



## AGENDA

### BOARD OF MAYOR AND ALDERMEN WORK SESSION

Monday, September 18, 2017, 4:30 p.m.  
City Hall, 225 W. Center St., Council Room, 2<sup>nd</sup> 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. Aerospace Park Update – Patrick Wilson
4. Holston Business Development Center – Keith Nakoff
5. Code Enforcement Update – Lynn Tully
6. Wellness Clinic & Safety – Jeff Fleming
7. Review of Items on September 19, 2017 Business Meeting Agenda
8. Adjourn

**Next Work Session, Oct. 2:** Healthy Kingsport, Fire Dept. Capital Facilities for FY18, Greenbelt Wayfinding Project

***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.***

## BMA Report, September 18, 2017

### Financial Comments, Judy Smith



To be added.

### Kingsport Employee Wellness, Terri Evans

	01/01/2017 – 08/31/2017	08/01/2017 – 08/31/2017
<b>Total Utilization</b>	<b>88.8%</b>	<b>89.9%</b>
City – Active Employees	50.8%	47.8%
City – Dependents	29.6%	34.1%
City – Retirees	3.0%	4.1%
Extended-Patient Services/Other	.1%	.1%
Work Comp	.2%	.1%
No Show	5.1%	3.7%

### Worker's Compensation, Terri Evans

For the month of August 2017, the city had no compensable lost time workers compensation claims.

# City of Kingsport

## Project Status in Pictures



### 1 Centennial Park

*Centennial Park is an evening activity spot for all ages, including evening birthday party splashes!*

### 2 Church Circle Project

*Our historic Church Circle is undergoing a major renovation and upgrade.*

### 3 Bays Mountain Park

*Proposed improvements and additions to our beautiful park are coming from The Trail Forward campaign.*

### 4 Reedy Creek Sewer Line Project

*This Greenbelt section will reopen October 7 after the Reedy Creek Sewer line work finishes.*

### 5 Wall Treatment on Wilcox Dr Bridge

*This design meets the function required by TDOT for safety, but also has attention to form.*

### 6 Main Street Project

*Survey responses are still needed if you haven't completed it yet. Visit [kingsporttn.gov](http://kingsporttn.gov) for more info.*

# Status Updates on Active Projects sorted by Cost

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$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 mobilizing equipment to E Center St. behind Action Athletics and to Lomax St. Information meeting with residents was held on 9/7.
\$6,600,000.00	Niki Ensor	Niki Ensor	Water & Wastewater Facilities SCADA/Telemetry Project	WA1700/ SW1700/ SW1603	4/1/2019	Design underway
\$4,300,000.00	Chad Austin	Hank Clabaugh	Border Regions Utility Upgrades		2/17/2020	Design to begin January 2018
\$4,186,000.00	Chris McCartt	Mason, David	New KATS Transit Center	GP1718	11/15/2018	Pre-construction meeting scheduled for 9/14/17.
\$3,750,000.00	Niki Ensor	Niki Ensor	Chemical Feed Design	WA1403	4/1/2019	Design is underway. Need to locate 2 additional water lines and an electrical conduit before H&S surveyors return.
\$3,740,000.00	Niki Ensor	Niki Ensor	West Kingsport Forcemain and Pump Station Improvements	SW1708	6/1/2018	Working with H&S to get clarification on easement description and pipe coating.
\$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 Cedar Crest Drive area.
\$1,926,364.00	Chad Austin	Mike Hickman	Colonial Heights Ph IV Sewer & Water	SW1511	9/28/2017	Contractor working in Lebanon Rd area.
\$1,700,000.00	Michael Thompson	Thompson, Michael	Main Street Rebuild [City & MTPO Funded]	GP1516	4/1/2021	Public Hearing held 8/21/17. Additional stakeholder meetings continue.
\$1,688,507.50	Chad Austin	Pamela Gilmer	Pendragon Sidewalk & Water Improvement	WA1803	9/18/2018	Pre-con set for 8/31/17 @ 11 a.m.
\$1,500,000.00	Rob Cole	Harris, David	Bays Mountain Dam Rehabilitation	GP1707	12/31/2017	Drawings anticipated mid-August for review and submission to TDEC 9/1/17.
\$1,250,000.00	Niki Ensor	Niki Ensor	Pipe Gallery Improvements	WA1505	3/31/2018	Finalizing plans.
\$977,566.00	Ronnie Hammonds	Clabaugh, Hank	Wilcox Sidewalk Phase 5 [State & MTPO funded]	MPO15D	11/17/2017	The new concrete parapet wall on the river bridge is about complete. Rebar, conduit, and stormwater work continues.
\$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.

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
\$940,000.00	Kitty Frazier	Clabaugh, Hank	Kingsport Greenbelt - Eastern Extension - Phase 1 [Fed. Grant & City funded]	GP1529	12/31/2017	ROW acquisition is ongoing, issues with partial release of leins from lenders has slowed closing on several parcels.
\$831,797.00	Niki Ensor	Hank Clabaugh	Colonial Heights SLS	SW1511	9/30/2017	The Brightwood site is nearing completion. The Lebanon road site continues with manhole and wet well installation.
\$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		12/1/2017	The Notice to Proceed Date is October 2nd. Contractual completion date is December 1st.
\$600,000.00	Kitty Frazier	Mason, David	Riverbend Park	GP1512	1/31/2018	Site surveying is complete. Preparing preliminary master plan.
\$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	Request for TDOT concurrence submitted 9/5/2017.
\$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 Parks and Recreation Division is preparing the funding package.
\$245,100.00	Rob Cole	Austin, Chad	Bays Mountain - Pavillion at Lily Pad Cove	GP1707	11/2/2017	Posts have been set and framing for deck is underway.
\$221,800.00	Tim Elsea	Elsea, Tim	Lynn Garden Signal System [MTPO & City funded]	MPO15C	1/31/2018	Working thru comments from TDOT for approval of bid documents and plans.
\$218,713.00	Chad Austin	Spud Myrick	Hunt Rd waterline extension	WA1805	12/31/2017	Agreement to be sent to BMA on 9/19
\$200,000.00	Kitty Frazier	Mason, David	J. Fred Johnson Park Improvements	GP1629	9/15/2017	Asphalt binder and concrete curbs in place.
\$179,260.00	Tim Elsea	Elsea, Tim	Sullivan Street & Clay Street Signal	GP1740	10/17/2017	Contractor is working on installing signal pole foundations and conduit.
\$172,500.00	Lynn Tully	Mason, David	Church Circle Improvements	GP1224	11/17/2017	All demolition complete. Preparing layout to excavate footings for inner wall.
\$138,500.00	Kitty Frazier	Clabaugh, Hank	Reedy Creek Terrace Bridge	ST1503	1/23/2018	Construction expected to begin on 9/25/17.
\$50,000.00		David Edwards	Main St. & Sullivan St. System Upgrades			Coordination underway with KATS site contractor
\$45,884.40	Kitty Frazier	Mason, David	Shade Structures at Brickyard Park	GP1729	10/16/2017	Materials have been delivered. Installer scheduled to begin 9/11.
		Steve Robbins	Bloomington Culvert Replacement			Design underway by engineering (Dave Harris)

Estimated Cost	Project Owner	Project Manager	Project Name	Project #	Completion Date	CurrentStatus
	Chad Austin	Pamela Gilmer	Meade Tractor Sanitary Sewer Extension		1/31/2018	Project awaiting TDEC approval and acquiring easement.
	Chris McCartt	Clabaugh, Hank	Carousel Park		6/4/2018	RFQs for the playground equipment shall be submitted by September 26th. The City is still awaiting clearance from TDEC concerning brownfield requirements.
	Chris McCartt	Clabaugh, Hank	Carousel Park		6/4/2018	Project scope meeting held on September 14th.

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## **AGENDA**

### **BOARD OF MAYOR AND ALDERMEN**

#### **BUSINESS MEETING**

**Tuesday, September 19, 2017, 7:00 p.m.  
City Hall, 225 W. Center St., Courtroom, 2<sup>nd</sup> 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**

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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 Richard Dice, Christ Church**

#### **III. ROLL CALL**

#### **IV.A. RECOGNITIONS & PRESENTATIONS**

1. Josephine Morrison, Mayor for the Day (Mayor Clark)
2. Keep Kingsport Beautiful Beautification Awards
3. First Christian Church – 100 Years

#### **IV.B. APPOINTMENTS**

1. Appointment of City of Kingsport Municipal Judge (AF: 227-2017) (Mayor Clark)
  - Appointment

**V. APPROVAL OF MINUTES**

1. Work Session – September 5, 2017
2. Business Meeting – September 5, 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. Enter into Interlocal Agreement and Budget Ordinance for Hunt Rd Waterline Extension (AF: 242-2017) (Ryan McReynolds)
  - Resolution
  - Ordinance – First Reading
2. Ordinance to Condemn for the Eastern Greenbelt Extension (AF: 252-2017) (Mike Billingsley)
  - Ordinance – First Reading
- ~~3. Transferring Ownership of Real Property at 101 Lee Street to the Eastern Eight Community Development Corporation (AF: 247-2017) (Lynn Tully)~~
  - ~~• Ordinance – First Reading~~
4. Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2017 (AF: 249-2017) (Jeff Fleming)
  - Ordinance – First Reading

Withdrawn 9/18/17

**C. BUSINESS MATTERS REQUIRING FINAL ADOPTION**

1. Budget Adjustment Ordinance for FY18 (AF: 235-2017) (Jeff Fleming)
  - Ordinance – **Second Reading and Final Adoption**

**D. OTHER BUSINESS**

1. Authorizing the Execution of an Agreement with Frontier Health for Counseling Services for Kingsport City Schools (AF: 240-2017) (David Frye)
  - Resolution
2. Rejecting the Sealed Bid for the Dobyys-Bennett Track Upgrades Project (AF: 241-2017) (David Frye)
  - Resolution

3. Acquisition of Property for Parker Lane Sanitary Sewer Lift Station Replacement (AF: 239-2017) (Ryan McReynolds)
  - Resolution
4. Awarding the Bid for the Purchase of Two (2) Automated Garbage/Refuse Trucks (AF: 248-2017) (Ryan McReynolds, Steve Hightower)
  - Resolution
5. Reject the Bid for Fleet Maintenance Department Inground Vehicle Lifts (AF: 244-2017) (Ryan McReynolds)
  - Resolution
6. Approve a Lease Agreement with Robert Brents (AF: 250-2017) (Lynn Tully)
  - Resolution
7. Application for TDOT "Transportation Alternative" Funds for Further Development of the Kingsport Greenbelt (AF: 243-2017) (Kitty Frazier, Michael Thompson)
  - Resolution

#### **VII. CONSENT AGENDA**

1. Execute an Annual Renewal of Public Library Maintenance of Effort Agreement with the Tennessee State Library and Archives for Services via the Holston River Regional Library (AF: 230-2017) (Helen Whittaker)
  - Resolution
2. Consider the Proposed Stormwater Annual Compliance Report (AF: 238-2017) Ryan McReynolds)
  - Resolution
3. Approval of Easement and Right-of-Way (AF: 246-2017) (Ryan McReynolds)
  - Approve Offer

#### **VIII. COMMUNICATIONS**

- A. City Manager
- B. Mayor and Board Members
- C. Visitors
- D. Report on Debt Obligations, Series 2017A and 2016B

**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**



**AGENDA ACTION FORM**

**Appointment of City of Kingsport Municipal Judge**

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

Action Form No.: AF-227-2017  
 Work Session: September 18, 2017  
 First Reading: N/A

Final Adoption: September 19, 2017  
 Staff Work By: BMA  
 Presentation By: Mayor Clark

**Recommendation:**  
 Approve appointment.

**Executive Summary:**

It is requested that S. Curtis Rose be appointed as Municipal Judge for the City of Kingsport. This position is vacant due to the resignation of Judge William K. Rogers. If approved by the Board of Mayor and Aldermen, this appointment will be effective September 20, 2017 and will expire December 31, 2017.

**Attachments:**

- 1. Letter of Interest, Bio and Resume

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

LAW OFFICES  
**WEST & ROSE**  
537 EAST CENTER STREET  
POST OFFICE BOX 1404  
KINGSPORT, TENNESSEE 37662-1404

JULIA C. WEST  
S. CURTIS ROSE  
CAITLIN S. COLLEY

TELEPHONE: (423) 246-8176  
FACSIMILE: (423) 246-4028

M. LACY WEST, P.C.  
M. LACY WEST (1927-2006)  
STEVEN C. ROSE (1952-2007)  
RONALD W. JENKINS (1950-2016)

August 8, 2017  
*Via Electronic and Regular Mail*

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



Re: Position of Municipal Judge for City of Kingsport

Dear Mayor Clark:

Please let this letter serve as my application for consideration as you determine who will be the next Municipal Judge for the City of Kingsport. Attached to this letter is my bio and resume.

As you know, and as we have discussed on numerous prior occasions, I have a desire to serve the City of Kingsport and would very much appreciate your consideration.

As you will see upon reviewing my bio and resume, I have worked hard over the course of my career to establish a reputation as someone who is honest, ethical and decisive. I believe a judge, at any level, should possess these qualities as well as having the right temperament. I believe Bill Rogers possessed these qualities and served the City well in his role as Municipal Judge and I would be honored to follow him in that position.

If you should have any questions or concerns, please do not hesitate to contact me.

With best wishes and kindest regards, we remain,

Sincerely yours,

WEST & ROSE

S. Curtis Rose

SCR/rrc

The Honorable John Clark  
Page 2

Attachments

xc: Jeff Fleming, City Manager  
Mike Billingsley, City Attorney

## S. Curtis Rose Bio

Curt Rose is a lifelong resident of Kingsport. He is a practicing attorney in his hometown and specializes in civil defense litigation. He has been with West & Rose for his entire career and focuses his practice on insurance defense cases. He has been selected annually since 2012 to the Mid-South Super Lawyer Rising Stars list, a recognition as one of the top 2.5% of attorneys in Tennessee. He has also attained the Martindale Hubbell AV Preeminent rating which is the highest peer rating standard. This rating signifies that the lawyer's reviewed peers rank him at the highest level of professional excellence for legal knowledge, communication skills and ethical standards.

Mr. Rose is actively involved in his community and has held several leadership roles in various civic and professional organizations, including President of the Kingsport Bar Association from 2010 to 2011 and before that, had served as Treasurer and as Vice President. He has served as President of CASA for Kids Inc in 2010 and was a two term President of the Kingsport Jaycees in 2008 and 2009. He served as President of the Tri-Cities Affiliate of Susan G. Komen for the Cure, which serviced 23 counties in Northeast Tennessee, Southwest Virginia and Western North Carolina from 2011 to 2014.

In 2011, Rose was one of six attorneys in East Tennessee, including the counties of Greene, Hawkins, Sullivan, Washington, Carter and Unicoi, selected by United States Judge Ronnie Greer to oversee the recommendation of the appointment of United States Magistrate Judge Dennis Inman. Rose has served as President of the Board of Directors for First Presbyterian Child Center and he is a member of First Broad Street United Methodist Church. He currently is the President of the Kingsport Rotary club. Mr. Rose lives in Kingsport with his wife, Jenny, and their two children, Emma and Cameron.

## **EMPLOYMENT/ PROFESSIONAL:**

2005-Present; West & Rose Attorneys at Law

2000-2002 – *Intern*, West & Rose, Attorneys at Law

Summer 2002 –*Intern* – United States District Judge, Eastern District TN

Admitted to Practice:

Tennessee Supreme Court, 2005

United States District Court, Eastern District Tennessee, 2006

United States Court of Appeals, 6<sup>th</sup> Circuit, 2007

## **Community Service:**

Kingsport Bar Association (2005- Present) (**President**; 2010)

Rotary Club of Kingsport, **President** (2017-2018)

First Presbyterian Child Center Board of Directors (**President** 2014)

Tennessee Bar Association, Member (2005-Present)

Federal Court Judicial Selection Committee (Member; 2010-2011)

*Appointed by* United States District Judge, Ronnie Greer

Susan G. Komen for the Cure, Tri-Cities Affiliate (**President**, 2011-2014)

CASA for Kids, Inc. (**President** 2010)

CASA for Kids, Inc. (Search Committee for Executive Director, 2013)

Kingsport Jaycees (**President**, 2008, 2009)

Kingsport Chamber of Commerce, Board of Directors (2008-2009)

## **AWARDS/DESIGNATIONS:**

Martindale Hubbell – AV Preeminent Rating, 2016

Mid-South Super Lawyer, *Rising Star*, 2012, '13, '14, '15, '16, '17

American Institute of Personal Injury Attorneys, **10 Best**, 2016

Distinguished Lawyer, Expert Network

Eagle Scout Recipient, 1998

Minutes of the Regular Work Session of the  
Board of Mayor and Aldermen, City of Kingsport, Tennessee  
Tuesday, September 5, 2017, 4:00 PM  
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor John Clark	Alderman Betsy Cooper
Vice-Mayor Mike McIntire	Alderman Colette George <i>(arrived after roll call)</i>
Alderman Jennifer Adler	Alderman Tommy Olterman
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J. Michael Billingsley, City Attorney  
James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:00 p.m. by Mayor Clark.
2. **ROLL CALL:** By Deputy City Recorder Marshall.
3. **KINGSPORT THEATRE GUILD UPDATE.** Tina Radtke, Executive Director for KTG, gave a presentation on how KTG uses the funds given by the city each year, highlighting the series of youth shows planned for the current season. She also provided budget trend data for the past five years and how KTG measures success. Ms. Radtke then answered questions.
4. **AESTHETICS & BEAUTIFICATION UPDATE.** Assistant City Manager for Operations Ryan McReynolds presented this item, noting the efforts being made throughout the city on various projects. He then answered questions from the board and some discussion followed.
5. **REVIEW OF AGENDA ITEMS ON THE SEPTEMBER 5, 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 **Budget Adjustment Ordinance FY18** (AF: 235-2017). Sid Cox presented information on the changes to the budget affecting Bays Mountain Park. City Manager Fleming provided further details regarding other budget items.
  - VI.D.4 **Recreation Trails Program (RTP) Grant Authorization Signatures** (AF: 143-2017). City Manager Fleming gave details on this item, noting this was behind the Overlook at Indian Trail Apartments.

Mr. Fleming notified the board that KHRA had received notice to proceed with the apartments as well as vouchers for the relocation of those residents affected by the project. He also noted the city had received a 2.699% interest rate on the recent bond sale.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Tuesday, September 5, 2017**

Ms. Gail Cole asked if a work session date had been set to discuss the ONEKingsport recommendations. City Manager Fleming stated they were still polling the BMA members to confirm. She made comments regarding a survey of historical buildings downtown.

**6. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Clark adjourned the meeting at 5:33 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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JOHN CLARK  
Mayor

Minutes of the Regular Business Meeting of the  
Board of Mayor and Aldermen of the City of Kingsport, Tennessee  
Tuesday, September 5, 2017, 7:00 PM  
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor John Clark, Presiding

Vice Mayor Mike McIntire

Alderman Jennifer Adler

Alderman Joe Begley

Alderman Betsy Cooper

Alderman Colette George

Alderman Tommy Olterman

City Administration

Jeff Fleming, City Manager

J. Michael Billingsley, City Attorney

James Demming, City Recorder/Chief Financial Officer

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

II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Scott Pierce, Kingsport City Schools.

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

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

IV.A. **RECOGNITIONS AND PRESENTATIONS.**

1. Capture Kingsport - Leadership Kingsport (Alderman Adler).
2. Above and Beyond - Officer Clint Womack (Vice Mayor McIntire).

IV.B. **APPOINTMENTS/REAPPOINTMENTS.**

1. **Reappointments to the Beverage Board** (AF: 231-2017) (Mayor Clark).

Motion/Second: McIntire/George, to approve:

REAPPOINTMENTS OF MR. CHARLES NITSCHKE AND MR. KEENER MALLICOTE TO SERVE ANOTHER THREE-YEAR TERM ON THE **BEVERAGE BOARD** EFFECTIVE IMMEDIATELY AND EXPIRING ON SEPTEMBER 30, 2020.

Passed: All present voting "aye."

2. **Appointments to the Senior Center Advisory Council** (AF: 234-2017) (Mayor Clark).

Motion/Second: McIntire/George, to approve:

APPOINTMENTS OF MS. DEBORAH EURY, MS. LINDA GEMAYEL, MS. LAUREL MCKINNEY, MS. LISA SHIPLEY, MR. RICK CURRIE, MR. DARRELL DUNCAN AND MR. PETER SHANG TO SERVE A TWO-YEAR TERM ON THE **SENIOR CENTER**

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, September 5, 2017**

**ADVISORY COUNCIL.** ALL APPOINTMENTS ARE EFFECTIVE IMMEDIATELY AND EXPIRE ON SEPTEMBER 30, 2019.

Passed: All present voting "aye."

**V. APPROVAL OF MINUTES.**

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

- A. August 14, 2017 Regular Work Session
- B. August 15, 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. **Budget Adjustment Ordinance FY18 (AF: 235-2017)**  
(Jeff Fleming).

Motion/Second: McIntire/George, to pass:

**AN ORDINANCE TO AMEND VARIOUS 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."

- C. **BUSINESS MATTERS REQUIRING FINAL ADOPTION.**

- 1. **Appropriate Funds Received from Walmart Community Grant**  
(AF: 223-2017) (Craig Dye, Robert Sluss).

Motion/Second: George/Adler, to pass:

**ORDINANCE NO. 6692, AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BUDGET BY APPROPRIATING DONATED FUNDS RECEIVED FROM WALMART 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: Clark, Adler, Begley, Cooper, George, McIntire and Olterman voting "aye."

- 2. **Consideration of a Budget Adjustment Ordinance FY18**  
(AF: 225-2017) (Jeff Fleming).

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen  
of the City of Kingsport, Tennessee, Tuesday, September 5, 2017**

Motion/Second: Cooper/McIntire, to pass:

**ORDINANCE NO. 6693**, AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND 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: Clark, Adler, Begley, Cooper, George, McIntire and Olterman voting "aye."

**D. OTHER BUSINESS.**

**1. Signal Maintenance Agreement with the Tennessee Department of Transportation (TDOT) for Upgrades to Existing Traffic Signals (AF: 224-2017) (Ryan McReynolds).**

Motion/Second: McIntire/Cooper, to pass:

**Resolution No. 2018-030**, A RESOLUTION APPROVING AGREEMENT NO. 160029 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION (TDOT) FOR THE UPGRADES OF EXISTING SIGNALS LOCATED AT SR-36 FROM WESLEY ROAD TO NORTHBOUND SR-93 RAMP AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

**2. Signal Maintenance Agreement with the Tennessee Department of Transportation (TDOT) for Installation of a Traffic Signal (AF: 229-2017) (Ryan McReynolds).**

Motion/Second: Olterman/McIntire, to pass:

**Resolution No. 2018-031**, A RESOLUTION APPROVING AGREEMENT NO. 170111 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION (TDOT) FOR THE INSTALLATION OF A SIGNAL AT SR-36 INTERSECTION AT MORELOCK/HEMLOCK ROADS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

**3. Participate in the TML Risk Management Pool "Driver Safety" Matching Grant Program (AF: 233-2017) (Mike Billingsley).**

Motion/Second: Adler/Begley, to pass:

**Resolution No. 2018-032**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A GRANT FROM THE TENNESSEE RISK MANAGEMENT POOL FOR THE PURCHASE OF SAFE DRIVING RELATED TRAINING AND MATERIALS

Passed: All present voting "aye."

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen  
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**4. Recreation Trails Program (RTP) Grant Authorization  
Signatures (AF: 143-2017) (Chris McCartt).**

Motion/Second: McIntire/George, to pass:

**Resolution No. 2018-033**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS REQUIRED TO RECEIVE A RECREATION TRAILS PROGRAM GRANT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE GRANT

Passed: All present voting "aye."

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

Motion/Second: McIntire/Olterman, to adopt:

**1. Amendment to the Contract between the City of Kingsport and  
Advanced Disposal Services (AF: 232-2017) (Ryan McReynolds).**

Pass:

**Resolution No. 2018-034**, A RESOLUTION APPROVING AN AMENDMENT TO THE AGREEMENT WITH ADVANCED DISPOSAL SERVICES; AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting "aye."

**2. Right-of-Way Easement with Johnson City Power Board  
(AF: 237-2017) (Ryan McReynolds).**

Pass:

**Resolution No. 2018-035**, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RIGHT-OF-WAY EASEMENT WITH CITY OF JOHNSON CITY, TENNESSEE (JOHNSON CITY POWER BOARD)

Passed: All present voting "aye."

**VIII. COMMUNICATIONS.**

- A. CITY MANAGER**. Mr. Fleming gave an update on the KHRA project to build new apartments, noting they are in the process of relocation those who will be displaced during the construction. He also commented on the city's bond rating, pointing out we received an interest rate of 2.699%. He shared the positive comments that Moody's provided regarding the city, thanking staff and the board.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, Tuesday, September 5, 2017**

**B. MAYOR AND BOARD MEMBERS.** Alderman Adler thanked city staff for being responsive on the Bays Mountain additional funding. She commented on the Kingsport Theatre Guild presentation at the work session, noting they had a show coming up this weekend downtown. Lastly she stated Saturday morning would be the Eastman Road Race with the kid's race the night before. Alderman Cooper challenged citizens to do something to contribute to those in need from the hurricanes in Texas and Florida. Vice-Mayor McIntire congratulated Heather Cook and the Centennial Committee for making the park a reality. He also congratulated Kingsport City Schools for being ranked number two in the State of Tennessee and also to the students for outstanding end of school reports which ranked in the top ten. Alderman Begley also encourage people to help the victims in the south and to keep them in their thoughts and prayers. Alderman Olterman encouraged everyone to support their local area high school football teams this Friday night. He also pointed out the new ETSU stadium opened. Alderman George stated this Thursday starts the Sip 'n Stroll downtown and hoped for good weather. She also commented on the ribbon cutting for the children's area at the library. Mayor Clark stated the police department is taking applications for the Citizen's Police Academy, pointing out it was very informative and does make an impact. He also stated this Saturday is the 9/11 Firefighter Memorial Climb, encouraging citizens to attend.

**C. VISITORS.** None.

**IX. ADJOURN.** Seeing no other business for consideration at this meeting, Mayor Clark adjourned the meeting at 7:50 p.m.

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ANGELA MARSHALL  
Deputy City Recorder

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JOHN CLARK  
Mayor



**AGENDA ACTION FORM**

**Enter into Interlocal Agreement and Budget Ordinance for Hunt Rd Waterline Extension**

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

Action Form No.: AF-242-2017  
Work Session: September 18, 2017  
First Reading: September 19, 2017

Final Adoption: October 3, 2017  
Staff Work By: Chad Austin  
Presentation By: Ryan McReynolds

**Recommendation:**

Approve Interlocal Agreement and Budget Ordinance.

**Executive Summary:**

Washington County, TN has for the past several years been very interested in extending water service to unserved customers within their county. Late last year we prepared an estimate to extend water service to 8 new customers on Hunt Rd. The extension will be approximately 2,200 ft in length and require a 4" PVC water line. In January, they passed a resolution to fund this project and enter into an interlocal agreement with the city.

The agreement will allow Washington County to pay us a total of \$218,713.00 in lump sum to construct the waterline and place it into service. Payment will be made from Washington County upon completion of the project.

This action will allow the City to enter into the agreement and allocate money, to be repaid by Washington County, to a new project within the Water Fund.

**Attachments:**

1. Resolution
2. Budget Ordinance
3. Exhibit A

Funding source appropriate and funds are available: *JF*

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH WASHINGTON COUNTY FOR THE HUNT ROAD WATERLINE EXTENSION AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, Washington County, Tennessee has requested that the city extend its water service to unserved customers Washington County, Tennessee; and

WHEREAS, the service will be for eight new customers; and

WHEREAS, the extension will be approximately 2,200 feet in length and require a 4 inch PVC water line; and

WHEREAS, the total amount to construct the waterline and place it into service is \$218,713.00, and Washington County will pay that amount to the city upon completion of the construction project; and

WHEREAS, funding for the construction project will be available in WA1804 upon the second reading of the attached budget ordinance.

Now therefore,

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

SECTION I. That an Interlocal Agreement with Washington County, Tennessee for the Hunt Road water line extension 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 Interlocal Agreement with Washington County, Tennessee for the Hunt Road water line extension 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:

Interlocal Agreement

This Interlocal Agreement ("Agreement") dated 19 September, 2017 by and between WASHINGTON COUNTY, TENNESSEE, a political subdivision of the State of Tennessee ("County") and the CITY OF KINGSFORT, TENNESSEE, a political subdivision of the State of Tennessee ("City") is made and entered into pursuant to Tenn. Code. Ann. §§ 5-1-113 and 12-9-108.

WHEREAS, the County desires to extend water service provided by the City of Kingsport Water Division Services (the "System") to a certain portion of the unincorporated area of Washington County currently without such services and compensate the City for the cost of said Project; and

WHEREAS, the Washington County Board of County Commissioners previously adopted Resolution No. 17-01-16 at its January 23, 2017 meeting which authorized the County Purchasing Director to enter into an intergovernmental agreement with the City to pay for the costs of said extension of water service; and

WHEREAS, the City agrees to construct, complete, operate and maintain the extension of water service contemplated herein and provide water service to the unincorporated area served by the extension upon completion of the Project as defined herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties to this Agreement do hereby agree as follows:

1. Purpose. The City agrees to extend water service as set forth herein and construct the Project within a reasonable time period based upon the particular circumstances of the Project and other projects planned or required by the City for the System. The "Project" is defined for purposes of this Agreement as an approximately 2,200 feet extension of water service and addition to System along or near Hunt Road in Washington County, Tennessee for approximately 8 new water customers as set forth in the attached Exhibit A, incorporated herein, including, but not limited to, the installation of lines within the extension, the acquisition of all necessary permits, design and engineering, drawings and construction documents, easements, property rights of any kind or nature, completion of any required studies, personal property, equipment, materials, fixtures, or other necessary items, and all construction services or work required to complete the Project. Any new customers that wish to connect to the water system must pay the current City water tap fee for their requested service.

