Reading: N/A

Final Adoption: August 1, 2017
Staff Work By: Dee Morgan
Presentation By: Mayor Clark

Recommendation:
Approve appointments.

Executive Summary:
It is requested that Jesse Jennings, Thomas Douthat and Norman Compton be appointed to the Board of Mechanical, Plumbing and Gas. If approved by the Board of Mayor and Aldermen, this will be a two-year term that will take effect immediately and will expire August 31, 2019

- Jesse Jennings, Owner/Operator, Lafayette Air Conditioning of East Tennessee, Inc.
- Thomas Douthat, Licensed Plumber with City of Kingsport since 1998
- Norman Compton, Owner/Operator, Pipeworks since 1996, retired from Eastman in 2003

Attachments:
None

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



AGENDA ACTION FORM

Amend Ordinance No. 5540 Changing Certain Eligibility Parameters for Retiree Health Insurance

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

Action Form No.: AF-209-2017
Work Session: July 31, 2017
First Reading: August 1, 2017

Final Adoption: August 15, 2017
Staff Work By: Evans, DeCroes
Presentation By: Fleming

Recommendation:
Approve the Ordinance.

Executive Summary:

The parameters of Retiree Health Insurance eligibility excluded some city employees who were eligible to receive the retirement bridge. The City Manager asked that the Retiree Health Insurance eligibility be adjusted to allow those employees to continue on the city's retiree health insurance plan at the point of their retirement. To accommodate this request, the Category II retiree minimum length of service was reduced from twenty-five (25) to twenty (20) years of accumulated service. In addition, the definition of retirements benefits received was expanded to include ICMA-RC or any future retirement program the city sponsors/supports. This change will be retroactive to 6/1/07, but there have been no retirees negatively impacted by the previous eligibility rules. This change will assist employees who will be retiring in the future.

Attachments:

- 1. Ordinance
- 2. Retiree Health Insurance Eligibility document with tracked changes

Funding source appropriate and funds are available: 

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

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION II OF ORDINANCE NO. 5540 REGARDING CATEGORIES OF EMPLOYEES FOR THE PROVISION OF HEALTH INSURANCE UPON RETIREMENT FROM EMPLOYMENT WITH THE CITY; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That Section II of Ordinance No. 5540 is amended to read as follows:

Section II. That two categories of city employees, who are not school system retirees or employees, are established for the provision of health insurance upon retirement from the city with eligibility requirements for each category as follows:

Retiree Health Insurance Eligibility

Any retiree, whether Category I or Category II, who fails to maintain continuous coverage of health insurance with the city is no longer eligible for health insurance from the city.

The board of mayor and aldermen will set the premiums for health insurance for retirees, including the amount paid by the retiree, subject to those eligible employees who retired under a resolution providing an early retirement incentive.

Category I - Eligibility

All current retirees of the city and all employees, except school system retirees and employees, employed by the city on or before June 1, 2007 are eligible for Category I for the purpose of this ordinance.

A Category I employee is eligible for continuation of health insurance at retirement only if at the time of retirement the employee meets all of the following conditions:

1. Must be a fulltime employee who works at least thirty hours a week on a regular and consistent basis;
2. Must have been enrolled in the city's offered health insurance plan as an active full time employee at the date of retirement;
3. Must not be Medicare eligible;
4. Makes payment of retiree premium contribution on a monthly basis. (Premiums must be paid within thirty (30) days of due date or insurance is subject to cancellation); and
5. The retirement benefits through the Tennessee Consolidated Retirement System must commence immediately upon separation from service with the city.
6. Once a Category I retiree is Medicare eligible he or she will no longer meet eligibility requirements for health insurance and coverage will be terminated. No Medicare supplement coverage will be made available through the city to Category I retirees, except eligible Category I retirees who retired from the city prior to July 1, 2010.

Category I Retiree Dependent Eligibility

In order to be eligible for coverage under the health insurance plan a dependent of a retiree of Category I must meet the following conditions:

1. The spouse/eligible dependent must have been enrolled under the health insurance plan as a spouse/eligible dependent of an active employee at the time of employee's retirement;
2. Must meet dependent eligibility criteria of the health insurance plan;
3. Must not be Medicare eligible;
4. Makes payment of the full cost of the premium on a monthly basis. (Premiums must be paid within thirty (30) days of due date or insurance is subject to cancellation).
5. Once a spouse/eligible dependent of retiree is Medicare eligible he or she will no longer meet eligibility requirements for health insurance and coverage will be terminated. No Medicare supplement coverage will be made available through the city to such dependent.

Category II - Eligibility

All employees, except school system retirees and employees, employed by the city, on or after June 1, 2007 are eligible for Category II for the purpose of this ordinance.

A Category II employee is eligible for continuation of health insurance at retirement only if at the time of retirement the employee meets all of the following conditions:

1. Must be a fulltime employee who works at least thirty hours a week on a regular and consistent basis;
2. Must have a minimum of 20 years of full time service with the city, be at least 55 years old, and must have been enrolled in the health insurance provided by the city, for the three full consecutive years immediately prior to retirement, or 2) have 30 years of full time service with the city and have been enrolled in the health insurance provided by the city for one full year immediately prior to retirement, to be eligible to continue on the health insurance program. Years of service do not have to be consecutive with the city and includes full time service with the Kingsport school system, provided the employee must retire while employed by the city, not the school system;
3. Must not be Medicare eligible;
4. Must make payment of retiree premium contribution on a monthly basis. (Premiums must be paid within thirty (30) days of due date or insurance is subject to cancellation); and
5. The retirement benefits through the Tennessee Consolidated Retirement System, ICMA-RC, or any future retirement program the city sponsors or supports must commence immediately upon separation from service with the city.

Once the Category II retiree is Medicare eligible such retiree will no longer be eligible for health insurance through the city coverage will be terminated. No Medicare supplement coverage will be made available through the city to Category II retirees.

Category II Retiree Dependent Eligibility

Once a Category II retiree is no longer covered or eligible for coverage under the health insurance provided by the city the dependent is no longer eligible for continued coverage under the health insurance plan except as required by federal or State of Tennessee law.

SECTION II. The benefits set out herein are "welfare benefits" and are subject to change or discontinuance in accordance with decision of the Tennessee Supreme Court in *Davis v. Wilson County, Tennessee*, 70 S.W.3d 724 (Tenn. 2002).

SECTION III. That the Summary Plan Document of the health insurance plan is hereby amended accordingly.

SECTION IV. That no part of this ordinance will be construed to violate federal or State of Tennessee law.

SECTION V. That all ordinances in conflict with this ordinance are hereby repealed

SECTION VI. That this ordinance will take effect from and after the date of its passage, 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: _____

Retiree Health Insurance Eligibility

Any retiree, whether Category I or Category II, who fails to maintain continuous coverage of health insurance with the city is no longer eligible for health insurance from the city.

The board of mayor and aldermen will set the premiums for health insurance for retirees, including the amount paid by the retiree, subject to those eligible employees who retired under a resolution providing an early retirement incentive.

Category I - Eligibility

All current retirees of the city and all employees, except school system retirees and employees, employed by the city on or before June 1, 2007 are eligible for Category I for the purpose of this ordinance.

A Category I employee is eligible for continuation of health insurance at retirement only if at the time of retirement the employee meets all of the following conditions:

1. Must be a fulltime employee who works at least thirty hours a week on a regular and consistent basis;
2. Must have been enrolled in the city's offered health insurance plan as an active full time employee at the date of retirement;
3. Must not be Medicare eligible;
4. Makes payment of retiree premium contribution on a monthly basis. (Premiums must be paid within thirty (30) days of due date or insurance is subject to cancellation); and
5. The retirement benefits through the Tennessee Consolidated Retirement System must commence immediately upon separation from service with the city.
6. Once a Category I retiree is Medicare eligible he or she will no longer meet eligibility requirements for health insurance and coverage will be terminated. No Medicare supplement coverage will be made available through the city to Category I retirees, except eligible Category I retirees who retired from the city prior to July 1, 2010.

Category I Retiree Dependent Eligibility

In order to be eligible for coverage under the health insurance plan a dependent of a retiree of Category I must meet the following conditions:

1. The spouse/eligible dependent must have been enrolled under the health insurance plan as a spouse/eligible dependent of an active employee at the time of employee's retirement;
2. Must meet dependent eligibility criteria of the health insurance plan;
3. Must not be Medicare eligible;
4. Makes payment of the full cost of the premium on a monthly basis. (Premiums must be paid

within thirty (30) days of due date or insurance is subject to cancellation).

5. Once a spouse/eligible dependent of retiree is Medicare eligible he or she will no longer meet eligibility requirements for health insurance and coverage will be terminated. No Medicare supplement coverage will be made available through the city to such dependent.

Category II - Eligibility

All employees, except school system retirees and employees, employed by the city, on or after June 1, 2007 are eligible for Category II for the purpose of this ordinance.

A Category II employee is eligible for continuation of health insurance at retirement only if at the time of retirement the employee meets all of the following conditions:

1. Must be a fulltime employee who works at least thirty hours a week on a regular and consistent basis;
2. Must have a minimum of 20~~5~~ years of **fulltime** service with the city, be at least 55 years old, and must have been enrolled in the health insurance provided by the city for the three full consecutive years immediately prior to retirement, or 2) have 30 years of service with the city and have been enrolled in the health insurance provided by the city for one full year immediately prior to retirement, to be eligible to continue on the health insurance program (Years of service do not have to be consecutive with the city and includes full time service with the Kingsport school system, provided the employee must retire while employed by the city, not the school system);;
3. Must not be Medicare eligible;
4. Must make payment of retiree premium contribution on a monthly basis. (Premiums must be paid within thirty (30) days of due date or insurance is subject to cancellation); and
5. The retirement benefits through the Tennessee Consolidated Retirement System, ICMA-RC, or any future retirement program the city sponsors or supports must commence immediately upon separation from service with the city.

Once the Category II retiree is Medicare eligible such retiree will no longer be eligible for health insurance through the city coverage will be terminated. No Medicare supplement coverage will be made available through the city to Category II retirees.

~~The percentage of the health insurance premiums paid by Category II retirees will at a minimum be double the percentage of health insurance premiums paid by then active employees for the same coverage.~~

Category II Retiree Dependent Eligibility

Once a Category II retiree is no longer covered or eligible for coverage under the health insurance provided by the city the dependent is no longer eligible for continued coverage under the health insurance plan except as required by federal or State of Tennessee law.



AGENDA ACTION FORM

Award of Bid to Glass Machinery & Excavation, for Pendragon Sidewalk and Water Improvements

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

Action Form No.: AF-217-2017
Work Session: July 31, 2017
First Reading: August 1, 2017

Final Adoption: August 15, 2017
Staff Work By: P. Gilmer/C. Austin/M. Thompson
Presentation By: R. McReynolds

Recommendation:

Approve Budget Ordinance and Resolution.

Executive Summary:

Bids were opened on July 20, 2017 for the Pendragon Sidewalk and Water Improvements project. This project consists of construction of approximately 3,666 feet of 5 foot wide sidewalk and the replacement of existing waterline with approximately 18,925 feet of 8, 6, 4, & 2 inch waterlines, along with hydrants and other appurtenances. The allotted time for construction is 365 calendar days.

City staff reviewed the bids and recommends awarding the contract to the apparent low bidder, Glass Machinery & Excavation, in the amount of \$1,689,240.50, as follows:

Base Bid.....	\$1,689,240.50
Contingency (6%).....	\$101,354.43
<u>Engineering Fees (14%)</u>	<u>\$261,005.07</u>
Total Project Cost.....	\$2,051,600.00

Funding has been identified and allocated to various projects in the Water Fund and Sidewalk Fund. To more accurately track expenses for individual projects, new project accounts need to be opened for each specific project. This ordinance will reallocate existing funds from WA1704 to WA1803 and from GP1403, GP1520 and GP1705 to GP1830.

Attachments:

1. Budget Ordinance
2. Contract Award Resolution
3. Bid Opening Minutes
4. Location Map
5. Bid Tabulation

Funding source appropriate and funds are available: *JF*

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER PROJECT FUND BUDGETS AND THE GENERAL PROJECT FUND BUDGETS BY TRANSFERRING FUNDS FOR THE PENDRAGON WATER AND SIDEWALKS IMPROVEMENTS PROJECT 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 Water Project Fund budget be amended by transferring \$1,728,500 from the Master Plan Water Upgrade project (WA1704) to the Pendragon Water Improvements project (WA1803) and that the General Project Fund budgets be amended by transferring \$99,831 from the Local Roads Sidewalks (GP1403), by transferring \$117,075 from the Sidewalk Improvements project (GP1520) and by transferring \$106,287 from the AEP Sidewalk Improvement project (GP1705) to the Pendragon Sidewalks project (GP1830). The total transferred to the Pendragon Sidewalks project (GP1830) is \$323,193.

Account Number/Description:

Fund 451 Water Project Fund

Master Plan WA UPG (WA1704)

Revenues:

451-0000-391-0529 Series 2013B GO Pub Imp
451-0000-391-0531 Series 2014B GO Pub Imp
451-0000-391-4500 From Water Fund

Totals:

Budget Incr/<Decr> New Budget

	\$	\$	\$
	51,299	(51,299)	0
	432,224	(432,224)	0
	1,730,000	(1,244,977)	485,023
Totals:	2,213,523	(1,728,500)	485,023

Expenditures:

451-0000-605-2023 Arch/Eng/Landscaping
451-0000-605-9001 Land
451-0000-605-9003 Improvements

Totals:

	263,500	(194,470)	69,030
	20,000	(19,030)	970
	1,930,023	(1,515,000)	415,023
Totals:	2,213,523	(1,728,500)	485,023

Fund 451 Water Project Fund

Pendragon Water Improvements (WA1803)

Revenues:

451-0000-391-0529 Series 2013B GO Pub Imp
451-0000-391-0531 Series 2014B GO Pub Imp
451-0000-391-45200 From Water Fund

Totals:

	\$	\$	\$
	0	51,299	51,299
	0	432,224	432,224
	0	1,244,977	1,244,977
Totals:	0	1,728,500	1,728,500

Expenditures:

451-0000-605-2023 Arch/Eng/Landscaping
451-0000-605-9003 Improvements

Totals:

	0	219,900	219,900
	0	1,508,600	1,508,600
Totals:	0	1,728,500	1,728,500

Fund 311 General Project Fund

Local Roads Sidewalks (GP1403)

Revenues:

311-0000-368-1046 Series 2013 B GO Pub Imp
311-0000-368-1047 Series 2014 A GO Bonds
311-0000-368-1051 Series 2015 A (Oct) GO PI

	\$	\$	\$
	14,896	0	14,896
	34,659	0	34,659
	442,234	(99,831)	342,403

311-0000-368-2101 Premium From Bond Sale	39,304	0	39,304
Totals:	531,093	(99,831)	431,262

Expenditures:

311-0000-601-2023 Arch/Eng/Landscaping	42,952	0	42,952
311-0000-601-4041 Bond Sale Expense	16,642	0	16,642
311-0000-601-9001 Land	10,000	0	10,000
311-0000-601-9003 Improvements	461,499	(99,831)	361,668
Totals:	531,093	(99,831)	431,262

**Fund 311 General Project Fund
Sidewalk Improvements (GP1520)**

Revenues:

	\$	\$	\$
311-0000-364-2000 From Corporations	24,713	0	24,713
311-0000-368-1047 Series 2014 A GO Bonds	64,970	(17,075)	47,895
311-0000-368-1051 Series 2015 A (Oct) GO PI	98,446	(98,446)	0
311-0000-368-2101 Premium From Bond Sale	20,703	(1,554)	19,149
Totals:	208,832	(117,075)	91,757

Expenditures:

311-0000-601-2023 Arch/Eng/Landscaping	5,000	1,279	6,279
311-0000-601-4041 Bond Sale Expense	4,119	0	4,119
311-0000-601-9001 Land	40,000	(604)	39,396
311-0000-601-9003 Improvements	159,713	(117,750)	41,963
Totals:	208,832	(117,075)	91,757

**Fund 311 General Project Fund
AEP Sidewalk Improvements (GP1705)**

Revenues:

	\$	\$	\$
311-0000-91-0100 From General Fund	129,300	(106,287)	23,013
Totals:	129,300	(106,287)	23,013

Expenditures:

311-0000-601-9003 Improvements	129,300	(106,287)	23,013
Totals:	129,300	(106,287)	23,013

**Fund 311 General Project Fund
Pendragon Sidewalks (GP1830)**

Revenues:

	\$	\$	\$
311-0000-368-1047 Series 2014 A GO Bonds	0	17,075	17,075
311-0000-368-1051 Series 2015 A (Oct) GO PI	0	198,277	198,277
311-0000-368-2101 Premium From Bond Sale	0	1,554	1,554
311-0000-91-0100 From General Fund	0	106,287	106,287
Totals:	0	323,193	323,193

Expenditures:

311-0000-601-2023 Arch/Eng/Landscaping	0	55,737	55,737
311-0000-601-9003 Improvements	0	267,456	267,456
Totals:	0	323,193	323,193

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:

ANGELA L. MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE PENDRAGON SIDEWALK AND WATER IMPROVEMENT PROJECT TO GLASS MACHINERY & EXCAVATION AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened July 20, 2017, for the Pendragon Sidewalk and Water Improvement project; and

WHEREAS, upon review of the bids, the board finds Glass Machinery & Excavation 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 enter into a contract for the construction of approximately 3,666 feet of 5 foot wide sidewalk and the replacement of existing waterline with approximately 18,925 feet of 8, 6, 4, & 2 inch waterlines, along with hydrants and other appurtenances from Glass Machinery & Excavation at an estimated construction cost of \$1,689,240.50; and

WHEREAS, funding is identified in project numbers WA1803 and GP1830.

Now therefore,

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

SECTION I. That the bid for the Pendragon Sidewalk and Water Improvement project, consisting of construction of approximately 3,666 feet of 5 foot wide sidewalk and the replacement of existing waterline with approximately 18,925 feet of 8, 6, 4, & 2 inch waterlines, along with hydrants and other appurtenances at an estimated cost of \$1,689,240.50 is awarded to Glass Machinery & Excavation, and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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 1st day of August, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES
BID OPENING
July 20, 2017
4:00 P.M.

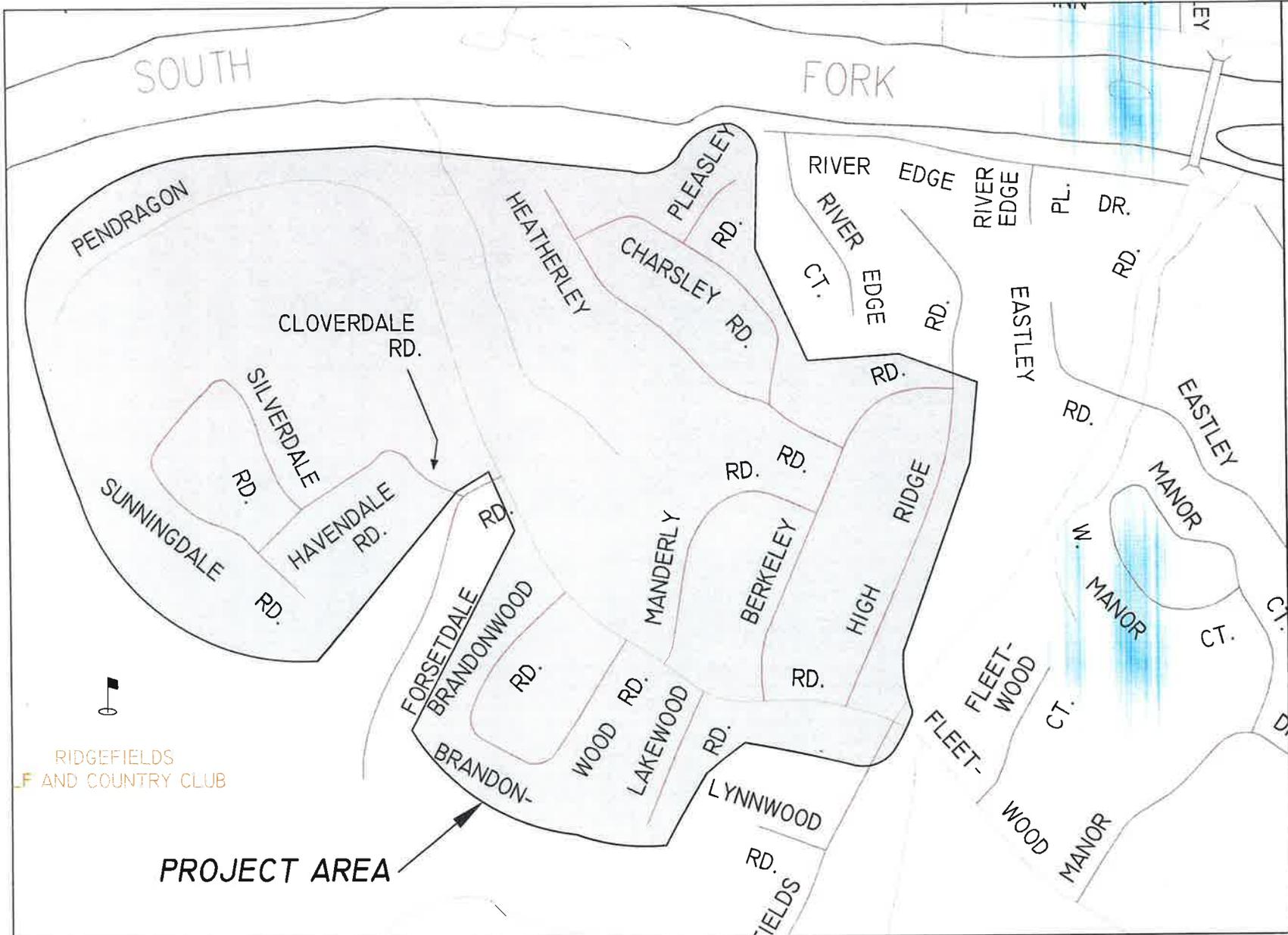
Present: Sandy Crawford, Procurement Manager; Michelle Ramey, Assistant Procurement Manager, Schools;
Pamela Gilmer, Engineering

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

The Procurement Manager opened with the following bids:

PENDRAGON SIDEWALK AND WATER IMPROVEMENTS	
Vendor:	Total Cost:
Glass Machinery & Excavation, Inc.	\$1,688,507.50
Baker's Construction Services, Inc.	\$1,909,653.58
Thomas Construction Company, Inc.	\$1,748,122.00
Merkel Bros. Construction, Inc.	\$1,806,585.50
Mike Smith Pump Service, LLC	\$1,802,265.00

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



RIDGEFIELDS
AND COUNTRY CLUB

PROJECT AREA

PROPOSED WATER LINE UPGRADES
AND
PROPOSED SIDEWALK EXTENSIONS
TO
PENDRAGON ROAD AREA



SCALE - 1"=400'

BID TABULATION FOR PENDRAGON SIDEWALK AND WATER IMPROVEMENTS

ITEM NO.	QUAN	UNIT	DESCRIPTION	GLASS MACHINERY & EXCAVATION		THOMAS CONSTRUCTION CO		MIKE SMITH PUMP SERVICE		MERKEL BROS. CONSTRUCTION		BAKER'S CONSTRUCTION	
				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	1	LS	MOBILIZATION (SECTION 02 41 00)	\$ 82,966.00	\$ 82,966.00	\$ 55,000.00	\$ 55,000.00	\$ 155,000.00	\$ 155,000.00	\$ 118,500.00	\$ 118,500.00	\$ 65,000.00	\$ 65,000.00
2	1	LS	CLEARING AND GRUBBING, & GRADING	\$ 73,100.00	\$ 73,100.00	\$ 145,000.00	\$ 145,000.00	\$ 2,000.00	\$ 2,000.00	\$ 77,500.00	\$ 77,500.00	\$ 115,000.00	\$ 115,000.00
3	1	LS	TOPSOIL, MULCHING, SEEDING & STRAWING	\$ 20,850.00	\$ 20,850.00	\$ 191,000.00	\$ 191,000.00	\$ 37,850.00	\$ 37,850.00	\$ 30,000.00	\$ 30,000.00	\$ 42,000.00	\$ 42,000.00
4	18,330	SF	CONCRETE SIDEWALKS (4") W/ 2" TYPE A BASE, GRADING D (TDOT 303-01)	\$ 8.45	\$ 154,888.50	\$ 5.50	\$ 100,815.00	\$ 6.90	\$ 126,477.00	\$ 6.60	\$ 120,978.00	\$ 7.21	\$ 132,159.30
5	2,103	CY	SOLID ROCK EXCAVATION IN TRENCH ALLOWANCE (SECTION 31 23 33)	\$ 35.00	\$ 73,605.00	\$ 35.00	\$ 73,605.00	\$ 35.00	\$ 73,605.00	\$ 35.00	\$ 73,605.00	\$ 35.00	\$ 73,605.00
6	4,715	TONS	BACKFILL STONE - PUG (SECTION 31 22 16)	\$ 21.87	\$ 103,117.05	\$ 18.00	\$ 84,870.00	\$ 22.00	\$ 103,730.00	\$ 10.00	\$ 47,150.00	\$ 29.42	\$ 138,715.30
7	145	TONS	ASPHALT TRENCH REPAIR (BINDER) 4-INCHES (SECTION 32 12 16)	\$ 300.00	\$ 43,500.00	\$ 180.00	\$ 26,100.00	\$ 220.00	\$ 31,900.00	\$ 150.00	\$ 21,750.00	\$ 161.61	\$ 23,433.45
8	84	TONS	ASPHALT DRIVEWAY/PARKING LOT REPAIRS (SURFACE) 3-INCHES (SECTION 32 12 16)	\$ 300.00	\$ 25,200.00	\$ 190.00	\$ 15,960.00	\$ 220.00	\$ 18,480.00	\$ 150.00	\$ 12,600.00	\$ 182.67	\$ 15,344.28
9	380	SY	CONCRETE DRIVEWAY/PARKING LOT REPAIRS 6-INCHES (SECTION 32 13 13)	\$ 70.00	\$ 26,600.00	\$ 105.00	\$ 39,900.00	\$ 46.00	\$ 17,480.00	\$ 60.00	\$ 22,800.00	\$ 85.83	\$ 32,615.40
10	50	T	MISCELLANEOUS ASPHALT SURFACE REPAIR - E MIX	\$ 300.00	\$ 15,000.00	\$ 190.00	\$ 9,500.00	\$ 220.00	\$ 11,000.00	\$ 150.00	\$ 7,500.00	\$ 182.74	\$ 9,137.00
11	50	T	MISCELLANEOUS SUBGRADE/PUG IN BASESTONE	\$ 30.00	\$ 1,500.00	\$ 30.00	\$ 1,500.00	\$ 22.00	\$ 1,100.00	\$ 25.00	\$ 1,250.00	\$ 32.23	\$ 1,611.50
12	8	LF	PAVEMENT MARKING (STOP BARS) THERMO	\$ 16.50	\$ 132.00	\$ 18.00	\$ 144.00	\$ 17.00	\$ 136.00	\$ 200.00	\$ 1,600.00	\$ 200.00	\$ 1,600.00
13	6	LF	PAVEMENT MARKING (YIELD MARKINGS) THERMO	\$ 16.50	\$ 99.00	\$ 18.00	\$ 108.00	\$ 17.00	\$ 102.00	\$ 200.00	\$ 1,200.00	\$ 200.00	\$ 1,200.00
14	55	LF	PAVEMENT MARKING (CROSSWALKS) THERMO	\$ 24.20	\$ 1,331.00	\$ 25.00	\$ 1,375.00	\$ 25.00	\$ 1,375.00	\$ 100.00	\$ 5,500.00	\$ 200.00	\$ 11,000.00
15	2	EA	HANDICAP RAMPS	\$ 880.00	\$ 1,760.00	\$ 380.00	\$ 760.00	\$ 900.00	\$ 1,800.00	\$ 800.00	\$ 1,600.00	\$ 1,552.45	\$ 3,104.90
16	7	EA	HANDICAP RAMPS WITH TRUNCATED DOMES INCLUDED	\$ 1,100.00	\$ 7,700.00	\$ 575.00	\$ 4,025.00	\$ 500.00	\$ 3,500.00	\$ 1,000.00	\$ 7,000.00	\$ 1,878.48	\$ 13,149.36
17	4,700	LF	8-INCH DUCTILE IRON PIPE (SECTION 33 11 00)	\$ 34.11	\$ 160,317.00	\$ 38.50	\$ 180,950.00	\$ 55.00	\$ 258,500.00	\$ 56.00	\$ 263,200.00	\$ 52.78	\$ 248,066.00
18	6,735	LF	6-INCH DUCTILE IRON PIPE (SECTION 33 11 00)	\$ 29.84	\$ 200,972.40	\$ 32.00	\$ 215,520.00	\$ 50.00	\$ 336,750.00	\$ 53.00	\$ 356,955.00	\$ 44.89	\$ 302,334.15
19	5,205	LF	4-INCH PVC PIPE INCLUDING FITTINGS (SECTION 33 11 00)	\$ 26.21	\$ 136,423.05	\$ 23.00	\$ 119,715.00	\$ 35.00	\$ 182,175.00	\$ 32.50	\$ 169,162.50	\$ 39.88	\$ 207,575.40
20	2,285	LF	2-INCH PVC PIPE INCLUDING FITTINGS (SECTION 33 11 00)	\$ 24.90	\$ 56,896.50	\$ 22.00	\$ 50,270.00	\$ 23.00	\$ 52,555.00	\$ 31.00	\$ 70,835.00	\$ 37.56	\$ 85,824.60
21	16	EA	8-INCH GATE VALVES & BOXES (SECTION 33 11 00)	\$ 1,414.00	\$ 22,624.00	\$ 1,400.00	\$ 22,400.00	\$ 1,700.00	\$ 27,200.00	\$ 1,600.00	\$ 25,600.00	\$ 1,393.29	\$ 22,292.64
22	21	EA	6-INCH GATE VALVES & BOXES (SECTION 33 11 00)	\$ 1,049.00	\$ 22,029.00	\$ 1,000.00	\$ 21,000.00	\$ 1,200.00	\$ 25,200.00	\$ 1,000.00	\$ 21,000.00	\$ 1,072.10	\$ 22,514.10
23	13	EA	4-INCH GATE VALVES & BOXES (SECTION 33 11 00)	\$ 815.00	\$ 10,595.00	\$ 900.00	\$ 11,700.00	\$ 1,000.00	\$ 13,000.00	\$ 900.00	\$ 11,700.00	\$ 906.04	\$ 11,778.52
24	3	EA	2-INCH GATE VALVES & BOXES (SECTION 33 11 00)	\$ 733.00	\$ 2,199.00	\$ 800.00	\$ 2,400.00	\$ 800.00	\$ 2,400.00	\$ 750.00	\$ 2,250.00	\$ 707.27	\$ 2,121.81
25	10	EA	1-INCH AIR RELEASE VALVE AND BOX (SECTION 33 11 00)	\$ 1,464.00	\$ 14,640.00	\$ 1,175.00	\$ 11,750.00	\$ 1,000.00	\$ 10,000.00	\$ 750.00	\$ 7,500.00	\$ 1,319.94	\$ 13,199.40
26	10	EA	2-INCH BLOW OFF ASSEMBLY (SECTION 33 11 00)	\$ 2,093.00	\$ 20,930.00	\$ 1,500.00	\$ 15,000.00	\$ 1,250.00	\$ 12,500.00	\$ 1,000.00	\$ 10,000.00	\$ 3,157.70	\$ 31,577.00
27	13	EA	FIRE HYDRANT ASSEMBLY - COMPLETE INCLUDES TEE, VALVE & HYDRANT (SECTION 33 11 00)	\$ 3,701.00	\$ 48,113.00	\$ 4,450.00	\$ 57,850.00	\$ 3,800.00	\$ 49,400.00	\$ 5,000.00	\$ 65,000.00	\$ 4,152.51	\$ 53,982.63
28	112	EA	SERVICE CONNECTION TO EXISTING 3/4" - SHORT WITH COPPER WITH NEW METER BOX AND SETTER (SECTION 33 11 00)	\$ 1,187.00	\$ 132,944.00	\$ 860.00	\$ 96,320.00	\$ 750.00	\$ 84,000.00	\$ 850.00	\$ 95,200.00	\$ 704.80	\$ 78,937.60
29	108	EA	SERVICE CONNECTION TO EXISTING 3/4" - LONG WITH COPPER WITH NEW METER BOX AND SETTER (SECTION 33 11 00)	\$ 1,699.00	\$ 183,492.00	\$ 1,400.00	\$ 151,200.00	\$ 1,000.00	\$ 108,000.00	\$ 1,000.00	\$ 108,000.00	\$ 1,045.14	\$ 112,875.12
30	2	EA	SERVICE CONNECTION TO EXISTING 1" - SHORT	\$ 1,210.00	\$ 2,420.00	\$ 1,000.00	\$ 2,000.00	\$ 900.00	\$ 1,800.00	\$ 1,200.00	\$ 2,400.00	\$ 856.45	\$ 1,712.90

HAS \$1468 ON BID

ITEM NO.	QUAN	UNIT	DESCRIPTION	GLASS MACHINERY & EXCAVATION		THOMAS CONSTRUCTION CO		MIKE SMITH PUMP SERVICE		MERKEL BROS. CONSTRUCTION		BAKER'S CONSTRUCTION	
				UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
			WITH COPPER WITH NEW METER BOX AND SETTER (SECTION 33 11 00)										
31	1	EA	SERVICE CONNECTION TO EXISTING 1" - LONG WITH COPPER WITH NEW METER BOX AND SETTER (SECTION 33 11 00)	\$ 1,802.00	\$ 1,802.00	\$ 1,800.00	\$ 1,800.00	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00	\$ 1,212.15	\$ 1,212.15
32	1	EA	8-INCH X 8-INCH WET TAP WITH TAPPING VALVE AND BOX (SECTION 33 11 00)	\$ 4,654.00	\$ 4,654.00	\$ 4,300.00	\$ 4,300.00	\$ 4,200.00	\$ 4,200.00	\$ 3,500.00	\$ 3,500.00	\$ 3,524.37	\$ 3,524.37
33	3	EA	6-INCH X 6-INCH WET TAP WITH TAPPING VALVE AND BOX (SECTION 33 11 00)	\$ 3,884.00	\$ 11,652.00	\$ 2,900.00	\$ 8,700.00	\$ 3,500.00	\$ 10,500.00	\$ 3,000.00	\$ 9,000.00	\$ 2,752.47	\$ 8,257.41
34	1	EA	8-INCH CONNECTIONS (SECTION 33 11 00)	\$ 2,497.00	\$ 2,497.00	\$ 1,800.00	\$ 1,800.00	\$ 4,500.00	\$ 4,500.00	\$ 3,500.00	\$ 3,500.00	\$ 2,154.14	\$ 2,154.14
35	3	EA	6-INCH CONNECTIONS (SECTION 33 11 00)	\$ 1,966.00	\$ 5,898.00	\$ 1,700.00	\$ 5,100.00	\$ 4,000.00	\$ 12,000.00	\$ 3,250.00	\$ 9,750.00	\$ 1,568.48	\$ 4,705.44
36	3	EA	CUT-AND-PLUG EXISTING WATERLINE - 6-INCH AND SMALLER (SECTION 33 11 00)	\$ 816.00	\$ 2,448.00	\$ 385.00	\$ 1,155.00	\$ 2,000.00	\$ 6,000.00	\$ 1,000.00	\$ 3,000.00	\$ 279.20	\$ 837.60
37	1	EA	CUT-AND-PLUG EXISTING WATERLINE - 8-INCH AND LARGER (SECTION 33 11 00)	\$ 816.00	\$ 816.00	\$ 500.00	\$ 500.00	\$ 2,100.00	\$ 2,100.00	\$ 1,500.00	\$ 1,500.00	\$ 316.38	\$ 316.38
38	30	EA	REMOVE EXISTING VALVE BOXES (SECTION 33 11 00)	\$ 215.00	\$ 6,450.00	\$ 320.00	\$ 9,600.00	\$ 200.00	\$ 6,000.00	\$ 250.00	\$ 7,500.00	\$ 190.15	\$ 5,704.50
39	6	EA	REMOVE EXISTING BLOW OFFS (SECTION 33 11 00)	\$ 430.00	\$ 2,580.00	\$ 480.00	\$ 2,880.00	\$ 250.00	\$ 1,500.00	\$ 500.00	\$ 3,000.00	\$ 390.98	\$ 2,345.88
40	10	EA	12-INCH RCP (SECTION 33 40 00)	\$ 50.00	\$ 500.00	\$ 55.00	\$ 550.00	\$ 75.00	\$ 750.00	\$ 50.00	\$ 500.00	\$ 38.34	\$ 383.40
41	1	LS	LANDSCAPE ALLOWANCE	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
42	1	EA	PROJECT SIGN (SECTION 01 50 00)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 3,744.95	\$ 3,744.95
PROJECT TOTAL :				\$ 1,689,240.50	\$ 1,689,240.50	\$ 1,748,122.00	\$ 1,748,122.00	\$ 1,802,265.00	\$ 1,802,265.00	\$ 1,806,585.50	\$ 1,806,585.50	\$ 1,909,653.58	\$ 1,909,653.58

HAS 1,888,607.50
ON BID FORM



AGENDA ACTION FORM

Consideration of a Final Budget Adjustment Ordinance for FY17

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

Action Form No.: AF-210-2017
Work Session: July 31, 2017
First Reading: August 1, 2017

Final Adoption: August 15, 2017
Staff Work By: Judy Smith
Presentation By: Jeff Fleming

Recommendation:
Approve the Ordinance.