2. Cost & Payment. The County agrees to compensate the City for the construction of the Project in the amount of Two Hundred Eighteen Thousand Seven Hundred Thirteen Dollars (\$218,713.00) to be paid upon Completion of the Project (the "Payment"). For the purposes of this Agreement, "Completion" is defined as the date which water service within the Project area is made available to the residences located within the Project area. The City shall notify the County of the date of Completion of the Project and certify in writing to the County upon Completion that the Project is constructed in a manner consistent with Exhibit A attached hereto. The Payment constitutes the full and complete amount of the County's financial contribution to the Project. The County's Highway Department agrees to purchase and deliver gravel to the construction project for \$10.00 per ton. The City will reimburse such costs to the Highway Department upon delivery and invoicing.

3. Construction. The County agrees that the City shall retain and have at all times the authority and discretion regarding the construction of the Project, including all decisions regarding construction methods, materials, and other necessary items required to complete the Project. The City shall provide for and construct the Project in accordance with applicable laws and regulations and up to the City's required standards and specifications for other similar projects. The County shall not have any right or requirement to review or approve any plans, specifications, or construction documents related to the Project.

4. Operation & Maintenance; Liability; Insurance. The City shall accept ownership and at all times be considered the sole owner of the extension to the System contemplated by the Project and the County hereby waives any right or claim to said extension. At all times relevant hereto and following Completion of the Project, the City shall own, operate and maintain the extension of the System contemplated by the Project up to City standards for the entire System. To the extent authorized by law, the City agrees to hold the County harmless from and waives any and all rights, claims or causes of action against the County related to the Project, the System, or the extension of the System contemplated by the Project. The City agrees to maintain at all times insurance on the extension of the System contemplated by the Project in the same manner and on the same terms as the City currently maintains on the entire System.

5. No Third-Party Beneficiary. The City does not intend by this Agreement to assume any contractual obligations to anyone other than the County as set forth herein. The County does not intend by this Agreement to assume any contractual obligations to anyone other than the City as set forth herein. The City and County do not intend to create any third-party beneficiary to this Agreement.

6. No Joint Venture. No joint venture or partnership is formed as a result of this Agreement. No officers, officials, employees or agents of the City or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees of the County.

7. State & Federal Law. The City agrees to complete the Project in accordance with all applicable state and federal laws and regulations, including any Equal Employment and Non-Discrimination requirements for public projects.

8. Governing Law; Severability. This Agreement is governed by and shall be construed in accordance with the laws of the State of Tennessee. In the event that any provision or portion of this Agreement is found to be invalid or unenforceable, then such provision or any applicable portion thereof shall be reformed in accordance with the applicable laws of the State of Tennessee. The invalidity or unenforceability of any provision or portion of this Agreement shall not affect the validity or enforceability of any other provision or portion of this Agreement.

9. Entire Agreement; Amendment. All understandings, representations and agreements between the Parties with respect to this Agreement or the subject matter contemplated herein are merged into this Agreement, which alone fully and completely expresses the entire agreement of the parties. This Agreement may not be amended, modified or changed in any respect except in writing signed by both parties.

10. Recitals Adopted. The recitals set forth above are hereby adopted as the factual basis for this Agreement.

11. Survival. Upon Completion of the Project, the terms of Paragraphs 4, 5, and 6 shall survive termination of this Agreement, if any.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective for all purposes as of the date first set forth above

[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 19th day of September, 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 WATER PROJECT FUND BUDGET BY ESTABLISHING A PROJECT FOR THE HUNT ROAD WATERLINE EXTENSION 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 establishing the Hunt Road Waterline Extension project (WA1804) and appropriating \$218,713 received from Washington County.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/&lt;Decr&gt;</u>	<u>New Budget</u>
<b>Fund 451 Water Project Fund</b>			
<b>Hunt Road Waterline Extension (WA1804)</b>			
<b>Revenues:</b>	\$	\$	\$
451-0000-333-7700 Washington County	0	218,713	218,713
<b>Totals:</b>	<b>0</b>	<b>218,713</b>	<b>218,713</b>
<b>Expenditures:</b>			
451-0000-605-9003 Improvements	0	218,713	218,713
<b>Totals:</b>	<b>0</b>	<b>218,713</b>	<b>218,713</b>

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:

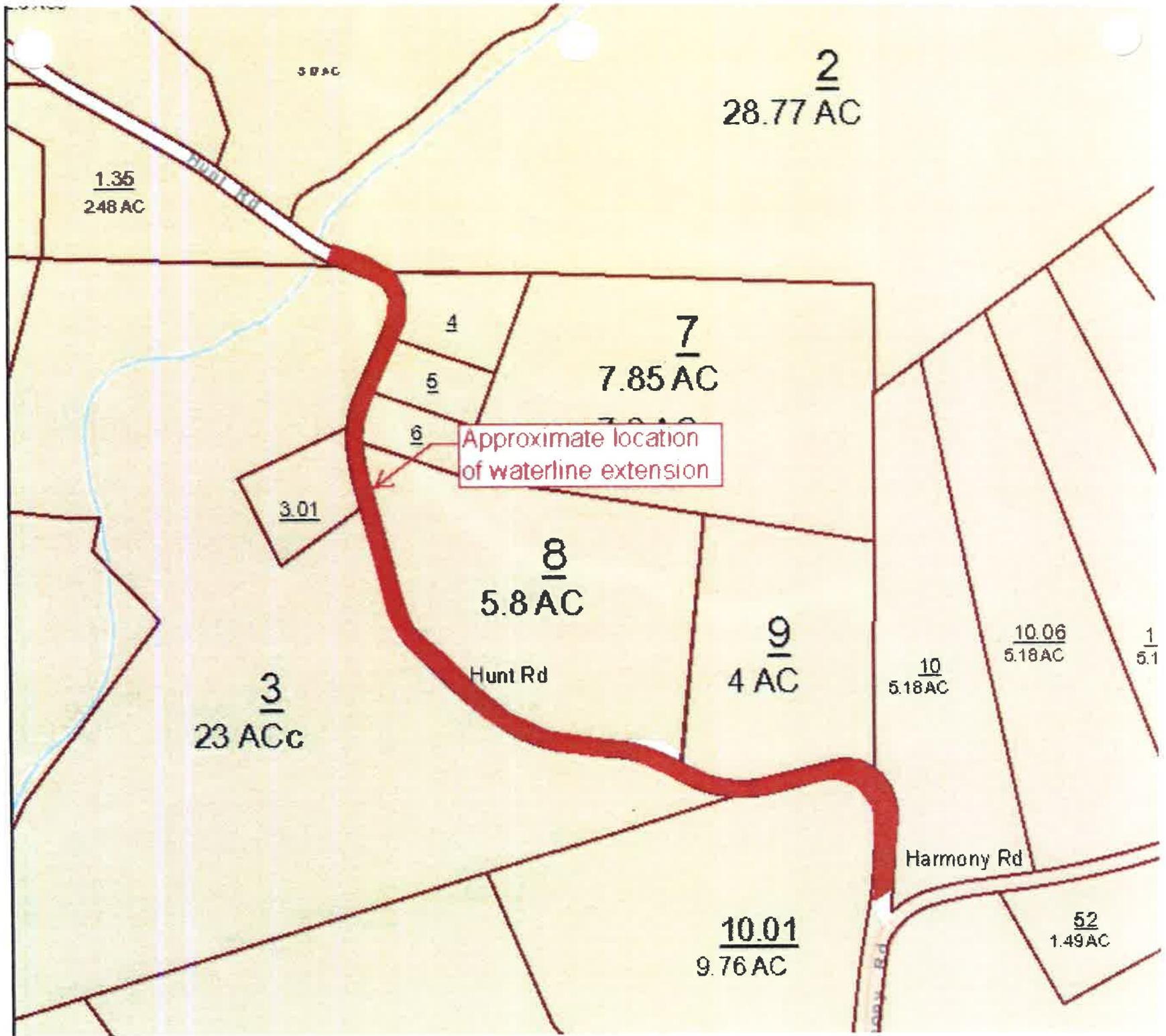
\_\_\_\_\_  
ANGELA L. MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: \_\_\_\_\_

PASSED ON 2ND READING: \_\_\_\_\_





**AGENDA ACTION FORM**

**Ordinance to Condemn for the Eastern Greenbelt Extension**

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

Action Form No.: AF-252-2017  
Work Session: September 18, 2017  
First Reading: September 19, 2017

Final Adoption: October 3, 2017  
Staff Work By: R. Trent, M. Thompson  
Presentation By: M. Billingsley

**Recommendation:**

Approve the Ordinance.

**Executive Summary:**

The Public Works Department has requested easements and right-of-ways for the Eastern Greenbelt Extension Project. The attached ordinance authorizes and directs the city attorney to initiate condemnation proceedings to acquire easements and rights-of-way that cannot be voluntarily acquired on the Eastern Greenbelt Extension Project. Although all property owners have agreed to the sale of the properties needed for this project, there are currently issues with obtaining releases from the non-conventional lenders.

**Attachments:**

1. Ordinance
2. Project Location Map

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

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AUTHORIZE AND DIRECT THE CITY ATTORNEY TO INITIATE CONDEMNATION PROCEEDINGS TO ACQUIRE PROPERTY, REAL OR PERSONAL, OR ANY EASEMENT, INTEREST, ESTATE OR USE THEREIN, FROM AFFECTED PROPERTY OWNERS ALONG THE ROUTE OF A CERTAIN PUBLIC WORKS PROJECT; TO FIX THE PROCEDURE FOR DIRECTING THE INITIATION OF SUCH LITIGATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, the construction of public works projects are deemed a matter of highest priority for the public health, welfare, safety and convenience of the citizens and the public at large; and

WHEREAS, pursuant to the provisions of Tenn. Code Ann. Section 7-35-101 et seq., the city has embarked upon the accomplishment of the herein named public works project in accordance with the terms and provisions of said Act; and

WHEREAS, the city is empowered by ordinance, in accordance with the provisions of Article I, Section 2, Subsection 9 of the Charter, to condemn property, real or personal, or any easement, interest, estate or use therein, either within or without the city, for present or future public use, and in accordance with the terms and provisions of the general law of the state regarding eminent domain; and

WHEREAS, it may become necessary in the accomplishment of the herein named public works project to initiate litigation to acquire property, real or personal, or any easement, interest, estate or use therein, in connection with the herein named public works project; and

WHEREAS, time is of the essence in the accomplishment of the herein named public works project,

Now therefore,

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

SECTION I. In accordance with the provision of Article I, Section 2, Subsection 9 of the Charter, the city attorney is hereby authorized and directed to initiate eminent domain proceedings to condemn property, real or personal, or any easement, interest, estate or use therein, for the accomplishment of the following public works project:

Eastern Greenbelt Extension Project

SECTION II. That since time is of the essence in the expeditious acquisition of property, real or personal, or any easement, interest, estate or use therein, to accomplish the foregoing stated purposes, the city attorney is further directed to proceed forthwith to institute eminent domain proceedings as authorized by Resolution.

\_\_\_\_\_  
JOHN CLARK, Mayor

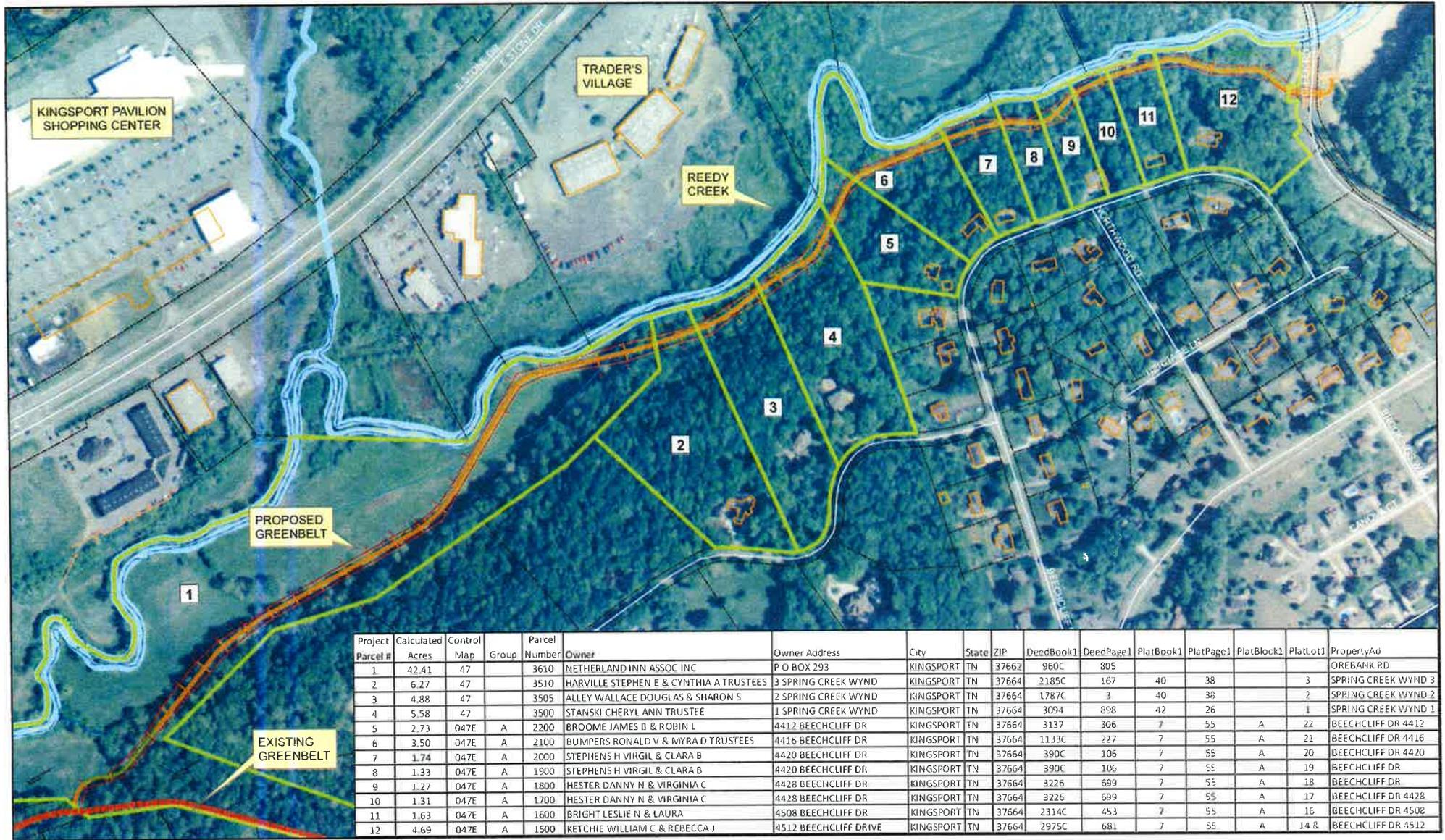
ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING  
City Recorder

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY  
City Attorney

PASSED ON 1ST READING \_\_\_\_\_  
PASSED ON 2ND READING \_\_\_\_\_



**Proposed Eastern Greenbelt Extension Location Map**

1 inch = 300 feet



**AGENDA ACTION FORM**

**Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2017**

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

Action Form No.: AF-249-2017  
Work Session: September 18, 2017  
First Reading: September 19, 2017

Final Adoption: October 3, 2017  
Staff Work By: Smith/Winkle  
Presentation By: Fleming

**Recommendation:**

Approve the Ordinance.

**Executive Summary:**

Bond Series 2017A not to exceed \$15,600,000 for public works projects, road, street, parking and sidewalk construction, improvement and expansion, including Greenbelt improvements, improvement and renovation of public schools, and renovations to the Library, HVAC improvements, Court Facilities/Public Facilities plan, Park Land Acquisition, fire facilities/capital, acquisition of public works equipment, Street Lights, Signal Pole Upgrades, Flashing Yellow Upgrade Program and technology system improvements and Resolution 2018-022 to issue General Obligation Public Improvement Bond Series 2017B not to exceed \$11,750,000 for improvements to the Water system and improvements to the Waste Water system.

This ordinance appropriates the funding for these projects.

**Attachments:**

- 1. Ordinance

Funding source appropriate and funds are available:     *gs*    

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

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, THE WATER AND SEWER FUND PROJECT BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2017; 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:

WHEREAS, Resolution No.2018-021 to issue General Obligation Public Improvement Bond Series 2017A was adopted authorizing the issuance of bonded debt Series 2017 A in an amount not to exceed \$15,600,000 to provide funding for certain public works projects, consisting of the acquisition of public art; construction, improvement and renovation of public schools, road, street, parking, and sidewalk construction, improvement and expansion, including Greenbelt improvements; acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and including HVAC improvements; acquisition of public works equipment, including fire facility/capital,

WHEREAS, Resolution No. 2018-022 was adopted authorizing the issuance of bonded debt Series 2017 B in an amount not to exceed \$11,750,000 to provide funding for improvements to the Municipality's water system, construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and to pay legal, fiscal, administrative, and engineering costs, (collectively, the "Project"); to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of Bonds;

Section I. That the General Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2017 A to fund the Library Improvements Project (GP1807) in the amount of \$227,964, Bays Mountain Park Dam Repair Project (GP1711) in the amount of \$587,642, Bays Mountain Park Septic System project (GP1704) in the amount of \$55,724, Bays Mountain Park Nature Exhibit project (GP1839) in the amount of \$88,146, Bays Mountain Park Planetarium (GP1837) in the amount of \$63,830, Bays Mountain Park Bathrooms (GP1838) in the amount of \$71,935, School Facility Maint. Improvements project (GP1801) in the amount of \$1,013,175, Facilities & HAVAC Improvements (GP1803) in the amount of \$563,832, Fire Facilities/Capital (GP1804) in the amount of \$430,154, ADA Play Ground Equipment (GP1814) in the amount of \$75,988, Satellite Salt Shed project (GP1810) in the amount of \$101,318, Greenbelt Improvements project (GP1815) in the amount of \$50,659, General Park Improvements (GP1816) in the amount of \$50,659, Lynn View Site Improvement project (GP1802) in the amount of \$659,071, Preston Forest Park Improvements project (GP1819) in the amount of \$35,461, Technology Infrastructure (GP1805) in the amount of \$364,743, Sidewalk Extensions project (GP1811) in the amount of \$101,318, Facility Audit Assessment (GP1812) in the amount of \$99,291, Renaissance Sky Light project (GP1806) in the amount of \$372,849, Park Land General Shale project (GP1827) in the amount of \$1,013,175, Traffic Flashing Yellow Upgrade Program (GP1818) in the amount of \$40,527, Signal Pole Upgrades (GP1808) in the amount of \$172,240, Street Lights project (GP1809) in the amount of \$151,976, Court Facilities Plan (GP1820) in the amount of \$3,951,384, Transit Garage (GP1727) in the amount of \$151,875, Grounds Holdover Replacement Equipment (GP1817) in the amount of \$40,527, Meadowview Road Improvements (GP1800) in the amount of \$1,874,476, Higher Ed Parking Lot

Expansion (GP1813) in the amount of \$91,186, Local Roads (GP1836) in the amount of \$2,860,553 and Aquatic Center Pool Design (AQ1800) in the amount of \$170,000.

Section II. That the Water Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2017B to fund the Master Plan Water System Upgrades (WA1704) in the amount of \$1,200,000.

Section III. That the Sewer Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2017B to fund WWTP MCC Replacements project (SW1800) in the amount of \$4,400,000, Sewer Lift Station Telemetry project (SW1603) in the amount of \$2,100,000, Border Regions Sewer Expansion (GP1801) in the amount of \$3,500,000 and South Kingsport Sewer Expansion (SW1802) in the amount of \$367,183.

**G.O. Public  
Improvements Series  
20017**

**General Project  
Fund:311  
Library Improvements  
(GP1807)**

**Revenue:**

		<u>Budget</u>	<u>Amendments Increase (Decrease)</u>	<u>Amended Budget</u>
311-0000-368-1055	Series 2017A GO Bonds	0	218,001	218,001
311-0000-368-2101	Premium From Bond Sale	0	9,963	9,963
<b>Total Revenue</b>		<b>0</b>	<b>227,964</b>	<b>227,964</b>

**Appropriation:**

311-0000-601-4041	Bond Expense	0	2,964	2,964
311-0000-601-9003	Improvements	0	225,000	225,000
<b>Total Appropriation</b>		<b>0</b>	<b>227,964</b>	<b>227,964</b>

**General Project  
Fund:311  
Signal Pole Upgrades  
(GP1808)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	164,712	164,712
311-0000-368-2101	Bond Premium	0	7,528	7,528
<b>Total Revenue</b>		<b>0</b>	<b>172,240</b>	<b>172,240</b>

**Appropriation:**

311-0000-601-4041	Bond Expense	0	2,240	2,240
311-0000-601-9003	Improvements	0	170,000	170,000
<b>Total Appropriation</b>		<b>0</b>	<b>172,240</b>	<b>172,240</b>

**General Project  
Fund:311  
Street Lights (GP1809)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	145,334	145,334
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311-0000-368-2101	Premium from Bond Sale	0	6,642	6,642
<b>Total Revenue</b>		<b>0</b>	<b>151,976</b>	<b>151,976</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	1,976	1,976
311-0000-601-9003	Improvements	0	150,000	150,000
<b>Total Appropriation</b>		<b>0</b>	<b>151,976</b>	<b>151,976</b>

**Bays MNT Septic System (GP1704)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	53,289	53,289
311-0000-368-2101	Premium from Bond Sale	0	2,435	2,435
311-0000-391-0100	From General Fund	80,000	0	80,000
<b>Total Revenue</b>		<b>80,000</b>	<b>55,724</b>	<b>135,724</b>

**Appropriation:**

311-0000-601-2022	Construction Contracts	80,000	55,000	135,000
311-0000-601-4041	Bond Sale Expense	0	724	724
<b>Total Appropriation</b>		<b>80,000</b>	<b>55,724</b>	<b>135,724</b>

**Bays MNT Dam Repair (GP1711)**

**Revenue:**

311-0000-368-1054	Series 2016 GO Pub Imp (Nov 4)	223,984	0	223,984
311-0000-368-1055	Series 2017A GO Bonds	0	561,959	561,959
311-0000-368-2101	Premium on Sale	18,565	25,683	44,248
<b>Total Revenue</b>		<b>242,549</b>	<b>587,642</b>	<b>830,191</b>

**Appropriation:**

311-0000-601-2023	Arch/Eng/Landscaping	240,000	0	240,000
311-0000-601-4041	Bond Sale Expense	2,549	7,642	10,191
311-0000-601-9003	Improvements	0	580,000	580,000
<b>Total Appropriation</b>		<b>242,549</b>	<b>587,642</b>	<b>830,191</b>

**School Facility Maint. Improvements (GP1801)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	968,894	968,894
311-0000-368-2101	Premium on Sale	0	44,281	44,281
<b>Total Revenue</b>		<b>0</b>	<b>1,013,175</b>	<b>1,013,175</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	13,175	13,175
311-0000-601-9003	Improvements	0	1,000,000	1,000,000
<b>Total Appropriation</b>		<b>0</b>	<b>1,013,175</b>	<b>1,013,175</b>

**Facilities Maint &  
HVAC Improvements  
(GP1803)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	539,189	539,189
311-0000-368-2101	Premium on Bond Sale	0	24,643	24,643
<b>Total Revenue</b>		<b>0</b>	<b>563,832</b>	<b>563,832</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	7,332	7,332
311-0000-601-9003	Improvements	0	556,500	556,500
<b>Total Appropriation</b>		<b>0</b>	<b>563,832</b>	<b>563,832</b>

**Fire Facilities/Capital  
(GP1804)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	411,354	411,354
311-0000-368-2101	Premium on Bond Sale	0	18,800	18,800
<b>Total Revenue</b>		<b>0</b>	<b>430,154</b>	<b>430,154</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	5,594	5,594
311-0000-601-9006	Purchases Over \$5,000	0	50,000	50,000
311-0000-601-9003	Improvements	0	374,560	374,560
<b>Total Appropriation</b>		<b>0</b>	<b>430,154</b>	<b>430,154</b>

**Technology  
Infrastructure  
(GP1805)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	348,802	348,802
311-0000-368-2101	Premium on Bond Sale	0	15,941	15,941
<b>Total Revenue</b>		<b>0</b>	<b>364,743</b>	<b>364,743</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	4,743	4,743
311-0000-601-9006	Purchases Over \$5,000	0	360,000	360,000
<b>Total Appropriation</b>		<b>0</b>	<b>364,743</b>	<b>364,743</b>

**ADA Play Ground  
Equipment (GP1814)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	72,667	72,667
311-0000-368-2101	Premium on Bond Sale	0	3,321	3,321
<b>Total Revenue</b>		<b>0</b>	<b>75,988</b>	<b>75,988</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	988	988
311-0000-601-9006	Purchases Over \$5,000	0	75,000	75,000
<b>Total Appropriation</b>		<b>0</b>	<b>75,988</b>	<b>75,988</b>

**Satellite Shed**

**(GP1810)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	96,889	96,889
311-0000-368-2101	Premium on Bond Sale	0	4,429	4,429
<b>Total Revenue</b>		<b>0</b>	<b>101,318</b>	<b>101,318</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	1,318	1,318
311-0000-601-9006	Purchases Over \$5,000	0	100,000	100,000
<b>Total Appropriation</b>		<b>0</b>	<b>101,318</b>	<b>101,318</b>

**Greenbelt**

**Improvements**

**(GP1815)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	48,445	48,445
311-0000-368-2101	Premium on Bond Sale	0	2,214	2,214
<b>Total Revenue</b>		<b>0</b>	<b>50,659</b>	<b>50,659</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	659	659
311-0000-601-9003	Improvements	0	50,000	50,000
<b>Total Appropriation</b>		<b>0</b>	<b>50,659</b>	<b>50,659</b>

**Renaissance Sky**

**Light (GP1806)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	356,553	356,553
311-0000-368-2101	Premium on Bond Sale	0	16,296	16,296
<b>Total Revenue</b>		<b>0</b>	<b>372,849</b>	<b>372,849</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	4,849	4,849
311-0000-601-9003	Improvements	0	368,000	368,000
<b>Total Appropriation</b>		<b>0</b>	<b>372,849</b>	<b>372,849</b>

**Lynn View Site Imp**

**(GP1802)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	630,266	630,266
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311-0000-368-2101	Premium on Bond Sale	0	28,805	28,805
<b>Total Revenue</b>		<b>0</b>	<b>659,071</b>	<b>659,071</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	8,571	8,571
311-0000-601-9003	Improvements	0	650,500	650,500
<b>Total Appropriation</b>		<b>0</b>	<b>659,071</b>	<b>659,071</b>

**General Park Imp.  
(GP1816)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	48,445	48,445
311-0000-368-2101	Premium on Bond Sale	0	2,214	2,214
<b>Total Revenue</b>		<b>0</b>	<b>50,659</b>	<b>50,659</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	659	659
311-0000-601-9003	Improvements	0	50,000	50,000
<b>Total Appropriation</b>		<b>0</b>	<b>50,659</b>	<b>50,659</b>

**Preston Forest Park  
Imp. (GP1819)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	33,911	33,911
311-0000-368-2101	Premium on Bond Sale	0	1,550	1,550
<b>Total Revenue</b>		<b>0</b>	<b>35,461</b>	<b>35,461</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	461	461
311-0000-601-9003	Improvements	0	35,000	35,000
<b>Total Appropriation</b>		<b>0</b>	<b>35,461</b>	<b>35,461</b>

**Facility Audit  
Assessment (1812)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	94,952	94,952
311-0000-368-2101	Premium on Bond Sale	0	4,339	4,339
<b>Total Revenue</b>		<b>0</b>	<b>99,291</b>	<b>99,291</b>

**Appropriation:**

311-0000-601-2023	Arch/Eng/Landscaping	0	98,000	98,000
311-0000-601-4041	Bond Sale Expense	0	1,291	1,291
<b>Total Appropriation</b>		<b>0</b>	<b>99,291</b>	<b>99,291</b>

**Park Land General  
Shale (GP1827)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	968,894	968,894
311-0000-368-2101	Premium on Bond Sale	0	44,281	44,281
<b>Total Revenue</b>		<b>0</b>	<b>1,013,175</b>	<b>1,013,175</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	13,175	13,175
311-0000-601-9001	Land	0	1,000,000	1,000,000
<b>Total Appropriation</b>		<b>0</b>	<b>1,013,175</b>	<b>1,013,175</b>

**Court Facilities Plan  
(GP1820)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	3,778,687	3,778,687
311-0000-368-2101	Premium on Bond Sale	0	172,697	172,697
<b>Total Revenue</b>		<b>0</b>	<b>3,951,384</b>	<b>3,951,384</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	51,384	51,384
311-0000-601-9006	Purchases Over \$5,000	0	3,900,000	3,900,000
<b>Total Appropriation</b>		<b>0</b>	<b>3,951,384</b>	<b>3,951,384</b>

**Traffic Flashing  
Yellow Upgrade PRG  
(GP1818)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	38,756	38,756
311-0000-368-2101	Premium on Bond Sale	0	1,771	1,771
<b>Total Revenue</b>		<b>0</b>	<b>40,527</b>	<b>40,527</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	527	527
311-0000-601-9006	Purchases Over \$5,000	0	40,000	40,000
<b>Total Appropriation</b>		<b>0</b>	<b>40,527</b>	<b>40,527</b>