Executive Summary:

This ordinance is the final year end ordinance to close out some projects and transfer funds. Funds will be transferred from the General Fund to the Aquatic Center operating budget in the amount of \$200,000, to the Solid Waste Fund operating budget in the amount of \$100,000 and to the General Project in the amount of \$340,000. The ordinance will also appropriate \$25,000 from the East Tennessee Foundation to the Centennial Park/Downtown Parks project

Several Water projects will be closed and the funds will be transferred to the Master Plan Water Upgrades in the amount of \$483,523 and to the Water Line Improvements project in the amount of \$75,000. Water projects to be closed are WA1404, WA1501, WA1601, and WA1702.

Several Sewer projects will be closed and the funds will be transferred to the Miscellaneous Sewer Line Improvement project in the amount of \$195,598, to the Sewer Line Improvement project in the amount of \$150,000 and to the Maintenance Facility Improvements project in the amount of \$100,000. Sewer projects to be closed are SW1401, SW1501, SW1701 and SW1704.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: 

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND VARIOUS PROJECTS FOR
THE YEAR ENDING JUNE 30, 2017; 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 be amended by transferring \$100,000 to the Solid Waste Fund operating budget, by transferring \$200,000 to the Aquatic Center operating budget, by transferring \$7,000 to the Public Art project (GP1630), by transferring \$25,000 to the Centennial Park/Downtown project (GP1627) and by appropriating \$25,000 donation funds received from the East Tennessee Foundation to the Centennial Park/Downtown project (GP1627) and by transferring \$340,000 to the General Projects project (GP1750).

Section II. That the Water Project Fund budget be amended by transferring \$180,989 from the Annexation Fire Hydrants project (WA1404), by transferring \$7,206 from the Colonial Heights PH2 Project (WA1501), by transferring \$432,224 from the Systemwide Water Upgrades project (WA1601) to the Water Line Improvement project (WA1702) in the amount of \$61,896, to the Master Plan Water Upgrades project (WA1704) in the amount of \$483,523 and to the Water Line Improvements project (WA1801) and close projects WA1404, WA1501, WA1601 and WA1702.

Section III. That the Sewer Project Fund budget be amended by transferring \$74,939 from the Miscellaneous Sewer Line Improvement project (SW1401), \$64,423 from the Colonial Heights PH2 project (SW1501), \$129,999 from the Miscellaneous Sewer Line project (SW1701) and \$176,537 from the Sewer Line Improvement project (SW1704) to the Miscellaneous Sewer Line project (SW1804) in the amount of \$195,898, to the Sewer Line Improvement project (SW1806) in the amount of \$150,000 and to the Maintenance Facility Improvements project (SW1808) in the amount of \$100,000 and close project SW1401, SW1501, SW1701 and SW1704.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 110: General Fund			
Revenues:	\$	\$	\$
110-0000-315-1000 Gross Receipts	1,600,800	100,000	1,700,800
110-0000-332-5200 TVA Impact Fee	85,000	176,000	261,000
Totals:	1,685,800	276,000	1,961,800
Expenditures:	\$	\$	\$
110-4804-481-7023 To State Street Aid Fund	1,104,000	(160,000)	944,000
110-4804-481-7022 To Solid Waste Fund Fund	2,189,900	100,000	2,289,900
110-4043-462-2020 Professional Consultant	53,062	(12,300)	40,762
110-4032-463-2075 Temporary Employees	61,974	(8,800)	53,174

110-4806-481-1010	Personal Services	204,018	(204,018)	0
110-4874-481-7425	Indian Trail TIF	20,000	(10,882)	9,118
110-4804-481-7036	To Gen Proj Fund	4,282,208	372,000	4,654,208
110-4804-481-7039	Aquatic Center Fund	300,000	200,000	500,000
Totals:		8,100,126	276,000	8,491,162

Fund 121: State Street Aid Fund

Revenues:		\$	\$	\$
121-0000-332-6000	Gasoline & Motor Fuel Tax	1,385,600	43,381	1,428,981
121-0000-391-0100	From General Fund	1,284,000	(340,000)	944,000
Totals:		2,669,600	(296,619)	2,372,981

Expenditures:		\$	\$	\$
121-4024-461-3038	Snow Removal	300,000	(195,535)	104,465
121-4024-461-4099	Miscellaneous	32,999	(29,747)	3,252
121-4026-461-2027	Side Walk Construction	33,043	(30,000)	3,043
121-4024-461-3027	Traffic Signal Supplies	152,988	(21,000)	131,988
121-4024-461-3028	Paint Supplies	116,010	(20,337)	95,673
Totals:		635,040	(296,619)	338,421

Fund 419: Aquatic Center Fund

Revenues:		\$	\$	\$
419-0000-391-0100	From General Fund	300,000	200,000	500,000
419-0000-378-1920	Gate Receipts	460,000	(68,526)	391,474
419-0000-378-1925	Annual Memberships	150,000	(88,693)	61,307
419-0000-378-1900	Rentals	150,000	(42,781)	107,219
Totals:		1,060,000	0	1,060,000

Fund 415: Solid Waste Fund

Revenues:		\$	\$	\$
415-0000-343-1010	Inside Resident 1 Cart	1,870,900	(100,000)	1,770,900
415-0000-391-0100	From General Fund	2,189,900	100,000	2,289,900
Totals:		4,060,800	0	4,060,800

Fund 311: General Project Fund

Public Art (GP1630)

Revenues:		\$	\$	\$
311-0000-391-0100	From General Fund	50,000	7,000	57,000
Totals:		50,000	7,000	57,000

Expenditures:		\$	\$	\$
311-0000-601-9006	Purchases Over \$5,000	50,000	7,000	57,000
Totals:		50,000	7,000	57,000

Fund 311: General Project Fund
Centennial Park/Downtown Parks (GP1627)

Revenues:

	\$	\$	\$
311-0000-364-1000 Contributions/Individual	650	0	650
311-0000-364-5621 East TN Foundation	635,000	25,000	660,000
311-0000-368-1047 Series 2014 A GO Bonds	126,266	0	126,266
311-0000-368-1054 Series 2016 GO (Nov 4)	26,643	0	26,643
311-0000-368-2101 Premium From Bond Sale	27,074	0	27,074
311-0000-391-0100 From General Fund	851,200	25,000	876,200
Totals:	1,666,833	50,000	1,716,833

Expenditures:

	\$	\$	\$
311-0000-601-2022 Construction Contracts	20,000	0	20,000
311-0000-601-2023 Arch/Eng/Landscaping	77,315	0	77,315
311-0000-601-2095 Public Art Contracts	10,000	0	10,000
311-0000-601-4041 Bond Sale Expense	3,717	0	3,717
311-0000-601-9001 Land	31,000	0	31,000
311-0000-601-9003 Improvements	1,524,801	25,000	1,549,801
311-0000-601-9006 Purchases Over \$5,000	0	25,000	25,000
Totals:	1,666,833	50,000	1,716,833

Fund 311: General Project Fund
General Projects (GP1750)

Revenues:

	\$	\$	\$
311-0000-391-0100 From General Fund	778,923	340,000	1,118,923
Totals:	778,923	340,000	1,118,923

Expenditures:

	\$	\$	\$
311-0000-601-9003 Improvements	778,923	340,000	1,118,923
Totals:	778,923	340,000	1,118,923

Fund 451: Water Project Fund
Annexation Fire Hydrants (WA1404)

Revenues:

	\$	\$	\$
451-0000-391-0529 Series 2013 B GO Pub Imp	151,165	(102,659)	48,506
451-0000-391-4500 From Water Fund	26,047	(26,047)	0
451-0000-391-4600 Reserve Outside City Imp	56,207	(52,283)	3,924
Totals:	233,419	(180,989)	52,430

Expenditures:

	\$	\$	\$
451-0000-605-2022 Construction Contracts	160,605	(113,265)	47,340
451-0000-605-2023 Arch/Eng/Landscaping	72814	(67,724)	5,090
Totals:	233,419	(180,989)	52,430

Fund 411: Water Project Fund
Colonial Heights PH2 (WA1501)

Revenues:

451-0000-391-0527 Series 2012 C GO Pub Imp	\$ 11,387	\$ 0	\$ 11,387
451-0000-391-0529 Series 2013 B GO Pub Imp	511,500	0	511,500
451-0000-391-4500 From Water Fund	169,173	(7,206)	161,967
Totals:	692,060	(7,206)	684,854

Expenditures:

451-0000-605-2023 Arch/Eng/Landscaping	\$ 88,300	\$ (6,432)	\$ 81,868
451-0000-605-9003 Improvements	603,760	(774)	602,986
Totals:	692,060	(7,206)	684,854

Fund 451: Water Project Fund
Systemwide Water Upgrades (WA1601)

Revenues:

451-0000-391-0529 Series 2013 B GO Pub Imp	\$ 2,099,623	\$ 0	\$ 2,099,623
451-0000-391-0531 Series 2014 B GO Bonds	510,177	(432,224)	77,953
Totals:	2,609,800	(432,224)	2,177,576

Expenditures:

451-0000-605-2023 Arch/Eng/Landscaping	\$ 331,800	\$ (19,251)	\$ 312,549
451-0000-605-3011 Postage	200	(200)	0
451-0000-605-9003 Improvements	2,277,800	(412,773)	1,865,027
Totals:	2,609,800	(432,224)	2,177,576

Fund 451: Water Project Fund
Water Line Improvements (WA1702)

Revenues:

451-0000-391-4500 From Water Fund	\$ 605,000	\$ 33,253	\$ 638,253
451-0000-391-4600 Reserve Outside City Imp	0	28,643	28,643
Totals:	605,000	61,896	666,896

Expenditures:

451-0000-605-9021 New Dist Lines	\$ 15,000	\$ 11,778	\$ 26,778
451-0000-605-9022 Hydrants	40,000	(13,210)	26,790
451-0000-605-9023 New Meters	150,000	(4,023)	145,977
451-0000-605-9024 Replacement Meters	50,000	467	50,467
451-0000-605-9025 Replacement Dist Lines	350,000	66,884	416,884
Totals:	605,000	61,896	666,896

Fund 451: Water Project Fund
Master Plan Water Upgrades (WA1704)

Revenues:

451-0000-391-0529 Series 2013 B GO Pub Imp	\$ 0	\$ 51,299	\$ 51,299
451-0000-391-0531 Series 2014 B GO Bonds	0	432,224	432,224

451-0000-391-0545 Series 2016 GO (Nov 4)	1,730,000	0	1,730,000
Totals:	1,730,000	483,523	2,213,523
Expenditures:	\$	\$	\$
451-0000-605-2023 Arch/Eng/Landscaping	195,000	68,500	263,500
451-0000-605-9001 Land	20,000	0	20,000
451-0000-605-9003 Improvements	1,515,000	415,023	1,930,023
Totals:	1,730,000	483,523	2,213,523

Fund 451: Water Project Fund
Water Line Improvements (WA1801)

Revenues:	\$	\$	\$
451-0000-391-0529 Series 2013 B GO Pub Imp	0	51,360	51,360
451-0000-391-4600 Reserve Outside City Imp	605,000	23,640	628,640
Totals:	605,000	75,000	680,000
Expenditures:	\$	\$	\$
451-0000-605-9021 New Dist Lines	15,000	0	15,000
451-0000-605-9022 Hydrants	40,000	0	40,000
451-0000-605-9023 New Meters	150,000	23,640	173,640
451-0000-605-9024 Replacement Meters	50,000	0	50,000
451-0000-605-9025 Replacement Dist Lines	350,000	51,360	401,360
Totals:	605,000	75,000	680,000

Fund 452: Sewer Project Fund
Miscellaneous Sewer Line
Improvements(SW1401)

Revenues:	\$	\$	\$
452-0000-391-0529 Series 2013 B GO Pub Imp	277,279	0	277,279
452-0000-391-0531 Series 2014 B GO Bonds	600,000	0	600,000
452-0000-391-4200 From Sewer Fund	662,402	(74,939)	587,463
Totals:	1,539,681	(74,939)	1,464,742
Expenditures:	\$	\$	\$
452-0000-606-2023 Arch/Eng/Landscaping	190,342	(10,631)	179,711
452-0000-606-9001 Land	10,285	0	10,285
452-0000-606-9003 Improvements	1,339,054	(64,308)	1,274,746
Totals:	1,539,681	(74,939)	1,464,742

Fund 452: Sewer Project Fund
Colonial Heights PH 2 (SW1501)

Revenues:	\$	\$	\$
452-0000-391-0529 Series 2013 B GO Pub Imp	435,948	0	435,948
452-0000-391-0531 Series 2014 B GO Bonds	2,850,000	0	2,850,000
452-0000-391-4200 From Sewer Fund	70,323	(64,423)	5,900
Totals:	3,356,271	(64,423)	3,291,848
Expenditures:	\$	\$	\$

452-0000-606-2023 Arch/Eng/Landscaping	391,183	(15,579)	375,604
452-0000-606-9001 Land	185,187	1,000	186,187
452-0000-606-9003 Improvements	2,779,901	(49,844)	2,730,057
Totals:	3,356,271	(64,423)	3,291,848

Fund 452: Sewer Project Fund
Miscellaneous Sewer Line (SW1701)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	161,061	(129,999)	31,062
Totals:	161,061	(129,999)	31,062

Expenditures:	\$	\$	\$
452-0000-606-2023 Arch/Eng/Landscaping	50,000	(50,000)	0
452-0000-606-9003 Improvements	111,061	(79,999)	31,062
Totals:	161,061	(129,999)	31,062

Fund 452: Sewer Project Fund
Sewer Line Imp (SW1704)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	371,697	(176,537)	195,160
Totals:	371,697	(176,537)	195,160

Expenditures:	\$	\$	\$
452-0000-606-9026 Sewer Extensions	74,411	(74,411)	0
452-0000-606-9027 Sewer Taps	41,136	(29,744)	11,392
452-0000-606-9028 Sewer Improvements	256,150	(72,382)	183,768
Totals:	371,697	(176,537)	195,160

Fund 452: Sewer Project Fund
Misc. Sewer Line (SW1804)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	300,000	195,898	495,898
Totals:	300,000	195,898	495,898

Expenditures:	\$	\$	\$
452-0000-606-2023 Arch/Eng/Landscaping	50,000	31,000	81,000
452-0000-606-9003 Improvements	250,000	164,898	414,898
Totals:	300,000	195,898	495,898

Fund 452: Sewer Project Fund
Sewer Line Imp.(SW1806)

Revenues:	\$	\$	\$
452-0000-391-4200 From Sewer Fund	250,000	150,000	400,000
Totals:	250,000	150,000	400,000

Expenditures:	\$	\$	\$
452-0000-606-9026 Sewer Extensions	40,000	75,000	115,000
452-0000-606-9027 Sewer Taps	20,000	75,000	95,000
452-0000-606-9028 Sewer Improvements	190,000	0	190,000
Totals:	250,000	150,000	400,000

Fund 452: Sewer Project Fund
Maintenance Facility Improvements (SW1808)

<u>Revenues:</u>	\$	\$	\$
452-0000-391-4200 From Sewer Fund	100,000	100,000	200,000
<i>Totals:</i>	100,000	100,000	200,000
<u>Expenditures:</u>	\$	\$	\$
452-0000-606-9003 Improvements	100,000	100,000	200,000
<i>Totals:</i>	100,000	100,000	200,000

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

 JOHN CLARK, Mayor

ATTEST:

 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

Ordinance Amending the FY18 Community Development Block Grant Budget

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

Action Form No.: AF-205-2017
Work Session: July 17, 2017
First Reading: July 18, 2017

Final Adoption: August 1, 2017
Staff Work By: Haga, Smith
Presentation By: Lynn Tully, AICP

Recommendation:

Approve Amended 2018 CDBG Budget Ordinance.

Executive Summary:

At its business meeting on June 20, 2017, the Board of Mayor and Aldermen approved the Community Development program budget ordinance providing for the Community Development Program funded by the Department of Housing and Urban Development (HUD). Because HUD had, at that time, not released funding amounts for the City for FY 2018, and in order to meet budget deadline requirements, the ordinance was based on an estimate projected from the previous program year. Since that time, HUD has provided a funding amount for the Community Development Block Grant program. Since the grant amount varies from the approved budget ordinance, an amended ordinance reflecting the actual grant amount will be required. Attached is an amended budget ordinance increasing the amount to \$12,122.

Attachments:

- 1. CDBG Budget Ordinance Amendment

Funding source appropriate and funds are available: _____

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

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS 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 Community Development Block Grant budget be amended by appropriating \$2,122 additional grant funds received from the Department of Urban and Housing Development (HUD) to the CDBG Administration project (CD1801) and by appropriating \$10,000 to the Code Enforcement project (CD1825). The total additional grant funds appropriated is \$12,122.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 124: Community Development Fund</u>			
<u>CDBG Administration (CD1801)</u>			
<u>Revenues:</u>	\$	\$	\$
124-0000-331-1000 Community Development	68,433	2,122	70,555
<i>Totals:</i>	68,433	2,122	70,555
<u>Expenditures:</u>	\$	\$	\$
124-0000-603-1010 Salaries & Wages	29,239	0	29,239
124-0000-603-1020 Social Security	5,058	0	5,058
124-0000-603-1030 Group Health	13,600	0	13,600
124-0000-603-1040 Retirement	10,506	0	10,506
124-0000-603-1050 Life Ins.	209	0	209
124-0000-603-1052 Long Term Disability	225	0	225
124-0000-603-1060 Workmen's Comp	106	0	106
124-0000-603-1061 Unemployment	40	0	40
124-0000-603-2010 Advertising & Publication	500	0	500
124-0000-603-2021 Accounting and Auditing	1,200	0	1,200
124-0000-603-2034 Telephone	1,000	0	1,000
124-0000-603-2040 Travel	5,000	2,000	7,000
124-0000-603-2043 Dues and Membership	1,000	0	1,000
124-0000-603-3010 Office Supplies	500	122	622
124-0000-603-3011 Postage	250	0	250
<i>Totals:</i>	68,433	2,122	70,555
<u>Fund 124: Community Development Fund</u>			
<u>Code Enforcement (CD1825)</u>			
<u>Revenues:</u>	\$	\$	\$
124-0000-331-1000 Community Development	40,000	10,000	50,000

Totals:

40,000	10,000	50,000
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Expenditures:

124-0000-603-2022 Construction Contracts
124-0000-603-2043 Dues and Memberships

\$	\$	\$
0	10,000	10,000
40,000	0	40,000
40,000	10,000	50,000

Totals:

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

Reclassification of Three (3) Personnel Positions and Accept Two (2) Communication Specialists Positions from KECD 911

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

Action Form No.: AF-198-2017
Work Session: July 17, 2017
First Reading: N/A

Final Adoption: August 1, 2017
Staff Work By: D/C Phipps
Presentation By: Chief Quillin

Recommendation:

Approve the Resolution and Ordinance to accept funds from the KECD 911 Board and increase positions for Central Dispatch.

Executive Summary:

In an effort to be good stewards, this Resolution requests consideration to reclassify a total of 3 KPD personnel positions in order to better staff and manage Central Dispatch. Currently, there are 2 part-time Communication Specialists (A 31) positions and a Telecommunication Supervisor (A 40) position that KPD wishes to convert to 2 full-time Communication Specialist positions. With a staffing of 4 Communication Specialists per shift and a minimum staffing of 3, there exists an inability to effectively manage unexpected time off (i.e. sick leave) without the use of overtime, in some instances. Furthermore, the KECD 911 Board of Directors have voted to match the reclassified personnel positions upon the approval of this resolution, thus, enabling Central Dispatch to newly staff 4 more Communication Specialists. These new positions will allow the distribution of one new Communication Specialist per shift.

The budget for the 2 part-time and 1 full-time positions are already allocated for FY 18 and will not have a negative impact when the positions are reclassified to full-time. In fact, the reclassification creates an approximate \$22,000.00 savings for the city. The 2 matching positions from the 911 Board will be funded completely by an amendment to the Inter-local Agreement with Emergency Communications District.

Attachments:

- 1. Resolution
- 2. Ordinance
- 3. Amended Agreement

Funding source appropriate and funds are available: *JF*

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



AGENDA ACTION FORM

Reclassification of Three (3) Personnel Positions and Accept Two (2) Communication Specialists Positions from KECD 911

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

Action Form No.: AF-198-2017
Work Session: July 17, 2017
First Reading: N/A

Final Adoption: July 18, 2017
Staff Work By: D/C Phipps
Presentation By: Chief Quillin

Recommendation:

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The budget for the 2 part-time and 1 full-time positions are already allocated for FY 18 and will not have a negative impact when the positions are reclassified to full-time. In fact, the reclassification creates an approximate \$22,000.00 savings for the city. The 2 matching positions from the 911 Board will be funded completely by an amendment to the Inter-local Agreement with Emergency Communications District.

Attachments:

- 1. Resolution
- 2. Ordinance
- 3. Amended Agreement

Funding source appropriate and funds are available:

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

RESOLUTION NO. _____

RESOLUTION APPROVING THE RECLASSIFICATION OF THREE PERSONNEL POSITIONS IN CENTRAL DISPATCH; TO AMEND THE INTER-LOCAL AGREEMENT WITH THE EMERGENCY COMMUNICATIONS DISTRICT; AND TO AUTHORIZE THE MAYOR TO EXECUTE THE ANY ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the Kingsport Police Department has recommended that three positions (2 part time Communications Specialists and one a Telecommunications Supervisor) be re-classified to two (2) full time Communication Specialist positions; and

WHEREAS, the reclassification of those three positions would create two new positions for Central Dispatch; and

WHEREAS, the Kingsport Emergency Communications District has agreed to increase its compensation to the City for a total of two (2) new positions for Central Dispatch through the Inter-local Agreement; and

WHEREAS, there is no cost to the City for this reclassification, and actually allows for a savings to the city.

Now therefore,

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

SECTION I. That the reclassification of three positions (two part time Communications Specialists and one a Telecommunications Supervisor) to two full time Communications Specialists is approved.

SECTION II. That the Inter-local Agreement with the Emergency Communication District be amended to reflect the increase in Communications Specialists.

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, any and all documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the this resolution.

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 18th day of July, 2017.

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 FUND BUDGET BY ADDING COMMUNICATION SPECIALISTS POSITIONS FOR THE CENTRAL DISPATCH DIVISION OF THE POLICE DEPARTMENT AND BY APPROPRIATING THE FUNDS RECEIVED FROM THE KINGSPORT EMERGENCY DISTRICT FOR THE FISCAL 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 be amended by amending the authorized positions in the Central Dispatch budget 110-3050-445 by adding three Communication Specialists positions at a paygrade 31 for Fiscal Year 2017-2018. Two positions will be funded by the Kingsport Emergency District and two part-time positions will be reclassified to one full time position. A Telecommunications Supervisor will be reclassified to a Communication Specialists.

SECTION II. That the General Fund budget be amended by appropriating funds received from the Kingsport Emergency District in the amount of \$80,000 to the Central Dispatch department.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 110: General Fund			
Revenues:			
110-0000-348-4000 E-911 Charges	\$ 210,000	\$ 80,000	\$ 290,000
Totals:	210,000	80,000	290,000
Expenditures:			
110-3050-445-1010 Salaries and Wages	\$ 842,200	\$ 60,900	\$ 903,100
110-3050-445-1020 Social Security	64,400	4,658	69,058
110-3050-445-1030 Health Insurance	107,600	10,817	118,417
110-3050-445-1040 Retirement	114,100	3,045	117,145
110-3050-445-1050 Life Insurance	2,800	100	2,900
110-3050-445-1052 Long Term Disability	1,100	200	1,300
110-3050-445-1060 Workmen's Comp	3,200	200	3,400
110-3050-445-1061 Unemployment	900	80	980
Totals:	1,136,300	80,000	1,216,300

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

JOHN CLARK, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING, City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

Passed on 1st reading: _____
Passed on 2nd reading: _____

FIRST AMENDED AGREEMENT
BETWEEN
THE CITY OF KINGSPORT, TENNESSEE
AND
THE EMERGENCY COMMUNICATIONS DISTRICT
OF THE CITY OF KINGSPORT, TENNESSEE

INTER-LOCAL COOPERATION AGREEMENT
ESTABLISHING POLICIES AND PROCEDURES FOR
MUTUAL AID AND COORDINATION OF
EMERGENCY COMMUNICATIONS SERVICE

THIS FIRST AMENDED AGREEMENT made and entered into as of this 1st day of July, 2017 by and between the City of Kingsport, hereinafter called "CITY", and the Emergency Communications District of the City of Kingsport, Tennessee, hereinafter called "DISTRICT."

W I T N E S S E T H

WHEREAS, CITY and DISTRICT, have entered into an inter-local cooperation agreement as of July 1, 2014, which was supplemented as of January, 2017;

WHEREAS, DISTRICT, by its Resolution adopted on _____, 2017, authorized the execution of this First Amended inter-local cooperation agreement between DISTRICT and CITY;

WHEREAS, CITY, by its Resolution No. _____, adopted on July __, 2017, authorized the execution of this First Amended inter-local cooperation agreement between CITY and DISTRICT;

NOW, THEREFORE, the premises considered, the parties agree as follows:

1. **PURPOSE.** This Agreement shall be for the purpose of establishing the terms and conditions by which DISTRICT and CITY shall provide facilities, services and employees necessary to operate and maintain communications service for both DISTRICT and CITY. It is further intended that all such shall be exercised in an efficient and economical manner so that such public services may be efficiently provided to the users and the public at large.
2. **SUCCESSORS.** It is the intention of the Parties to bind themselves, and any successors to either, to this Agreement for so long as the purpose hereinabove stated shall continue to be desired by either Party.

3. **PHYSICAL PLANT.** DISTRICT shall provide a building and grounds for a Public Safety Answering Point (PSAP) and a CITY Central Dispatch with all necessary and desirable associated amenities to make such operations fully functional in essentially the same fashion as the present facilities in the Justice Center and DISTRICT shall provide to CITY a location for a communications tower and reasonably associated facilities, as the same may be necessary or desirable, as follows:
- a. DISTRICT does hereby lease to CITY such part of that certain real property bearing Sullivan County Tax Identification No. Map 046O Group G Control Map 046O Parcel 015.20 and having a street address of 141 Unicoi Street, City of Kingsport, Sullivan County, Tennessee, as is necessary for the location of and connections to and from a tower necessary to support CITY's 800 MHZ radio equipment, including all necessary access to that tower for maintenance, repair or replacement.
 - i. CITY shall not allow the use of that tower for any other purpose or by any other entity.
 - ii. CITY shall reimburse DISTRICT for the cost of installing grounding facilities for the tower during construction of the building.
 - b. DISTRICT does hereby lease to CITY such part of that building located at 141 Unicoi Street as is necessary for CITY's Central Dispatch with all necessary and desirable associated amenities to make the operation fully functional in essentially the same fashion as the present facilities in the Justice Center.
 - c. CITY does hereby lease to DISTRICT such part of that certain real property located at 4598 Fort Henry Drive to serve as the "back-up" Public Safety Answering Point.
 - d. CITY shall record a Memorandum of Lease memorializing the provisions of this Section in the Registers Office for Sullivan County at Blountville, Tennessee.
4. **EMPLOYEES.** CITY shall provide to DISTRICT the services of a total of Twenty-three (23) personnel for operation of emergency communications services for DISTRICT, including:
- a. one (1) Watch Commander having the rank of Police Lieutenant, with corresponding salary and benefits, to supervise the operations of Central Dispatch to include training, scheduling of manpower, payroll, budget, etc., for a more closely supervised operation and to otherwise utilize enhanced management practices; and
 - b. one (1) Communications Technical Services Coordinator

- c. one (1) Dispatch Supervisor; and
- d. four (4) Shift Leaders; and
- e. Sixteen (16) Dispatchers.

These employees are employees of CITY for all purposes, including, but not limited to salary and benefits, Workers Compensation and tort liability.

5. **TRAINING.** In providing "911" service to the citizens and residents of CITY, and other service users, DISTRICT has elected to utilize the direct dispatch method of responding to emergency calls. This "911" service is provided by means of this inter-local agreement between DISTRICT and CITY.

In compliance with 2003 *Tenn. Pub. Acts, chapter 254, Sections 2 and 3*, DISTRICT and CITY agree that each of the 911 dispatchers employed by CITY pursuant to said inter-local agreement, must not only meet the general requirements set forth in *Tenn. Code Ann. Section 7-86-205* and *Tenn. Code Ann. Section 58-2-202*, but must also, within six (6) months of their employment with CITY, meet those training and course of study requirements established from time to time by the PUBLIC SAFETY COMMITTEE created by *Tenn. Code Ann. Section 58-2-201* and the EMERGENCY COMMUNICATIONS BOARD, Department of Commerce and Insurance of the State of Tennessee.

It is understood by the Parties that this agreement imposes an obligation on CITY that DISTRICT's expectation of receiving due performance will not be impaired. In order that no reasonable grounds for insecurity shall arise with respect to the performance of CITY, CITY shall provide assurance of its due performance by reporting to DISTRICT, on or about the beginning of every calendar year, with regard to whether each emergency call taker or public safety dispatcher, who receives an initial or transferred 911 call from the public, who is performing services on behalf of DISTRICT pursuant to this inter-local agreement, has satisfied the minimum requirements for dispatcher training established by the rules of the DEPARTMENT OF COMMERCE AND INSURANCE, EMERGENCY COMMUNICATIONS BOARD, CHAPTER 0780-6-2 relating to DISPATCHER TRAINING REGULATIONS (*Tenn. Comp. R. & Reg. 0780-6-2 et seq.*); and, that evidence of completion of such training is available for inspection, as are attendance records, course outlines and lesson plans.

In addition to the aforesaid minimum training standards, CITY shall establish for each calendar year, a Training Incentive Program (TIP) for salary supplement payments to eligible telecommunicators (dispatchers), approved by DISTRICT, to encourage telecommunicators (dispatchers) to achieve, through recognized programs, such Certifications and Continuing Education Units as will enhance a telecommunicators' (dispatchers') skills above the minimum training standards and thereby increase their communications service to the users of DISTRICT and the public at large. The Training Incentive Program shall provide

a salary supplement to each telecommunicator (dispatcher) determined by CITY and DISTRICT to have achieved recognized Certifications and Continuing Education Units.

6. **ADMINISTRATIVE SERVICES.** CITY shall provide to DISTRICT the opportunity to participate in using other services and facilities available to departments of CITY including, but not limited to, electronic data processing, geographic information systems, accounting, record management, insurance and purchasing; and more particularly, the Geographic Information System (GIS) division to provide products and services to DISTRICT, to include maintenance and update of geographic information within the city limits of Kingsport directly and indirectly related to Emergency Communications; data specifically maintained for E911 purposes include point data concerning address information, streets centerline data with address ranges, and emergency service zone information; coordination of the Master Street and Address Guide (MSAG); data update, maintenance and software support to the mapping applications located in the PSAP; coordination with CenturyLink and MicroDATA (mapping vendor) to ensure continuity of operations during upgrades to mapping software; and data not directly related to emergency communication but deemed useful in the PSAP including city limits, fire hydrants, digital orthophotography, emergency service agencies, school grounds, parks, and many other geographic features relevant to emergency communications to be updated from GIS to the PSAP regularly on an as-needed basis.

7. **RADIO DISPATCH CONTROL CENTER CONSOLE EQUIPMENT.** Pursuant to the duties of CITY under the November, 2014, City-County Agreement to establish a comprehensive plan to maintain a Simulcast P25 Digital 800MHz radio system pursuant to the terms of the contract with the State of Tennessee to participate in the Tennessee Advanced Communications Network (TACN) and to provide, install and maintain the Blountville, Holston Mountain, Bristol and Bays Mountain transmitter repeater sites; as provided hereinabove, CITY shall be responsible for the real estate, towers; and buildings; maintenance to the MCC7500 Consoles and control stations, along with all subscriber radios; Fire Station and Alerting System; and, installation of radios on CITY' s portion of the physical plant.

8. **VISIONCAD (COMPUTER-AIDED DISPATCH) SOFTWARE AND TRAINING.** The software used by dispatchers to actually dispatch the appropriate emergency services in accordance with District' s use of the direct dispatch method of responding to emergency calls shall be a permanent part of the Physical Plant referred to hereinabove.

9. **DIRECT FIBER ETHERNET CABLE.** The Physical Plant referred to hereinabove shall include a 20 Megabyte dedicated internet access by Direct Fiber Ethernet Cable provided by CenturyLink which in the event network facilities are disrupted, equipment fails, the main Public Safety Answering Point must be evacuated, or for any other reason that 911 calls cannot be answered at the main Public Safety Answering Point, will serve the "back-up" Public Safety Answering Point located at 4598 Fort Henry Drive.

10. **INSURANCE.** Necessary or desirable insurance coverage shall be procured as follows:

- a. casualty or hazard insurance insuring the physical plant and its contents against fire and extended coverage (including "all risk" coverage) for the full replacement cost of the improvements constructed on the property; and,
- b. general liability insurance providing coverage for premises liability; and,
- c. tort liability insurance providing coverage for civil claims arising from the actions or omissions of CITY's employees in processing emergency calls or any other matter related to the provision of 911 service; and,
- d. any other insurance coverage as either DISTRICT or CITY shall find necessary or desirable.