**MeadowView Road  
Improvement  
(GP1800)**

**Revenue:**

311-0000-368-1054	Series 2016 GO Pub Imp. (Nov 4)	149,900	0	149,900
311-0000-368-1055	Series 2017A GO Bonds	0	1,792,551	1,792,551
311-0000-368-2101	Premium on Bond Sale	0	81,925	81,925
<b>Total Revenue</b>		<b>149,900</b>	<b>1,874,476</b>	<b>2,024,376</b>

**Appropriation:**

311-0000-601-2023	Arch/Eng/Landscaping	149,900	0	149,900
311-0000-601-4041	Bond Sale Expense	0	24,376	24,376
311-0000-601-9003	Improvements	0	1,850,100	1,850,100
<b>Total Appropriation</b>		<b>149,900</b>	<b>1,874,476</b>	<b>2,024,376</b>

**Higher Ed Parking Lot  
Expansion (GP1813)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	87,200	87,200
311-0000-368-2101	Premium on Bond Sale	0	3,986	3,986
<b>Total Revenue</b>		<b>0</b>	<b>91,186</b>	<b>91,186</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	1,186	1,186
311-0000-601-9003	Improvements	0	90,000	90,000
<b>Total Appropriation</b>		<b>0</b>	<b>91,186</b>	<b>91,186</b>

**Transit Garage  
(GP1727)**

**Revenue:**

311-0000-368-1054	Series 2016 GO Pub Imp. (Nov 4)	53,530	0	53,530
311-0000-368-1055	Series 2017A GO Bonds	0	145,237	145,237
311-0000-368-2101	Premium on Bond Sale	20,499	6,638	27,137
<b>Total Revenue</b>		<b>74,029</b>	<b>151,875</b>	<b>225,904</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	2,814	1,975	4,789
311-0000-601-9003	Improvements	71,215	149,900	221,115
<b>Total Appropriation</b>		<b>74,029</b>	<b>151,875</b>	<b>225,904</b>

**Bays MTN  
Planetarium Upgrade  
(GP1837)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	61,040	61,040
311-0000-368-2101	Premium on Bond Sale	0	2,790	2,790
<b>Total Revenue</b>		<b>0</b>	<b>63,830</b>	<b>63,830</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	830	830
311-0000-601-9003	Improvements	0	63,000	63,000
<b>Total Appropriation</b>		<b>0</b>	<b>63,830</b>	<b>63,830</b>

**Bays MTN Nature  
Exhibit (GP1839)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	84,294	84,294
311-0000-368-2101	Premium on Bond Sale	0	3,852	3,852
<b>Total Revenue</b>		<b>0</b>	<b>88,146</b>	<b>88,146</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	1,148	1,148
311-0000-601-9003	Improvements	0	87,000	87,000
<b>Total Appropriation</b>		<b>0</b>	<b>88,148</b>	<b>88,148</b>

**Bays MTN LWR LVL  
Bathrooms (GP1838)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	68,791	68,791
311-0000-368-2101	Premium on Bond Sale	0	3,144	3,144
<b>Total Revenue</b>		<b>0</b>	<b>71,935</b>	<b>71,935</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	935	935
311-0000-601-9003	Improvements	0	71,000	71,000
<b>Total Appropriation</b>		<b>0</b>	<b>71,935</b>	<b>71,935</b>

**Sidewalk Extensions  
(GP1811)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	96,889	96,889
311-0000-368-2101	Premium on Bond Sale	0	4,429	4,429
<b>Total Revenue</b>		<b>0</b>	<b>101,318</b>	<b>101,318</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	1,318	1,318
311-0000-601-9003	Purchases Over \$5,000	0	100,000	100,000
<b>Total Appropriation</b>		<b>0</b>	<b>101,318</b>	<b>101,318</b>

**Local Roads (GP1836)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	2,735,531	2,735,531
311-0000-368-2101	Premium on Bond Sale	0	125,022	125,022
<b>Total Revenue</b>		<b>0</b>	<b>2,860,553</b>	<b>2,860,553</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	37,199	37,199
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311-0000-601-9003	Improvements	0	2,823,354	2,823,354
<b>Total Appropriation</b>		<b>0</b>	<b>2,860,553</b>	<b>2,860,553</b>

**Grounds Hold Over Replacement (GP1817)**

**Revenue:**

311-0000-368-1055	Series 2017A GO Bonds	0	38,756	38,756
311-0000-368-2101	Premium on Bond Sale		1,771	1,771
<b>Total Revenue</b>		<b>0</b>	<b>40,527</b>	<b>40,527</b>

**Appropriation:**

311-0000-601-4041	Bond Sale Expense	0	527	527
311-0000-601-9006	Purchases Over \$5,000	0	40,000	40,000
<b>Total Appropriation</b>		<b>0</b>	<b>40,527</b>	<b>40,527</b>

**Aquatic Center Pool Expansion (AQ1800)**

**Revenue:**

459-0000-391-0546	Series 2017A GO Bonds	0	170,000	170,000
<b>Total Appropriation</b>		<b>0</b>	<b>170,000</b>	<b>170,000</b>

**Appropriation:**

459-0000-629-2023	Arch/Eng/Landscaping	0	170,000	170,000
<b>Total Appropriation</b>		<b>0</b>	<b>170,000</b>	<b>170,000</b>

**Aquatic Center Fund 419:**

**Revenue**

419-0000-392-9919	Series 2017 A GO Bonds	0	170,000	170,000
<b>Total Revenue</b>		<b>0</b>	<b>170,000</b>	<b>170,000</b>

**Expenditure**

419-6999-698-7846	Series 2017 A GO Bonds	0	170,000	170,000
<b>Total Expenditures</b>		<b>0</b>	<b>170,000</b>	<b>170,000</b>

**Master Plan Water Upgrades (WA1704)**

**Revenue:**

451-0000-391-0545	Series 2016 GO Pub Imp. (Nov 4)	485,023	0	485,023
451-0000-391-0547	Series 2017 B GO Bonds	0	1,200,000	1,200,000
<b>Total Revenue</b>		<b>485,023</b>	<b>1,200,000</b>	<b>1,685,023</b>

**Appropriation:**

451-0000-605-2023	Arch/Eng/Landscaping	69,030	0	69,030
451-0000-605-9001	Land	970	0	970

451-0000-605-9003	Improvements	415,023	1,200,000	1,615,023
<b>Total Appropriations</b>		<b>485,023</b>	<b>1,200,000</b>	<b>1,685,023</b>

**Water Fund 411:**

**Revenue:**

411-0000-392-9920	Series 2017 B GO Bonds	0	1,200,000	1,200,000
<b>Total Revenue</b>		<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>

**Expenditure:**

411-6999-698-7847	Series 2017 B GO Bonds	0	1,200,000	1,200,000
<b>Total Expenditures</b>		<b>0</b>	<b>1,200,000</b>	<b>1,200,000</b>

**Sewer Proj Fund:452**

**WWTP MCC**

**Replacements**

**(SW1800)**

**Revenue:**

452-0000-391-0547	Series 2017 B GO Bonds	0	4,400,000	4,400,000
<b>Total Revenue</b>		<b>0</b>	<b>4,400,000</b>	<b>4,400,000</b>

**Appropriation:**

452-0000-606-9003	Improvements	0	4,400,000	4,400,000
<b>Total Appropriations</b>		<b>0</b>	<b>4,400,000</b>	<b>4,400,000</b>

**Sewer Proj Fund:452**

**Sewer Lift Station**

**Telemetry (SW1603)**

**Revenue:**

452-0000-391-0547	Series 2017 B GO Bonds	0	2,100,000	2,100,000
452-0000-391-4200	From Sewer Fund	681,477	0	681,477
<b>Total Revenue</b>		<b>681,477</b>	<b>2,100,000</b>	<b>2,781,477</b>

**Appropriation:**

452-0000-606-2023	Arch/Eng/Landscaping	243,078	2,100,000	2,343,078
452-0000-606-9006	Purchases Over \$5,000	438,399	0	438,399
<b>Total Appropriation</b>		<b>681,477</b>	<b>2,100,000</b>	<b>2,781,477</b>

**Border Regions Sewer  
Expansion (SW1801)**

**Revenue:**

452-0000-391-0547	Series 2017 B GO Bonds	0	3,500,000	3,500,000
<b>Total Revenue</b>		<b>0</b>	<b>3,500,000</b>	<b>3,500,000</b>

**Appropriation:**

452-0000-606-2023	Arch/Eng/Landscaping	0	462,000	462,000
452-0000-606-9001	Land	0	200,000	200,000

452-0000-606-9003	Improvements	0	2,838,000	2,838,000
<b>Total Appropriation</b>		<b>0</b>	<b>3,500,000</b>	<b>3,500,000</b>

**South KPT Sewer Expansion (SW1802)**

**Revenue:**

452-0000-391-0547	Series 2017 B GO Bonds	0	367,183	367,183
<b>Total Revenue</b>		<b>0</b>	<b>367,183</b>	<b>367,183</b>

**Appropriation:**

452-0000-606-2023	Arch/Eng/Landscaping	0	50,000	50,000
452-0000-606-9001	Land	0	20,000	20,000
452-0000-606-9003	Improvements	0	297,183	297,183
<b>Total Appropriation</b>		<b>0</b>	<b>367,183</b>	<b>367,183</b>

**Sewer Fund:412**

412-0000-392-9920	Series 2017 B GO Bonds	0	10,367,183	10,367,183
<b>Total Revenue</b>		<b>0</b>	<b>10,367,183</b>	<b>10,367,183</b>

**Expenditures**

412-6999-698-7847	Series 2017 B GO Bonds	0	10,367,183	10,367,183
<b>Total Expenditures</b>		<b>0</b>	<b>10,367,183</b>	<b>10,367,183</b>

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**

**Budget Adjustment Ordinance for FY18**

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

Action Form No.: AF-235-2017  
Work Session: September 5, 2017  
First Reading: September 5, 2017

Final Adoption: September 19, 2017  
Staff Work By: Judy Smith  
Presentation By: Jeff Fleming

**Recommendation:**

Approve the Ordinance.

**Executive Summary:**

The Board of Mayor and Alderman asked the City Manager to identify \$1,000,000 in capital improvements to Bays Mountain. The funding for these projects are from several sources; the Petworks New Animal Shelter, One Kingsport and General Projects account. Funds were also transferred from old projects and the projects were closed.

The ordinance will transfer \$450,000 to the Bays Mountain Improvement project, \$275,000 to the Bays Mountain Road Improvement project, and \$275,000 to the Bay Mountain Parking Lot project making total of \$1,000,000 for Bays Mountain Improvements. It also includes \$10,000 for improvements at the Farmer's Market for door access and a door at the top of the stairs, \$13,000 for Historical Survey of Downtown buildings and \$5,000 for fiber switches for Traffic Signal Cabinet. The following project will be closed: GP1224, NC1201, NC 1515, GP1748, GP1625 and GP1726.

**Attachments:**

- 1. Ordinance

Funding source appropriate and funds are available: *JF*

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



**AGENDA ACTION FORM**

**Budget Adjustment Ordinance for FY18**

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

Action Form No.: AF-235-2017  
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Final Adoption: September 19, 2017  
Staff Work By: Judy Smith  
Presentation By: Jeff Fleming

**Recommendation:**

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**Executive Summary:**

The Board of Mayor and Alderman asked the City Manager to identify \$1,000,000 in capital improvements to Bays Mountain. The funding for these projects are from several sources; the Petworks New Animal Shelter, One Kingsport and General Projects account. Funds were also transferred from old projects and the projects were closed.

The ordinance will transfer \$450,000 to the Bays Mountain Improvement project, \$275,000 to the Bays Mountain Road Improvement project, and \$275,000 to the Bay Mountain Parking Lot project making total of \$1,000,000 for Bays Mountain Improvements. It also includes \$10,000 for improvements at the Farmer's Market for door access and a door at the top of the stairs, \$13,000 for Historical Survey of Downtown buildings and \$5,000 for fiber switches for Traffic Signal Cabinet. The following project will be closed: GP1224, NC1201, NC 1515, GP1748, GP1625 and GP1726.

**Attachments:**

- 1. Ordinance

Funding source appropriate and funds are available:

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

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AMEND VARIOUS 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 General Project Fund budgets be amended by transferring \$680,000 from the Petworks New Shelter project (GP1748), \$224,700 from the One Kingsport project (GP1702) and \$95,300 from the General Projects (GP1750) to the Bays Mountain Park Improvements project (GP1828) in the amount of \$450,000, by transferring \$275,000 to the Bays Mountain Road Improvement project (GP1832) and \$275,000 to the Bays Mountain Parking Lot Improvement project (GP1833), by transferring \$25,000 from the Dilapidated Structures project (GP1625) to the Dilapidated Structures project (GP1742) and by transferring \$50,358 from the Model City Coalition project (GP1224) to the Model City Coalition project (GP1834), by transferring \$485 from the Traffic Flashing Yellow Light Upgrade project (GP1726) to the Traffic Signal Cabinet project (GP1743), and by amending the General Project-Special Revenue Fund by transferring \$1,535 from the AARP City Services project (NC1201) to the Model City Coalition project (GP1834), and by transferring \$74,205 from the Power Franchise Study project (NC1515) to the Traffic Signal Cabinet project (GP1743) in the amount of \$4,515, and \$3,500 to the HR operating budget, \$7,500 to the Development Services operating budget, \$10,000 to the Farmers Market operating budget, \$25,300 to the Legal Department's operating budget, and \$23,390 to the miscellaneous budget.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/&lt;Decr&gt;</u>	<u>New Budget</u>
<b><u>Fund 311: General Project Fund</u></b>			
<b><u>Petworks New Shelter (GP1748)</u></b>			
<b><u>Revenues:</u></b>			
311-0000-391-0100 From General Fund	\$ 680,000	\$ (680,000)	\$ 0
<b>Totals:</b>	<b>680,000</b>	<b>(680,000)</b>	<b>0</b>
<b><u>Expenditures:</u></b>			
311-0000-601-9002 Buildings	\$ 680,000	\$ (680,000)	\$ 0
<b>Totals:</b>	<b>680,000</b>	<b>(680,000)</b>	<b>0</b>
<b><u>Fund 311: General Project Fund</u></b>			
<b><u>One Kingsport (GP1702)</u></b>			
<b><u>Revenues:</u></b>			
311-0000-391-0100 From General Fund	\$ 874,700	\$ (224,700)	\$ 650,000
<b>Totals:</b>	<b>874,700</b>	<b>(224,700)</b>	<b>650,000</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-2020 Professional Consultant	50,000	0	50,000
311-0000-601-2022 Construction Contracts	374,700	0	374,700
311-0000-601-2023 Arch/Eng/Landscaping	100,000	0	100,000
311-0000-601-8050 Tap Fee Incentive	50,000	0	50,000
311-0000-601-9003 Improvements	300,000	(224,700)	75,300
<b>Totals:</b>	<b>874,700</b>	<b>(224,700)</b>	<b>650,000</b>

**Fund 311: General Project Fund**

**General Projects (GP1750)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-391-0100 From General Fund	1,118,923	(95,300)	1,023,623
<b>Totals:</b>	<b>1,118,923</b>	<b>(95,300)</b>	<b>1,023,623</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-9003 Improvements	1,118,923	(95,300)	1,023,623
<b>Totals:</b>	<b>1,118,923</b>	<b>(95,300)</b>	<b>1,023,623</b>

**Fund 311: General Project Fund**

**Bays Mountain Park Improvements (GP1828)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-391-0100 From General Fund	0	450,000	450,000
<b>Totals:</b>	<b>0</b>	<b>450,000</b>	<b>450,000</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-9003 Improvements	0	450,000	450,000
<b>Totals:</b>	<b>0</b>	<b>450,000</b>	<b>450,000</b>

**Fund 311: General Project Fund**

**Bays Mountain Road Improvements (GP1832)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-391-0100 From General Fund	0	275,000	275,000
<b>Totals:</b>	<b>0</b>	<b>275,000</b>	<b>275,000</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-9003 Improvements	0	275,000	275,000
<b>Totals:</b>	<b>0</b>	<b>275,000</b>	<b>275,000</b>

**Fund 311: General Project Fund**

**Bays Mountain Parking Lot (GP1833)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-391-0100 From General Fund	0	275,000	275,000
<b>Totals:</b>	<b>0</b>	<b>275,000</b>	<b>275,000</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-9003 Improvements	0	275,000	275,000
<b>Totals:</b>	<b>0</b>	<b>275,000</b>	<b>275,000</b>

**Fund 311: General Project Fund**  
**Model City Coalition (GP1224)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-364-3000 From Non-Profit Groups	10,000	0	10,000
311-0000-368-1041 Series 2012 C GO Pub Imp	196,894	0	196,894
311-0000-368-1047 Series 2014 A GO Bonds	4,412	0	4,412
311-0000-368-1051 Series 2015 A ( Oct) GO PI	460,957	(50,358)	410,599
311-0000-368-2101 Premium From Bond Sale	29,542	0	29,542
<b>Totals:</b>	<b>701,805</b>	<b>(50,358)</b>	<b>651,447</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-2020 Professional Consultant	0	38,127	38,127
311-0000-601-2023 Arch/Eng/Landscaping	219,943	175,970	395,913
311-0000-601-4041 Bond Sale Expense	18,762	0	18,762
311-0000-601-9002 Buildings	1,210	0	1,210
311-0000-601-9003 Improvements	460,614	(264,455)	196,159
311-0000-601-9004 Equipment	1,276	0	1,276
<b>Totals:</b>	<b>701,805</b>	<b>(50,358)</b>	<b>651,447</b>

**Fund 311: General Project Fund**  
**Model City Coalition (GP1834)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-364-3000 From Non-Profit Groups	0	1,535	1,535
311-0000-368-1051 Series 2015 A ( Oct) GO PI	0	50,358	50,358
<b>Totals:</b>	<b>0</b>	<b>51,893</b>	<b>51,893</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
311-0000-601-2020 Professional Consultant	0	13,000	13,000
311-0000-601-2023 Arch/Eng/Landscaping	0	10,000	10,000
311-0000-601-9003 Improvements	0	28,893	28,893
<b>Totals:</b>	<b>0</b>	<b>51,893</b>	<b>51,893</b>

**Fund 311: General Project Fund**  
**Dilapidated Structures (GP1625)**

<b><u>Revenues:</u></b>	\$	\$	\$
311-0000-391-0100 From General Fund	25,000	(25,000)	0
<b>Totals:</b>	<b>25,000</b>	<b>(25,000)</b>	<b>0</b>

<b><u>Expenditures:</u></b>	\$	\$	\$
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311-0000-601-2022 Construction Contracts	25,000	(25,000)	0
<b>Totals:</b>	<b>25,000</b>	<b>(25,000)</b>	<b>0</b>

**Fund 311: General Project Fund  
Dilapidated Structures (GP1742)**

<b>Revenues:</b>	\$	\$	\$
311-0000-391-0100 From General Fund	50,000	25,000	75,000
<b>Totals:</b>	<b>50,000</b>	<b>25,000</b>	<b>75,000</b>

<b>Expenditures:</b>	\$	\$	\$
311-0000-601-2022 Construction Contracts	50,000	25,000	75,000
<b>Totals:</b>	<b>50,000</b>	<b>25,000</b>	<b>75,000</b>

**Fund 311: General Project Fund  
Traffic Flash Yellow UPG (GP1726)**

<b>Revenues:</b>	\$	\$	\$
311-0000-368-1054 Series 2016 GO (Nov 4)	37,331	(485)	36,846
311-0000-368-2101 Premium From Bond Sale	3,094	0	3,094
<b>Totals:</b>	<b>40,425</b>	<b>(485)</b>	<b>39,940</b>

<b>Expenditures:</b>	\$	\$	\$
311-0000-601-4041 Bond Sale Expense	425	0	425
311-0000-601-9006 Purchases \$5,000 & Over	40,000	(485)	39,515
<b>Totals:</b>	<b>40,425</b>	<b>(485)</b>	<b>39,940</b>

**Fund 111: General Project-Special Rev Fund  
AARP City Services (NC1201)**

<b>Revenues:</b>	\$	\$	\$
111-0000-364-3000 From Non-Profits	5,000	(1,535)	3,465
<b>Totals:</b>	<b>5,000</b>	<b>(1,535)</b>	<b>3,465</b>

<b>Expenditures:</b>	\$	\$	\$
111-0000-601-2011 Printing & Binding	2,000	(2,000)	0
111-0000-601-3020 Operating Supplies & Tools	3,000	465	3,465
<b>Totals:</b>	<b>5,000</b>	<b>(1,535)</b>	<b>3,465</b>

**Fund 111: General Project-Special Rev Fund  
Power Franchise (NC1515)**

<b>Revenues:</b>	\$	\$	\$
111-0000-391-0100 From General Fund	75,000	(74,205)	795
<b>Totals:</b>	<b>75,000</b>	<b>(74,205)</b>	<b>795</b>

<b>Expenditures:</b>	\$	\$	\$
111-0000-601-2020 Professional Consultant	75,000	(74,205)	795
<b>Totals:</b>	<b>75,000</b>	<b>(74,205)</b>	<b>795</b>

**Fund 311: General Project Fund**  
**Traffic Signal Cabinet (GP1743)**

<b>Revenues:</b>	\$	\$	\$
311-0000-368-1054 Series 2016 GO (Nov 4)	0	485	485
311-0000-391-0100 From General Fund	70,000	4,515	74,515
<b>Totals:</b>	<b>70,000</b>	<b>5,000</b>	<b>75,000</b>

<b>Expenditures:</b>	\$	\$	\$
311-0000-601-9006 Purchases \$5,000 & Over	70,000	5,000	75,000
<b>Totals:</b>	<b>70,000</b>	<b>5,000</b>	<b>75,000</b>

**Fund 110: General Fund**

<b>Expenditures:</b>	\$	\$	\$
110-1501-411-2053 Drug/Alcohol Testing	1,500	3,500	5,000
110-2506-436-2020 Professional Consultant	35,000	7,500	42,500
110-4511-471-9006 Purchases \$5,000 & Over	0	10,000	10,000
110-1003-403-1010 Salaries	269,000	25,300	294,300
110-4810-481-2099 Miscellaneous	0	23,390	23,390
110-4804-481-7035 To Gen Proj-Special Rev	1,719,000	(69,690)	1,649,310
<b>Totals:</b>	<b>2,024,500</b>	<b>0</b>	<b>2,024,500</b>

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**

**Authorizing the Execution of an Agreement with Frontier Health for Counseling Services for Kingsport City Schools**

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

Action Form No.: AF-240-2017  
Work Session: September 18, 2017  
First Reading: N/A

Final Adoption: September 19, 2017  
Staff Work By: Committee  
Presentation By: D. Frye

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

The administration of Kingsport City Schools desires to enter into this agreement for the purpose of continuing current services of Holston Children and Youth Services/Frontier Health for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff, and students. It is recommended that approval be given to execute an agreement with Frontier Health for a total of \$120,400.00 for counseling services for the Kingsport City Schools.

Funding for this agreement is contained in Account 141-7154-711.03-99 of the 2017-2018 FY budget.

**Attachments:**

- 1. Resolution
- 2. Agreement

Funding source appropriate and funds are available: *JA*

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN AGREEMENT WITH FRONTIER HEALTH FOR COUNSELING SERVICES FOR KINGSPORT CITY SCHOOLS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, Kingsport City Schools currently receives services from Holston Children and Youth Services/Frontier Health for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff, and students; and

WHEREAS, the city would like to continue these services; and

WHEREAS, the cost for the services is \$120,400.00 and funding is available in account 141-7154-711.03-99 of the School budget.

Now therefore,

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

SECTION I. That an agreement with Holston Children and Youth Services/Frontier Health is approved.

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

FRONTIER HEALTH  
Holston Children and Youth Services  
And  
City of Kingsport for its KINGSPORT CITY SCHOOLS CONTRACTUAL AGREEMENT  
LOCAL PROGRAM  
SY 2017-2018

I Parties

Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City Schools are the parties to this agreement for alcohol and drug prevention and student assistance services.

II Purpose

This agreement is entered into by the stated parties for the purpose of making provision for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff and students.

III Services

The following services will be provided by Holston Children and Youth Services/Frontier Health to the Kingsport City School System under this agreement. The further development and alteration of these services will be reviewed and negotiated formally in April of each year by designated personnel of Holston Children and Youth Services/Frontier Health and the Kingsport City School System. Changes in services rendered by joint examination will be communicated to all appropriate personnel.

Holston Children and Youth Services/Frontier Health Corporate agree to accept the following responsibilities under this contract, and shall provide the services set out below:

A. Training and consultation services for alcohol and other drug related issues: I. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System the necessary education, training, supervision, consultation, and other resources to school personnel for the purpose of instituting ongoing prevention to K-12 students. Training will be provided to each of the following

target groups within Kingsport City School System:

- a. General population of school personnel as needed
- b. School personnel specifically required to teach drug education units
- c. Elementary school teachers
- d. Core group of self-selected and nominated school personnel willing to commit to in-depth training
- e. Administrators and guidance counselors

2. Holston Children and Youth Services/Frontier Health will provide consultation services to the Kingsport City School System and its personnel as needed throughout the year. Those consultation services may be utilized in the following areas, but are not necessarily limited to these areas:

- a. Review and selection of curricula
- b. Involvement in establishment of school policies related to alcohol and other drug issues
- c. Coordination of local alcohol and drug related services offered within the Kingsport City School System

d. Consultation with staff

e. Review and dissemination of current research as related to specific drugs, prevention approaches, model school-based programs, etc.

3. The services outlined above will be provided on an as needed basis.

B. Counseling services for alcohol and drug related issues:

1. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System assessment of individuals referred, individual and group counseling as appropriate, training (when available), coordination with other services, and referral to appropriate services as necessary. These services will be available to the following people:

- a. Students
- b. Parents of students
- c. School personnel (consultation)

2. Counseling services will be provided on a full-time basis with the following guidelines:

a. Counselors will be available at Dobyns-Bennett High School, John Sevier and Ross N. Robinson Middle Schools four and a half (4.5) days per week.

b. Counselors will be available to elementary schools on an as needed basis.

#### IV Financial

Holston Children and Youth Services/Frontier Health agree to maintain necessary records and accounts related to this contract, including personnel and financial records. All expenditures made pursuant to this contract shall be properly supported by payroll records, invoices, orders, contracts, canceled checks and other necessary documentation.

1. Holston Children and Youth Services/Frontier Health will utilize generally accepted accounting procedures in the operation of this contract.

2. Records will be maintained on a July 1 to June 30 fiscal year basis.

3. Financial records shall be retained for a period of five years (5) upon any dissolution of this contract.

4. All finances, including this contract, will be independently audited on a yearly basis by Holston Children and Youth Services/Frontier Health.

5. Written reports of financial operations pertaining to this contract will be made available upon request and/or less than on an annual basis.

6. The contract amount for FY 2017-2018 to be paid by Kingsport City School System for services described herein is \$120,400.00.

7. The contract sum is to be paid in three installments.

#### V Personnel

Holston Children and Youth Services/Frontier Health assume all responsibility for personnel matters. Personnel involved in services will be employees of Holston Children and Youth Services/Frontier Health Corporate. A criminal background check, which includes fingerprinting, will be required for those working in a position requiring proximity to school children, as noted in T.C.A. 49-5-413. Personnel interaction issues emanating between the two parties will be properly documented and communicated to insure the cooperative and constructive relationship between the parties and of the appropriate functioning of the services in operation.

#### VI Public Relations

Public relations activities pursuant to the promotion, explanation, display, representation, and orientation to community of the said service agreement and its operation will be developed and implemented as a joint negotiation of the parties in the agreement.

#### VII Compliance

Both parties agree to comply with the following statutes, regulations, standards, policies, and procedures in the operation of the program, which is subject of this contract:

1. All applicable federal and state laws and regulations for the assurance of the individual rights of clients served by the program.

2. Titles VI and VII of the Civil Rights Act of 1964, Section 503 and 504 of the Vocational

Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of sex, age, race, religious affiliation, handicap, or national origin, be subjected to discrimination in the provision of any services or in employment practices.

VIII Scope of Agreement

This contract, including any exhibits, constitutes the entire agreement between Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City School System for the operation of said Student Assistance Program. Any alterations, amendments, or modifications in the provisions of this agreement shall be in writing, signed by the parties, and attached hereto.

IX Severability of Agreement

Each paragraph and provision of this agreement is severable from the entire agreements; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

X Termination of Agreement

This agreement may be terminated under the following circumstances:

1. By mutual agreement
2. Non-renewal requires a 60-day notice, unless prior agreement by both parties is made

XI Length of Agreement

This agreement shall become effective August 1, 2017 and remain in effect until June 30, 2018.

[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 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

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

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**FRONTIER HEALTH**  
**Holston Children and Youth Services**

**And**

**City of Kingsport for its**

**KINGSPORT CITY SCHOOLS**

**CONTRACTUAL AGREEMENT**

**LOCAL PROGRAM**

**SY 2017-2018**

**I Parties**

Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City Schools are the parties to this agreement for alcohol and drug prevention and student assistance services.

**II Purpose**

This agreement is entered into by the stated parties for the purpose of making provision for alcohol and drug prevention, education, intervention, consultation and training services to school administration, staff and students.

### III Services

The following services will be provided by Holston Children and Youth Services/Frontier Health to the Kingsport City School System under this agreement. The further development and alteration of these services will be reviewed and negotiated formally in April of each year by designated personnel of Holston Children and Youth Services/Frontier Health and the Kingsport City School System. Changes in services rendered by joint examination will be communicated to all appropriate personnel.