11. **CONSIDERATION.**

- a. DISTRICT shall, out of the emergency telephone service charge levied upon service users of the DISTRICT, reimburse CITY for the expenses incurred by it for providing leasehold premises, employees and administrative services. The annual amount of such reimbursement shall be TWO HUNDRED NINETY THOUSAND AND 00/100's DOLLARS (\$290,000.00) payable quarterly; and, additional payments of \$541.78 each for Monthly Recurring Revenue (MRR) charges for Direct Fiber Ethernet service to the "back-up" Public Safety Answering Point, unless previously separately paid. It is understood and agreed that any employee vacancy hereinabove stated shall be filled within sixty (60) days. Failure of CITY to fill any personnel vacancy within the sixty day requirement may allow DISTRICT to withhold funding pro-rated for the quarterly billing cycle.
- b. CITY shall reimburse DISTRICT for the expenses incurred by it for providing the physical plant. The annual amount of such reimbursement shall be paid
 - i. in moneys worth by providing all necessary or desirable maintenance of the building and grounds located at 141 Unicoi Street, including, but not limited to, exterior landscaping, garbage and trash removal, mechanical repairs, janitorial services etc. to the same extent and in the same fashion as is provided to other similar facilities of CITY, e.g. City Hall, Justice Center, Fire Stations and other public buildings and grounds; and,
 - ii. in moneys worth by the leasehold interest granted to DISTRICT in such part of that certain real property located at 4598 Fort Henry Drive serving as the "back-up" Public Safety Answering Point.

- d. DISTRICT shall reimburse CITY for the expenses incurred by it for providing a Training Incentive Program for eligible telecommunicators (dispatchers) each calendar year. The annual amount of such reimbursement shall be up to EIGHTEEN THOUSAND AND 00/100's DOLLARS (\$18,000.00) payable in January of each calendar year. The amount of reimbursement shall be determined by a Request made by CITY to DISTRICT prior to December 31 of each year which (1) identifies each eligible telecommunicator (dispatcher), (2) the Certification(s) and Continuing Education Unit(s) each has achieved and (3) the amount of each respective salary supplement.
- c. DISTRICT and CITY shall cooperate in keeping each other informed of any desired amendment to the terms or conditions of this Agreement and any related financial implications of such potential changes. To that end, DISTRICT shall provide a draft budget to CITY as early as practicable in the budget process and in no case later than the third Thursday of May; and, CITY shall provide to DISTRICT a draft budget summary reflecting any cost increases arising from personnel salaries and benefits and any other financial changes affecting the cost of the services provided to DISTRICT.

12. **TERM.** The initial term of this Agreement shall commence as of the beginning of Fiscal Year 2014-2015 on July 1, 2014, and continue until September 30, 2015, at which time this Agreement shall automatically renew for successive one (1) year periods (each a "Renewal Term" and collectively with the Initial Term the "Term"), unless, subject to the intent to be bound stated hereinabove, either Party gives the other Notice in writing of any desired amendment to the terms or conditions hereof, on or before ninety (90) days after the beginning of any Fiscal Year; and each Renewal Term shall, except for any agreed upon amendment to the terms or conditions hereof, be upon the same terms and conditions of this Agreement. By this automatic renewal provision, it is the intent of DISTRICT and CITY that each shall have the opportunity to review the terms and conditions hereof during its budget process prior to the beginning of each Renewal Term, which Renewal Terms shall be deemed the act of the governing body of each Party hereto, as then constituted.

In the event that DISTRICT and CITY cannot reach an agreement as to any desired amendment to the terms or conditions hereof proposed by either, they shall refer the matter to an independent person appointed by mutual agreement. In the event that no person is selected by mutual agreement, then each party shall select one independent person and those two individuals shall select a third. The final decision of the three shall be binding.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

**EMERGENCY COMMUNICATIONS DISTRICT
OF THE CITY OF KINGSPORT, TENNESSEE**

KENNETH CALVERT
Chairman

ATTEST:

CRAIG DYE
Secretary

CITY OF KINGSPORT, TENNESSEE

JOHN CLARK
Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY
City Attorney



AGENDA ACTION FORM

Approving Agreement to Subordinate a Sewer Tap Fee Lien for Property Located Inside the City Limits at 903 Beechwood Drive

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

Action Form No.: AF-216-2017
Work Session: July 31, 2017
First Reading: N/A

Final Adoption: August 1, 2017
Staff Work By: K. Gilmore/M. Billingsley
Presentation By: Jim Demming

Recommendation:

Approve the Resolution.

Executive Summary:

The property owners desire to re-finance the first mortgage in order to take advantage of the current lower interest rate environment. In order to meet the requirements of the loan program, and pay-off the existing first mortgage through re-financing, the City must agree to subordinate the current sewer tap fee lien to the new first mortgage established through the re-financing.

The property owner continues to make timely payments under the sewer tap fee, payment plan with the City and is current on City property taxes through tax year 2016.

Attachments:

1. Resolution
2. Subordination

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A SUBORDINATION AGREEMENT WITH EASTMAN CREDIT UNION FOR TERRY A. THOMAS AND JANET D. THOMAS, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, in May, 2017, Terry A. Thomas and wife, Janet D. Thomas executed a deed of trust to the city for a sewer tap for their property at 903 Beechwood Drive in the amount of \$1,950.00, and entered into a sewer tap fee payment plan; and

WHEREAS, the deed of trust was recorded in the office of the register of deeds for Sullivan County at Blountville on May 12, 2017, in book 3243 page 651; and

WHEREAS, Terry A. Thomas and wife, Janet D. Thomas would like to refinance their mortgage with Eastman Credit Union, which requires subordination of the deed of trust; and

WHEREAS, the subordination will essentially keep the deed of trust in the same position it now holds relative to the lien created by the deed of trust held for Eastman Credit Union; and

WHEREAS, Terry A. Thomas and wife, Janet D. Thomas have made make timely payments on the sewer tap fee payment plan.

Now therefore,

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

SECTION I. That a subordination agreement with Terry A. Thomas and wife, Janet D. Thomas pertaining to the deed of trust to the city for a sewer tap lien for their property at 903 Beechwood Drive originally securing \$1,950.00 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 subordination agreement with Terry A. Thomas and wife, Janet D. Thomas 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:

SUBORDINATION AGREEMENT

City of Kingsport does hereby certify that it is the holder of the indebtedness secured by a certain **Trust Deed** executed by **Terry A. Thomas** and **Janet D. Thomas**, recorded May 12, 2017, of record in Book 3243, page 651, in the Register's Office for Sullivan County, Tennessee.

For and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned does hereby subordinate the above- described Trust Deed, to the extent of the principal amount of One Hundred Five Thousand Five Hundred and No/100 (\$105,500.00) Dollars, plus interest thereon and attorneys' fees and other expenses advanced pursuant to the terms of the above described Deed of Trust to protect or enforce the priority of such instrument, to that certain Deed of Trust executed by **Terry A. Thomas** and wife, **Janet D. Thomas** dated May 12, 2017, naming

Karen H. Mears, Trustee, and Eastman Credit Union as beneficiary, of record in Book 3243 Page 651-653 in the Register's Office for Sullivan County, Tennessee; and City of Kingsport and its successors agree that the Deed of Trust (\$105,500.00) securing Eastman Credit Union its successors and assigns. shall constitute a lien and encumbrance prior to and superior to the Trust Deed (\$1,950.00) securing indebtedness held City of Kingsport as described above, to the extent stated above, but no further or otherwise.

The undersigned authorizes and instructs the filing officer or the individual filing this instrument of record to insert the date and recording reference of the instrument to which subordination is made by the undersigned, in the spaces indicated above.

IN WITNESS WHEREOF, this Subordination Agreement has been executed this the ____ day of _____, 2017.

[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 1st day of August, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Approve Resolution to Enter into an Agreement Allowing Bristol Broadcasting to Lease Space on Eden's View Water Tank to Install FM Broadcasting Antenna

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

Action Form No.: AF-213-2017
Work Session: July 31, 2017
First Reading: N/A

Final Adoption: August 1, 2017
Staff Work By: M. Billingsley / N. Ensor
Presentation By: R. McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

Bristol Broadcasting wishes lease space on the antenna tower located on Eden's View Tank for installation of a FM broadcasting antenna. The agreement is for an initial 5 year term at a monthly rental rate of \$300.00. Bristol Broadcasting has the option to renew for three additional five year terms at the following monthly rates; term 2 - \$330.00, term 3 - \$375.00 and term 4 - \$425.00. The antenna will in no way interfere with the water system's communication system.

Attachments:

- 1. Resolution
- 2. Bristol Broadcasting Agreement
- 3. Site Location / Overview

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH BRISTOL BROADCASTING TO LEASE SPACE ON EDEN'S VIEW WATER TANK TO INSTALL FM BROADCASTING ANTENNA AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, Bristol Broadcasting wishes to lease space on the antenna tower located on Eden's View Tank for the installation of a FM broadcasting antenna; and

WHEREAS, the agreement is for 5 years with a monthly rental rate of \$300.00, with the option to renew for three additional five year terms at the following monthly rates: term 2 - \$330.00, term 3 - \$375.00 and term 4 - \$425.00; and

WHEREAS, the antenna will not interfere with the water system's communication system.

Now therefore,

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

SECTION I. That a lease agreement with Bristol Broadcasting for lease space on the antenna tower located on Eden's View Tank for the installation of a FM broadcasting antenna 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 lease agreement with Bristol Broadcasting 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:

Antenna/Equipment Space Lease Agreement

THIS AGREEMENT ("Agreement"), made and entered into this __ day of _____, 2017, by and between The City of Kingsport, Tennessee ("City"), the Lessor, and Bristol Broadcasting Company, Inc. ("Bristol Broadcasting"), the Lessee, for the purpose of leasing space on a tower (the "Tower") atop a water tank (the "Tank") more particularly described below to allow for the attachment of a transmitting antenna associated with an FM Translator Station ("Station") owned by Bristol Broadcasting. Bristol Broadcasting desires to lease space on the Tower and City agrees to lease space on the Tower to Bristol Broadcasting.

NOW THEREFORE, in consideration of the rental payments required herein to be paid by Bristol Broadcasting, City hereby grants to Bristol Broadcasting a lease of space on the Tower in accordance with the terms and conditions set forth herein.

Tank and Location

The Tank and Tower on which space is to be leased is owned by City and is located on Edens View Road in Sullivan County, Tennessee, at the geographic coordinates North Latitude 36° 33' 15" and West Longitude 82° 26' 58".

Conditions of Lease

Term of Agreement and Rental This Agreement shall be for an initial term of five (5) years beginning on _____, 2017, at a rental rate of Three Hundred Dollars (\$300.00) per month to be paid monthly on the first day of each month during the term, in advance, to City.

At the end of the first term, Bristol Broadcasting shall have the option to extend this Agreement for a second term of five (5) years under the same terms and conditions set out herein except the rental rate shall be increased to Three Hundred-Thirty Dollars (\$330.00) per month payable in the same manner as of the initial term.

At the end of the second additional five (5) year term, the Bristol Broadcasting will have an option to renew the Agreement for a third term of five (5) years with a monthly rental rate of Three Hundred Seventy-Five Dollars (\$375.00), at the end of which, the Bristol Broadcasting will have the option for an additional fourth term period of five (5) years with a rental rate of Four Hundred Twenty-Five Dollars (\$425.00) per month, and, thereafter, Bristol Broadcasting will have the option to renew the Agreement for additional terms to be negotiated at those times. The City hereby agrees to negotiate reasonably and in good faith to set conditions for the additional terms at the election of the Bristol Broadcasting.

An option for any extended term of this Agreement shall be deemed automatically exercised unless Bristol Broadcasting shall give to City notice in writing of its intention not to exercise such an option at least thirty (30) days prior to the end any term of this Agreement, in which event this Agreement shall expire at the end of the term during which proper thirty-days notice was given.

If Bristol Broadcasting becomes delinquent with any rental payment, City may terminate this Agreement sixty (60) days after written notice is given to Bristol Broadcasting unless the delinquent amount is paid within the sixty-day period.

Bristol Broadcasting shall have the option to terminate this Agreement at any time during the term(s) hereof after giving the City thirty (30) days notice of its desire to do so. In the event the Bristol Broadcasting exercises this option to terminate this Agreement, the Bristol Broadcasting shall pay to the City a one-time payment equal to six (6) monthly rental payments at the rate in effect at the time of such occurrence and shall have no further obligation or expense to the City in regards to this Agreement. Further, in the event that the Bristol Broadcasting terminates this Agreement by this provision, the City agrees to allow the Bristol Broadcasting to remove all the equipment installed at the site without any additional reimbursement whatsoever to the City.

Use Bristol Broadcasting may attach a single-bay FM broadcast antenna to the Tower approximately 20 feet above the top of the Tank and may attached an associated coaxial transmission line to the Tower and Tank.

Bristol Broadcasting shall also have use of approximate 5 square feet of floor space in an existing equipment building also owned by City located near the base of the Tank for accommodating an FM Translator Transmitter and associated equipment. The coaxial transmission line will connect the FM Translator Transmitter inside the building to the FM Broadcast Antenna on the Tower. Bristol Broadcasting may also mount an FM Receiving Antenna on the equipment building.

Bristol Broadcasting shall have an easement to the Tank and Tower site and the equipment building throughout the term(s) of this Agreement for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle for the installation, operation, and maintenance of the equipment associated with their FM Translator Station.

All of the costs associated with purchasing, installing, operating, and maintaining and removal of the equipment used by Bristol Broadcasting at the Tank site shall be at the sole expense of Bristol Broadcasting, and such work shall be done and completed in a good, substantial and workmanlike manner, free from faults and defects, and in compliance with all legal requirements. Bristol Broadcasting shall be solely responsible for the construction means, methods, techniques, sequences and procedures, and for coordinating all activities related to the work. Bristol Broadcasting shall provide and pay for all labor, materials, goods and supplies, equipment, appliances, tools, construction equipment and machinery and other facilities and services necessary for the proper execution and completion of the work. Bristol Broadcasting shall promptly pay when due all costs and expenses incurred in connection with the work, and pay all sales, consumer, use and similar taxes required by law in connection with the installation work, and shall secure and pay for all permits,

fees and licenses necessary for the performance of the work. Bristol Broadcasting agrees that it will not perform, cause or suffer to be performed any act which interferes with the use of the Tank as part of the City's water system. Bristol Broadcasting shall be responsible for obtaining all necessary Federal, State and local government approvals for the operation of its equipment at the Tank site.

Bristol Broadcasting agrees that all of the radio equipment in use by Bristol Broadcasting at the Tank site will, at all times, be properly licensed by the Federal Communications Commission and will be installed and maintained in keeping with established engineering practices.

Indemnification Bristol Broadcasting shall indemnify and hold City harmless against any and all liability and losses from personal injury or property damage resulting or arising out of the use and occupancy of the Tank site or building by Bristol Broadcasting or its employees or agents.

Bristol Broadcasting understands that the Tank and building are presently, and will continue to be, in use by City and Bristol Broadcasting agrees to use the utmost caution and care not to cause any harm to the Tank, the equipment building, or to any of the other equipment at the site, reasonable wear and tear excepted.

Protection for Interference City agrees to use reasonable care to protect the Bristol Broadcasting's Station from harmful or objectionable interference from any future installations on the Tank or at the location thereof. The City's SCADA system is specifically excluded from this provision. In the event that the operation of Bristol Broadcasting equipment under this Agreement interferes with the transmitting or receiving of radio, television, or electronic signals by City or operations existing on the site prior to the date hereof, Bristol Broadcasting shall at its own expense and as soon as reasonably possible after written notice from City, correct the interference.

Utility Charges Bristol Broadcasting will have use of existing electricity connections in the equipment building at the base of the Tank and agrees to pay for its electrical power usage at the site based on a comparison of electrical usage at the site (as billed by the electric power provider) prior to and after Bristol Broadcasting's installation at the Tank site. This calculation of electrical usage will be made cooperatively by the parties hereto and both parties agree to use reasonable and good faith efforts to determine a fair charge for the electricity usage.

Bristol Broadcasting will arrange for connections and pay all charges for telephone and internet services (if any) used by Bristol Broadcasting at the Tank site.

Insurance Bristol Broadcasting shall, at its expense, maintain throughout the term(s) of this Agreement a minimum of One Million Dollars (\$1,000,000) in general liability insurance protection, naming City as an additionally insured, covering its activities on the Tower, in the equipment building, and on the premises thereof. Bristol Broadcasting shall provide City with additional insured endorsements, and if requested by the City, certified copies of the insurance policy or policies.

Bristol Broadcasting shall be responsible for providing, at its expense, any casualty and extended coverage insurance on its personal property, including antennas, transmitters, and associated equipment, located on the Tank or in the equipment building at its base.

Removal of Equipment Upon termination of this Agreement, Bristol Broadcasting shall, at its expense, remove its antennas, transmitter, and all associated equipment from the Tank and equipment building. If such removal causes Bristol Broadcasting to remain on the Tank or associated property after termination of this Agreement, Bristol Broadcasting shall pay rent at the last existing monthly rate until such time as the removal is completed.

City's Repairs City shall be responsible for general maintenance of its property in accordance with its usual practices as the same may be necessary for the maintenance and use of the Tank as part of its water system excluding the antennas and any maintenance attributable to them. Bristol Broadcasting shall be responsible for such general repairs to the Tank or property as may be necessary for Bristol Broadcasting's purposes, and agrees that it will cause any such repairs to be done at its sole expense and in such a manner as will in no way interfere with City's use of the Tank or its property as part of its water system. In the event City, in its sole discretion, determines the Tank to need re-coating and its contractor is unable or unwilling to work around the antennas, Bristol Broadcasting agrees to utilize a portable or other temporary antenna for such time as may be

necessary for re-coating, and to relocate its antennas and related equipment as necessary to facilitate such re-coating and other general maintenance by City.

Taxes Bristol Broadcasting shall pay, prior to delinquency, any and all ad valorem property taxes levied against the Station, its equipment, the property or surrounding property by virtue of its use of the property or its execution of this Agreement. In addition, Bristol Broadcasting shall be responsible for making any necessary returns for and paying any and all other property taxes separately levied or assessed against the improvements constructed by Bristol Broadcasting on City's property.