Holston Children and Youth Services/Frontier Health Corporate agree to accept the following responsibilities under this contract, and shall provide the services set out below:

A. Training and consultation services for alcohol and other drug related issues: I.

Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System the necessary education, training, supervision, consultation, and other resources to school personnel for the purpose of instituting ongoing prevention to K-12 students. Training will be provided to each of the following target groups within Kingsport City School System:

- a. General population of school personnel as needed
  - b. School personnel specifically required to teach drug education units
  - c. Elementary school teachers
  - d. Core group of self-selected and nominated school personnel willing to commit to in-depth training
  - e. Administrators and guidance counselors
2. Holston Children and Youth Services/Frontier Health will provide consultation services to the Kingsport City School System and its personnel as needed throughout the year. Those consultation services may be utilized in the following areas, but are not necessarily limited to these areas:
- a. Review and selection of curricula
  - b. Involvement in establishment of school policies related to alcohol and other drug issues
  - c. Coordination of local alcohol and drug related services offered within the Kingsport City School System
  - d. Consultation with staff

- e. Review and dissemination of current research as related to specific drugs, prevention approaches, model school-based programs, etc.

3. The services outlined above will be provided on an as needed basis.

**B. Counseling services for alcohol and drug related issues:**

1. Holston Children and Youth Services/Frontier Health will provide within the Kingsport City School System assessment of individuals referred, individual and group counseling as appropriate, training (when available), coordination with other services, and referral to appropriate services as necessary. These services will be available to the following people:
  - a. Students
  - b. Parents of students
  - c. School personnel (consultation)
2. Counseling services will be provided on a full-time basis with the following guidelines:
  - a. Counselors will be available at Dobyms-Bennett High School, John Sevier and Ross N. Robinson Middle Schools four and a half (4.5) days per week.
  - b. Counselors will be available to elementary schools on an as needed basis.

#### **IV Financial**

Holston Children and Youth Services/Frontier Health agree to maintain necessary records and accounts related to this contract, including personnel and financial records. All expenditures made pursuant to this contract shall be properly supported by payroll records, invoices, orders, contracts, canceled checks and other necessary documentation.

1. Holston Children and Youth Services/Frontier Health will utilize generally accepted accounting procedures in the operation of this contract.
2. Records will be maintained on a July 1 to June 30 fiscal year basis.
3. Financial records shall be retained for a period of five years (5) upon any dissolution of this contract.
4. All finances, including this contract, will be independently audited on a yearly basis by Holston Children and Youth Services/Frontier Health.

5. Written reports of financial operations pertaining to this contract will be made available upon request and/or less than on an annual basis.
6. The contract amount for FY 2017-2018 to be paid by Kingsport City School System for services described herein is \$120,400.00.
7. The contract sum is to be paid in three installments.

## V Personnel

Holston Children and Youth Services/Frontier Health assume all responsibility for personnel matters. Personnel involved in services will be employees of Holston Children and Youth Services/Frontier Health Corporate. A criminal background check, which includes fingerprinting, will be required for those working in a position requiring proximity to school children, as noted in T.C.A. 49-5-413. Personnel interaction issues emanating between the two parties will be properly documented and communicated to insure the cooperative and constructive relationship between the parties and of the appropriate functioning of the services in operation.

## VI Public Relations

Public relations activities pursuant to the promotion, explanation, display, representation, and orientation to community of the said service agreement and its operation will be developed and implemented as a joint negotiation of the parties in the agreement.

## VII Compliance

Both parties agree to comply with the following statutes, regulations, standards, policies, and procedures in the operation of the program, which is subject of this contract:

1. All applicable federal and state laws and regulations for the assurance of the individual rights of clients served by the program.
2. Titles VI and VII of the Civil Rights Act of 1964, Section 503 and 504 of the Vocational Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and subsequent amendments and regulations developed pursuant thereto, to the effect that no person shall, on the grounds of sex, age, race, religious affiliation, handicap, or national origin, be subjected to discrimination in the provision of any services or in employment practices.

VIII Scope of Agreement

This contract, including any exhibits, constitutes the entire agreement between Holston Children and Youth Services/Frontier Health and the City of Kingsport for its Kingsport City School System for the operation of said Student Assistance Program. Any alterations, amendments, or modifications in the provisions of this agreement shall be in writing, signed by the parties, and attached hereto.

IX Severability of Agreement

Each paragraph and provision of this agreement is severable from the entire agreements; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

X Termination of Agreement

This agreement may be terminated under the following circumstances:

- 1. By mutual agreement
- 2. Non-renewal requires a 60-day notice, unless prior agreement by both parties is made

XI Length of Agreement

This agreement shall become effective August 1, 2017 and remain in effect until June 30, 2018.

\_\_\_\_\_  
President, Frontier Health

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor, City of Kingsport

\_\_\_\_\_  
Date

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

ATTEST

\_\_\_\_\_  
City Recorder



## AGENDA ACTION FORM

### Rejecting the Sealed Bid for the Dobyys-Bennett Track Upgrades Project

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

Action Form No.: AF-241-2017  
Work Session: September 18, 2017  
First Reading: N/A

Final Adoption: September 19, 2017  
Staff Work By: Committee  
Presentation By: D. Frye

#### Recommendation:

Approve the Resolution.

#### Executive Summary:

Sealed bids were opened on August 16, 2017 for Dobyys- Bennett Track Upgrades. The advertisement for requesting sealed bids was published in the Kingsport Times News on July 16, 2017 and placed on our website for 31 calendar days. The sole bid received for consideration was from Hellas Construction with a base bid of \$1,030,001.00. The bid was evaluated by the project engineer at Mattern & Craig and determined that the track surface proposed by Hellas is equal to the system called out in the specifications. Mattern & Craig's recommendation is to accept the bid contract contingent upon the Kingsport City Schools approval of the proposed bid amount. The project estimate for the Dobyys-Bennett Track Upgrade project is currently \$750,000.00 dollars.

Since only one bid was received for the project and the bid amount was significantly higher than the project estimate, it is recommended that the bid from Hellas Construction for \$1,030,001.00 be rejected. Kingsport City Schools will reevaluate the scope of work before rebidding the project.

#### Attachments:

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

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION REJECTING ALL BIDS RELATED TO THE  
DOBYNS-BENNETT TRACK UPGRADES PROJECT

WHEREAS, bids were opened August 16, 2017, for the Dobyms-Bennett Track Upgrade Project; and

WHEREAS, only one bid was received and staff suggests rejecting that bid due to the bid being over the budgeted amount for this project.

Now therefore,

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

SECTION I. That all bids opened August 16, 2017, relating to the Dobyms-Bennett Track Upgrade Project are rejected.

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

ADOPTED this the 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

City of Kingsport  
Dobyns Bennett Track Upgrades  
Kingsport, TN

**BID TABULATION**  
Bids Opened: August 16, 2017 at 4:00 pm

<b>** Apparent Low Bidder</b>	<b>TOTAL BID PRICE</b>
** Hellas Construction	\$ 1,030,001.00

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



*D. J. Snapp*

Jason Snapp, P.E.  
8/24/2017

MEMORANDUM

TO: Board of Education  
Dr. Dwain Arnold

FROM: David J. Frye, Chief Finance Officer

DATE: September 5, 2017

SUBJECT: Dobyns Bennett Track Upgrades Recommendation

Sealed bids were opened on August 16, 2017 for Dobyns- Bennett Track Upgrades. The advertisement for requesting sealed bids was published in the Kingsport Times News on July 16, 2017 and placed on our website for 31 calendar days. The sole bid received for consideration was from Hellas Construction with a base bid of \$1,030,001.00. The bid was evaluated by the project engineer at Mattern & Craig. The Engineer determined that the track surface proposed by Hellas is equal to the specified system in the specifications. Mattern & Craig's recommendation is to accept the bid contract contingent upon the Kingsport City Schools approval of proposed bid amount since the estimate for the Dobyns-Bennett Track Upgrade project is \$750,000.00 dollars.

Due to the fact that only one bid was received for the project and the bid amount was significantly higher than the project estimate, it is our recommendation that the board reject the bid from Hellas Construction for \$1,030,001.00. The scope of work for this project will need to be reevaluated before rebidding the project.

\*\*Mattern & Craig found an error in Hellas Construction's bid tabulation during their evaluation, which increased the original recorded base bid from \$976,000.00 to \$1,030,001.00.

MINUTES  
BID OPENING  
August 16, 2017  
4:00 P.M.

Present: Sandy Crawford, Procurement Manager; Michelle Ramey, Assistant Procurement Manager.  
Schools: Calvin Clifton and Jason Snapp, Mattern & Craig

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

The Procurement Manager opened with the following bids:

DOBYNS-BENNETT TRACK UPGRADES			
Vendor:	Base Bid:	Alternate #1	Alternate #2
Hellas Construction, Inc.	\$976,000.00	\$15,215.00	\$15,000.00

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



AGENDA ACTION FORM

Acquisition of Property for Parker Lane Sanitary Sewer Lift Station Replacement

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

Action Form No.: AF-239-2017  
Work Session: September 19, 2017  
First Reading: N/A

Final Adoption: September 19, 2017  
Staff Work By: R. Trent; N. Ensor  
Presentation By: R. McReynolds

**Recommendation:**  
Approve the resolution.

**Executive Summary:**

Public Works Department has requested an acquisition of vacant property located at 344 Parker Drive for the construction of a sanitary sewer lift station. Sewer lift station # 111 (Parker Lane) has reached the end of useful life and is in need of replacement. The current site is very constrained making construction, access and continued maintenance difficult. Other locations were evaluated, but not were not selected due to increased construction cost or inability to find a pump that met design conditions. Upon completion of the project the unused portion of the property will be subdivided and placed on the market.

An appraisal of the acquisition was prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and appraised for \$13,000.00. The owner of the property, HomeTrust Bank, is willing to sell the property to the city for the appraised value of \$13,000.00. A copy of the Purchase Agreement is contained in the attached resolution.

This project will be funded under #SW1702.

**Attachment:**

- 1. Resolution
- 2. Existing Pump Station
- 3. Property Location Map

Funding source appropriate and funds are available: *je*

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN OFFER FOR THE PURCHASE OF REAL PROPERTY FOR A SANITARY SEWER LIFT STATION; AUTHORIZING THE MAYOR TO MAKE CERTAIN CHANGES TO THE AGREEMENT, IF NECESSARY; AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the Public Works Department has requested an acquisition of property located at 344 Parker Lane for the construction of a sanitary sewer lift station; and

WHEREAS, such acquisition would be in accordance with the city's acquisition policy.

Now therefore,

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

SECTION I. That pursuant to the appraisal of the property indicating the fair market value, an offer of \$13,000.00 is approved for the purchase of the property located at 344 Parker Lane and further identified as tax map 029G; group A; parcel 010.15, subject to such conditions as set out in the Purchase Agreement below.

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 for the purchase of the property located at 344 Parker Lane and further identified as tax map 029G; group A; parcel 010.15, 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 draft of the agreement being as follows:

**AGREEMENT**

**THIS PURCHASE AGREEMENT** (herein "Agreement") made and entered into on the date of the notary acknowledgment of the Seller's signature between **HOMETRUST BANK**, (hereinafter referred to as the "Seller"), and **THE CITY OF KINGSPORT, TENNESSEE**, a municipality organized under the laws of the State of Tennessee (hereinafter referred to as the "Buyer").

**WITNESSETH:**

**FOR AND IN CONSIDERATION** of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, including specifically, without limitation, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

**1. SALE.** Seller agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase, acquire and take from Seller, subject to the terms and conditions of this Agreement all that real property situate, lying and located at 344 Parker Lane and being further identified as tax map 029G; group A; parcel 010.15, more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all improvements and fixtures situated thereon, if any, and also together with all hereditaments and appurtenances thereunto belonging or in any way appertaining (the "Real Property").

## **2. PURCHASE PRICE.**

(a) Amount. The purchase price to be paid by Buyer to Seller for the Real Property shall be Thirteen Thousand and No/100 Dollars (\$13,000.00) (the "Purchase Price").

(b) Terms of Payment. Subject to the adjustment provided for herein the Purchase Price, less the prorated property taxes as of the date of closing, shall be paid by Buyer to Seller in cash or certified funds payable to Seller on the Closing Date.

**3. CLOSING.** The closing shall occur on or before November 1, 2017, (the "Closing Date"), at a time and location mutually agreed upon by the parties or, upon failure of the parties to agree, at a time and place specified by the Buyer (the "Closing"). Buyer and Seller agree to deliver and execute such other documents as may be reasonable and necessary in the opinion of counsel for Seller and Buyer to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions hereof.

**4. SURVEY.** Immediately upon the execution of this Agreement, Buyer shall, at Buyer's cost, cause a survey and surveyor's certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in Section 5 hereof, to be prepared on the Real Property by a licensed surveyor acceptable to Buyer. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title surveys for a Class A survey. Such survey shall show the total area of the Real Property in square feet, easements, if any, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by Buyer. Once prepared, the survey description will replace Exhibit A and will become a part of this Agreement identified as Exhibit A-1, and such survey description shall be insurable (and shall be insured) by the title insurance company. If the survey (i) is for good cause not acceptable to Buyer's title insurance company; or (ii) shows the dimensions of the Real Property to be other than as set forth on Exhibit A; or (iii) shows any materially adverse conditions or matters affecting the Real Property which are not approved by Buyer, then Buyer, within twenty (20) days from receipt of such survey, shall notify Seller in writing of Buyer's objections to the survey and Seller shall thereupon have twenty (20) days to remove or cure such objections to the satisfaction of the Buyer and the title company. If Seller fails to satisfy such objections with the time specified, Buyer shall have the right to (i) terminate this Agreement; (ii) extend the time period for removing or curing any objectionable item by written notice to Sellers; or (iii) close this purchase and sale without reduction in the Purchase Price.

**5. TITLE INSURANCE.** Buyer, at its expense, shall secure an owner's title insurance commitment to issue a title insurance policy insuring Buyer's fee simple interest in the Real Property to the extent of the Purchase Price. The title insurance commitment will be issued by a reputable title insurance company chosen by Buyer and will contain exceptions only for real estate taxes and assessments for the current year which are not yet due and payable, and any other exceptions Buyer may approve in writing. If the commitment contains other exceptions, not acceptable to Buyer, then Buyer shall so notify Seller of such exceptions within twenty (20) days of Buyer's receipt of the commitment, and Seller shall have twenty (20) days from receipt of the Buyer's objections, to resolve such exceptions to the satisfaction of the Buyer. If Seller is unable to cure or resolve such exceptions to Buyer's satisfaction within the time specified, Buyer shall have the right to terminate this Agreement, extend the cure period, or proceed to close this Agreement. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, then this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

## **6. DEED AND TITLE.**

(a) Seller hereby agrees to convey to Buyer a good and marketable fee simple title to the Real Property, without exceptions, except as expressly provided herein, by a good and valid special warranty deed, in statutory form, suitable for recordation. Title to the Real Property shall not be subject to any easements, encumbrances or other exceptions which Buyer, in its sole discretion, deems unacceptable.

(b) In the event, as of the Closing Date, Seller is unable to convey marketable title to the Real Property due to defects in Seller's title, or Seller is unable to convey title due to exceptions Buyer finds unacceptable, then Closing shall be postponed for a reasonable period of time not to exceed 30 days until Seller shall remove said title defects or exceptions. If Seller is unable to cure such title defects or exceptions within said 30 days, this Agreement shall be null and void and there shall be no further obligations between the parties. If Buyer shall waive such title defects or exceptions by so notifying the Seller in writing, or if Seller shall have cured such defects or

exceptions, as provided herein, the obligations of the parties hereunder shall not be affected by reason thereof, there shall be no abatement or reduction of the Purchase Price, and this transaction shall be consummated in accordance with the terms and provisions of this Agreement, except that such title defects or exceptions that are waived by Buyer, if any, shall be set forth as exceptions in the deed.

**7. CONDITION OF PROPERTY.** There has been no storage, disposal, treatment or release of hazardous substances during the period of Seller's ownership, and to the best of Seller's knowledge, the Real Property has not been used, and is not presently being used, and will not through the Closing Date, be used for the storage or disposal of hazardous substances. (The term "hazardous substances" shall have the broadest meaning given under applicable state and federal law, including without limitation that given in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq.) Seller is not aware of any facts, conditions or circumstances indicating any form of environmental contamination affecting any properties which are adjacent to the Real Property. There are no encumbrances, liens, or charges of any kind upon the Real Property that will not be satisfied and discharges in full by Seller and released at or before Closing in a form satisfactory to Buyer. There are no contracts, agreements, or arrangements relating to the use and operation of the Real Property not disclosed herein. Seller represents that there is no pending or threatened litigation that does or will materially and adversely affect the Real Property or its value.

**8. CONDITIONS PRECEDENT.**

Buyer's obligations pursuant to this Agreement are contingent upon and subject to the satisfaction, as of Closing, of each of the following conditions (any of which may be waived in whole or in part in writing by the Buyer at, or prior to Closing):

(1) The results of the title examination report and title insurance commitment described in Section 5 shall be acceptable to Buyer in its sole discretion as of Closing. There shall be no change in the matters reflected in the title insurance commitment described in Section 5 hereof, and there shall not exist any encumbrances or title defects affecting the Real Property not described in such title insurance commitment.

(2) All of the representations, warranties and conditions of Seller set forth in this Agreement shall be true and correct as of the date hereof, and as of the Closing Date, and Seller shall not, on or prior to Closing, have failed to meet, comply with or perform any conditions or obligations on Seller's part required by the terms of this Agreement.

(3) There shall be no change in the matters reflected in the survey described in Section 4 hereof, and there shall not exist any easement, right of way, encroachment, waterway, pond, flood plain, conflict, or a protrusion with respect to the Real Property not shown on the survey.

If any condition specified in this Section 8 is not fully satisfied by Closing, or any extension thereof pursuant to this Agreement, Buyer may, at its option, waive such unsatisfactory condition precedent and consummate this Agreement, or may terminate this Agreement by written notice to Seller, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement. It shall be the right of the Buyer at its sole discretion and upon written notice to the Sellers to terminate this Agreement at any time prior to the closing of the property if it shall deem the property not suitable for its needs, and upon such termination, this Agreement shall be cancelled and thereafter neither Seller nor Buyer shall have any continuing obligation to each other under this Agreement.

**9. NOTICE.** Any notice or demand on either party hereunder shall be deemed to have been given when mailed to the other party by Certified Mail, Return Receipt Requested, postage prepaid at the addresses set forth below:

SELLER:	HomeTrust Bank c/o Chad Long The Home Team Real Estate Company 1204 Gay Street, P. O. Box 1718 Dandridge, TN 37725
BUYER:	City of Kingsport, Tennessee 225 West Center Street Kingsport, Tennessee 37660

**10. PRORATIONS.** All real estate taxes and assessments shall be prorated as of the Closing Date, using for such purpose the rate and valuation shown on the latest available tax notice.

**11. EXPENSES OF SELLER.** In closing this transaction, Seller shall be charged with the following:

- (a) The cost of preparation of the special warranty deed;
- (b) The fees and expenses of any attorney or other advisor engaged by Seller in connection with this transaction;
- (c) The commission or fees charged by any real estate broker or agent retained or used by the Seller in connection with this transaction; and
- (d) All expenses incurred in connection with the release of any prior existing indebtedness, including without limitation any prepayment penalties; and
- (e) Prorated taxes.

**12. EXPENSES OF BUYER.** In closing this transaction, Buyer shall be charged with the following:

- (a) The cost of any title search and title insurance policy;
- (b) The cost of recording the deed and any transfer tax associated with such deed;
- (c) Any fees charged in connection with any attorney or other advisor engaged by Buyer in connection with this transaction; and
- (d) The cost of the survey provided pursuant to Section 4.

**13. TIME IS OF THE ESSENCE.** Time is of the essence to the performance of this Agreement.

**14. MERGER CLAUSE.** All understandings and agreements heretofore had between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement, representation, express or implied warranties, guarantees, promises, statements, "setups", representation, or information, not embodied in this Agreement, made by the other, or by any agent, employee, servant, or other person representing or purporting to represent the Seller. This Agreement contains the full agreement between the parties and there are no other contracts, express or implied, which are not stated herein.

**15. POSSESSION.** Delivery of possession of the Real Property shall occur at Closing.

**16. CAPTIONS.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

**17. ENTIRE AGREEMENT; MODIFICATIONS.** This written Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Real Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

**18. CONTROLLING LAW; VENUE.** This Agreement has been made and entered into under the laws of the State of Tennessee, and said laws shall control the interpretation thereof. Venue for any litigation concerning this Agreement shall be filed in the state or federal courts for Sullivan County, Tennessee.

**19. BINDING EFFECT.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**20. FURTHER ACTS.** Each party hereto agrees to do, execute, acknowledge and deliver all such further acts, assignments, transfers, assurances and instruments that may reasonably be required to fully effectuate the transactions contemplated in this Agreement.

**IN WITNESS WHEREOF,** the parties have hereunto set their hands in duplicate originals the day and year first written above.

[Acknowledgements Deleted for Inclusion in this Resolution]

#### **EXHIBIT A**

Description of Real Property

Located in the 12<sup>th</sup> Civil District of Sullivan County, Tennessee, to-wit:

BEING all of Lot 6, Block C, of Greenbriar Hills Subdivision, as shown on plat of record in Plat Book 40, Page 6 in the Office of the Register of Deeds for Sullivan County, Blountville, Tennessee; and being the same property conveyed to Ira Jack Babb from Bettye J. McClellan, by deed dated December 27, 2004 of record in Deed Book 2204C, Page 666 in the aforesaid Register's Office, to all of which reference is hereby made.

SECTION III. That the Mayor is further authorized to make such changes, approved by the mayor and 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 VI. 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 VII. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 19<sup>th</sup> day of September, 2017.

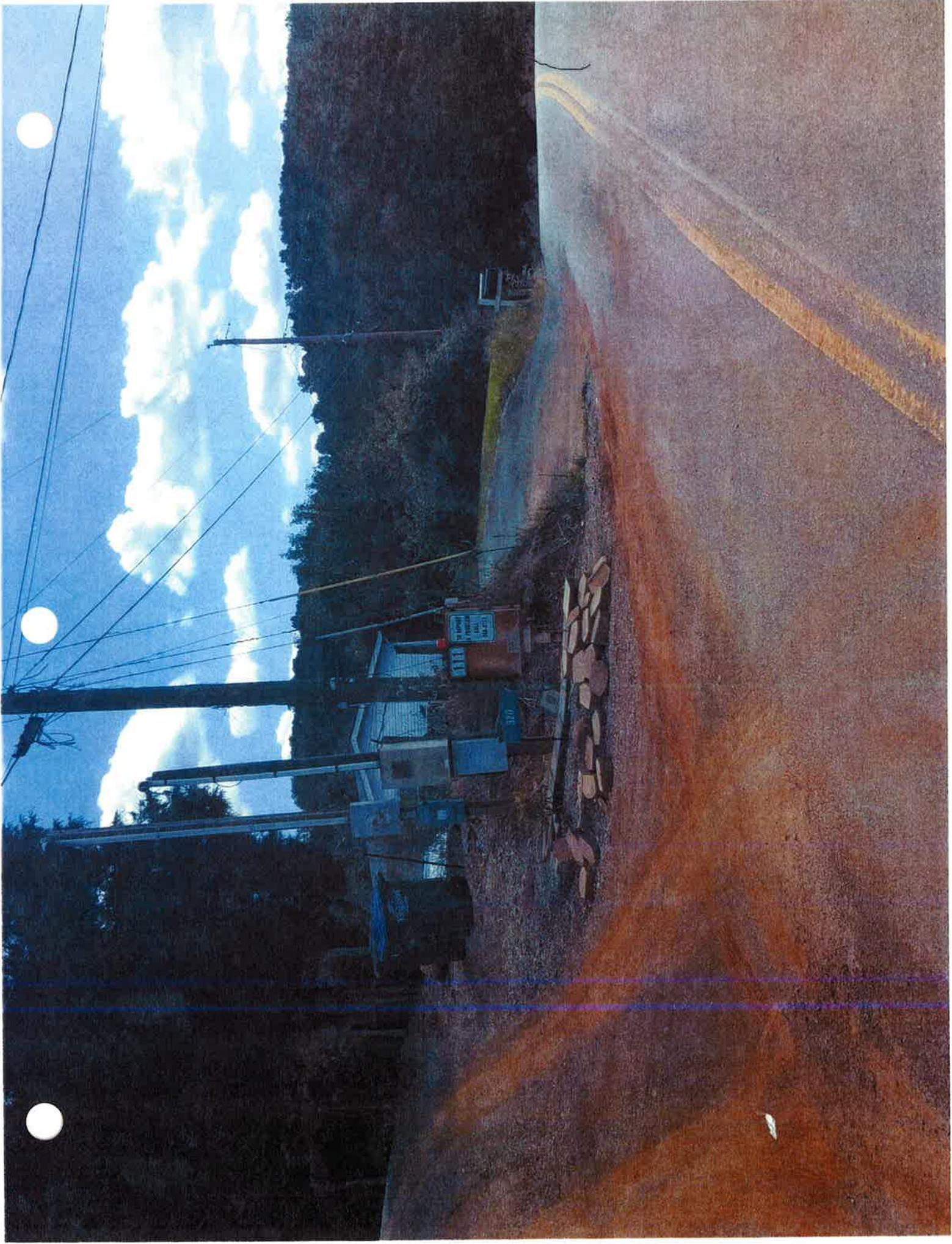
\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY



Parker Lane)



**Proposed Property Purchase**

**Existing Pump Station Site**

Parker Ln

th



**AGENDA ACTION FORM**

**Awarding the Bid for the Purchase of Two (2) Automated Garbage/Refuse Trucks**

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

Action Form No.: AF-248-2017  
Work Session: September 18, 2017  
First Reading: N/A  
Final Adoption: September 19, 2017  
Staff Work By: Committee  
Presentation By: R. McReynolds/S. Hightower

**Recommendation:**  
Approve the Resolution.

**Executive Summary:**

Bids were opened on August 30, 2017 for the purchase of two Automated Garbage/Refuse Trucks for use by Public Works. The advertisement for the Invitation to Bid was published in the Kingsport Times News on August 13, 2017 and placed on our website for 18 calendar days. It is the recommendation of the committee to accept the low compliant bid from Worldwide Equipment, Inc. for two (2) 2019 Mack LR613 w/New Way Side Winder as follows:

	\$557,730.00	Price for Two Units
Less	\$8,000.00	Trade-In Allowance Equipment # 1751
Less	<u>\$8,000.00</u>	Trade-In Allowance Equipment # 1762
	\$541,730.00	Total Purchase Price

These are Fleet Replacements.

Funding is identified in Account # 51150085019010.

**Attachments:**

1. Resolution
2. Bid Opening Minutes
3. Recommendation Memo w/Photo

Funding source appropriate and funds are available: *JF*

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF TWO AUTOMATED GARBAGE/REFUSE TRUCKS TO WORLDWIDE EQUIPMENT, INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

WHEREAS, bids were opened August 30, 2017, for the purchase of two (2) automated garbage/refuse trucks for the use at the public works; and

WHEREAS, the city will receive \$8,000.00 for a trade-in allowance for vehicle #1751 and a trade-in allowance of \$8,000.00 for vehicle #1762; and

WHEREAS, upon review of the bids, the board finds Worldwide Equipment, Inc. is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to purchase two (2) 2019 Mack LR613 with New Way Side Winder automated garbage/refuse trucks from Worldwide Equipment, Inc., at a total purchase cost of \$541,730.00, which includes the deduction of the \$16,000.00 trade-in allowance; and

WHEREAS, funding is identified in account #51150085019010.

Now therefore,

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

SECTION I. That the bid for the purchase of two (2) 2019 Mack LR613 with New Way Side Winder automated garbage/refuse trucks at a total purchase cost of \$541,730.00, which includes the deduction of the \$16,000.00 trade-in allowance, is awarded to Worldwide Equipment, Inc., and the city manager is authorized to execute a purchase order for same.

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

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

ADOPTED this the 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES  
BID OPENING  
August 30, 2017  
4:00 P.M.

Present: Sandy Crawford, Procurement Manager; and Brent Morelock, Assistant Procurement Manager

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

The Procurement Manager opened with the following bids:

AUTOMATED REFUSE/RECYCLING TRUCKS						
Vendor:	Qty.:	Total Cost:	Trade In #1751:	Trade In #1762:	Delivery Time:	Make/Model:
Worldwide Equipment	2	\$557,730.00	\$8,000.00	\$8,000.00	240-270 Days	2019 Mack LR613 w/New Way Side Winder
Worldwide Equipment	2	\$569,206.00	\$8,000.00	\$8,000.00	240-260 Days	2019 Mack LR613 w/Wayne Engineering Ranger
Worldwide Equipment	2	\$525,712.00	\$4,500.00	\$4,500.00	210-240 Days	2019 Mack LR613 w/Heil CP Liberty
Worldwide Equipment	2	\$538,630.00	\$4,500.00	\$4,500.00	210-240 Days	2019 Mack LR613 w/Heil DP Python

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



# FLEET MAINTENANCE DIVISION

City of Kingsport, Tennessee

## Memo

**To:** Brent Morelock, Assistant Procurement Manager

**From:** Truck Committee: Ronnie Hammonds, Streets and Sanitation Manager  
 Rodney Deel, Sanitation Supervisor  
 Steve Hightower, Fleet Manager

**Date:** September 7, 2017

**Re:** Automated Garbage/Refuse Truck Purchase Recommendation

This will confirm our review and recommendation to purchase the compliant bid of the following vendor and accept the \$8,000 per unit trade in offering for units #1751 and 1762.

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Award to Vendor</u>	<u>Fuel Economy</u>
1	2	2019 Mack LR613 with New Wax	World Wide Equipment	2.5 - 6 MPG

### Low Compliant Bidder

The bidder offering recommended is compliant in all major aspects of the minimum specification requirements for the Automated Refuse Truck(s) specified. The other bid offerings of World Wide Equipment were not compliant in several areas. The most critical exception taken by the lower bid offerings was the lack of the 144" collection arm reach requirement needed for the successful pickup of heavy cans through street parked vehicles.

### This unit will be a Fleet Replacement

Delivery and Compliance to Specifications expectations have been added to insure prompt delivery of any vehicle or piece of equipment purchased by the City of Kingsport. Failure of the awarded vendor to deliver on time or correct pre acceptance inspection deficiencies within the allotted time results in a monetary penalty assessed on a daily basis. This process will insure the departments receive their replacement units in a timely manner. Specified time allotted for delivery of this unit is 240-270 days after notification with 15 days to correct inspection deficiencies after delivery inspection and a \$50 dollar a day penalty assessed for non-compliance.

### Review of Specifications

The bid offerings were reviewed by Streets and Sanitation Manager – Ronnie Hammonds, Sanitation Supervisor - Rodney Deel, and Fleet Manger - Steve Hightower, who are agreement with this recommendation. Confirming email of agreement is attached.

### Fuel Economy Improvement

0%

The unit(s) being replaced have a similar fuel economy to the unit(s) being purchased so there will be no estimated improvement in fuel economy ratings.

### **Trade In Information**

1. Trade in(s):
  - a. Unit Number: 1751 – 2007 CONDOR REFUSE COLLECTION– Age: 10 Years
    - i. Fuel Economy - 2.23 MPG
    - ii. Current Mileage – 142,743
  
  - b. Unit Number: 1762 – 2007 CONDOR REFUSE COLLECTION – Age: 10 Years
    - i. Fuel Economy - 2.34 MPG
    - ii. Current Mileage – 135,400

### **Origin Information**

1. New Unit Origin of Manufacture:
  - a. Cab/ Chassis Mfg.– Macungie, PA
    - i. 90% Domestic/ 10% Foreign Materials
  - b. Body Manufacture – Scranton, Io.
    - i. 90% Domestic/ 10% Foreign Materials
  
2. New Unit Purchase Dealer:
  - a. Cab/ Chassis/ Body – World Wide Equipment – Abingdon, VA
  - b. Body Dealership – Municipal Equipment - Louisville, KY

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

Thank you



Picture for demonstration purposes only and is not the exact product being purchased

Automated Refuse Truck

2016 Mack LR613 W/Heil Durapack	\$257,464.00	Trade in	\$4,500	\$252,964	60-90 days
Not the latest, current production modal					
Rear end Ratio 4.50					
Front Tires 315/80R22.5 20ply					
Rear Tires 11R X 22.5 14 ply					
345 HP @ 1500 rpm and 1275 lbtq @ 1350 rpm					
No fuel heater or cooler					
Drum brakes					
Hopper 5.2 cubic yards					
No crusher panel					
Arm reach 108 in					
Two cylinder to raise body					
Articulating arm					
		We ask for the latest modal			
		We ask for 5.31:1			
		We ask for 425/65RX22.5			
		We ask for 11R X 22.5 20 ply			
		We ask for 370 Hp @ 1250 Rpm and 1280 lb-ft @ 1300 rpm			
		We ask for a Fuel heater and cooler			
		We ask for "H" type disc brake front and back			
		We ask for 6.5 cubic yards			
		We ask for a crusher pannel			
		We ask for 144 in			
		We ask for one cylinder in the front (Helps with roll-overs in landfill)			
		We ask for a rail mounted arm			
2018 Mack LR613 W/ Heil Durapack	\$265,131	Trade in	\$4,500	\$260,631	210-240 days
Rear tires 11R X 22.5 16 ply					
355 Hp @1500 rpmand 1260 lb tq @1300					
No fuel heater or cooler					
Hopper 5.2 cubic yards					
No crusher panel					
Arm reach 108 in					
Two cylinder to raise body					
Articulating arm					
		We ask for 11R x 22.5 20 ply			
		We ask for 370 Hp @ 1250 rpm and 1280 lb-tq @1300			
		We ask for a Fuel heater and cooler			
		We ask for 6.5 cubic yards			
		We ask for a crusher pannel			
		We ask for 144 in			
		We ask for one cylinder in the front (Helpwith roll-overs in landfill)			
		We ask for a rail mounted arm			
2016 Mack LR613 W/ New Way Sidewinder	\$264,443	Trade in	\$3,000	\$261,443	90-120 days
Not the latest, current production modal					
Rear end Ratio 4.50					
Front Tires 315/80R22.5 20ply					
Rear Tires 11R X 22.5 14 ply					
345 HP @ 1500 rpm and 1275 lbtq @ 1350 rpm					
No fuel heater or cooler					
Drum brakes					
Hopper 6 cubic yards					
		We ask for the latest modal			
		We ask for 5.31:1			
		We ask for 425/65RX22.5			
		We ask for 11R X 22.5 20 ply			
		We ask for 370 Hp @ 1250 Rpm and 1280 lb-ft @ 1300 rpm			
		We ask for a Fuel heater and cooler			
		We ask for "H" type disc brake front and back			
		We ask for 6.5 cubic yards			

2018 Mack LR613 W/ New Way Sidewinder	\$272,110	Trade in	\$3,000	\$269,110	240-270 days
Rear tires 11R X 22.5 16 ply		We ask for 11R x 22.5 20 ply			
355 Hp @1500 rpmand 1260 lb tq @1300		We ask for 370 Hp @ 1250 rpm and 1280 lb-tq @1300			
No fuel heater or cooler		We ask for a Fuel heater and cooler			
Hopper 6 cubic yards		We ask for 6.5 cubic yards			
2018 Mack LR613 W/GS Products Collecstar CS913	\$269,216.84	Trade in	\$3,200	\$266,016.84	220 days
Rear tires 11R X 22.5 16 ply		We ask for 11R x 22.5 20 ply			
355 Hp @1500 rpmand 1260 lb tq @1300		We ask for 370 Hp @ 1250 rpm and 1280 lb-tq @1300			
No fuel heater or cooler		We ask for a Fuel heater and cooler			
Full Eject		We ask for Dump Body			
Hopper 6 cubic yards		We ask for 6.5 cubic yards			
No door in body to clean out		We ask for a access door for maintenance			
8 in Chanel		We ask for 8 in tubing			
Nylatron Bearings non greaseable		We ask for grease fitting on all moving parts			
800 lbs per yard packed		We ask for 900 lbs. per yard packed			
Single T track guide		We ask for 2 Rails with replaceable plates			
No crusher panel		We ask for a crusher pannel			
No cut off valve		We ask fo r a cut off valve on the return			
1 year warranty on hoses and cylinders		We ask for 3 years			
Lift arm 600 lbs at full extension		We ask for 1000 lbs at full extension			
Belt Grabber		We ask for two grabber fingers coated with high friction rubber			
Manual close with holding valve		We ask for Automatically close when dumping tp prevent cart slippage			
Air over Hydraulic		We ask for electric over hydraulic			
2018 Mack LR613 W/ Bridgeport Ranger	Higher than picked Bid	\$274,825	Trade in	\$5,000	\$269,825
2018 Mack LR613 W/ Wayne Curbtender	Higher than picked Bid	\$291,366	Trade in	\$4,000	\$287,366
Autocar ACX 64 W/ New Way Sidewinder	Higher than picked Bid	\$299,182	Trade in	\$3,000	\$296,182



**AGENDA ACTION FORM**

**Reject the Bid for Fleet Maintenance Department Inground Vehicle Lifts**

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

Action Form No.: AF-244-2017  
 Work Session: September 18, 2017  
 First Reading: N/A

Final Adoption: September 19, 2017  
 Staff Work By: S. Hightower/H. Clabaugh  
 Presentation By: Ryan McReynolds

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

Bids were opened on June 7, 2017 for Fleet Maintenance inground vehicle lifts. This project consists of demolition, removal, and disposal of two (2) existing inground lifts; and also the construction, and installation of two (2) new inground vehicle lifts including new concrete foundation per structural design. One bid was received for this project in the total amount of \$419,000.00.

We request to reject the bid due to the cost being over the budgeted amount for this project. Staff will evaluate potential above ground vehicle lift systems for the safest, most efficient and cost effective to the City. We will proceed with this project when a concise comparison is determined.

**Attachments:**

1. Resolution
2. Bid Opening Minutes

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

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION REJECTING ALL BIDS RELATED TO THE  
FLEET MAINTENANCE INGROUND VEHICLE LIFTS**

WHEREAS, bids were opened June 7, 2017, for the demolition, removal, disposal and also the construction and installation of two new inground lifts at Fleet Maintenance; and

WHEREAS, only one bid was received and staff suggests rejecting that bid due to the bid being over the budgeted amount for this project, and to allow for evaluation of above ground vehicle lift systems for a safer, more efficient and cost effective project;

Now therefore,

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

**SECTION I.** That all bids opened June 7, 2017, relating to the Fleet Maintenance Department Inground Vehicle Lifts are rejected.

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

ADOPTED this the 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

MINUTES  
BID OPENING  
June 7, 2017  
4:00 P.M.

Present: Brent Morelock, Assistant Procurement Manager; and Michelle Ramey, Assistant Procurement Manager, Schools

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

The Assistant Procurement Manager opened with the following bids:

FLEET MAINTENANCE DEPARTMENT INGROUND VEHICLE LIFTS			
Vendor:	Qty.:	Demo/Removal/Disposal of Existing Lifts	Construction/Installation of New Lifts
Armstrong Construction Co., Inc.	2	\$48,200.00	\$161,300.00

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



**AGENDA ACTION FORM**

**Approve a Lease Agreement with Robert Brents**

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

Action Form No.: AF-250-2017  
 Work Session: September 18, 2017  
 First Reading: N/A

Final Adoption: September 19, 2017  
 Staff Work By: Lynn Tully, AICP  
 Presentation By: Lynn Tully, AICP

**Recommendation:**

Approve a resolution to lease approximately 13.624 acres of property to Robert Brents for use as a golf course driving range.

**Executive Summary:**

Mr. Brents approached the city several months ago with a proposal to use the property currently owned by the city off of Stonebrook Drive for a golf course driving range. The property was used privately for that purpose under a previous lessee. The property was originally donated to the city for flood control and wetlands mitigation purposes. Prior to the previous driving range lease the city maintained the property at an annual cost of approximately \$1,600. There is no cost for maintenance of the property as the lease would include regular maintenance and security. The lease is proposed for a nominal fee of \$20/month for the next 6 months, escalating to \$50/month for the following six months and \$100/month for the next year with any renegotiation of the lease as the city deems necessary. The tenant is responsible for all maintenance, security, utilities, and insurance necessary for the property. The Storm Water Utility Director has reviewed and approved this use as appropriate at this time and no other issues have been identified by city departments regarding use of the property.

**Attachments:**

1. Resolution to Approve Lease Agreement
2. Plat Identifying the Property Being Leased

Funding source appropriate and funds are available: \_\_\_\_\_

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A LEASE AGREEMENT WITH ROBERT BRENTS; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, in June 2011, the city received approximately 13.624 acres from Four Leaf Properties LLC; and

WHEREAS, the property was donated for future use in flood control and wetlands mitigation; and

WHEREAS, the property must be maintained annually at an approximate cost of more than one thousand six hundred dollars and brings in no revenue in its current state; and

WHEREAS, a lease for use as a golf course driving range will not only maintain the property in a better condition than current and create a small stream of revenue until necessary for mitigation purposes.

Now therefore,

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

SECTION I. That an agreement to lease property to Robert Brents for a golf course driving range, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement to lease approximately 13.624 acres to Robert Brents, and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

LEASE

This Lease (hereinafter called "Lease") is made effective as of the \_\_\_ day of September, 2017 by and between the City of Kingsport, Tennessee, a municipal corporation organized under the laws of state of Tennessee (hereinafter called "Landlord") and Robert Brents, (hereinafter called "Tenant").

WITNESSETH:

In consideration of the mutual covenants, promises and rents contained herein the parties agree as follows:

**SECTION 1.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by Tenant, a parcel of land (hereinafter called "Leased Premises") located at Stonebrook Place, Kingsport, Tennessee and described as follows:

BEING all of Lot 1, containing 13.624 acres, more or less, as shown on plat entitled "Division of Four Leaf Properties, LLC", of record in the Register's Office for Sullivan County at Blountville, Tennessee in Plat Book 53, Page 354, to all of which reference is hereby expressly made.

Being part of the property conveyed to Four Leaf Properties, LLC by Warranty Deed dated May 21, 2008, of record in the aforesaid Register's Office in Deed Book 2688C, Page 242.

Part of Tax Map 46B, Group H, Parcel 3.00 and Parcel 3.00 S/I 001

This Property is located off of Stonebrook Drive.

**SECTION 2.**

2.1 As part of its rent Tenant shall keep the leased Premises mowed to reasonable satisfaction of

the Landlord, make and maintain in good condition certain improvements to the Leased Premises, subject to the requirements of Section 7 herein below. Any improvement shall include golf course driving range and its accessory structures, which shall be permanently affixed to the Leased Premises. If there are changes to the current construction, the improvements must be fully and properly completed to the satisfaction of Landlord within 150 days of the effective date of this Lease. Tenant shall not allow the Leased Premises to be open to the public until the improvements are fully completed to the satisfaction of Landlord. Landlord may, in its sole discretion and for any reason, including aesthetics, reject proposed improvements and Tenant shall be obligated to install improvement satisfactory to Landlord. In addition to the improvements listed in this paragraph 2.1, Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of one hundred twenty Dollars (\$120) for the first six months payable in advance in equal monthly installments of twenty Dollars (\$20) each on the first day of each month during the first six (6) months of Lease. Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of three hundred Dollars (\$300) for the seventh month through the twelfth month payable in advance in equal monthly installments of fifty Dollars (\$50) each on the first day of each month during the seventh month until the second year of Lease. Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of one thousand two hundred Dollars (\$1,200) per annum payable in advance in equal monthly installments of one hundred Dollars (\$100) each on the first day of each month during the second year of Lease.

**2.2** All rentals payable by Tenant to Landlord under this Lease shall be paid to Landlord at the office of Landlord herein designated by it for notices or to such other place as Landlord may designate in writing to Tenant at least ten (10) days before such rental payment.

**2.3** Tenant shall promptly pay all rentals herein prescribed when and as the same shall become due and payable.

**2.4** If Landlord shall pay any monies or incur any expenses to cure any default of Tenant hereunder, the amounts so paid or incurred shall, at Landlord's option, and on notice to Tenant, be considered additional rentals, payable by Tenant with the first installment of rental thereafter becoming due and payable, and may be collected or enforced as by law provided in respect of rentals.

### **SECTION 3.**

**3.1.** The Leased Premises shall be used by Tenant only for the use and attendant services of a typical Golf Course Driving Range and bicycle rental facility, and provided a limited amount of golf related items are offered for retail sale Tenant may not sell items not related to the sport of golfing, and for no other purpose or use.

**3.2.** Tenant shall comply in all respects with all applicable federal, state and local laws, rules, regulations and orders, including, without limitation, those relating to pollution, reclamation or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, or hazardous or toxic materials or wastes into the air, water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes. No part of the Leased Premises or improvements thereon shall be used in any manner whatsoever for any purposes in violation of the laws, ordinances, regulations or orders of the United States, or of the State, County and/or City where the Leased Premises are located, or of any duly constituted subdivision, department or board thereof.

**3.3** Tenant shall not knowingly use or occupy the Leased Premises or any part thereof, or suffer or permit the same to be used or occupied for any business or purpose deemed extra hazardous on account of fire or otherwise; and if, by reason of the use and occupancy of the Leased Premises, the policy covering the Leased Premises (Fire Insurance, Extended Coverage or Liability) is to be cancelled or the rate of said insurance shall be increased, the Landlord shall have the option of terminating this Lease, or, on demand, Tenant shall pay to Landlord the amount of such increase (but such increase in the rate of insurance shall not be deemed a breach of this covenant by Tenant).

**3.4** Tenant covenants and agrees that Tenant shall not create or maintain, or permit others to create or maintain, any nuisance, public or private, including, without limiting the foregoing, language, loud noises, sound effects, offensive odors, smoke or dust in or about the Leased Premises or do any act or fail to do any act which constitutes waste, and Tenant, at its own expense, shall keep the Leased Premises clean, neat and free from all trash and rubbish.

**3.5** Tenant agrees that it shall not use, occupy or permit the Leased Premises to be used or occupied for any unlawful purposes or for purposes not specified in this Lease.

**3.6** Tenant agrees that it shall not use, occupy or permit the Leased Premises or any part of the Leased Premises to be used or occupied, or do or permit anything to be done in or on the Leased Premises in any manner which shall cause or be likely to cause damage to the Leased Premises or any part thereof.

**3.7.** Tenant shall indemnify, defend and hold Landlord harmless from and against any loss, cost, damage or expense, including, without limitation, attorneys' fees and costs of site investigation and clean up, incurred by or imposed upon Landlord as a result of the breach by Tenant of its obligations in this Section 3.

#### **SECTION 4.**

**4.1** The term of this Lease shall be for one year and shall begin on the \_\_\_\_\_ day of September, 2017 and end on the \_\_\_\_\_ day of September, 2019. It is expressly understood and agreed that this Lease shall be binding upon both parties from the date first written above until the termination or expiration of the term of the Lease. By written mutual agreement of the parties the term of this Lease may be renewed for a one year term for a maximum of eight renewals following the initial term of this Lease.

**4.2** After the initial term of the Lease either party may at any time terminate this Lease without cause and for such party's convenience and such termination shall not be deemed a breach of this Lease. The party exercising this termination for convenience shall give the other party thirty (30) days written notice prior to the effective date of the termination. As a result of a termination of the Lease under this paragraph 4.2 the nonterminating party shall have no right to any damages, however characterized or incurred, including actual, general, special, incidental, consequential, or other damages.

**4.3** If Tenant, for any reason and without exception, ceases or fails to operate a golf driving range on the adjacent property this Lease shall immediately and automatically terminate, and Tenant shall not be entitled to any damages from Landlord for such termination.

**SECTION 5.** Upon occupying the Leased Premises, Tenant thereby accepts the same as is and acknowledges that the improvements on the Leased Premises are in a habitable condition. Tenant has examined the Leased Premises and acknowledges the Lease Premises is in a condition and state of repair for Tenant's intended use and that the utilities available to the Leased Premises and the capacity of the utilities are of adequate capacity for Tenant's use, and Landlord does not warrant their condition in any respect. All improvements to the Leased Premises by Tenant shall be may in accordance with the provisions contained in Section 7 herein.

**SECTION 6.** Tenant shall repair and maintain the Leased Premises, in good order, condition, and repair (including any such replacement and restoration as is required for that purpose) without limitation, interior and exterior painting, all plate glass, windows, doors, hardware, plumbing lines and fixtures, gas pipes, electric wiring, electric fixtures and equipment, light fixtures, bulbs & ballasts, heating, ventilating, and air conditioning systems, walls, floors, floor coverings, ceilings and all machinery, equipment and facilities forming a part of any improvements to the Leased Premises. Should Tenant fail to make any repairs or restoration for which Tenant is responsible under this Lease, Landlord may, but shall not be obligated to, make same at Tenant's expense, and the cost thereof shall be considered additional rent due hereunder payable immediately.

**SECTION 7.** Tenant shall not make any alterations or additions to the Leased Premises without Landlord's prior written consent, which consent may be withheld by the Landlord in its sole discretion for any reason. Landlord shall not be liable for the cost of any alterations or additions, all of which are hereinafter referred to in this Section 7 as "alterations" made by Tenant, and Tenant shall indemnify and save Landlord harmless on account of claim for mechanics', materialmen's or other liens in connection with any alterations made by Tenant, and any such liens shall exist only against Tenant's leasehold interest, and not against Landlord's interest, whether in fee or otherwise. Upon Landlord's request, Tenant shall provide Landlord a waiver of lien from any contractor performing work to the Leased Premises. All alterations made by Tenant shall be in full compliance with all applicable building laws, ordinances and regulations. All alterations made by either party shall inure to Landlord's benefit and shall become a part of the Leased Premises and shall belong to Landlord absolutely as soon as made.

**SECTION 8.** Tenant recognizes that the Leased Premises owned by the Landlord is not currently subject to real property taxes, but may become taxable due to this Lease. Tenant agrees to pay any real property taxes levied with respect to the Leased Premises due to the leasing of the Leased Premises to Tenant or because of its use, whether such real property tax is levied by the United States of America, the state of Tennessee, Sullivan County, Tennessee or the City of Kingsport, Tennessee. Tenant shall pay and be liable for all taxes levied against personal property and trade fixtures placed by Tenant in or on the Leased Premises. Taxes may be paid as additional rent, but in any event Tenant shall be liable for the payment of real property taxes or personal property taxes levied as a result of its use of the Leased Premises, whenever it is due and payable.

## **SECTION 9.**

**9.1.** This Lease and the tenancy hereby created shall cease and terminate at the end of the Term, as the same may be extended as permitted in Section 4 hereof, without the necessity of any notice from either Landlord or Tenant to terminate the same, and Tenant hereby waives notice to vacate the Leased Premises and agrees that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of Leased Premises from a Tenant holding over to the same extent as if statutory notice had been given.

**9.2.** At the expiration or earlier termination of this Lease, Tenant shall, at Tenant's expense, remove all of Tenant's personal property, and repair all injury done by or in connection with the installation or removal of said property, and surrender the Leased Premises, broom clean and in as good condition as it was at the beginning of the Term, reasonable wear and damage excepted. All property of Tenant remaining on the Leased Premises after the expiration or earlier termination of this Lease shall be conclusively deemed abandoned and at Landlord's option, may be retained by Landlord, or may be removed and disposed of by Landlord in any manner it sees fit in its sole discretion, and Tenant shall reimburse Landlord for the cost of such removal and disposal. Landlord may have any such property stored at Tenant's risk and expense.

**9.3.** Tenant may terminate this Lease upon the breach of any of the terms of this Lease by Landlord that is not adequately remedied within twenty (20) consecutive calendar days of the mailing of written notices thereof to Landlord, provided that if the nature of Landlord's default is such that more than twenty (20) consecutive calendar days are reasonably required for its cure, then Landlord shall not be deemed to be in default if the Landlord commences to cure within the twenty (20) day period and thereafter diligently prosecutes such cure to completion.

**9.4.** Landlord may in its sole discretion terminate this Lease and take possession of the Leased Premises if Tenant fails to observe or perform any of the express covenants or provisions of this Lease where such failure shall continue for a period of twenty (20) consecutive calendar days after written notice thereof from Landlord to Tenant, provided that if the nature of Tenant's default is such that more than twenty (20) consecutive calendar days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences to cure within the twenty (20) day period and thereafter diligently prosecutes such cure to completion.

**SECTION 10.** Tenant shall pay for all utilities needed or used on the Leased Premises, including gas, electric, light, and water and sewer charges, along with private garbage service incurred during the term of this Lease or for any holdover period.

**SECTION 11.** No signs shall be constructed or painted on the windows, doors, outside walls, roof or exterior of the building on the Leased Premises or in or around the grounds of the Leased Premises, without the prior written consent of Landlord, which consent may be withheld by the Landlord in its sole discretion for any reason, and Landlord reserves the right to require Tenant to remove any such signs not previously consented to by Landlord from said roof, windows, doors, outside walls or exterior of the building on the Leased Premises. In the event Tenant does not promptly remove any such sign or signs upon notice from Landlord to do so Landlord shall have the right to remove such sign or signs at Tenant's expense, and Tenant shall promptly reimburse Landlord therefor.

## **SECTION 12.**

**12.1.** Tenant shall keep in force at its own expense so long as this Lease remains in effect, public liability insurance covering the Leased Premises with a company or companies acceptable to Landlord and licensed to do business in Tennessee under a policy or policies in a form acceptable Landlord naming the Landlord as an additional insured with minimum limits of \$1,000,000.00 on account of bodily injuries to or death of one person; \$2,000,000.00 on account of bodily injuries to or death of more than one person as the result of any one accident or disaster; and property damage insurance with minimum limits of \$100,000.00. Tenant shall deposit a certified copy of the policy or policies of such insurance, with Landlord not less than five (5) days prior to the effective date of such policy or policies. The policy or policies of insurance shall contain a provision that they may not be cancelled, changed or non-renewed without first giving thirty (30) days notice to Landlord of any change, cancellation, or non-renewal.

**12.2** If the insurance policy or policies expire during the term of this Lease, a renewal certificate or binder shall be filed with Landlord fifteen (15) days prior to the renewal date. If Tenant shall not comply with its covenants made in this Section 13, Landlord may, at its option, cause insurance as aforesaid to be issued, and in such event Tenant agrees to pay the premiums for such insurance promptly upon Landlord's demand.

**12.3.** To the extent possible, Tenant shall obtain, for each policy of insurance secured by it, provisions permitting waiver of any claim against Landlord for loss or damage within the scope of the insurance, and Tenant, for itself and its insurers, waives all claims against the Landlord as to such claims covered by such insurance. Nothing herein shall be construed to vary the force and

effect of paragraph 12.1 of this Section 12, and nothing contained in this Section 12 shall be deemed to excuse Tenant from its own negligence.

**12.4** It shall be Tenant's sole responsibility to insure and keep insured, at Tenant's expense, all personal property which is owned by the Tenant, or any other authorized occupant of the Leased Premises, and which is placed or stored in or on the Leased Premises, and it is agreed that Landlord shall have no responsibility to effect such insurance.

**SECTION 13.** Tenant shall indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability, and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Tenant of the Leased Premises or any part thereof, occasioned wholly or in part by any act or omission of Tenant, its agents, employees, invitees, or licensees.

**SECTION 14.** Landlord shall not be liable for loss of or damage to any property at any time located in or about the Leased Premises, whether or not Tenant is the owner thereof, including but not limited to any loss, damage or injury resulting from steam, gas, or electricity, or from water, rain, snow, ice, or other substance which may leak into, or issue or flow from any part of the Leased Premises, or from the pipes or plumbing work of the Leased Premises, or from or into any other place. Landlord shall be under no liability to Tenant on account of any discontinuance of heat, electricity, sewer, water, air-conditioning, sprinkler, gas, and/or other utility, convenience, service, or facility, however such discontinuance may be caused, and no such discontinuance shall constitute constructive eviction or any ground for termination of this Lease by Tenant.

**SECTION 15.** If at any time the Leased Premises become totally untenantable by reason of damage or loss by fire or other casualty and such fire, flood or other casualty shall not have been caused by the negligence or wrongful act or omission of Tenant, Tenant's servants, agents, licensees, or invitees, the rent shall abate until the Leased Premises shall have been restored to tenantable condition, but nothing herein is to be construed as requiring Landlord to restore or rebuild the Leased Premises. If the Leased Premises are so damaged, but not to the extent that they are totally untenantable, Tenant shall continue to occupy the tenantable portion thereof, and the rent shall abate in proportion to the untenantable portion of the Leased Premises. In the event of a loss from fire or other casualty, Landlord shall have an election not to rebuild or recondition the Leased Premises, which such election may be exercised by written notice thereof to Tenant, given within thirty (30) days from the date of such casualty. If Landlord exercises such election, this Lease shall cease and terminate, effective on the date of such loss, and Tenant shall pay the accrued rent up to the date of such loss, or Landlord, if the rent has been paid beyond such date, shall refund to Tenant the proportionate part of any such rent prepaid, and thereupon this Lease shall terminate, with no further obligation on the part of either party hereto for matters thereafter accruing, even though the building may at a later date be rebuilt, restored or reconditioned. No damage or destruction shall allow Tenant to surrender possession of the Leased Premises, nor affect Tenant's liability for the payment of rent, except as may be specifically provided in this Lease, and, as amended or recodified, shall have no application to this Lease or to the parties hereto.

**SECTION 16.** If the Leased Premises or any part thereof shall be taken by eminent domain or by negotiated purchase under threat thereof, this Lease shall terminate on the date when title vests pursuant to such taking, and the rent shall be apportioned as of said date. Tenant shall not be entitled to any part of the award or any payment in lieu thereof, excepting that Tenant shall be entitled to any separate award rendered for trade fixtures installed by Tenant at its own cost and expense and which are not part of the realty, and for Tenant's moving expenses.

**SECTION 17.** Tenant shall permit Landlord, its agents, and employees, upon reasonable notice to enter the Leased Premises and all parts thereof during business hours to inspect the same and to enforce or carry out any provision of this Lease, or to show it to prospective purchasers or tenants; provided that, in the case of emergency, Landlord may enter without notice. No compensation shall be asked or claim made by Tenant by reason of any inconvenience or annoyance arising from anything that may be done in repairing, altering, working on or protecting the Leased Premises or building, however the necessity may arise, but this Section 18 shall not be construed as imposing any duty on Landlord to make any repairs, alterations or additions.

**SECTION 18.** Tenant shall not assign, or transfer this Lease in whole or in part, nor sublet all or any part of the Leased Premises nor permit the use of any part of the Leased Premises by any other person, firm, affiliate, or entity without first obtaining the written consent of Landlord. Consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. The consent of Landlord referred to herein may be withheld for any reason in Landlord's sole discretion.

**SECTION 19.** Tenant covenants and agrees that it shall perform all agreements herein expressed

on its part to be performed, and that it shall promptly, upon receipt of written notice specifying Tenant's failure to comply with the terms hereof, commence to comply with such notice. If Tenant shall not commence and proceed diligently to comply with such notice to the reasonable satisfaction of Landlord within five (5) days after delivery thereof, then Landlord may, at its option, enter upon the Leased Premises, and do the things specified in said notice, and Landlord shall have no liability to Tenant for any loss or damage resulting in any way from such action by Landlord, and Tenant agrees to pay promptly upon demand, any reasonable expense incurred by Landlord in taking such action, including Landlord's administrative expenses.