Retention of Property The parties acknowledge that the Tank and its surrounding property are maintained by City as part of its water system. Nothing contained in this Agreement shall obligate City to continue to maintain and utilize the Tank or its surrounding property, or to prevent City from selling the Tank or the surrounding property or demolishing or replacing the Tank or changing the use of the Tank or property in its absolute discretion. In the event City decides, in its absolute discretion, to demolish the Tank or to sell the same or any of the surrounding property, then, upon one hundred eighty (180) days written notice from the City to Bristol Broadcasting, this agreement shall be terminated. If the Tank or property are destroyed or damaged so as, in Bristol Broadcasting's judgment, to hinder the effective use of the Tank or property, Bristol Broadcasting may elect to terminate this Agreement as of the date of the damage or destruction, by notifying City not more than forty five (45) days following the date of damage or destruction. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction and Bristol Broadcasting shall be entitled to the reimbursement of any rent prepaid and unused by Bristol Broadcasting.

Hazardous Substances Bristol Broadcasting shall hold City harmless from and indemnify City against any damage, loss, expense, response costs or liability, including consultant fees and attorney's fees, resulting from hazardous substances generated, stored, disposed of or transported to, on or under the Property as a result of Bristol Broadcasting's use of the Property. For purposes of this Agreement, "hazardous substances" shall mean (i) any substance which contains gasoline, diesel fuel or other petroleum hydrocarbons, (ii) any substance which is flammable, radioactive, corrosive or carcinogenic, (iii) any substance the presence of which on the Property causes or threatens to cause a nuisance or health hazard affecting human health, the environment, the property or property adjacent thereto, or (iv) any substance the presence of which on the Property requires investigation or remediation under any Hazardous Substance Law, as the same may hereafter be amended. "Hazardous Substance Law" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq; the Clean Air Act, 42 U.S.C. §7401 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq; the Emergency Planning and Community Right to Know Act (SARA Title III) 42 U.S.C. §11001 et seq; and any applicable state law or regulation.

Importance of Property The parties acknowledge and agree that the property is an important component of City's water system and that its use for such purposes is of paramount importance. It is therefore agreed by Bristol Broadcasting that it will conduct all of its activities pursuant to this Agreement in such a manner as to refrain from damaging the coating of the Tank or in any other way jeopardizing its suitability for use by City as part of City's water system, and agrees that it will submit all proposed actions to be performed on the property to the City Manager or designee for review and written approval prior to the performance of any such action. It is further agreed that Bristol Broadcasting will indemnify and defend City and hold it harmless from any and all harm, loss, damage or injury, or claims asserting such, to its Tank or property incurred in connection with any act performed by or caused to be performed by Bristol Broadcasting in connection with this Agreement, including but not limited to interruption of the use of the Tank or property connection with City's water system, and also including claims brought by third parties.

Notices All notices hereunder must be in writing and shall be deemed validly given on the date when deposited in the United States mail, by certified mail, return receipt requested, addressed as follows:

Roger Bouldin
Bristol Broadcasting Company, Inc.

901 East Valley Drive
Bristol, Virginia 24201

City of Kingsport
Attention: City Manager
225 West Center Street
Kingsport, Tennessee 37660

With a copy to: City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

Rejection or refusal to accept delivery of any notice, or the inability to deliver a notice because of a changed address of which no notice was given, shall be deemed to be receipt of any such notice.

Condemnation or Preclusion of Use of Premises If the whole of the premises on which the Tank is situate, or a substantial portion thereof, shall be taken or condemned or the use thereof shall be restricted by any competent governmental authority, for any public use or other purpose, then the terms hereby granted shall cease on the date prior to the taking of possession or the preclusion of use of the premises by such authority. However, nothing contained herein shall be deemed or construed to prevent Bristol Broadcasting from interposing and prosecuting in any condemnation proceeding a claim for the value of its loss of the use of the Tank and/or equipment building.

Assignment and Transfer The provisions of this Agreement are binding upon assigns, heirs, or successors of either party, provided only that the Bristol Broadcasting may not assign or sublet this Agreement except in the event that Bristol Broadcasting should sell the FM Translator Station for which antenna tower space is hereby leased. In such an event, Bristol shall notify City of the sale of the Station and request that all the rights and obligations of Bristol Broadcasting Company, Inc., hereunder be assigned and transferred ("Transfer") to the buyer of the Station subject to all of the terms and conditions of this Agreement. City may not withhold consent to such a request unreasonably. Bristol Broadcasting shall be liable and responsible for the full and complete performance of this Agreement and for all payments arising prior the effective date of such Transfer, but Bristol Broadcasting shall be relieved of any responsibility for any obligation, payment or performance falling due or arising after the effective date of such Transfer.

Completeness This writing is the whole agreement between the parties and no terms, agreements, promises, covenants or representations shall be deemed part hereof unless set forth herein or executed in writing by the parties.

Governing Law This Agreement shall be governed and interpreted by, and is construed in accordance with, the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Agreement has been executed by Bristol Broadcasting Company, Inc., and City of Kingsport, Tennessee, in duplicate original, as of the day and year first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

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

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

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

ADOPTED this the 1st day of August, 2017.

JOHN CLARK, MAYOR

ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Antenna/Equipment Space Lease Agreement

THIS AGREEMENT ("Agreement"), made and entered into this ___ day of May, 2017, by and between The City of Kingsport, Tennessee ("City of Kingsport"), the Lessor, and Bristol Broadcasting Company, Inc. ("Bristol Broadcasting"), the Lessee, for the purpose of leasing space on a tower (the "Tower") atop a water tank (the "Tank") more particularly described below to allow for the attachment of a transmitting antenna associated with an FM Translator Station ("Station") owned by Bristol Broadcasting. Bristol Broadcasting desires to lease space on the Tower and City of Kingsport agrees to lease space on the Tower to Bristol Broadcasting.

NOW THEREFORE, in consideration of the rental payments required herein to be paid by Bristol Broadcasting, City of Kingsport hereby grants to Bristol Broadcasting a lease of space on the Tower in accordance with the terms and conditions set forth herein.

Tank and Location

The Tank and Tower on which space is to be leased is owned by City of Kingsport and is located on Edens View Road in Sullivan County, Tennessee, at the geographic coordinates North Latitude 36° 33' 15" and West Longitude 82° 26' 58".

Conditions of Lease

Term of Agreement Lease and Rental This Agreement Lease shall be for an initial term of five (5) years beginning on _____, 2017, at a rental rate of Three Hundred Dollars (\$300.00) per month to be paid monthly on the first day of each month during the term, in advance, to City of Kingsport.

At the end of the first term, Bristol Broadcasting shall have the option to extend this Agreement Lease for a second term of five (5) years under the same terms and conditions set out herein except the rental rate shall be increased to Three Hundred-Thirty Dollars (\$330.00) per month payable in the same manner as of the initial term.

At the end of the second additional five (5) year term, the Lessee Bristol Broadcasting will have an option to renew the Agreement lease for a third term of five (5) years with a monthly rental rate of Three Hundred Seventy-Five Dollars (\$375.00), at the end of which, the Lessee Bristol Broadcasting will have the option for an additional fourth term period of five (5) years with a rental rate of Four Hundred Twenty-Five Dollars (\$425.00) per month, and, thereafter, Lessee Bristol Broadcasting will have the exclusive option to renew the Agreement Lease for additional terms to be negotiated at those times. The Lessor hereby agrees to negotiate reasonably and in

good faith to set conditions for the additional terms at the election of the LesseeBristol Broadcasting.

An option for any extended term of this AgreementLease shall be deemed automatically exercised unless Bristol Broadcasting shall give to City-of-KingsportCity notice in writing of its intention not to exercise such an option at least thirty (30) days prior to the end any term of this AgreementLease. In which event this Lease Agreement shall expire at the end of the term during which proper thirty-days notice was given.

If LesseeBristol Broadcasting becomes delinquent with any rental payment, LessorCity may terminate this Lease-Agreement sixty (60) days after written notice is given to LesseeBristol Broadcasting unless the delinquent amount is paid within the sixty-day period.

Bristol Broadcasting shall have the option to terminate this AgreementLease at any time during the term(s) hereof after giving the LessorCity thirty (30) days notice of its desire to do so. In the event the LesseeBristol Broadcasting exercises this option to terminate this AgreementLease, the LesseeBristol Broadcasting shall pay to the LessorCity a one-time payment equal to six (6) monthly rental payments at the rate in effect at the time of such occurrence and shall have no further obligation or expense to the LessorCity in regards to this Lease-Agreement. Further, in the event that the LesseeBristol Broadcasting terminates this LeaseAgreement by this provision, the LessorCity agrees to allow the LesseeBristol Broadcasting to remove all the equipment installed at the site without any additional reimbursement whatsoever to the LessorCity.

Use Bristol Broadcasting may attach a single-bay FM broadcast antenna to the Tower approximately 20 feet above the top of the Tank and may attached an associated coaxial transmission line to the Tower and Tank.

Bristol Broadcasting shall also have use of approximate 5 square feet of floor space in an existing equipment building also owned by City-of-KingsportCity located near the base of the Tank for accommodating an FM Translator Transmitter and associated equipment. The coaxial transmission line will connect the FM Translator Transmitter inside the building to the FM Broadcast Antenna on the Tower. Bristol Broadcasting may also mount an FM Receiving Antenna on the equipment building.

Bristol Broadcasting shall have an easement to the Tank and Tower site and the equipment building throughout the term(s) of this LeaseAgreement for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle for the installation, operation, and maintenance of the equipment associated with their FM Translator Station.

All of the costs associated with purchasing, installing, operating, and

maintaining and removal of the equipment used by Bristol Broadcasting at the Tank site shall be at the sole expense of Bristol Broadcasting, and such work shall be done and completed in a good, substantial and workmanlike manner, free from faults and defects, and in compliance with all legal requirements. Bristol Broadcasting shall be solely responsible for the construction means, methods, techniques, sequences and procedures, and for coordinating all activities related to the work. Bristol Broadcasting shall provide and pay for all labor, materials, goods and supplies, equipment, appliances, tools, construction equipment and machinery and other facilities and services necessary for the proper execution and completion of the work. Bristol Broadcasting shall promptly pay when due all costs and expenses incurred in connection with the work, and pay all sales, consumer, use and similar taxes required by law in connection with the installation work, and shall secure and pay for all permits, fees and licenses necessary for the performance of the work. Bristol Broadcasting agrees that it will not perform, cause or suffer to be performed any act which interferes with the use of the Tank as part of the City's water system. Bristol Broadcasting shall be responsible for obtaining all necessary Federal, State and local government approvals for the operation of its equipment at the Tank site.

Bristol Broadcasting agrees that all of the radio equipment in use by Bristol Broadcasting at the Tank site will, at all times, be properly licensed by the Federal Communications Commission and will be installed and maintained in keeping with established engineering practices.

Indemnification Bristol Broadcasting shall indemnify and hold City of Kingsport City harmless against any and all liability and losses from personal injury or property damage resulting or arising out of the use and occupancy of the Tank site or building by Bristol Broadcasting or its employees or agents.

Bristol Broadcasting understands that the Tank and building are presently, and will continue to be, in use by City of Kingsport City and Bristol Broadcasting agrees to use the utmost caution and care not to cause any harm to the Tank, the equipment building, or to any of the other equipment at the site, reasonable wear and tear excepted.

Protection for Interference Lessor City agrees to use reasonable care diligence to protect the Lessee Bristol Broadcasting's Station from harmful or objectionable interference from any future installations on the Tank or at the location thereof. The City's SCADA system is specifically excluded from this provision. In the event that the operation of Bristol Broadcasting equipment under this Agreement interferes with the transmitting or receiving of radio, television, or electronic signals by City or operations existing on the site prior to the date hereof, Bristol Broadcasting shall at its own expense and as soon as reasonably possible after written notice from City, correct the interference.

Utility Charges Bristol Broadcasting will have use of existing electricity

connections in the equipment building at the base of the Tank and agrees to pay for its electrical power usage at the site based on a comparison of electrical usage at the site (as billed by the electric power provider) prior to and after Bristol Broadcasting's installation at the Tank site. This calculation of electrical usage will be made cooperatively by the parties hereto and both parties agree to use reasonable and good faith efforts to determine a fair charge for the electricity usage.

Bristol Broadcasting will arrange for connections and pay all charges for telephone and internet services (if any) used by Bristol Broadcasting at the Tank site.

Insurance ~~Lessee~~Bristol Broadcasting shall, at its expense, maintain throughout the term(s) of this ~~Lease Agreement~~ a minimum of One Million Dollars (\$1,000,000) in general liability insurance protection, naming ~~City of Kingsport~~City as an additionally ~~insured covered entity~~, covering its activities on the Tower, in the equipment building, and on the premises thereof. Bristol Broadcasting shall provide City with additional insured endorsements, and if requested by the City, certified copies of the insurance policy or policies.

~~Lessee~~Bristol Broadcasting shall be responsible for providing, at its expense, any casualty and extended coverage insurance on its personal property, including antennas, transmitters, and associated equipment, located on the Tank or in the equipment building at its base.

Removal of Equipment Upon termination of this ~~Agreement~~Lease, Bristol Broadcasting shall, at its expense, remove its antennas, transmitter, and all associated equipment from the Tank and equipment building. If such removal causes Bristol Broadcasting to remain on the Tank or associated property after termination of this ~~Lease Agreement~~, Bristol Broadcasting shall pay rent at the last existing monthly rate until such time as the removal is completed.

City's Repairs City shall be responsible for general maintenance of its property in accordance with its usual practices as the same may be necessary for the maintenance and use of the Tank as part of its water system excluding the antennas and any maintenance attributable to them. Bristol Broadcasting shall be responsible for such general repairs to the Tank or property as may be necessary for Bristol Broadcasting's purposes, and agrees that it will cause any such repairs to be done at its sole expense and in such a manner as will in no way interfere with City's use of the Tank or its property as part of its water system. In the event City, it is sole discretion, determines the Tank to need re-coating and its contractor is unable or unwilling to work around the antennas, Bristol Broadcasting agrees to utilize a portable or other temporary antenna for such time as may be necessary for re-coating, and to relocate its antennas and related equipment as necessary to facilitate such re-coating and other general maintenance by City.

Taxes Bristol Broadcasting shall pay, prior to delinquency, any and all ad valorem property taxes levied against the Station, its equipment, the property or surrounding property by virtue of its use of the property or its execution of this Agreement. In addition, Bristol Broadcasting shall be responsible for making any necessary returns for and paying any and all other property taxes separately levied or assessed against the improvements constructed by Bristol Broadcasting on City's property.

Retention of Property The parties acknowledge that the Tank and its surrounding property are maintained by City as part of its water system. Nothing contained in this Agreement shall obligate City to continue to maintain and utilize the Tank or its surrounding property, or to prevent City from selling the Tank or the surrounding property or demolishing or replacing the Tank or changing the use of the Tank or property in its absolute discretion. In the event City decides, in its absolute discretion, to demolish the Tank or to sell the same or any of the surrounding property, then, upon one hundred eighty (180) days written notice from the City to Bristol Broadcasting, this agreement shall be terminated. If the Tank or property are destroyed or damaged so as, in Bristol Broadcasting's judgment, to hinder the effective use of the Tank or property, Bristol Broadcasting may elect to terminate this Agreement as of the date of the damage or destruction, by notifying City not more than forty five (45) days following the date of damage or destruction. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction and Bristol Broadcasting shall be entitled to the reimbursement of any rent prepaid and unused by Bristol Broadcasting.

Hazardous Substances Bristol Broadcasting shall hold City harmless from and indemnify City against any damage, loss, expense, response costs or liability, including consultant fees and attorney's fees, resulting from hazardous substances generated, stored, disposed of or transported to, on or under the Property as a result of Bristol Broadcasting's use of the Property. For purposes of this Agreement, "hazardous substances" shall mean (i) any substance which contains gasoline, diesel fuel or other petroleum hydrocarbons, (ii) any substance which is flammable, radioactive, corrosive or carcinogenic, (iii) any substance the presence of which on the Property causes or threatens to cause a nuisance or health hazard affecting human health, the environment, the property or property adjacent thereto, or (iv) any substance the presence of which on the Property requires investigation or remediation under any Hazardous Substance Law, as the same may hereafter be amended. "Hazardous Substance Law" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq; the Clean Air Act, 42 U.S.C. §7401 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq; the Emergency Planning and Community Right to Know Act (SARA Title III) 42 U.S.C. §11001 et seq; and any

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applicable state law or regulation.

Importance of Property The parties acknowledge and agree that the property is an important component of City's water system and that its use for such purposes is of paramount importance. It is therefore agreed by Bristol Broadcasting that it will conduct all of its activities pursuant to this Agreement in such a manner as to refrain from damaging the coating of the Tank or in any other way jeopardizing its suitability for use by City as part of City's water system, and agrees that it will submit all proposed actions to be performed on the property to the City Manager or designee for review and written approval prior to the performance of any such action. It is further agreed that Bristol Broadcasting will indemnify and defend City and hold it harmless from any and all harm, loss, damage or injury, or claims asserting such, to its Tank or property incurred in connection with any act performed by or caused to be performed by Bristol Broadcasting in connection with this Agreement, including but not limited to interruption of the use of the Tank or property connection with City's water system, and also including claims brought by third parties.

Notices All notices hereunder must be in writing and shall be deemed validly given on the date when deposited in the United States mail, by certified mail, return receipt requested, addressed as follows:

Roger Bouldin
Bristol Broadcasting Company, Inc.
901 East Valley Drive
Bristol, Virginia 24201

City of Kingsport _____
Attention: City Manager ~~XXXXXX XXXXXX~~
225 West Center Street ~~XXXXXXXX XXXXXXXX~~
Kingsport, Tennessee 37660xx

With a copy to: City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

Rejection or refusal to accept delivery of any notice, or the inability to deliver a notice because of a changed address of which no notice was given, shall be deemed to be receipt of any such notice.