**SECTION 20.** Except for the right to cure set out in Section 10 if Tenant defaults in the payment of rent or additional rent or defaults in the performance of any of the covenants or conditions hereof, if the Tenant shall compound its debts, or make an assignment for the benefit of creditors, or if a receiver or trustee is applied for or appointed for the Tenant, or if there be filed a petition in bankruptcy or insolvency, or for an arrangement for reorganization by or against the Tenant, or if the Tenant is adjudicated a bankrupt or is adjudged to be insolvent, or if there is advertised any sale of Tenant's property under process of law, or if the assets or property of the Tenant in the Leased Premises shall be attached or levied upon, then Landlord may terminate this Lease without further notice to Tenant, which notice is hereby expressly waived, and this Lease shall expire as fully and completely as if that day were the date herein originally fixed for the expiration of the term, and Tenant shall quit and surrender the Leased Premises to Landlord, but Tenant shall nevertheless continue to remain liable hereunder. Landlord may at any time thereafter re-enter the Leased Premises and remove all persons and property therefrom by any suitable action or proceeding at law or in equity or by force or otherwise, without being liable for any prosecution thereof or any damages arising therefrom and repossess and enjoy the Leased Premises. Such reentry shall not relieve Tenant of the obligation to make the rental payments required by this Lease at the time and in the manner provided herein. Upon such re-entry, Landlord may, but shall not be required to, repair, alter, remodel and/or change the character of the Leased Premises as Landlord may see fit and/or at any time relet the Leased Premises in whole or in part for any period of time that Landlord elects, whether longer or shorter than the unexpired portion of the term of this Lease, as agent of Tenant, or otherwise, in the name of Landlord or of Tenant, as Landlord shall see fit, and Landlord may receive the rents therefor, applying the same first to the payment of such reasonable expenses as Landlord may have incurred in entering, dispossessing, retelling, repairing or altering the Leased Premises, and then to the fulfillment of the covenants of Tenant herein, including but not limited to the rental payments required hereunder, retaining any balances until the date the term of this Lease would otherwise have expired as security for the payment of all obligations of Tenant which may arise and be unpaid during such period. In attempting to relet the Leased Premises, Landlord shall be the sole judge as to whether or not a proposed tenant is suitable and acceptable. Landlord shall not, by receiving partial payments of rents in arrears, be deemed to have waived any rights herein for nonpayment of rent or for any other default on the part of Tenant.

**SECTION 21.** In any case where Landlord has recovered possession of the Leased Premises by reason of Tenant's default, Landlord may at Landlord's option occupy the Leased Premises or cause the Leased Premises to be redecorated, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for reletting, and may relet the Leased Premises or any part thereof as agent of Tenant or otherwise, for a term or terms to expire prior to, at the same time as or subsequent to, the original expiration date of this Lease, at Landlord's option, and receive the rent therefor, applying the same first to the payment of such reasonable expense as Landlord may have incurred in connection with the recovery of possession, redecorating, altering, dividing, consolidating with other adjoining premises, or otherwise changing or preparing for reletting and the reletting, including reasonable brokerage and reasonable attorney's fees, and then to the payment of damages in amounts equal to the rent hereunder and to the cost and expense of performance of the other covenants of Tenant as herein provided; and Tenant agrees, whether or not Landlord has relet, to pay the Landlord damages equal to the rent and other sums herein agreed to be paid by Tenant, less the net proceeds of the reletting, if any, as ascertained from time to time, and the same shall be payable by Tenant on the several rent days above specified. In reletting the Leased Premises as aforesaid, Landlord may grant rent concessions, and Tenant shall not be credited therewith. No such reletting shall constitute a surrender and acceptance or be deemed evidence thereof. Tenant shall not be entitled to any surplus accruing as a result of any reletting. If Landlord elects pursuant hereto to occupy and use the Leased Premises or any part thereof during any part of the balance of the Term as originally fixed or since extended, there shall be allowed against Tenant's obligation for rent or damages as herein defined, during the period of Landlord's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent herein reserved and such occupancy shall not be construed as a release of Tenant's liability

hereunder.

**SECTION 22.** If for any reason Tenant shall refuse or decline to surrender the Leased Premises upon default or expiration or termination of the Lease, then Tenant's occupancy subsequent to such expiration or termination shall be deemed to be that of a tenant at will, and in no event from month to month, or from year to year, subject to all of the terms, covenants and conditions of this Lease applicable thereto, and no extension or renewal of this Lease shall be deemed to have occurred by such holding over.

**SECTION 23.** No mention in this Lease of any specific right or remedy shall preclude Landlord from exercising any other right or from having any other remedy, or from maintaining any action to which it may otherwise be entitled either at law or equity; and the failure of Landlord to insist in any one or more instance upon a strict performance of any covenant of this Lease or to exercise any option or right herein contained shall not be construed as a waiver or relinquishment for the future of such covenant, right or option, but the same shall remain in full force and effect unless the contrary is expressed in writing by Landlord.

**SECTION 24.** This Lease and the covenants and conditions herein contained shall inure to the benefit of and are binding upon Landlord, its successors and assigns, and shall be binding upon Tenant, its permitted successors and assigns, and shall inure to the benefit of Tenant and its permitted assigns.

**SECTION 25.** Landlord and Tenant shall be excused for the period of any delay in the performance of any obligation hereunder when prevented from so doing by cause or causes beyond its control which shall include, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services or financing or through Acts of God.

**SECTION 26.** If Landlord, in Landlord's sole discretion, shall deem it necessary to employ an attorney to assert any right of Landlord or enforce any obligation of Tenant hereunder, Landlord shall be entitled to recover, in addition to the other costs and expenses herein provided for, the reasonable costs and charges of such attorney.

**SECTION 27.** Tenant waives any and all notice required by law, other than such notice as may be specifically required in this Lease. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To the Landlord at:

City Manager  
City of Kingsport  
225 West Center Street  
Kingsport, TN 37660

With a copy to:

City Attorney  
City of Kingsport  
225 West Center Street  
Kingsport, TN 37660

To the Tennant at:

Either party may, at any time or from time to time, designate in writing a substitute address for that above set forth, or thereafter notices shall be directed to such substitute address.

**SECTION 28.** This Lease shall be governed by and construed in accordance with the laws of the state of Tennessee without regard to its conflict of laws rules. All legal proceedings relating to the subject matter of this Lease shall be maintained in the state courts for Kingsport, Sullivan County, Tennessee, and the parties agree that jurisdiction and venue for any such legal proceeding shall lie exclusively with such courts.

**SECTION 29.** The captions and headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision or the scope or intent of this Lease nor in any way affect this Lease.

**SECTION 30.** In the event that two (2) or more individuals, corporations, partnerships or other business associations (or any combination of two (2) or more thereof) shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay rent and perform all other obligations hereunder shall be deemed to be joint and several. In like manner, in the event that Tenant shall be a partnership or other business association, the members of which are, by virtue of statute or general law, subject to personal liability, then the liability of each such member shall be deemed to be joint and several.

**SECTION 31.** Tenant shall be responsible for its own telephone service and installation of telephone equipment in the Leased Premises.

**SECTION 32.** Except for Hazardous Materials brought, kept, or used in the Leased Premises in commercial quantities similar to those quantities usually kept on similar premises by others in the same business, and which are used and kept in compliance with applicable public health, safety, and environmental laws, Tenant shall not allow any Hazardous Material to be located in, on, or under the Leased Premises or allow the Leased Premises to be used for the manufacturing, handling, storage, distribution, or disposal of any Hazardous Material. Tenant shall comply with all federal, state, or local laws, ordinances, regulations, and orders applicable to the Leased Premises or the use thereof relating to environmental protection, or the use, analysis, generation, manufacture, storage, disposal, or transportation of any Hazardous Material. Tenant shall, at its sole cost and expense, arrange for the removal and disposal of all Hazardous Materials generated or stored in the Leased Premises, which removal and disposal shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and orders. If Tenant becomes aware of the presence of any Hazardous Material in the Leased Premises (except for those Hazardous Materials permitted above) or if Tenant or the Leased Premises become subject to any order to repair, close, or otherwise cleanup the Leased Premises, Tenant shall, at its own cost and expense, carry out and complete any repair, closure, or other cleanup of the Leased Premises. If Tenant fails to implement and diligently pursue any such repair, closure, or other cleanup, Landlord may, but shall not be obligated to, carry out such action and recover all of the costs and expenses from Tenant. As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste regulated or listed pursuant to any federal, state, or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act, and the Occupational Safety and Health Act, or any other toxic substance.

**SECTION 33.**

**33.1.** If any term or provision of this Lease is declared invalid or unenforceable, the remainder of this Lease shall not be affected by such determination and shall continue to be valid and enforceable.

**33.2.** The parties executing this Lease warrant that this Lease is being executed with full corporate authority and that the officers whose signatures appear hereon are duly authorized and empowered to make and execute this Lease in the name of the corporation by appropriate and legal resolution.

**33.3.** Wherever in this Lease either Tenant or Landlord shall have agreed or promised to perform certain acts or otherwise where the context of this Lease would require such performance to occur after the termination or expiration of the Lease, then those agreements and covenants shall survive the termination or expiration of the Lease and continue to bind Tenant and Landlord.

**33.4.** This written Lease constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Leased Premises. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Lease and no waiver of any of its terms and conditions shall be effective unless in writing and duly executed by the parties hereto.

**33.5.** This Lease may be executed in one or more counterparts, each of which shall be an original, and all of which when taken together shall constitute one and the same document.

**IN WITNESS WHEREOF,** the parties hereto have executed this Lease 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 19th day of September, 2017.

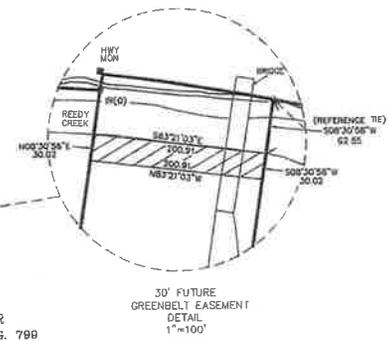
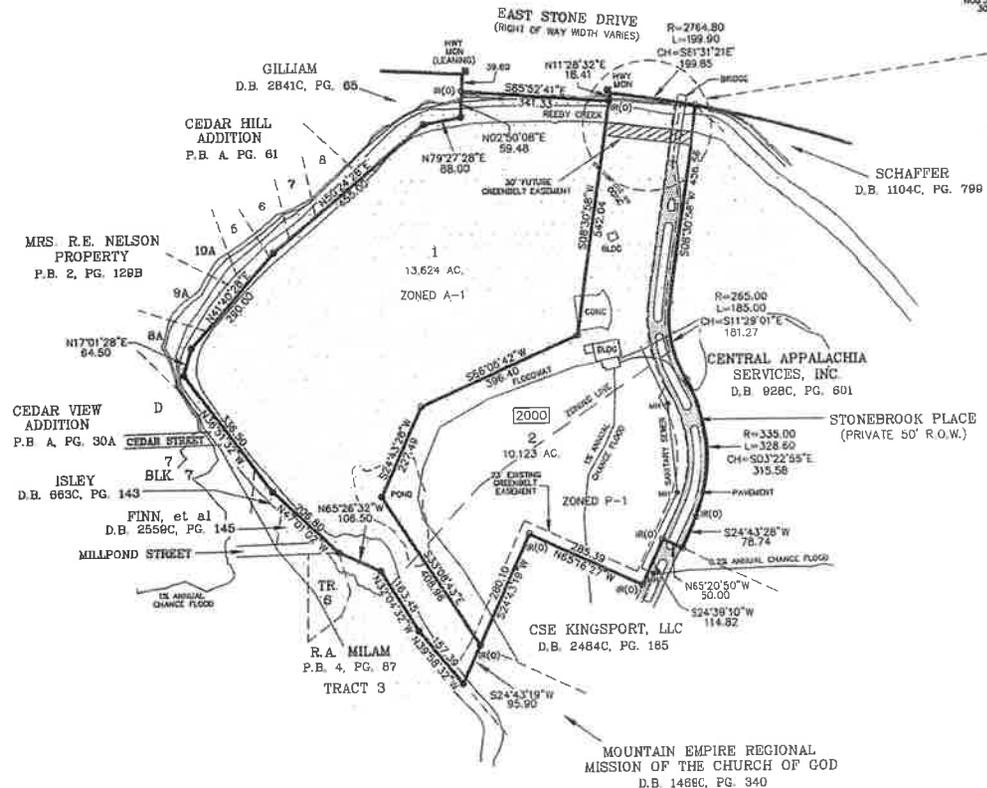
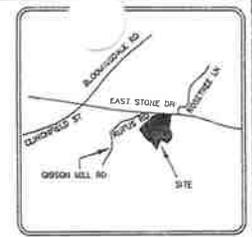
ATTEST:

\_\_\_\_\_  
James H. Demming, City Recorder

\_\_\_\_\_  
John Clark, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
J. Michael Billingsley, City Attorney



UNARY LONG  
RESURVEY OF DEEDS  
SULLIVAN COUNTY, TENNESSEE  
05 MAY 2011 TIME 02:29 p  
ACOV: PAGES 04:02 088-  
TAX: 0 07:58  
FEE: 16.00 TOTAL 17.50  
REC'D PT NO. 2011-04048

27846

Slide A-817  
BOOK 20252 PAGE 0364

**LEGEND**

- IR(O) IRON ROD, OLD
- o POINT IN CREEK/POND
- DB DEED BOOK
- PC PAGE
- PB PLAT BOOK
- AC ACRES
- HWY HIGHWAY
- MON MONUMENT
- BLDC BUILDING
- MH MANHOLE
- R.O.W. RIGHT OF WAY
- N.T.S. NOT TO SCALE
- [73] 911 ADDRESS

LOT 1 IS BEING ACQUIRED BY THE CITY OF KINGSFORT FOR STORM WATER MANAGEMENT

**NOTES:**

- 1) NORTH BASED ON KINGSFORT GEODETIC REFERENCE NETWORK
- 2) PROPERTY IS ZONED A-1 AND P-1  
SETBACKS: A-1 P-1  
FRONT 50' SAME AS MOST RESTRICTIVE ADJACENT ZONING  
REAR 50' 12'  
SIDE 20' 12'
- 3) SETBACKS TO CONFORM TO ZONING DESIGNATION  
THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD INSURANCE ADMINISTRATION BOUNDARY MAP 47163C0045D EFFECTIVE DATE SEPTEMBER 29, 2006 AND FOUND THAT THE ABOVE PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA AS SHOWN JOB NO. 11-8803
- 4) ACAD FILE 11-8803 BUCHANAN (FOUR LEAF FINANCIAL CORP),DWC
- 5) FIELD BOOK 610, PAGE 74
- 6) TAX MAP 46-B "H" PARCEL 3
- 7) DEED REFERENCE: D.B. 2688C, PAGE 242
- 8) 3/4" IRON RODS SET ON ALL CORNERS UNLESS OTHERWISE NOTED.
- 9) 6" UTILITY AND DRAINAGE EASEMENT ALONG SIDE AND REAR LOT LINES; 12' ALONG FRONT OF ALL LOTS.
- 10) SURVEY BASED ON REFERENCE DEED AND PREVIOUS SURVEY BY HAWK COUNTRY, ENTITLED "MAP OF COUNTRYSIDE HEALTHCARE, LTD. SITE WALDEN COUNTRYSIDE VILLAGE SITE" DATED OCTOBER 1, 1984
- 11)

**CERTIFICATE OF OWNERSHIP AND DESIGNATION**  
I HEREBY CERTIFY THAT I AM AN OWNER OF THE OWNERSHIP OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HAVE HEREBY ADOPTED THIS PLAN OF SUBDIVISION WITH MY OWN FREE CONSENT; ESTABLISH THE BUILDING LINES, AND DEDICATE ALL STREETS, ALLEYS, WALKS, PAGES, AND OTHER OPEN SPACE, TO PUBLIC OR PRIVATE USE AS NOTED.  
DATE 5-2-11  
Signature: [Handwritten Signature]



**ALLEY & ASSOCIATES, INC.**  
o SURVEYORS o  
246 E. MARKET STREET  
KINGSFORT, TENNESSEE 37660  
TELEPHONE (423) 382-8888  
FAX: (423) 382-8886

<b>CERTIFICATE OF ACCURACY</b> I HEREBY CERTIFY THAT THE PLAN SHOWN AND DESCRIBED HEREON IS A TRUE AND CORRECT SURVEY TO THE ACCURACY REQUIRED BY THE KINGSFORT, TENNESSEE REGIONAL PLANNING COMMISSION AND THAT THE ADJUSTMENTS HAVE BEEN PLACED AS SHOWN HEREON. DATE 05-03-11 Signature: [Handwritten Signature] REGISTERED SURVEYOR		<b>CERTIFICATION OF THE APPROVAL FOR 911 ADDRESSING ASSIGNMENT</b> I HEREBY CERTIFY THAT THE ADDRESSES, AS NOTED ON THE FINAL PLAN, ARE APPROVED AS ASSIGNED. DATE 05-03-11 CITY GIS DIVISION DIRECTOR OF 911 ADDRESSING		<b>CERTIFICATION OF THE APPROVAL OF SEWERAGE SYSTEM</b> I HEREBY CERTIFY THAT THE SEWERAGE DISPOSAL SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE TENNESSEE DEPARTMENT OF ENVIRONMENT & CONSERVATION AND IS HEREBY APPROVED AS SHOWN. DATE 5-3-11 KINGSFORT AUTHORIZING AGENT		<b>CERTIFICATION OF APPROVAL OF PUBLIC WATER SYSTEM</b> I HEREBY CERTIFY THAT THE PUBLIC WATER UTILITY SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE KINGSFORT WATER UTILITY SYSTEM AND IS HEREBY APPROVED AS SHOWN. DATE 5-3-11 KINGSFORT AUTHORIZING AGENT		<b>CERTIFICATE OF APPROVAL FOR RECORDING</b> I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS FOR KINGSFORT, TENNESSEE, WITH THE EXCEPTION OF SUCH VARIANCES, IF ANY, AS ARE NOTED IN THE NOTES OF THIS PLANNING COMMISSION AND THAT IT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE SULLIVAN COUNTY REGISTER IF REQUIRED A SURVEY BOUNDARY OF A... DATE 5-5-11 SECRETARY KINGSFORT REGIONAL PLANNING COMMISSION		<b>DIVISION OF FOUR LEAF PROPERTIES, LLC</b> <b>KINGSFORT REGIONAL PLANNING COMMISSION</b> TOTAL ACRES 33.747 TOTAL LOTS 2 ACRES NEW ROAD 0 MILES NEW ROAD 0 OWNER FOUR LEAF PROPERTIES, LLC CIVIL DISTRICT 11TH SURVEYOR ALLEY & ASSOCIATES, INC. CLOSURE ERROR 110.000 SCALE 1"=200'	
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Sewer and water not available for new lot 1.



**AGENDA ACTION FORM**

**Application for TDOT “Transportation Alternative” Funds for Further Development of the Kingsport Greenbelt**

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

Action Form No.: AF-243-2017  
 Work Session: September 18, 2017  
 First Reading: N/A

Final Adoption: September 19, 2017  
 Staff Work By: Bill Albright/Mike Thompson  
 Presentation By: Kitty Frazier/Mike Thompson

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

Over the past several years the City has been applying for and receiving federal funds through the Tennessee Department of Transportation for continued development of the “Greenbelt” walking and biking pathway. Once again TDOT is accepting applications until October 1, 2017 for new projects. For the Fiscal Year ‘18 application, the City’s Greenbelt Advisory Committee, along with Staff research and support, is recommending that the City apply for funds to continue building westward past the Rotherwood Mansion in Hawkins County. The “West End” section will begin at Rotherwood Drive (the current Greenbelt terminus) and extend along the south side of Netherland Inn Road to Lewis Lane next to the old National Guard Armory site. This will allow the Greenbelt to tie in with Stone Drive at a logical point, offering a signalized crossing area that makes accessibility easier from the Allandale Mansion area, nearby neighborhoods, apartment complexes, and businesses. It is recommended that the City apply for a construction grant of up to \$800,000 for this project, with the understanding that the estimated local share will be 20% (up to \$160,000) and the federal share 80%. In addition, the City will be responsible for other expenses, including environmental review, design/engineering and, if necessary, right-of-way acquisition, which are estimated to be up to \$250,000, depending on TDOT’s approval of all proposed project items. Staff recommends the Board approve submittal of the TDOT “Transportation Alternative” grant application.

**Attachments:**

1. Resolution
2. Application Cover Page
3. Map

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR TRANSPORTATION ALTERNATIVE GRANT FUNDS FROM THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR GREENBELT DEVELOPMENT

WHEREAS, for the past several years the city has been applied and received federal funds through the Tennessee Department of Transportation for continued development of the Greenbelt walking and biking pathway; and

WHEREAS, the Tennessee Department of Transportation is once again accepting applications until October 1, 2017, for new projects; and

WHEREAS, the city would like to apply for funds to continue building the Greenbelt westward past the Rotherwood Mansion in Hawkins County, beginning at Rotherwood Drive (the current Greenbelt terminus) and extending along the south side of Netherland Inn Road to Lewis Lane next to the old National Guard Armory site; and

WHEREAS, the estimated construction cost of this new section is \$960,000.00, of which 80% or \$800,000.00 will be covered by the grant; and

WHEREAS, the matching funds will be 20% or \$160,000.00, and there will be additional expenses, including environmental review, design/engineering and, if necessary, right-of-way acquisition, estimated to be a total of \$250,000.00; and

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for grant funds from the Tennessee Department of Transportation in the amount of \$800,000.00 for the Greenbelt project, which will require a 20% match of \$160,000.00 plus additional expenses estimated to be a total of \$250,000.00.

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

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

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

ADOPTED this the 19<sup>th</sup> day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

# Kingsport Greenbelt – West End



## City of Kingsport Tennessee



**FY2018 TRANSPORTATION ALTERNATIVES**

**APPLICATION (September 25, 2017)**

TDOT - Transportation Alternatives Office  
Suite 600 James K. Polk Building, 505 Deaderick Street  
Nashville, Tennessee 37243-0341  
Phone: 615-741-5314



# Greenbelt West End Extension



Michelle Brachum  
MTPC Project 50889



- Parking
- Current Construction
- Existing Greenbelt
- West Extension



West Stone Drive Trailhead Parking



Netherland Inn/Bays Cove Trail Intersection



Netherland Inn/Canongate Road Intersection



Netherland Inn/Rotherwood Drive Termini



AGENDA ACTION FORM

**Execute an Annual Renewal of Public Library Maintenance of Effort Agreement with the Tennessee State Library and Archives for Services via the Holston River Regional Library**

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

Action Form No.: AF-230-2017  
Work Session: September 18, 2017  
First Reading: N/A

Final Adoption: September 19, 2017  
Staff Work By: Helen Whittaker  
Presentation By: Helen Whittaker

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

This is an annual agreement which makes the library eligible to receive training, technical support, access to state grants, 81,000 downloadable eBooks/eaudio, 69 state-funded online databases, state-wide courier book deliveries to/from other libraries in the state, and funds (usually about \$14,000 annually) for library materials from the State Library through the Holston River Regional Library (a Multi-County Regional System). This agreement also made it possible for the library to receive a \$100,000 Tennessee State Library Construction Grant to use in the children’s area remodeling project.

This State assistance received by the Kingsport Public Library through the Regional Library is intended to supplement local appropriations as required in the establishment of public libraries by the Tennessee Code Annotated, Title 10, Chapter 3. In return for State assistance, each public library desiring to belong to the Multi-County Regional system must maintain “the allocation of locally appropriated funds at a level not less than the amount appropriated the last fiscal year as well as the expenditure of locally appropriated funds at a level not less than the total amount expended in the last fiscal year.”

If the Kingsport Public Library fails to meet MOE efforts, the library would not only lose access to these services and funding, but would also have to return all the materials purchased for the library with these funds over the last 20 plus years – which amounts to 27% of our collection. The potential loss to the library would equate to \$730,000.

**Attachments:**

- 1. Resolution
- 2. 2017-2018 Public Library Maintenance of Effort Agreement

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE ANNUAL RENEWAL OF THE PUBLIC LIBRARY MAINTENANCE OF EFFORT AGREEMENT WITH THE TENNESSEE STATE LIBRARY AND ARCHIVES TO RECEIVE FUNDING FOR BOOKS AND TRAINING AND FOR SERVICES THROUGH THE HOLSTON RIVER REGIONAL LIBRARY SYSTEM

WHEREAS, the Maintenance of Effort Agreement is an annual agreement that allows the library to be eligible to receive training, technical support, access to state grants, 50,000 state-funded downloadable ebooks/eaudio, 69 state-funded online databases, state-wide courier book deliveries to/from other libraries in the state, and funds for library materials from the State Library through the Holston River Regional Library (a multi-county regional system); and

WHEREAS, the state assistance from this agreement equals \$100,000.00.

Now therefore,

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

SECTION I. That a Maintenance of Effort Agreement with Tennessee State Library and Archives 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 Maintenance of Effort Agreement with Tennessee State Library and Archives and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution.

SECTION III. That the mayor is further authorized and directed to make such changes approved by the mayor and the city attorney to the agreement 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 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

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J. MICHAEL BILLINGSLEY, CITY ATTORNEY

# 2017-2018 PUBLIC LIBRARY MAINTENANCE OF EFFORT AGREEMENT

## Office of the Secretary of State Tennessee State Library and Archives

*due to the Holston River Regional Office by October 31st*

**Region:** Holston River

**County(ies):** Sullivan

**Library/Library System:** Sullivan County-Kingsport

The Office of the Secretary of State, Tennessee State Library and Archives, Regional Office is hereby notified that public funds were appropriated and expended for library services in the fiscal year just completed. This amount will be matched or exceeded during the current fiscal year. In addition, the total number of library operating hours will be maintained, per the *Public Library Service Agreement*. The undersigned acknowledge that failure to meet MOE (Maintenance of Effort) may result in the loss of all regional services, including materials currently held at the local library(ies) paid for with State and Federal funds.

**Public funds appropriated and expended for operation of local libraries. Do not include capital or one-time appropriations or expenditures, or pass-through money appropriated by another County or City.**

**A. Appropriated and Expended by the County(ies):**

County(ies)	Appropriated FY 2015-16	Expended FY 2015-16	Appropriated FY 2016-17	Expended FY 2016-17	Appropriated FY 2017-18
Sullivan	\$0.00	\$0.00	\$0.00		
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**B. Appropriated and Expended by the City(ies):**

City(ies)	Appropriated FY 2015-16	Expended FY 2015-16	Appropriated FY 2016-17	Expended FY 2016-17	Appropriated FY 2017-18
Kingsport	\$1,278,200.00	\$1,232,873.00	\$1,278,275.00	\$1,280,278.00	\$1,328,900.00
<b>TOTAL</b>	<b>\$1,278,200.00</b>	<b>\$1,232,873.00</b>	<b>\$1,278,275.00</b>	<b>\$1,280,278.00</b>	<b>\$1,328,900.00</b>

**C. Totals:**

	Appropriated FY 2015-16	Expended FY 2015-16	Appropriated FY 2016-17	Expended FY 2016-17	Appropriated FY 2017-18
<b>TOTAL</b>	<b>\$1,278,200.00</b>	<b>\$1,232,873.00</b>	<b>\$1,278,275.00</b>	<b>\$1,280,278.00</b>	<b>\$1,328,900.00</b>

# 2017-2018 PUBLIC LIBRARY MAINTENANCE OF EFFORT AGREEMENT

## Office of the Secretary of State Tennessee State Library and Archives

**D. Number of library operating hours in a normal week:**

Name of Library Building	Main or Branch Library	Number of Hours per Week	Number of Hours per Week	Number of Hours per Week	Comments
		FY 2015-16	FY 2016-17	FY 2016-17	
Kingsport Public Library	Main	61	61	61	
<b>Total</b>		<b>61</b>	<b>61</b>	<b>61</b>	

**E. Official Signatures:**

\_\_\_\_\_ **John Clark, Kingsport Mayor**      **Date**

\_\_\_\_\_ **Sandra Brown, Library Board Chair**      **Date**

**For State Library Use Only**

Reviewed by:

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**Nancy Roark, Holston River Regional Library Director**

Additional notes:

Approved by:

Signature \_\_\_\_\_ Date \_\_\_\_\_  
**Charles A. Sherrill, State Librarian and Archivist**



**AGENDA ACTION FORM**

**Consider the Proposed Stormwater Annual Compliance Report**

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

Action Form No.: AF-238-2017  
Work Session: September 18, 2017  
First Reading: NA

Final Adoption: September 19, 2017  
Staff Work By: S. Robbins/D. Wankel  
Presentation By: Ryan McReynolds

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

Kingsport's stormwater permit requires that the municipal separate storm sewer system (MS4) submit an annual report to the Tennessee Department of Environment and Conservation (TDEC) by September 30 of each calendar year that covers the previous compliance year. A requirement states that prior to submitting the annual report to TDEC, the MS4 must issue a public notice to present the annual report for suggestions and comment. The Public Notice was published August 29, 2017.

**Attachments:**

1. Resolution
2. Public Notice
3. Permit Requirements/Activities
4. Proposed Annual Report

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

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A  
STORMWATER ANNUAL COMPLIANCE REPORT AS  
REQUIRED BY THE TENNESSEE DEPARTMENT OF  
ENVIRONMENT AND CONSERVATION

WHEREAS, the storm water permit the city has from the Tennessee Department of Environment and Conservation requires that it submit on behalf of its municipal separate storm sewer system an annual report; and

WHEREAS, a public notice to receive suggestions and comments must be issued prior to the adoption of the annual report; and

WHEREAS, a public notice was published on August 29, 2017, in the Kingsport Times-News, a newspaper of general circulation; and

WHEREAS, a public meeting was held by the board of mayor and alderman on the 19<sup>th</sup> day of September, 2017.

Now, therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, the Stormwater Annual Compliance Report as required by the Tennessee Department of Environment and Conservation.

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

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

ADOPTED this the 19th day of September, 2017.

\_\_\_\_\_  
JOHN CLARK, MAYOR

ATTEST:

\_\_\_\_\_  
JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
J. MICHAEL BILLINGSLEY, CITY ATTORNEY

## **PUBLIC NOTICE**

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Public Works staff will provide information to consider an annual report from the City of Kingsport's Municipal Separate Storm Sewer System (MS4) Stormwater Management Program to the Tennessee Department of Environment and Conservation. This information is available at the City's Water Services Operations Center located at 1113 Konnarock Rd. and City Hall at 225 W. Center Street. If you would like additional information please contact the Kingsport Stormwater Division at 423-224-2727. This report may be found on the City's website at <http://publicworks.kingsporttn.gov/stormwater-management/public-involvement-and-participation>.

**CITY OF KINGSPORT**  
Angie Marshall, City Clerk  
P1T: 8/29/17

# STORMWATER PERMIT REQUIREMENTS/ACTIVITIES

## **I. Public Education and Outreach/Public Involvement and Participation**

- Workshops targeted toward the development and design community
- Distribute educational materials to school system, commercial, industrial, institutional, and general public with a focus on hot spots (entities most likely to produce stormwater pollutants)
- Maintain an active website (contact information, projects, recognition, downloads, links, program involvement opportunities, complaints)
- Participate in TAB (Tennessee Association of Broadcasters) program
- Hold annual stream clean up event
- Participate in annual TDEC environmental conference
- Member of TNSA (Tennessee Stormwater Association)
- Provide methods for public input (hotline, webpage)
- Installed signage for public viewing (Memorial Park, Greenbelt)
- Multi-media program including local newspaper, website, public access television, public meeting agendas (tickler)
- Develop a Public Information and Education Plan (PIE)
- Presentations to local civic clubs, homebuilders association, churches, HOAs, etc.
- Track and maintain records of activities

## **II. Illicit Discharge Detection and Elimination**

- Program Measures (policy, procedures, complaint tracking, enforcement)
- Municipal Training (provided annually to targeted staff)
- Inform businesses and general public of hazards associated with illicit discharges and improper disposal of waste with an emphasis on hot spots
- Cross Connection Elimination (plan review, field investigation)
- Develop and maintain storm sewer system map
- Foster interagency coordination of hazardous waste or material spills response and cleanup
- Document and maintain records

## **III. Construction Site Stormwater Runoff Control**

- Education (Require State/TNSA sponsored Level I/II EPSC training)
- Plan Development and Review (City assists with conceptual, intermediate and final plan development; checklist for SWPPP content, pre-construction meetings required for all permitted activities)
- Complaint Receipt and Tracking (Implement procedures for documentation and resolution of complaints)
- Inspection and Enforcement (City/developer inspections comply with frequency requirements, enforcement dictated by local ordinance and enforcement response plan)

- Require special conditions for discharges to impaired waters
- Develop and maintain inventory of all active sites

#### **IV. Permanent Stormwater Management in New Development and Redevelopment**

- Education (Targeted MS4 staff and design professionals meet training requirements specified in ordinance/TDEC construction permit)
- Plan Development and Review (MS4 staff provides assistance to development team prior to and during design phase, review all new development, redevelopment and retrofit plans for compliance with permanent stormwater management requirements)
- Implement and enforce performance standards comprised of runoff reduction and pollutant removal
- Approval Process (require performance bond and design professional's surety)
- Maintenance and Enforcement (require BMP maintenance in perpetuity through covenants, document MS4 and site operator inspections, enforce terms of ordinance and response plan)
- Review local codes and ordinances for opportunities to improve protection of water quality
- Implement system to track management measures and performance

#### **V. Pollution Prevention/Good Housekeeping for Municipal Operations**

- Education (EPSC, IDDE, pollution prevention and good housekeeping training conducted annually to targeted municipal staff at Fleet Maintenance, WWTP, Streets/Sanitation, Water/Sewer Maintenance and Traffic)
- Street Sweeping (MS4 to continue maintaining major roadways monthly and City streets quarterly and document)
- Litter Management (Continue program targeted toward litter hotspots and document)
- BMP Maintenance (Maintain BMPs associated with municipal operations and developments, comply with site-specific stormwater pollution prevention plans)



Tennessee Department of Environment and Conservation  
 Division of Water Resources  
 William R. Snodgrass Tennessee Tower,  
 312 Rosa L. Parks Avenue, 11th Floor, Nashville, Tennessee 37243  
 1-888-891-8332 (TDEC)

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

1. MS4 Information

Name of MS4: City of Kingsport		MS4 Permit Number: TNS075388
Contact Person: Stephen Robbins, P.E.		Email Address: steverobbins@kingsporttn.gov
Telephone: (423) 245-2167		MS4 Program Web Address:
Mailing Address: 225 W. Center St.		
City: Kingsport	State: TN	ZIP code: 37660

What is the current population of your MS4? 53,100

What is the reporting period for this annual report? July 1 2016 to June 30 2017

2. Discharges to Waterbodies with Unavailable Parameters or Exceptional Tennessee Waters (Section 3.1)

- A. Does your MS4 discharge into waters with unavailable parameters (previously referred to as impaired) for pathogens, nutrients, siltation or other parameters related to stormwater runoff from urbanized areas as listed on TN's most current 303(d) list and/or according to the on-line state GIS mapping tool ([tdeconline.tn.gov/dwri/](http://tdeconline.tn.gov/dwri/))? If yes, attach a list.  Yes  No
- B. Are there established and approved TMDLs (<http://www.tn.gov/environment/article/wrws-tennessees-total-maximum-daily-load-tmdl-program>) with waste load allocations for MS4 discharges in your jurisdiction? If yes, attach a list.  Yes  No
- C. Does your MS4 discharge to any Exceptional Tennessee Waters (ETWs - [http://environment-online.tn.gov:8080/pls/enf\\_reports/?p=9034.34304.4880790061142](http://environment-online.tn.gov:8080/pls/enf_reports/?p=9034.34304.4880790061142))? If yes, attach a list.  Yes  No
- D. Are you implementing specific Best Management Practices (BMPs) to control pollutant discharges to waterbodies with unavailable parameters or ETWs? If yes, describe the specific practices: Special pollutant abatement plans for hot spots, monthly inspection frequency, stricter erosion prevention and sediment control requirements and level of plan review.  Yes  No

3. Public Education/Outreach and Involvement/Participation (Sections 4.2.1 and 4.2.2)

- A. Have you developed a Public Information and Education plan (PIE)?  Yes  No
- B. Is your public education program targeting specific pollutants and sources, such as Hot Spots? If yes, describe the specific pollutants and/or sources targeted by your public education program: MS4 and construction site runoff, illicit discharges including septage, sediment, oil and grease, applicators of pesticides, herbicides and fertilizer, vehicle-related fluids and illegal dumping.  Yes  No
- C. Do you have a webpage dedicated to your stormwater program? If yes, provide a link/URL: <https://www.kingsporttn.gov/city-services/public-works/water-services/stormwater>.  Yes  No

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

- D. Summarize how you advertise and publicize your public education, outreach, involvement and participation opportunities: Website, Facebook, public notices, newspaper, TNSA and distribution of materials
- E. Summarize the public education, outreach, involvement and participation activities you completed during this reporting period: Participation in Tennessee Association of Broadcaster (TAB) program; 'Stormy' mascot appearances, Trout in the Classroom project; STREAM Camp, Public Works Day, Distribute 'Discover Waters of Tennessee' booklets to all 4<sup>th</sup> graders.
- F. Summarize any specific successful outcome(s) (e.g., citizen involvement, pollutant reduction, water quality improvement, etc.) fully or partially attributable to your public education and participation program during this reporting period: See attached.

4. Illicit Discharge Detection and Elimination (Section 4.2.3)

- A. Have you developed and do you continue to update a storm sewer system map that shows the location of system outfalls where the municipal storm sewer system discharges into waters of the state or conveyances owned or operated by another MS4?  Yes  No
- B. If yes, does the map include inputs into the storm sewer collection system, such as the inlets, catch basins, drop structures or other defined contributing points to the sewershed of that outfall, and general direction of stormwater flow?  Yes  No
- C. How many outfalls have you identified in your storm sewer system? 930
- D. Do you have an ordinance, or other regulatory mechanism, that prohibits non-stormwater discharges into your storm sewer system?  Yes  No
- E. Have you implemented a plan to detect, identify and eliminate non-stormwater discharges, including illegal disposal, throughout the storm sewer system? If yes, provide a summary: Education of targeted employees and public; Implement standard operating procedures for targeted municipal sectors; complaint tracking; site plan review and inspections.  Yes  No
- F. How many illicit discharge related complaints were received this reporting period? 7
- G. How many illicit discharge investigations were performed this reporting period? 7
- H. Of those investigations performed, how many resulted in valid illicit discharges that were addressed and/or eliminated? 5

5. Construction Site Stormwater Runoff Pollutant Control (Section 4.2.4)

- A. Do you have an ordinance or other regulatory mechanism requiring:
  - Construction site operators to implement appropriate erosion prevention and sediment control BMPs consistent with those described in the TDEC EPSC Handbook?  Yes  No
  - Construction site operators to control wastes such as discarded building materials, concrete truck washout, chemicals, litter, and sanitary waste?  Yes  No
  - Design storm and special conditions for unavailable parameters waters or Exceptional Tennessee Waters consistent with those of the current Tennessee Construction General Permit (TNR100000)?  Yes  No
- B. Do you have specific procedures for construction site plan (including erosion prevention and sediment BMPs) review and approval?  Yes  No

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

- C. Do you have sanctions to enforce compliance?  Yes  No
- D. Do you hold pre-construction meetings with operators of priority construction activities and inspect priority construction sites at least monthly?  Yes  No
- E. How many construction sites disturbing at least one acre or greater were active in your jurisdiction this reporting period? 47
- F. How many active priority and non-priority construction sites were inspected this reporting period? 46
- G. How many construction related complaints were received this reporting period? 14

6. Permanent Stormwater Management at New Development and Redevelopment Projects (Section 4.2.5)

- A. Do you have a regulatory mechanism (e.g. ordinance) requiring permanent stormwater pollutant removal for development and redevelopment projects? If no, have you submitted an Implementation Plan to the Division?  Yes  No  
 Yes  No
- B. Do you have an ordinance or other regulatory mechanism requiring:  
Site plan review and approval of new and re-development projects?  Yes  No  
A process to ensure stormwater control measures (SCMs) are properly installed and maintained?  Yes  No  
Permanent water quality riparian buffers? If yes, specify requirements: Refer to Ordinance Section 38-169(d) and Chapter 6 of the Stormwater Management Manual.  Yes  No
- C. What is the threshold for development and redevelopment project plans plan review (e.g., all projects, projects disturbing greater than one acre, etc.)? All projects
- D. How many development and redevelopment project plans were reviewed for this reporting period? 15
- E. How many development and redevelopment project plans were approved? 14
- F. How many permanent stormwater related complaints were received this reporting period? 19
- G. How many enforcement actions were taken to address improper installation or maintenance? 25
- H. Do you have a system to inventory and track the status of all public and private SCMs installed on development and redevelopment projects?  Yes  No
- I. Does your program include an off-site stormwater mitigation or payment into public stormwater fund? If yes, specify. \_\_\_\_\_  Yes  No

7. Stormwater Management for Municipal Operations (Section 4.2.6)

- A. As applicable, have stormwater related operation and maintenance plans that include information related to maintenance activities, schedules and the proper disposal of waste from structural and non-structural stormwater controls been developed and implemented at the following municipal operations:
- Streets, roads, highways?  Yes  No
- Municipal parking lots?  Yes  No
- Maintenance and storage yards?  Yes  No
- Fleet or maintenance shops with outdoor storage areas?  Yes  No
- Salt and storage locations?  Yes  No
- Snow disposal areas?  Yes  No

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

Waste disposal, storage, and transfer stations?  Yes  No

B. Do you have a training program for employees responsible for municipal operations at facilities within the jurisdiction that handle, generate and/or store materials which constitute a potential pollutant of concern for MS4s?  Yes  No

If yes, are new applicable employees trained within six months, and existing applicable employees trained and/or retrained within the permit term?  Yes  No

8. Reviewing and Updating Stormwater Management Programs (Section 4.4)

- A. Describe any revisions to your program implemented during this reporting period including but not limited to:  
 Modifications or replacement of an ineffective activity/control measure. None  
 Changes to the program as required by the division to satisfy permit requirements. None  
 Information (e.g. additional acreage, outfalls, BMPs) on newly annexed areas and any resulting updates to your program. None
- B. In preparation for this annual report, have you performed an overall assessment of your stormwater management program effectiveness? If yes, summarize the assessment results, and any modifications and improvements scheduled to be implemented in the next reporting period. Available upon request  Yes  No

9. Enforcement Response Plan (Section 4.5)

- A. Have you implemented an enforcement response plan that includes progressive enforcement actions to address non-compliance, and allows the maximum penalties specified in TCA 68-221-1106? If no, explain. \_\_\_\_\_  Yes  No
- B. As applicable, identify which of the following types of enforcement actions (or their equivalent) were used during this reporting period; indicate the number of actions, the minimum measure (e.g., construction, illicit discharge, permanent stormwater management), and note those for which you do not have authority:

<u>Action</u>	<u>Construction</u>	<u>Permanent Stormwater</u>	<u>Illicit Discharge</u>	<u>In Your ERP?</u>	
Verbal warnings	#94	#16	#3	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Written notices	#28	#8	#_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Citations with administrative penalties	#2	#2	#_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Stop work orders	#_____	#_____	#_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Withholding of plan approvals or other authorizations	#_____	#_____	#_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Additional Measures	#_____	#_____	#_____	Describe: _____	

- C. Do you track instances of non-compliance and related enforcement documentation?  Yes  No
- D. What were the most common types of non-compliance instances documented during this reporting period?  
Inspection frequency, documentation and SWPPP implementation.

Phase II Small Municipal Separate Storm Sewer System (MS4) Annual Report

10. Monitoring, Recordkeeping and reporting (Section 5)

- A. Summarize any analytical monitoring activities (e.g., planning, collection, evaluation of results) performed during this reporting period. None
- B. Summarize any non-analytical monitoring activities (e.g., planning, collection, evaluation of results) performed during this reporting period. None
- C. If applicable, are monitoring records for activities performed during this reporting period  Yes  No submitted with this report.

11. Certification

This report must be signed by a ranking elected official or by a duly authorized representative of that person. See signatory requirements in sub-part 6.7.2 of the permit.

*"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."*

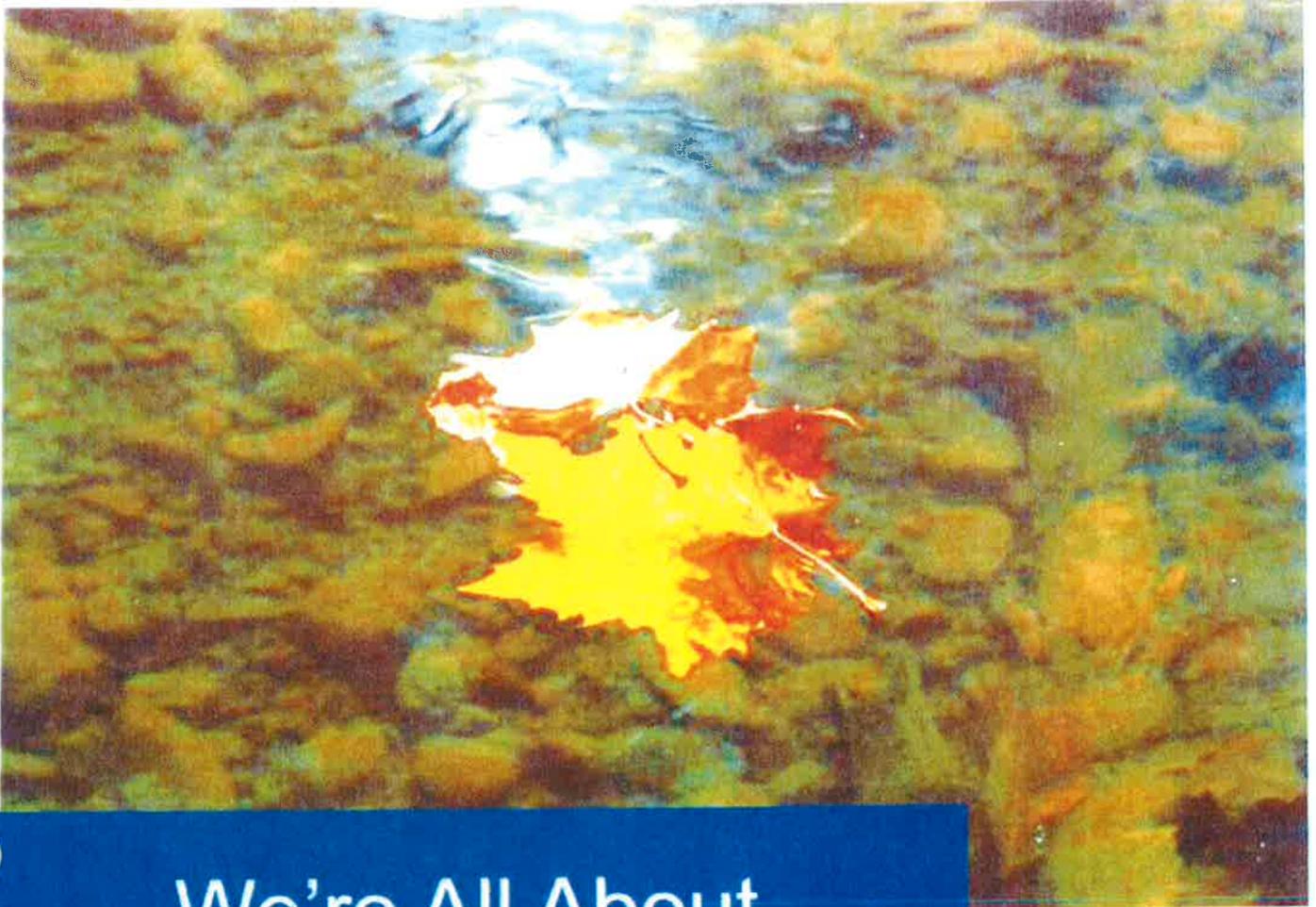
\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Annual reports must be submitted by September 30 of each calendar year (Section 5.4) to the appropriate Environmental Field Office (EFO), identified in the table below:

EFO	Street Address	City	Zip Code	Telephone
Chattanooga	1301 Riverfront Pkwy, Suite 206	Chattanooga	37402	(423) 634-5745
Columbia	1421 Hampshire Pike	Columbia	38401	(931) 380-3371
Cookeville	1221 South Willow Ave.	Cookeville	38506	(931) 520-6688
Jackson	1625 Hollywood Drive	Jackson	38305	(731) 512-1300
Johnson City	2305 Silverdale Road	Johnson City	37601	(423) 854-5400
Knoxville	3711 Middlebrook Pike	Knoxville	37921	(865) 594-6035
Memphis	8383 Wolf Lake Drive	Bartlett	38133	(901) 371-3000
Nashville	711 R S Gass Boulevard	Nashville	37216	(615) 687-7000



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**CLEAN Water**



**2017** Annual Report

**STORMWATER MANAGEMENT**

**Solutions. Accomplishments. CLEAN Water**

# City of Kingsport Stormwater Utility

**HISTORY** November 2011 the Stormwater Management Utility was established as required by The Federal Clean Water Act for cities with more than 10,000 residents to implement a stormwater program to control and monitor polluted stormwater runoff.

**PURPOSE** To address stormwater contamination and flooding issues allowing the City to reduce runoff contaminants while prioritizing and initiating flood mitigation projects.

The utility is responsible for the operation, construction, maintenance and rehabilitation of stormwater facilities; for stormwater system planning, property acquisition related to stormwater management and for review of stormwater development plans for compliance with federal and state regulations, stormwater management ordinances, policies, procedures and manuals.

**GOALS** Comprehensively examine flooding and stormwater issues in the community;

Address drainage issues on private property;

Establish resources to become a Tennessee Department of Environment and Conservation qualified local program, allowing the development community greater flexibility and timeliness in determining how best to meet federal mandates;

Adequately fund stormwater management needs at the lowest possible cost by proactive action;

Reduce flooding;

Improve stream habitat, conditions and water quality.



**ACTIVITIES / ACCOMPLISHMENTS** As related to the City's Stormwater MS4 NPDES permit the Stormwater Division must file this report with the Tennessee Department of Environment and Conservation (TDEC) to document the activities completed in the past year. The activities noted are all included in the permit. All activities are documented and are subject to an audit by TDEC.

Many activities have been completed that go well beyond the requirements of the NPDES permit. This report provides opportunity for activity updates:

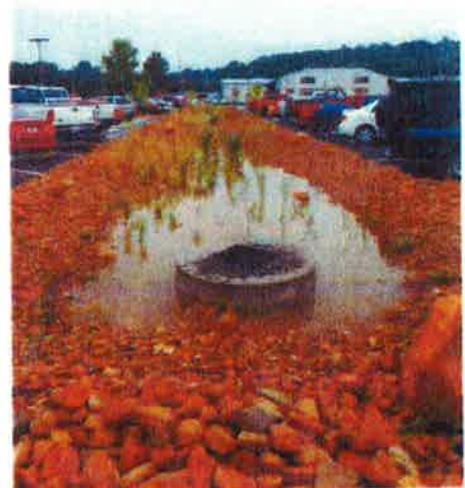
- 2013 the BMA approved adding a construction crew to improve our ability to repair and replace existing drainage infrastructure. The crew immediately began work to alleviate areas of continual flooding or ponding.
- July 2013 the City experienced a major storm event that inundated several areas of the City. During this storm the downtown area and the Eden's Ridge area were significantly affected. Although the storm event exceeded normal design parameters, drainage improvements were implemented to these areas.
- The long standing drainage issues in most areas of the City are resolved. The drainage system for the downtown area is controlled by a non-expandable single box culvert, however we are coordinating with the Planning Department as we proceed with the downtown area study.

## ACTIVITIES / ACCOMPLISHMENTS (continued)

- Inspections of certain 'hot spots' before and after significant storm events are managed via an organized work order / asset management system. Crews are dispatched to inspect and clean obstructions from culverts and catch basins that are known to trap debris.
- Calls are received from employees and citizens in reference to catch basins covered with grass or leaves.
- The implementation of the 'YourGOV' cell phone app has provided real time input of drainage issues / concerns. This app provides citizen input of minor drainage problems such as clogged driveway pipes, broken catch basins, clogged ditches, etc.
- We will continue with the proactive approach in maintaining and improving water quality.
- A Hydrodynamic Separator was installed on Cyprus Street to remove litter and suspended solids from a portion of the Mall parking lot and Fort Henry Drive.
- A bio retention basin was installed within the parking lot at the Pet Dairy redevelopment project to remove suspended solids and treat the rainwater before it is discharged to a nearby stream.
- The detention pond on Bellingham Drive was upgraded. The pond now recharges the ground water with rainfall instead of discharging all flow onto the City's Allandale property.
- FY18 a biologist position began to monitor water quality in the streams flowing thru the City in a more effective manner. Understanding issues / concerns within an individual stream will direct us to the best methods to maintain water quality.



Installation of a hydrodynamic separator on Cypress St.



Bio retention basin at Pet Dairy



Smithsonian Water Ways Exhibit

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**CLEAN** Water





**AGENDA ACTION FORM**

**Approval of Easement and Right-of-Way**

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

Action Form No.: AF-246-2017  
Work Session: September 18, 2017  
First Reading: N/A

Final Adoption: September 19, 2017  
Staff Work By: R. Trent; P. Gilmer  
Presentation By: R. McReynolds

**Recommendation:**

Approve the offer.

**Executive Summary:**

In order to extend sanitary sewer services to serve the future Meade Tractor site, the Public Works Department has requested right-of-way and easement across affected property. An appraisal has been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicates the fair market value as per the below property owner.

<u>TaxMap/Parcel</u>	<u>Property Owner</u>	<u>Easement Area</u>	<u>Appraised Value</u>
#119; 098.50	Taylor Properties #2, LP 1043 Fordtown Road Kingsport, TN 37663	Perm. 3,694 sq. ft. Temp. 4,925 sq. ft.	\$547.00 \$547.00

This project will be funded under #SW1806.

**Attachment:**

- 1. Project Location Map

Funding source appropriate and funds are available: *df*

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



PROJECT AREA



PROPOSED SANITARY SEWER FACILITIES  
TO SERVE MEADE TRACTOR SITE

MEMORANDUM

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

FROM: James H. Demming, City Recorder/CFO 

DATE: September 17, 2017

SUBJECT: Presentation of Submission to the State of Tennessee the Reports on Debt Obligations (State Form CT-0253) - \$14,855,000 General Obligation Improvement Bonds – Series 2017A and \$11,250,000 General Obligation Improvement Bonds – Series 2017B

At the August 1, 2017 regular meeting, the BMA authorized the issuance of up to \$27,350,000 (Series A - \$15,600,000 and Series B - \$11,750,000) in bonds. The Series A bond proceeds will be used to fund the governmental capital projects included in the City's FY2018 Capital Improvement Plan (CIP). The Series B bond proceeds will be used to fund the Water and Sewer Systems capital projects included in the FY2018 CIP.

The City conducted a competitive sale for this issuance on August 28, 2017 and completed the closing on September 8, 2017. The City received electronic bids from 12 national firms, with the winning public bid for the fixed rate bonds submitted by Citigroup Global Markets, LLC, with a true interest cost (TIC) of 2.6995%.

As a part of this debt issuance process, the City received ratings on the bonds from Moody's Investor Service and Standard & Poor's Global Ratings of Aa2 and AA, respectively.

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

A Final Financing Report for the transaction was prepared by the City's Financial Advisor – Raymond James & Associates and includes detailed information about this bond issue. The complete report is available at <https://www.kingsporttn.gov/wp-content/uploads/Kingsport-TN-Final-Financing-Report-Series-2017AB-09082017-2.pdf>

Excerpts from this report are included with the State Reporting Forms for your information.

If additional information is needed, please advise.

## REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b>	
Name:	<u>City of Kingsport, Tennessee</u>
Address	<u>225 West Center Street</u>
	<u>Kingsport, Tennessee 37660</u>
Debt Issue Name:	<u>General Obligation Improvement Bonds, Series 2017A</u>
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

<b>2. Face Amount:</b>	<u>\$ 14,855,000.00</u>
Premium/Discount:	<u>\$ 678,917.55</u>

<b>3. Interest Cost:</b>	<u>2.6746 %</u>	<input checked="" type="checkbox"/> Tax-exempt	<input type="checkbox"/> Taxable
<input checked="" type="checkbox"/> TIC	<input type="checkbox"/> NIC		
<input type="checkbox"/> Variable:	Index _____ plus _____ basis points; or		
<input type="checkbox"/> Variable:	Remarketing Agent _____		
<input type="checkbox"/> Other:	_____		

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

<b>5. Ratings:</b>			
<input type="checkbox"/> Unrated			
Moody's <u>Aa2</u>	Standard & Poor's <u>AA</u>	Fitch _____	

<b>6. Purpose:</b>		<b>BRIEF DESCRIPTION</b>
<input checked="" type="checkbox"/> General Government	<u>100.00 %</u>	<u>various public works projects</u>
<input type="checkbox"/> Education	_____ %	_____
<input type="checkbox"/> Utilities	_____ %	_____
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

<b>7. Security:</b>	
<input checked="" type="checkbox"/> General Obligation	<input type="checkbox"/> General Obligation + Revenue/Tax
<input type="checkbox"/> Revenue	<input type="checkbox"/> Tax Increment Financing (TIF)
<input type="checkbox"/> Annual Appropriation (Capital Lease Only)	<input type="checkbox"/> Other (Describe): _____

<b>8. Type of Sale:</b>	
<input checked="" type="checkbox"/> Competitive Public Sale	<input type="checkbox"/> Interfund Loan _____
<input type="checkbox"/> Negotiated Sale	<input type="checkbox"/> Loan Program _____
<input type="checkbox"/> Informal Bid	

<b>9. Date:</b>	
Dated Date: <u>09/08/2017</u>	Issue/Closing Date: <u>09/08/2017</u>

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2019	\$ 540,000.00	5.0000 %	2030	\$ 825,000.00	2.5000 %
2020	\$ 565,000.00	5.0000 %	2031	\$ 850,000.00	3.0000 %
2021	\$ 595,000.00	5.0000 %	2032	\$ 875,000.00	3.0000 %
2022	\$ 625,000.00	5.0000 %	2034	\$ 1,825,000.00	3.0000 %
2023	\$ 655,000.00	5.0000 %	2035	\$ 955,000.00	3.0000 %
2024	\$ 690,000.00	5.0000 %	2036	\$ 980,000.00	3.0000 %
2025	\$ 725,000.00	5.0000 %	2037	\$ 1,010,000.00	3.0000 %
2026	\$ 760,000.00	2.0000 %		\$	3.0000 %
2027	\$ 775,000.00	2.2500 %		\$	%
2028	\$ 795,000.00	2.0000 %		\$	%
2029	\$ 810,000.00	2.2500 %		\$	%

If more space is needed, attach an additional sheet.