Condemnation or Preclusion of Use of Premises If the whole of the premises on which the Tank is situate, or a substantial portion thereof, shall be taken or condemned or the use thereof shall be restricted by any competent governmental authority, for any public use or other purpose, then the terms hereby granted shall cease

on the date prior to the taking of possession or the preclusion of use of the premises by such authority. However, nothing contained herein shall be deemed or construed to prevent Bristol Broadcasting from interposing and prosecuting in any condemnation proceeding a claim for the value of its loss of the use of the Tank and/or equipment building.

Assignment and Transfer The provisions of this Lease Agreement are binding upon assigns, heirs, or successors of either party, provided only that the Lessee Bristol Broadcasting may not assign or sublet this Lease Agreement except in the event that Bristol Broadcasting should sell the FM Translator Station for which antenna tower space is hereby leased. In such an event, Bristol shall notify City of Kingsport City of the sale of the Station and request that all the rights and obligations of Bristol Broadcasting Company, Inc., hereunder be assigned and transferred ("Transfer") to the buyer of the Station subject to all of the terms and conditions of this Lease Agreement. The Lessor City may not withhold consent to such a request unreasonably. Bristol Broadcasting shall be liable and responsible for the full and complete performance of this lease Agreement and for all payments arising prior the effective date of such Transfer, but Bristol Broadcasting shall be relieved of any responsibility for any obligation, payment or performance falling due or arising after the effective date of such Transfer.

Completeness This writing is the whole agreement between the parties and no terms, agreements, promises, covenants or representations shall be deemed part hereof unless set forth herein or executed in writing by the parties.

Governing Law This Agreement shall be governed and interpreted by, and is construed in accordance with, the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Agreement has been executed by Bristol Broadcasting Company, Inc., and City of Kingsport, Tennessee, in duplicate original, as of the day and year first above written.

City of Kingsport, Tennessee

By:

John Clark, Mayor

Attest:

City Recorder

Approved as to form:

City Attorney ~~XXXXXX XXXXX~~
Its ~~XXXXXXXXXX~~

Bristol Broadcasting Company, Inc.

By:

Roger Bouldin
Its Secretary and General Manager

STATE OF TENNESSEE:

COUNTY OF SULLIVAN:

~~Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared John Clark, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the Mayor of the City of Kingsport, Tennessee, the within-named bargainer, a municipal corporation, and that he as such Mayor executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Mayor, before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Xxxxx Xxxxxx, being a representative of a within named bargainer who acknowledged that he executed the foregoing instrument for the purposes therein contained.~~

WITNESS my hand and official seal at office in Sullivan County, Tennessee, this the ____ day of _____, 2017.

NOTARY PUBLIC

My commission expires:

COMMONWEALTH OF VIRGINIA:

CITY OF BRISTOL:

Before me, the undersigned authority, a Notary Public in and for the Commonwealth and City aforesaid, personally appeared Roger Bouldin, being a representative of a within named bargainer who acknowledged that he executed the foregoing instrument for the purposes therein contained.

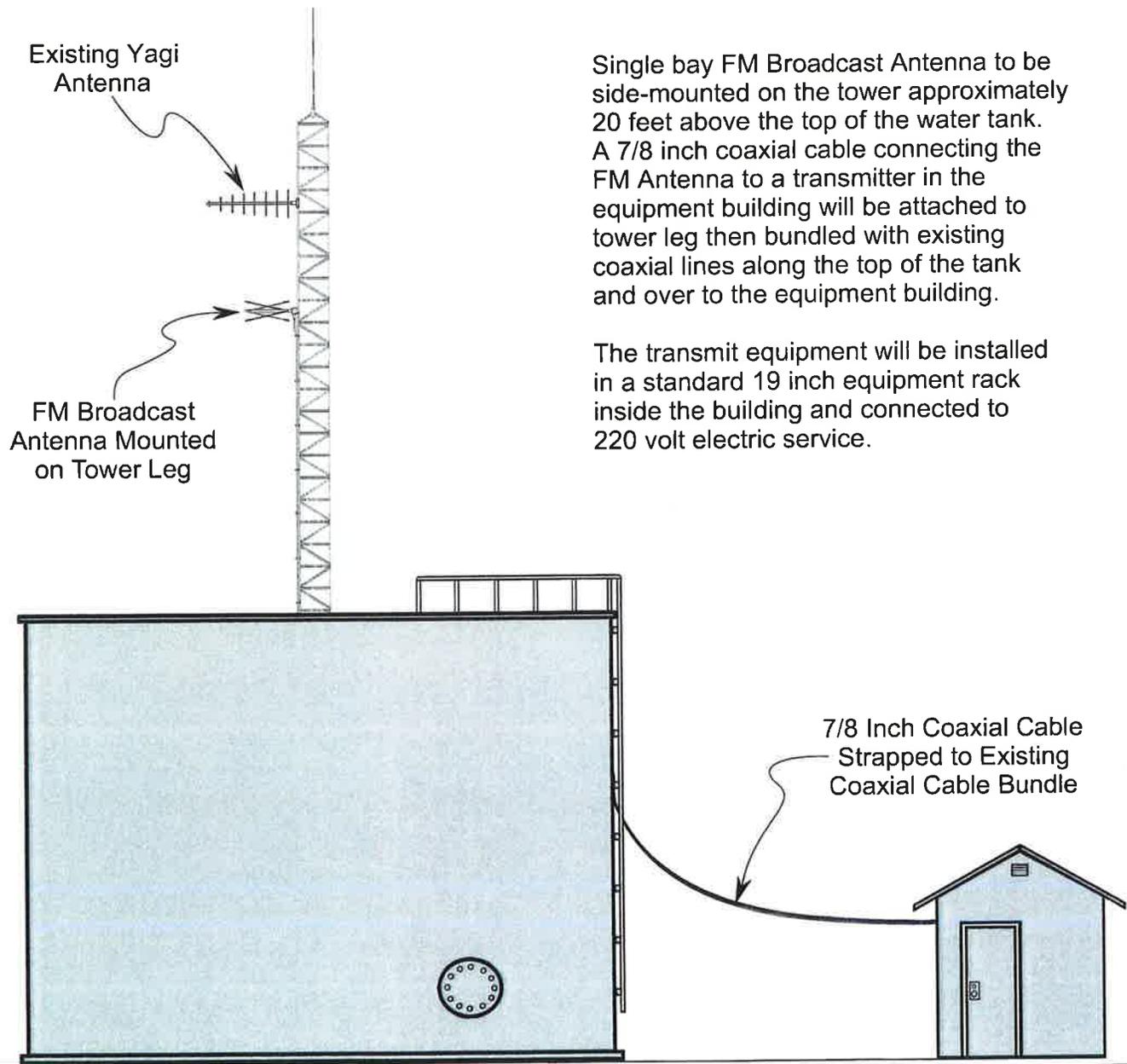
WITNESS my hand and official seal at office in Bristol, Virginia, this the ____ day of _____, 2017.

NOTARY PUBLIC

My commission expires:



Bristol Broadcasting Company Edens View Tank Antenna Project Site Overview



Existing Yagi
Antenna

FM Broadcast
Antenna Mounted
on Tower Leg

Single bay FM Broadcast Antenna to be side-mounted on the tower approximately 20 feet above the top of the water tank. A 7/8 inch coaxial cable connecting the FM Antenna to a transmitter in the equipment building will be attached to tower leg then bundled with existing coaxial lines along the top of the tank and over to the equipment building.

The transmit equipment will be installed in a standard 19 inch equipment rack inside the building and connected to 220 volt electric service.

7/8 Inch Coaxial Cable
Strapped to Existing
Coaxial Cable Bundle



AGENDA ACTION FORM

Recreation Trails Program Grant Letter for Bid Acceptance

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

[Handwritten signature]

Action Form No.: AF-218-2017
Work Session: July 31, 2017
First Reading: N/A

Final Adoption: August 1, 2017
Staff Work By: Kitty Frazier
Presentation By: Chris McCart

Recommendation:
Approve the Resolution.

Executive Summary:

The City has received a Recreation Trails Program (RTP) grant in the amount of \$120,000 for construction of a boardwalk and access trail on the Greenbelt. Construction bids have been received and reviewed for the project. The project engineer and project manager recommend awarding the construction contract to the low bidder, Building Character. The low base bid amount is \$320,000. and alternate 1 is \$30,000. The RTP grant requires a letter of recommendation for bid award from the authorizing authority. The mayor, as the City authorizing authority, needs to be allowed to sign a letter recommending the award of bid to Building Character. Funding is in place for the construction contract in projects GP1621, GP1617 and GP1710.

Attachments:

- 1. Resolution
2. Engineer Recommendation Letter
3. Bid

Funding source appropriate and funds are available: [Handwritten signature]

Table with 3 columns: Y, N, O and 7 rows of names: Adler, Begley, Cooper, George, McIntire, Olterman, Clark.

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE REEDY CREEK GREENBELT-BUFFALO GRASSLANDS SECTION TO BUILDING CHARACTER AND AUTHORIZING THE MAYOR TO SIGN A LETTER OF RECOMMENDATION FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE PROJECT OR THIS RESOLUTION

WHEREAS, bids were opened June 29, 2017, for the Reedy Creek Greenbelt-Buffalo Grasslands Section, for the construction of a boardwalk and access trail on the Greenbelt project; and

WHEREAS, upon review of the bids, the board finds Building Character 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 enter into a contract for the construction of a boardwalk and access trail on the Greenbelt for the Reedy Creek Greenbelt-Buffalo Grasslands Section project from Building Character at an estimated construction cost of \$350,000.00 (\$320,000.00 base bid and \$30,000.00 for alternate 1); and

WHEREAS, the Tennessee Department of Environment and Conservation requires a letter of recommendation be executed by the mayor approving this award of bid; and

WHEREAS, funding is identified in GP1621, GP1617 and GP1710.

Now therefore,

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

SECTION I. That the bid for the Reedy Creek Greenbelt-Buffalo Grasslands Section project, consisting of the construction of a boardwalk and access trail on the Greenbelt project at an estimated cost of \$350,000.00 is awarded to Building Character, and the mayor is authorized to execute a Letter of Recommendation for same and all documents necessary and proper to effectuate the purpose of this resolution.

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 1st day of August, 2017.

JOHN CLARK, MAYOR

ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

SPODEN & WILSON
CONSULTING ENGINEERS

PHONE (423) 245-1181
FAX (423) 245-0852
430 CLAY STREET
KINGSPORT, TENNESSEE
37660

STEVE D. WILSON, P.E.

REGISTRATIONS:
NORTH CAROLINA
TENNESSEE
TEXAS
VIRGINIA

July 24, 2017

Kitty Frazier, Director
Parks and Recreation
City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660

Re: Reedy Creek Greenbelt – Buffalo Grasslands Section
2016 Recreation Trails Program (RTP) Project
Edison ID No. 50632
File No. 13042

Dear Ms. Frazier:

Bids were received for the above referenced project on June 29, 2017 with Building Character of Knoxville, Tennessee the low bidder for a Base Bid amount of \$320,000.00 and Alternate No. 1 amount of \$30,000.00. We have carefully reviewed the low bid with Building Character and they remain confident with their bid and receptive to constructing the project. Therefore, we recommend that the Contract for Construction for the above reference RTP project be signed and executed with Building Character, 7147 La Christa Way, Knoxville, Tennessee 37921 for the Base Bid amount of \$320,000.00 and, if funding allows, the Alternate No. 1 Bid amount of \$30,000.000 for a total contract amount of \$350,000.00

If you need additional information, please feel free to call.

Very truly yours,



Steve D. Wilson

SDW/ikf

cc: Sandy Crawford, Procurement Manager
Hank Clabaugh, City Engineer

MINUTES
BID OPENING
June 29, 2017
4:00 P.M.

Present: Brent Morelock, Assistant Procurement Manager; Michelle Ramey, Assistant Procurement Manager, Schools; Kitty Frazier, Parks & Recreation Manager; and Steve Wilson, Engineer

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

The Assistant Procurement Manager opened with the following bids:

GREENBELT – BUFFALO GRASSLANDS SECTION			
Vendors:	Total Base Bid:	Total Alternate #1:	Completion Time:
Building Character	\$320,000.00	\$30,000.00	120 Days
Duco Construction	\$434,650.00	\$42,350.00	120 Days
Thomas Construction	No Bid	N/A	N/A

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



AGENDA ACTION FORM

Authorize Mayor to Sign all Documents Necessary and Proper to Purchase Property from General Shale

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

Action Form No.: AF-219-2017
Work Session: July 31, 2017
First Reading: NA

Final Adoption: August 1, 2017
Staff Work By: Chris McCartt
Presentation By: Chris McCartt

Recommendation:

Approve the resolution.

Executive Summary:

The City of Kingsport has been working with representatives from General Shale to purchase the remaining 14 acres of their former Kingsport manufacturing site located off of Industry Drive. Following several months of negotiations both parties have agreed, pending BMA approval, to a purchase price of \$1.0 million. Additionally, upon closing, General Shale has agreed to provide the City \$100k of their products to be used on future capital projects. The recommended purchase price is approximately \$50k below the appraised value. Staff recommends allocating One Kingsport funds to cover the debt service payment.

Since the opening of Brickyard Park City staff, along with KEDB, have evaluated multiple options for the remaining acres of the General Shale site. These options have included industrial development, mixed use and recreation. Following the completion of the One Kingsport Summit a greater focus towards a recreational use has been explored. To aide in this analysis the City secured the architectural services of Barge Wagoner Summer and Cannon. Through their assistance several recreational concepts, along with the possibility of a portion of the property being set aside for private development, have become staffs primary focus. While these ideas remain very conceptual they provide an illustration as to what the property can become.

Attachments:

1. Resolution
2. General Shale Letter
3. Conceptual Design

Funding source appropriate and funds are available: 

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

RESOLUTION NO. _____

A RESOLUTION APPROVING ACQUISITION OF APPROXIMATELY 14 ACRES OF REAL PROPERTY FROM GENERAL SHALE AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS TO EFFECTUATE THE ACQUISITION OF THE PROPERTY

WHEREAS, the city has the opportunity to purchase 14 acres of property currently owned by General Shale located off Industry Drive; and

WHEREAS, ownership by the city of this property are desirable due to its many options including industrial development, mixed use and recreation; and

WHEREAS, the owner is willing to sell the property to the city for \$1,000,000.00, which is \$50,000.00 below the appraised value; and

WHEREAS, also, upon closing, General Shale has agreed to provide the city \$100,000.00 of their products to be used on future capital projects; and

WHEREAS, staff recommends allocating One Kingsport funds to cover the debt service payment.

Now therefore,

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

SECTION I. That board approves the purchase of approximately 14 acres of property located off Industry Drive for \$1,000,000.00, from General Shale.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, a Purchase Agreement, if needed, the closing statement and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the Purchase Agreement or this resolution for the acquisition of the fee of property in the amount of \$1,000,000.00.

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the Purchase Agreement or for the purchase of the property that do not substantially alter the material provisions of the Purchase Agreement or this resolution and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

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

ADOPTED this the 1st day of August, 2017.

JOHN CLARK, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

July 5, 2017

Chris McCartt, Assistant City Manager for Administration
City of Kingsport
225 West Center Street
Kingsport, TN 37660

RE: General Shale Centennial Drive Property – Proposed Sale Proposal

Dear Mr. McCartt:

As you know, General Shale still owns a 14 acre tract of land that was a part of our original Kingsport brick plant property, and is now adjacent to the City's Centennial Park development project. This is an offering letter to the City of Kingsport on terms for its purchase of this property.

Our study of recent similar property sales in Kingsport indicates the market value of this property is well in excess of \$1 million. However, we believe this proposal will meet the needs of the City for a lower purchase price, continue the tradition of General Shale providing high quality building materials to the community, and continue to demonstrate our desire to maintain our high standard of corporate citizenship in the community.

Our proposal is as follows;

- \$1 million purchase price
- Close on purchase within sixty (60) days of execution of a sale contract
- General Shale to donate \$100,000 of building materials at retail value to be used exclusively in Centennial Park's future development plans, with City agreeing to no use of competitor products. These materials could also be used in other City construction projects. Materials to be utilized by the City within five (5) years of property purchase closing date.
- The City and General Shale to enter into a Purchase and Sale Agreement within 5 business days of the July 21, 2017 meeting of the Kingsport Board of Mayor and Aldermen, or this offer will become null and void and of no further force or effect.
- This proposal is subject to the approval of General Shale's corporate Management Board, which we should have prior to the July 21 meeting.

We appreciate your consideration of this offering letter as well as our continuing relationship with the City of Kingsport. We look forward to your response.

Sincerely,


Gregory A. Bowles



- LEGEND**
- 1 OUTDOOR PERFORMANCE VENUE
 - 2 CONCRETE PAD FOR MOBILE STAGE & HOSPITALITY SUITE
 - 3 RESTROOMS, SECURITY & FIRST AID OFFICES
 - 4 TICKETED ENTRY
 - 5 MULTI-PURPOSE FIELD
 - 6 RESTROOM / CONCESSION FACILITY
 - 7 BRICKYARD PARK
 - 8 STORMWATER POND WITH LOOP TRAIL
 - 9 ADVENTURE RACING / CROSS COUNTRY TRAILS
 - 10 PEDESTRIAN BRIDGE



AGENDA ACTION FORM

Initial and Detailed Bond Resolutions Authorizing Issuance of General Obligation Improvement Bonds, Series 2017A in an Amount not to Exceed \$15,600,000

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

Action Form No.: AF-214-2017
 Work Session: July 31, 2017
 First Reading: N/A

Final Adoption: August 1, 2017
 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 A in an amount not to exceed \$15,600,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$15,600,000 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 FY2018 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 A in an amount not to exceed \$15,600,000.

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
FY2018 Capital Improvement Plan (CIP)
Projects to be Funded:

General Fund	Amount
Bays Mountain Park Imp.	\$ 856,000
Fire Facilities/Capital	424,560
IT-Technology Infrastructure & Back Office Imp.	360,000
Play Ground Equip.-ADA Issue	75,000
Satelite Salt Shed	100,000
Sidewalk Extensions	100,000
Local Roads	2,820,000
General Park Improvements	50,000
Greenbelt Improvements	50,000
Lynn View Site Improvements	650,500
Preston Forest Park Improvments	35,000
Facilities Improvements	600,000
Facility Audit Assessment - Study	98,000
Renaissance Sky Light	324,500
Grounds Hold Over Replacement (Public Works Equip)	40,000
Street Lights	150,000
Signal Pole Upgrades	170,000
Flashing Yellow Upgrade Program	40,000
Library Improvements	225,000
Schools Facilities Maintenance Improvement	1,000,000
Park Land Acquisition - General Shale Property	1,000,000
Court Facilities/Public Facilities Plan	3,900,000
New Road @Meadowview	2,000,000
Higher Ed Parking Lot Expansion	90,000
Total General Fund	\$ 15,158,560
Aquatic Center Fund	
Aquatic Center Pool Expansion - Design Work	\$ 170,000
Water Fund	
Master Plan Water Upgrades	\$ 1,200,000
Total Water Fund	\$ 1,200,000
Sewer Fund	
WWTP MCC Replacements	\$ 4,400,000
SLS Telemetry	2,100,000
Border Regions Sewer Extension	3,500,000
Kingsport South Sewer Extension	360,800
Total Sewer Fund	\$ 10,360,800
Grand Total	\$ 26,889,360

Preliminary

\$14,480,000

City of Kingsport, Tennessee

General Obligation Improvement Bonds, Series 2017A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	277,304.58	277,304.58
06/30/2019	490,000.00	5.000%	577,050.00	1,067,050.00
06/30/2020	515,000.00	5.000%	552,550.00	1,067,550.00
06/30/2021	545,000.00	5.000%	526,800.00	1,071,800.00
06/30/2022	570,000.00	5.000%	499,550.00	1,069,550.00
06/30/2023	600,000.00	5.000%	471,050.00	1,071,050.00
06/30/2024	630,000.00	5.000%	441,050.00	1,069,550.00
06/30/2025	660,000.00	5.000%	409,550.00	1,071,550.00
06/30/2026	695,000.00	5.000%	376,550.00	1,071,800.00
06/30/2027	730,000.00	5.000%	341,800.00	1,070,300.00
06/30/2028	765,000.00	5.000%	305,300.00	1,067,050.00
06/30/2029	800,000.00	5.000%	267,050.00	1,067,050.00
06/30/2030	840,000.00	3.000%	227,050.00	1,066,850.00
06/30/2031	865,000.00	3.000%	201,850.00	1,070,900.00
06/30/2032	895,000.00	2.875%	175,900.00	1,070,168.76
06/30/2033	920,000.00	3.000%	150,168.76	1,067,568.76
06/30/2034	945,000.00	3.000%	122,568.76	1,069,218.76
06/30/2035	975,000.00	3.125%	94,218.76	1,068,750.00
06/30/2036	1,005,000.00	3.125%	63,750.00	1,067,343.76
06/30/2037	1,035,000.00	3.125%	32,343.76	
Total	\$14,480,000.00		\$6,113,454.62	\$20,593,454.62

Yield Statistics

Bond Year Dollars	\$169,478.44
Average Life	11.704 Years
Average Coupon	3.5072166%
Net Interest Cost (NIC)	3.0609839%
True Interest Cost (TIC)	2.9804389%
Bond Yield for Arbitrage Purposes	2.8682495%
All Inclusive Cost (AIC)	3.0342671%
IRS Form 803B	
Net Interest Cost	2.8871136%
Weighted Average Maturity	11.297 Years

GO Series 2017A | Issue Summary | 7/21/2017 | 1:23 PM

RAYMOND JAMES

Page 3

Preliminary

\$14,480,000

City of Kingsport, Tennessee

General Obligation Improvement Bonds, Series 2017A

Total Issue Sources And Uses

Dated 09/08/2017 | Delivered 09/08/2017

	10 year Amort	20 year Amort	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$570,000.00	\$13,910,000.00	\$14,480,000.00
Reoffering Premium	100,018.75	948,807.90	1,048,826.65
Total Sources	\$670,018.75	\$14,858,807.90	\$15,528,826.65
Uses Of Funds			
Deposit to Project Construction Fund	663,000.00	14,865,560.00	15,528,560.00
Total Underwriter's Discount (0.850%)	4,845.00	118,235.00	123,080.00
Costs of Issuance	2,996.88	73,134.69	76,131.57
Rounding Amount	(823.13)	1,878.21	1,055.08
Total Uses	\$670,018.75	\$14,858,807.90	\$15,528,826.65

Preliminary

\$14,480,000

City of Kingsport, Tennessee

General Obligation Improvement Bonds, Series 2017A

Detail Costs Of Issuance

Dated 09/08/2017 | Delivered 09/08/2017

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$25,652.72
Bond Counsel	\$25,652.72
Moody's Fee	\$11,116.18
S&P Fee	\$11,971.27
POS/Official Statement	\$855.09
Registration and Paying Agent	\$456.05
Other	\$427.54
TOTAL	\$76,131.57

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$15,600,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017A 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 2017A (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 Greenbelt improvements; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and improvements to fire facilities and court facilities; acquisition of public works equipment, including playground equipment, improvements to technology infrastructure, grounds maintenance equipment, street lights, and traffic light systems; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park, Preston Forest Park, and aquatic center pool expansion; 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 Fifteen Million Six Hundred Thousand Dollars (\$15,600,000) 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 1st day of August, 2017.

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 1, 2017; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$15,600,000 General Obligation Improvement Bonds, Series 2017A 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 1st day of August, 2017.

CITY RECORDER

(SEAL)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$15,600,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017A, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on August 1, 2017, the Board of Mayor and Aldermen (the "Board") of the City of Kingsport, Sullivan and Hawkins Counties, Tennessee (the "Municipality"), adopted an "Initial Resolution Authorizing the Issuance of Not to Exceed \$15,600,000 General Obligation Improvement Bonds, Series 2017A 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 Greenbelt improvements; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and improvements to fire facilities and court facilities; acquisition of public works equipment, including playground equipment and improvements to technology infrastructure, grounds maintenance equipment, street lights, and traffic light systems; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park, Preston Forest Park, and aquatic center pool expansion; 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 \$15,600,000 General Obligation Improvement Bonds, Series 2017A (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 2017A 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 2017A of the Municipality, in the aggregate principal amount of not to exceed Fifteen Million Six Hundred Thousand Dollars (\$15,600,000), 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 2017A”

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, 2018. 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 2019 through 2037, 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, 2019 through March 1, 2025, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2026, are subject to redemption prior to maturity on March 1, 2025, 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, 2018, 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, 2019 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 2017A"; 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 2017A, Project Fund," or such other series designation as shall be determined by the Mayor (the "Project Fund"), to be kept separate and apart from all other funds of the Municipality. The funds in the Project Fund shall be disbursed solely to pay the costs of the Project, to reimburse the Municipality, to pay capitalized interest, and to pay costs incurred in connection with the issuance of the Bonds, including necessary legal, accounting, engineering, and fiscal expenses, printing, advertising, and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds and the financing of the Project. Monies in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any. Monies in the Project Fund shall be expended only for the purposes authorized by this Resolution. Monies if any, remaining in the Project Fund upon completion of the purposes authorized by this Resolution shall be transferred to the Bond Fund and used to pay principal of and interest on the Bonds. Monies in the Project Fund may be invested as directed by an Authorized Representative of the Municipality in any investment authorized for municipal funds under the applicable laws of the State of Tennessee. All income derived from such investments shall be deposited in the Bond Fund and used to pay principal and interest on the Bonds, unless, by resolution, the Municipality directs retention of such earning in the Project Fund to pay the costs of the Project.

(c) Any amounts remaining from the principal proceeds of the sale of the Bonds shall be used for the purpose of paying the costs incurred in connection with the issuance of the Bonds.

Section 22. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related expenditures be reimbursed from the proceeds of the Bonds. Therefore, the Board of the Municipality finds and determines, as follows:

(a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;

(b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Bonds;

(c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Bonds for the purpose of financing the Project;

(d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Bonds are available; and,

(e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Bonds to finance the costs of the Project and other related expenditures in an amount not to exceed \$15,600,000. 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 1st day of August, 2017.

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 1, 2017; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the authorization, issuance, and sale of not to exceed \$15,600,000 General Obligation Improvement Bonds, Series 2017A 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 1st day of August, 2017.

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 2017A

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, 2018, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date (the "Regular Record Date"), in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount. Provided, however, that should the Municipality default in the payment of interest on such Interest Payment Date, such

defaulted interest (the "Defaulted Interest") shall be payable to the person in whose name this bond is registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest established by notice mailed by the Registration Agent on behalf of the Municipality not less than ten (10) calendar days preceding such Special Record Date by first class mail, postage prepaid, to the Registered Owner hereof at the address thereof as it appears on the registration books of the Municipality maintained by the Registration Agent as of the date of such notice, which notice shall identify the proposed payment of such Defaulted Interest and the Special Record Date therefor.

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

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Improvement Bonds, Series 2017A" (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 Greenbelt improvements; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and improvements to fire facilities and court facilities; acquisition of public works equipment, including playground equipment and improvements to technology infrastructure, grounds maintenance equipment, street lights, and traffic light systems; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park, Preston Forest Park, and aquatic center pool expansion; 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 1, 2017, entitled "Resolution

Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$15,600,000 General Obligation Improvement Bonds, Series 2017A, 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, 2019 through March 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2026, are subject to redemption prior to maturity on March 1, 2025, 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 2017A 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

Initial and Detailed Bond Resolutions Authorizing the Issuance of General Obligation Improvement Bonds, Series 2017B in an Amount not to Exceed \$11,750,000

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

Action Form No.: AF-215-2017
 Work Session: July 31, 2017
 First Reading: N/A

Final Adoption: August 1, 2017
 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 B in an amount not to exceed \$11,750,000.

Executive Summary:

Attached, for Board of Mayor and Aldermen consideration, is an initial and detailed bond resolution authorizing the City to issue up to \$11,750,000 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 FY2018 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 B in an amount not to exceed \$11,750,000.

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
FY2018 Capital Improvement Plan (CIP)
Projects to be Funded:

ATTACHMENT I

General Fund	Amount
Bays Mountain Park Imp.	\$ 856,000
Fire Facilities/Capital	424,560
IT-Technology Infrastructure & Back Office Imp.	360,000
Play Ground Equip.-ADA Issue	75,000
Satellite Salt Shed	100,000
Sidewalk Extensions	100,000
Local Roads	2,820,000
General Park Improvements	50,000
Greenbelt Improvements	50,000
Lynn View Site Improvements	650,500
Preston Forest Park Improvements	35,000
Facilities Improvements	600,000
Facility Audit Assessment - Study	98,000
Renaissance Sky Light	324,500
Grounds Hold Over Replacement (Public Works Equip)	40,000
Street Lights	150,000
Signal Pole Upgrades	170,000
Flashing Yellow Upgrade Program	40,000
Library Improvements	225,000
Schools Facilities Maintenance Improvement	1,000,000
Park Land Acquisition - General Shale Property	1,000,000
Court Facilities/Public Facilities Plan	3,900,000
New Road @Meadowview	2,000,000
Higher Ed Parking Lot Expansion	90,000
Total General Fund	\$ 15,158,560
Aquatic Center Fund	
Aquatic Center Pool Expansion - Design Work	\$ 170,000
Water Fund	
Master Plan Water Upgrades	\$ 1,200,000
Total Water Fund	\$ 1,200,000
Sewer Fund	
WWTP MCC Replacements	\$ 4,400,000
SLS Telemetry	2,100,000
Border Regions Sewer Extension	3,500,000
Kingsport South Sewer Extension	360,800
Total Sewer Fund	\$ 10,360,800
Grand Total	\$ 26,889,360

Preliminary

\$10,925,000

City of Kingsport, Tennessee

General Obligation Improvement Bonds, Series 2017B

(Water/Sewer Projects)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	209,209.86	209,209.86
06/30/2019	375,000.00	5.000%	435,350.02	810,350.02
06/30/2020	390,000.00	5.000%	416,600.02	806,600.02
06/30/2021	410,000.00	5.000%	397,100.02	807,100.02
06/30/2022	430,000.00	5.000%	376,600.02	806,600.02
06/30/2023	450,000.00	5.000%	355,100.02	805,100.02
06/30/2024	475,000.00	5.000%	332,600.02	807,600.02
06/30/2025	495,000.00	5.000%	308,850.02	803,850.02
06/30/2026	525,000.00	5.000%	284,100.02	809,100.02
06/30/2027	545,000.00	5.000%	257,850.02	802,850.02
06/30/2028	575,000.00	5.000%	230,600.02	805,600.02
06/30/2029	610,000.00	5.000%	201,850.02	811,850.02
06/30/2030	635,000.00	3.000%	171,350.02	806,350.02
06/30/2031	655,000.00	3.000%	152,300.02	807,300.02
06/30/2032	675,000.00	2.875%	132,650.02	807,650.02
06/30/2033	690,000.00	3.000%	113,243.76	803,243.76
06/30/2034	715,000.00	3.000%	92,543.76	807,543.76
06/30/2035	735,000.00	3.125%	71,093.76	806,093.76
06/30/2036	760,000.00	3.125%	48,125.00	808,125.00
06/30/2037	780,000.00	3.125%	24,375.00	804,375.00
Total	\$10,925,000.00		\$4,611,491.42	\$15,536,491.42

Yield Statistics

Bond Year Dollars	\$127,855.07
Average Life	11.703 Years
Average Coupon	3.6068116%
Net Interest Cost (NIC)	3.0615082%
True Interest Cost (TIC)	2.9810934%
Bond Yield for Arbitrage Purposes	2.8687303%
All Inclusive Cost (AIC)	3.0349128%

IRS Form 8038

Net Interest Cost	2.8877928%
Weighted Average Maturity	11.296 Years

WS Series 2017B | Issue Summary | 7/13/2017 | 10:29 AM

RAYMOND JAMES

Page 3

Preliminary

\$10,925,000

City of Kingsport, Tennessee

General Obligation Improvement Bonds, Series 2017B

(Water/Sewer Projects)

Total Issue Sources And Uses

Dated 09/08/2017 | Delivered 09/08/2017

	Water Fund	Sewer Fund	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$1,135,000.00	\$9,790,000.00	\$10,925,000.00
Reoffering Premium	82,133.20	707,927.25	790,060.45
Total Sources	\$1,217,133.20	\$10,497,927.25	\$11,715,060.45
Uses Of Funds			
Deposit to Project Construction Fund	1,200,000.00	10,360,800.00	11,560,800.00
Total Underwriter's Discount (0.850%)	9,647.50	83,215.00	92,862.50
Costs of Issuance	5,965.21	\$1,453.22	\$7,418.43
Rounding Amount	1,520.49	1,459.03	3,979.52
Total Uses	\$1,217,133.20	\$10,497,927.25	\$11,715,060.45

Preliminary

\$10,925,000

City of Kingsport, Tennessee
General Obligation Improvement Bonds, Series 2017B
(Water/Sewer Projects)

Detail Costs Of Issuance

Dated 09/08/2017 | Delivered 09/08/2017

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$19,347.28
Bond Counsel	\$19,347.28
Moody's Fee	\$8,383.82
S&P Fee	\$9,028.73
POS/Official Statement	\$644.91
Registration and Paying Agent	\$343.95
Other	\$322.46
TOTAL	\$57,418.43

RESOLUTION NO. _____

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,750,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017B 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 2017A (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 Eleven Million Seven Hundred Fifty Thousand Dollars (\$11,750,000) 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 1st day of August, 2017.

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 1, 2017; (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 \$11,750,000 General Obligation Improvement Bonds, Series 2017B 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 1st day of August, 2017.

CITY RECORDER

(SEAL)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$11,750,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017B, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, on August 1, 2017, 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 \$11,750,000 General Obligation Improvement Bonds, Series 2017B 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 \$11,750,000 General Obligation Improvement Bonds, Series 2017B (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 2017B 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 2017B of the Municipality, in the aggregate principal amount of not to exceed Eleven Million Seven Hundred Fifty Thousand Dollars (\$11,750,000), 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 2017B” 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, 2018. 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 2019 through 2037, 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, 2019 through March 1, 2025, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2026, are subject to redemption prior to maturity on March 1, 2025, 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, 2018, 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, 2019 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 2017B"; 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 2017B, 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 \$11,750,000. 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 1st day of August, 2017.

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 1, 2017; (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 \$11,750,000 General Obligation Improvement Bonds, Series 2017B 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 1st day of August, 2017.

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 2017B

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, 2018, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date (the "Regular Record Date"), in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount. Provided, however, that should the Municipality default in the payment of interest on such Interest Payment Date, such

defaulted interest (the "Defaulted Interest") shall be payable to the person in whose name this bond is registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest established by notice mailed by the Registration Agent on behalf of the Municipality not less than ten (10) calendar days preceding such Special Record Date by first class mail, postage prepaid, to the Registered Owner hereof at the address thereof as it appears on the registration books of the Municipality maintained by the Registration Agent as of the date of such notice, which notice shall identify the proposed payment of such Defaulted Interest and the Special Record Date therefor.

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

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and except as otherwise provided in said Code.

This bond is one of a series of bonds known as "General Obligation Improvement Bonds, Series 2017B" (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 1, 2017, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$11,750,000 General Obligation Improvement Bonds, Series 2017B, 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, 2019 through March 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2026, are subject to redemption prior to maturity on March 1, 2025, 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 2017B 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.