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

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

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 25,653	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 25,653	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 456	U.S. Bank National Association
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 29,555	Moody's and Standard & Poors
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount <u>0.81</u> %		
Take Down	\$ 119,833	Citigroup Global Markets Inc.
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 855	I-Deal Prospectus
Issuer/Administrator Program Fees	\$	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$	
<b>TOTAL COSTS</b>	<b>\$ 202,005</b>	

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

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar	\$400.00	U.S. Bank National Association
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other _____		

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link <https://emma.msrb.org/ER1081943-ER846842-ER1247587.pdf> or

Copy attached

**14. Continuing Disclosure Obligations:**

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

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

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

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

**15. Written Debt Management Policy:**

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

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

**16. Written Derivative Management Policy:**

No derivative

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

Date of Letter of Compliance for derivative \_\_\_\_\_

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

**17. Submission of Report:**

To the Governing Body: on 09/08/2017 and presented at public meeting held on 09/19/2017

Copy to Director to OSFL: on 09/20/2017 either by:

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

OR

Email to: [StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>John Clark</u>	<u>Cynthia M. Barnett, Esq.</u>
Title	<u>Mayor</u>	<u>Bond Counsel</u>
Firm	<u>City of Kingsport, Tennessee</u>	<u>Adams and Reese LLP</u>
Email	<u>JohnClark@kingsporttn.gov</u>	<u>cindy.barnett@arlaw.com</u>
Date	<u>09/08/2017</u>	<u>09/08/2017</u>

## REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b>	
Name:	City of Kingsport, Tennessee
Address	225 West Center Street
	Kingsport, Tennessee 37660
Debt Issue Name:	General Obligation Improvement Bonds, Series 2017B
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

<b>2. Face Amount:</b>	\$ 11,250,000.00
Premium/Discount:	\$ 468,799.25

<b>3. Interest Cost:</b>	2.6737 %	<input checked="" type="checkbox"/> Tax-exempt	<input type="checkbox"/> Taxable
<input checked="" type="checkbox"/> TIC	<input type="checkbox"/> NIC		
<input type="checkbox"/> Variable:	Index _____ plus _____ basis points; or		
<input type="checkbox"/> Variable:	Remarketing Agent _____		
<input type="checkbox"/> Other:	_____		

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

<b>5. Ratings:</b>			
<input type="checkbox"/> Unrated			
Moody's	Aa2	Standard & Poor's	AA
		Fitch	

<b>6. Purpose:</b>		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	100.00 %	water and sewer system projects
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

<b>7. Security:</b>	
<input checked="" type="checkbox"/> General Obligation	<input type="checkbox"/> General Obligation + Revenue/Tax
<input type="checkbox"/> Revenue	<input type="checkbox"/> Tax Increment Financing (TIF)
<input type="checkbox"/> Annual Appropriation (Capital Lease Only)	<input type="checkbox"/> Other (Describe): _____

<b>8. Type of Sale:</b>	
<input checked="" type="checkbox"/> Competitive Public Sale	<input type="checkbox"/> Interfund Loan _____
<input type="checkbox"/> Negotiated Sale	<input type="checkbox"/> Loan Program _____
<input type="checkbox"/> Informal Bid	

<b>9. Date:</b>	
Dated Date: 09/08/2017	Issue/Closing Date: 09/08/2017

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2019	\$ 420,000.00	5.0000 %	2030	\$ 625,000.00	2.5000 %
2020	\$ 440,000.00	5.0000 %	2031	\$ 640,000.00	3.0000 %
2021	\$ 465,000.00	2.0000 %	2032	\$ 660,000.00	3.0000 %
2022	\$ 470,000.00	5.0000 %	2034	\$ 1,380,000.00	3.0000 %
2023	\$ 495,000.00	5.0000 %	2035	\$ 720,000.00	3.0000 %
2024	\$ 520,000.00	5.0000 %	2036	\$ 740,000.00	3.0000 %
2025	\$ 545,000.00	5.0000 %	2037	\$ 765,000.00	3.0000 %
2026	\$ 575,000.00	2.0000 %		\$	%
2027	\$ 585,000.00	2.2500 %		\$	%
2028	\$ 595,000.00	2.0000 %		\$	%
2029	\$ 610,000.00	2.2500 %		\$	%

If more space is needed, attach an additional sheet.

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

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

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 19,347	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 19,347	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 344	U.S. Bank National Association
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 22,296	Moody's and Standard & Poors
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount <u>0.80</u> %		
Take Down	\$ 89,637	Citigroup Global Markets Inc.
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 645	I-Deal Prospectus
Issuer/Administrator Program Fees	\$	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$	
<b>TOTAL COSTS</b>	<b>\$ 151,616</b>	

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

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar	\$400.00	U.S. Bank National Association
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other _____		

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link <https://emma.msrb.org/ER1081943-ER846842-ER1247587.pdf> or

Copy attached

**14. Continuing Disclosure Obligations:**

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

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

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

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

**15. Written Debt Management Policy:**

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

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

**16. Written Derivative Management Policy:**

No derivative

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

Date of Letter of Compliance for derivative \_\_\_\_\_

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

**17. Submission of Report:**

To the Governing Body: on 09/08/2017 and presented at public meeting held on 09/19/2017

Copy to Director to OSLF: on 09/20/2017 either by:

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

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

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>John Clark</u>	<u>Cynthia M. Barnett, Esq.</u>
Title	<u>Mayor</u>	<u>Bond Counsel</u>
Firm	<u>City of Kingsport, Tennessee</u>	<u>Adams and Reese LLP</u>
Email	<u>JohnClark@kingsporttn.gov</u>	<u>cindy.barnett@arlaw.com</u>
Date	<u>09/08/2017</u>	<u>09/08/2017</u>



**FINAL FINANCING REPORT**

**\$14,855,000 GENERAL OBLIGATION IMPROVEMENT  
BONDS, SERIES 2017A**

**\$11,250,000 GENERAL OBLIGATION IMPROVEMENT  
BONDS, SERIES 2017B**

September 8, 2017

**RAYMOND JAMES®**  
**Municipal Advisor**  
One Burton Hills Blvd. – Suite 225  
Nashville, Tennessee 37215  
800-764-1002

## EXECUTIVE SUMMARY

*Background:* The City of Kingsport, Tennessee (the “City”) issued its \$14,855,000 General Obligation Improvement Bonds, Series 2017A (the “Series 2017A Bonds”) and its \$11,250,000 General Obligation Improvement Bonds, Series 2017B (the “Series 2017B Bonds”) (collectively, the “Bonds”) on September 8, 2017. The objective of the transaction was to take advantage of low interest rates and finance the City’s adopted FY 2017 – 2018 Capital Improvement Program as quickly as possible.

For this transaction, Raymond James & Associates, Inc., Nashville, Tennessee (“Raymond James”), Adams and Reese LLP, Nashville, Tennessee (“Adams and Reese”) and U.S. Bank National Association served the City as its municipal advisor, bond counsel and registration and paying agent, respectively.

*Transaction Preparation:* As required, the City and Raymond James entered into a Municipal Advisor Agreement (the “Agreement”) relating to the sale and issuance of the Bonds. With the assistance of Raymond James, Adams and Reese developed the required Initial and Detailed Resolutions relating to the Bonds which were considered favorably by the Board of Mayor and Aldermen of the City on August 1, 2017. As required by Tennessee law, the City published the Initial Resolutions locally to initiate the 20 day legal protest period.

In order to assure the best execution and the lowest rates possible, the Initial and Detailed Resolutions were structured so that both the Series 2017A Bonds and the Series 2017B Bonds were secured by the City’s general obligation pledge even though Series 2017B Bonds are fully payable from the net revenue streams of the water and sewer systems.

Pursuant to the Agreement, Raymond James facilitated the development of the “Official Notice of Sale” and the “Preliminary Official Statement” based on input from the City and Adams and Reese. Following numerous revisions and comments, the City authorized Raymond James to use those documents to initiate the marketing process for the Bonds on August 16, 2017.

Concurrent with the development of various marketing materials, numerous documents, including, but not limited to, a draft version of the “Preliminary Official Statement”, the Resolutions and other data were provided to Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings Group (“S&P”) seeking credit ratings for the Bonds. As is usual and customary, “due diligence” questionnaires were provided by Moody’s and S&P and separate conference calls arranged by Raymond James were conducted among City officials, analysts for Moody’s, S&P and Raymond James representatives in order to provide additional information and respond to questions regarding the City’s transaction, its financial situation and operations, future capital plans and its current economic circumstances. Following their standard analytical processes, Moody’s and S&P’s credit committees reviewed the materials and the recommendations of their respective analytical teams assigned to the engagement. In accordance with their published methodologies, Moody’s and S&P affirmed the City’s outstanding credit ratings for all rated debt and assigned the Bonds their ratings of “Aa2” and “AA”, respectively.

*Bond Sale:* As required by Tennessee law, the Bonds were advertised for competitive public sale through a formal process initiated not less than 5 days prior to the targeted date of sale. Details concerning the public sale and Bonds were provided to potential bidders and others in the “Official Notice of Sale” and the “Preliminary Official Statement”, both of which were dated as of August 16,

2017. Following the normal process for the City, the web-based facilities of I-deal prospectus were used for this task and formal bidding was conducted through IPREO's BiDCOMP®/Parity® system (the "System"). In order to facilitate and assure common rates and yields on both the Series 2017A Bonds and the Series 2017B Bonds, the sale was structured so that one bid applied to both issues even though each issue was treated separately including the assignment of CUSIP numbers. Through the System, 12 of the original 12 firms which indicated an interest in bidding for the Bonds submitted proposals ranging from the best bid of 2.699592% on a true interest cost basis ("TIC") to 2.936044%.

The successful bidder for the Bonds was an account led by Citigroup Global Markets, Inc., Dallas Texas (the "Underwriter") who contracted with the City, subject to the conditions set forth in the "Official Notice of Sale" (including permitted adjustments) to purchase (i) the Series 2017A Bonds at a price of \$15,414,084.73 (consisting of the par amount of the Series 2017A Bonds of \$14,855,000.00, plus a net premium of \$678,917.55, less an underwriter's discount of \$119,832.82) or a bid price of 103.764% of par; and (ii) the Series 2017B Bonds at a price of \$11,629,162.23 (consisting of the par amount of the Series 2017B Bonds of \$11,250,000.00, plus a net premium of \$468,799.25, less an underwriter's discount of \$89,637.02) or a bid price of 103.370% of par.

Following official bidding, resizing and other permitted adjustments which were performed by Raymond James, the normal process associated with closing occurred including, but not limited to, finalization of the "Official Statement" (including approval and distribution to the Underwriter), development of the "Final Financing Report", preparation of all closing memoranda, review and comments on all closing documents and other usual and customary activities.

A representative of Raymond James traveled to the City for the pre-closing which was held on September 6, 2017. Following confirmation of closing on September 8, 2017, Raymond James disbursed funds to cover all documented costs of issuance associated with the transaction and assured that detailed documentation was provided to the City for its records.

FINAL

**\$26,105,000**

City of Kingsport, Tennessee

General Obligation Improvement Bonds, **Series 2017A&B COMBINED**

## Total Issue Sources And Uses

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

	10 year Amort	20 year Amort	Water Fund	Sewer Fund	Issue Summary
<b>Sources Of Funds</b>					
Par Amount of Bonds	\$600,000.00	\$14,255,000.00	\$1,170,000.00	\$10,080,000.00	\$26,105,000.00
Reoffering Premium	73,169.65	605,747.90	48,520.65	420,278.60	1,147,716.80
<b>Total Sources</b>	<b>\$673,169.65</b>	<b>\$14,860,747.90</b>	<b>\$1,218,520.65</b>	<b>\$10,500,278.60</b>	<b>\$27,252,716.80</b>
<b>Uses Of Funds</b>					
Deposit to Project Construction Fund	665,010.63	14,666,903.02	1,202,752.59	10,364,430.72	26,899,096.96
Total Underwriter's Discount (0.802%)	4,840.10	114,992.72	9,322.25	80,314.77	209,469.84
Costs of Issuance	3,318.92	78,852.16	6,445.81	55,533.11	144,150.00
<b>Total Uses</b>	<b>\$673,169.65</b>	<b>\$14,860,747.90</b>	<b>\$1,218,520.65</b>	<b>\$10,500,278.60</b>	<b>\$27,252,716.80</b>

FINAL

**\$26,105,000**

City of Kingsport, Tennessee

General Obligation Improvement Bonds, **Series 2017A&B COMBINED**

## Detail Costs Of Issuance

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

### COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$45,000.00
Bond Counsel	\$45,000.00
Moody's Fee	\$30,000.00
S&P Fee	\$21,850.00
POS/Official Statement	\$1,500.00
Registration and Paying Agent	\$800.00
<b>TOTAL</b>	<b>\$144,150.00</b>

FINAL

**\$26,105,000**

City of Kingsport, Tennessee

General Obligation Improvement Bonds, **Series 2017A&B COMBINED**

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	417,530.70	417,530.70
06/30/2019	960,000.00	5.000%	868,850.00	1,828,850.00
06/30/2020	1,005,000.00	5.000%	820,850.00	1,825,850.00
06/30/2021	1,060,000.00	3.684%	770,600.00	1,830,600.00
06/30/2022	1,095,000.00	5.000%	731,550.00	1,826,550.00
06/30/2023	1,150,000.00	5.000%	676,800.00	1,826,800.00
06/30/2024	1,210,000.00	5.000%	619,300.00	1,829,300.00
06/30/2025	1,270,000.00	5.000%	558,800.00	1,828,800.00
06/30/2026	1,335,000.00	2.000%	495,300.00	1,830,300.00
06/30/2027	1,360,000.00	2.250%	468,600.00	1,828,600.00
06/30/2028	1,390,000.00	2.000%	438,000.00	1,828,000.00
06/30/2029	1,420,000.00	2.250%	410,200.00	1,830,200.00
06/30/2030	1,450,000.00	2.500%	378,250.00	1,828,250.00
06/30/2031	1,490,000.00	3.000%	342,000.00	1,832,000.00
06/30/2032	1,535,000.00	3.000%	297,300.00	1,832,300.00
06/30/2033	1,580,000.00	3.000%	251,250.00	1,831,250.00
06/30/2034	1,625,000.00	3.000%	203,850.00	1,828,850.00
06/30/2035	1,675,000.00	3.000%	155,100.00	1,830,100.00
06/30/2036	1,720,000.00	3.000%	104,850.00	1,824,850.00
06/30/2037	1,775,000.00	3.000%	53,250.00	1,828,250.00
<b>Total</b>	<b>\$26,105,000.00</b>	<b>-</b>	<b>\$9,062,230.70</b>	<b>\$35,167,230.70</b>

### Yield Statistics

Bond Year Dollars	\$298,534.90
Average Life	11.436 Years
Average Coupon	3.0355682%
Net Interest Cost (NIC)	2.7212844%
True Interest Cost (TIC)	2.6741946%
Bond Yield for Arbitrage Purposes	2.5918112%
All Inclusive Cost (AIC)	2.7314070%

### IRS Form 8038

Net Interest Cost	2.6039837%
Weighted Average Maturity	11.153 Years

GO Series 2017A&B Agg | Issue Summary | 8/28/2017 | 1:01 PM

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FINAL

**\$14,855,000**

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
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$600,000.00	\$14,255,000.00	\$14,855,000.00
Reoffering Premium	73,169.65	605,747.90	678,917.55
<b>Total Sources</b>	<b>\$673,169.65</b>	<b>\$14,860,747.90</b>	<b>\$15,533,917.55</b>
<b>Uses Of Funds</b>			
Deposit to Project Construction Fund	665,010.63	14,666,903.02	15,331,913.65
Total Underwriter's Discount (0.807%)	4,840.10	114,992.72	119,832.82
Costs of Issuance	3,318.92	78,852.16	82,171.08
<b>Total Uses</b>	<b>\$673,169.65</b>	<b>\$14,860,747.90</b>	<b>\$15,533,917.55</b>

FINAL

**\$14,855,000**

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	\$17,100.00
S&P Fee	\$12,454.50
POS/Official Statement	\$855.09
Registration and Paying Agent	\$456.05
<b>TOTAL</b>	<b>\$82,171.08</b>

FINAL

**\$14,855,000**

City of Kingsport, Tennessee

General Obligation Improvement Bonds, **Series 2017A**

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2018	-	-	241,232.88	241,232.88
06/30/2019	540,000.00	5.000%	501,987.50	1,041,987.50
06/30/2020	565,000.00	5.000%	474,987.50	1,039,987.50
06/30/2021	595,000.00	5.000%	446,737.50	1,041,737.50
06/30/2022	625,000.00	5.000%	416,987.50	1,041,987.50
06/30/2023	655,000.00	5.000%	385,737.50	1,040,737.50
06/30/2024	690,000.00	5.000%	352,987.50	1,042,987.50
06/30/2025	725,000.00	5.000%	318,487.50	1,043,487.50
06/30/2026	760,000.00	2.000%	282,237.50	1,042,237.50
06/30/2027	775,000.00	2.250%	267,037.50	1,042,037.50
06/30/2028	795,000.00	2.000%	249,600.00	1,044,600.00
06/30/2029	810,000.00	2.250%	233,700.00	1,043,700.00
06/30/2030	825,000.00	2.500%	215,475.00	1,040,475.00
06/30/2031	850,000.00	3.000%	194,850.00	1,044,850.00
06/30/2032	875,000.00	3.000%	169,350.00	1,044,350.00
06/30/2033	900,000.00	3.000%	143,100.00	1,043,100.00
06/30/2034	925,000.00	3.000%	116,100.00	1,041,100.00
06/30/2035	955,000.00	3.000%	88,350.00	1,043,350.00
06/30/2036	980,000.00	3.000%	59,700.00	1,039,700.00
06/30/2037	1,010,000.00	3.000%	30,300.00	1,040,300.00
<b>Total</b>	<b>\$14,855,000.00</b>	<b>-</b>	<b>\$5,188,945.38</b>	<b>\$20,043,945.38</b>

### Yield Statistics

Bond Year Dollars	\$170,063.65
Average Life	11.448 Years
Average Coupon	3.0511784%
Net Interest Cost (NIC)	2.7224281%
True Interest Cost (TIC)	2.6745959%
Bond Yield for Arbitrage Purposes	2.5918867%
All Inclusive Cost (AIC)	2.7318313%

### IRS Form 8038

Net Interest Cost	2.6034475%
Weighted Average Maturity	11.152 Years

GO Series 2017AvWinner | Issue Summary | 8/28/2017 | 1:04 PM

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Preliminary

**\$11,250,000**

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
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$1,170,000.00	\$10,080,000.00	\$11,250,000.00
Reoffering Premium	48,520.65	420,278.60	468,799.25
<b>Total Sources</b>	<b>\$1,218,520.65</b>	<b>\$10,500,278.60</b>	<b>\$11,718,799.25</b>
<b>Uses Of Funds</b>			
Deposit to Project Construction Fund	1,202,752.59	10,364,430.72	11,567,183.31
Total Underwriter's Discount (0.797%)	9,322.25	80,314.77	89,637.02
Costs of Issuance	6,445.81	55,533.11	61,978.92
<b>Total Uses</b>	<b>\$1,218,520.65</b>	<b>\$10,500,278.60</b>	<b>\$11,718,799.25</b>

Preliminary

**\$11,250,000**

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	\$12,900.00
S&P Fee	\$9,395.50
POS/Official Statement	\$644.91
Registration and Paying Agent	\$343.95
<b>TOTAL</b>	<b>\$61,978.92</b>

Preliminary

**\$11,250,000**

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	-	-	176,297.82	176,297.82
06/30/2019	420,000.00	5.000%	366,862.50	786,862.50
06/30/2020	440,000.00	5.000%	345,862.50	785,862.50
06/30/2021	465,000.00	2.000%	323,862.50	788,862.50
06/30/2022	470,000.00	5.000%	314,562.50	784,562.50
06/30/2023	495,000.00	5.000%	291,062.50	786,062.50
06/30/2024	520,000.00	5.000%	266,312.50	786,312.50
06/30/2025	545,000.00	5.000%	240,312.50	785,312.50
06/30/2026	575,000.00	2.000%	213,062.50	788,062.50
06/30/2027	585,000.00	2.250%	201,562.50	786,562.50
06/30/2028	595,000.00	2.000%	188,400.00	783,400.00
06/30/2029	610,000.00	2.250%	176,500.00	786,500.00
06/30/2030	625,000.00	2.500%	162,775.00	787,775.00
06/30/2031	640,000.00	3.000%	147,150.00	787,150.00
06/30/2032	660,000.00	3.000%	127,950.00	787,950.00
06/30/2033	680,000.00	3.000%	108,150.00	788,150.00
06/30/2034	700,000.00	3.000%	87,750.00	787,750.00
06/30/2035	720,000.00	3.000%	66,750.00	786,750.00
06/30/2036	740,000.00	3.000%	45,150.00	785,150.00
06/30/2037	765,000.00	3.000%	22,950.00	787,950.00
<b>Total</b>	<b>\$11,250,000.00</b>	<b>-</b>	<b>\$3,873,285.32</b>	<b>\$15,123,285.32</b>

### Yield Statistics

Bond Year Dollars	\$128,471.25
Average Life	11.420 Years
Average Coupon	3.0149044%
Net Interest Cost (NIC)	2.7197704%
True Interest Cost (TIC)	2.6736629%
Bond Yield for Arbitrage Purposes	2.5917113%
All Inclusive Cost (AIC)	2.7308450%

### IRS Form 8038

Net Interest Cost	2.6046943%
Weighted Average Maturity	11.154 Years

WS Series 2017Bvwinner | Issue Summary | 8/28/2017 | 1:29 PM

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## CREDIT OPINION

16 August 2017

New Issue

Rate this Research >>

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Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

## City of Kingsport, TN

New Issue - Moody's assigns Aa2 to Kingsport, TN's \$25.4M GO Bonds, Series 2017A&B

### Summary Rating Rationale

Moody's Investors Service has assigned a Aa2 rating to Kingsport, TN's \$25.4 million General Obligation Improvement Bonds, Series 2017 A & Series 2017 B. Moody's maintains the Aa2 rating on the city's outstanding parity debt.

The Aa2 rating primarily reflects the city's large, expanding tax base with high taxpayer concentration and average socioeconomic metrics. The rating also reflects the city's satisfactory financial position and above average debt burden.

### Credit Strengths

- » Large, expanding tax base
- » Adoption of recent tax rate increases resulting in improved and healthy reserves

### Credit Challenges

- » Largest taxpayer accounts for 25% of total assessed value
- » Above average debt burden

### Rating Outlook

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

### Factors that Could Lead to an Upgrade

- » Large, sustained increase in reserves to levels consistent with higher rated cities
- » Material diversification of top taxpayers
- » Decline in debt burden

### Factors that Could Lead to a Downgrade

- » Any additional declines in available reserves
- » Large, prolonged tax base contractions
- » Reduced operations or financial distress of the city's largest taxpayer, Eastman Chemical Company

## Key Indicators

Exhibit 1

<b>Kingsport (City of) TN</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Economy/Tax Base</b>					
Total Full Value (\$000)	\$ 5,261,285	\$ 5,409,558	\$ 5,757,370	\$ 5,770,952	\$ 5,702,653
Full Value Per Capita	\$ 104,951	\$ 104,279	\$ 108,969	\$ 109,096	\$ 107,569
Median Family Income (% of US Median)	85.7%	82.0%	82.9%	79.0%	79.0%
<b>Finances</b>					
Operating Revenue (\$000)	\$ 112,971	\$ 114,002	\$ 120,254	\$ 125,277	\$ 128,621
Fund Balance as a % of Revenues	14.5%	13.1%	14.1%	15.2%	14.8%
Cash Balance as a % of Revenues	14.0%	12.8%	11.7%	12.1%	13.2%
<b>Debt/Pensions</b>					
Net Direct Debt (\$000)	\$ 151,702	\$ 170,354	\$ 173,353	\$ 214,553	\$ 220,097
Net Direct Debt / Operating Revenues (x)	1.3x	1.5x	1.4x	1.7x	1.7x
Net Direct Debt / Full Value (%)	2.9%	3.1%	3.0%	3.7%	3.9%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.8x	0.9x	1.2x	1.4x	1.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	1.8%	1.9%	2.6%	3.1%	3.7%

Source: Moody's Investors Service

## Recent Developments

Recent developments are incorporated in the Detailed Rating Consideration.

## Detailed Rating Considerations

### Economy and Tax Base: Large, expanding tax base with taxpayer concentration

Kingsport's sizable \$5.9 billion tax base with continue to benefit from its significant commercial and industrial employment base. The tax base is dominated by [Eastman Chemical Company](#) (Baa2 stable) which represents approximately 25% of total taxable value. The current headquarters facility consists of more than 500 buildings on approximately 6,000 acres of land. Over the last five years, Eastman has spent an estimated \$1.3 billion to expand production capacity, and has announced another \$1.6 billion expansion that will go through 2020. The new expansion is expected to generate 300 direct jobs and 1,000 contractor and construction jobs. In addition, Leclerc Foods completed a \$15.7 million expansion that created 30 new jobs, while Portola Packaging finished a \$12 million expansion that generated 40 new jobs.

Commercial and retail sectors continue to be strong, with high occupancy rates as well as the addition of a new Wal-Mart store, several new restaurants and a new theater complex. Another positive for the retail sector is the passing of the Border Region Retail Tourism legislation by the Tennessee General Assembly. The legislation would allow the city to recapture approximately 59% of all state sales taxes within a specific 590 acre special district designed to attract large regional retailers to the Kingsport market. While the majority of the site still remains a green field, grading has been completed on 150 acres that will be ready for future retail and big box building pads. Once the site is fully developed, management believes it will result in additional sales tax revenues.

The city has experienced assessed value growth averaging 1.7% over the past five years, driven by a combination of commercial development, residential development and annexation. Full value has grown at a slightly higher rate of 2.6% over the same five year period. Unemployment within the city was 4.6% as of June 2017, above the state (4.2%) and national (4.5%) rates. Wealth levels remain in line with Tennessee averages with per capita income of 102.9% of the state and median family income of 97.3% of the state. Full value per capita is strong at \$112,587.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

### Financial Operations and Reserves: Stable financial operations with growing reserves

The city's financial position will remain satisfactory in the near term as reserve levels are expected to increase again in fiscal 2017 and fiscal 2018. Fiscal 2016 General Fund operations produced a surplus of \$352,000, increasing available fund balance to \$13.2 million or a sound 17.5% of General Fund revenues. Despite the increase, reserves are still below the Aa2 state and national medians. On an Operating Fund basis (General Fund, Debt Service Fund, and General Purpose School Fund), the city finished the year with a \$11,000 surplus, which increase available reserves to \$19.1 million or a sufficient 14.8% of annual operating revenues. The city has an additional \$2.4 million unrestricted in the Fleet Maintenance Fund, adding further flexibility if needed. The Fleet Maintenance Fund can be designated for any purpose at the discretion of the Board of Mayor and Alderman, including General Fund operating expenses on a short-term basis.

Preliminary fiscal 2017 11 month results are outperforming the budget. Revenues largely exceed expenditures indicating that the General Fund will end with a healthy surplus. The positive operations were mainly driven by a new annual franchise fee on the local power company and a new sanitation fee for the Solid Waste Fund, which will reduce General Fund subsidies. The fiscal 2018 budget will experience a 1.8% increase from the fiscal 2017 budget driven by the city's share of the state gas tax increase. Management budgets that the year will end with a healthy surplus of \$200,000.

### LIQUIDITY

General Fund net cash rebounded in fiscal 2015 and 2016 to an improved \$9.3 million (12.4% of revenues). Net cash on an operating fund basis for fiscal 2016 ended at \$17 million or a sound 13.2% of operating fund revenues.

### Debt and Pensions: Debt burden is above-average but manageable due to portions covered through water and sewer utility revenues

Kingsport's debt position will remain manageable in the near-term given the self-supporting nature of the city's water and sewer system and average retirement of principal. Kingsport's direct debt burden is high but manageable at 2.5% of full value and increases to a higher 3.1% when taking into account the debt of overlapping localities. This debt burden is net of \$116.5 million in self-supporting bonds paid through water and sewer system revenues. The city has a policy to amortize non-school and non-self-supporting debt over 15 years, with the exception of moneys issued for buildings, which is amortized over 20 years. This has led to an average debt amortization rate of 67.9% of principal repaid within ten years.

The city maintains a five-year (2018-2022) capital improvement plan, including \$60.4 million in additional bonds. Favorably, more than half of the new money debt will be for water and sewer purposes and paid from water and sewer revenues, but secured through the city's general obligation pledge. Taking into consideration the new money debt, the city's debt burden is expected to increase beyond the already above-average levels. Moody's will monitor the city's debt burden over the upcoming years with the expectation that levels will still remain affordable, however if debt levels rise significantly, negative rating pressure could result.

### DEBT STRUCTURE

The city's variable rate debt exposure is minimal, representing 4.3% of direct debt or 2.4% of total debt and consists of one loan from the Tennessee Municipal Bond Fund (TMBF).

### DEBT-RELATED DERIVATIVES

The city is not party to any derivatives products.

### PENSIONS AND OPEB

The city currently participates in the Political Subdivision Pension Plan (PSPP) and the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEPP), both of which are multi-employer defined benefit plans administered by the Tennessee Consolidated Retirement System. The city consistently contributes 100% of the annual pension cost for both plans. The city's adjusted pension liability, under Moody's methodology for adjusting reported pension data, is \$205 million or a slightly above-average 1.6 times of operating revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. In addition, the city voted to adopt a defined contribution plan for all new employees, which is expected to save the city on retirement costs going forward.

## Management and Governance

The city has a formal fund balance policy to maintain unassigned General Fund balance at a minimum of 15% of the subsequent year's budgeted expenditures. The city's fiscal 2016 unassigned General Fund balance was \$13.1 million or approximately 17.4% of annual revenues and is expected to remain above this threshold going forward.

Tennessee Cities have an Institutional Framework score of Aaa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. The sector has one or more major revenue sources that are not subject to any caps. Unpredictable revenue fluctuations tend to be moderate, or between 5-10% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. Tennessee is a Right to Work state, providing significant expenditure-cutting ability. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

## Legal Security

The Series 2017 Bonds are secured by an unlimited ad valorem taxes levied on all taxable property within the town. The a portion of the bonds will be paid from the city's water and sewer system but will not be secured by these revenues

## Use of Proceeds

Proceed from the Series 2017A bonds will be used to finance a portion of certain public works projects, consisting of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion; the acquisition, construction, renovation, improvement and equipping of public buildings, including the library renovations 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 property in connection to such work; paying fees and engineering costs; and reimbursing the city for the costs of any of the above projects.

Proceeds from the Series 2017B bonds will be used to finance a portion of certain public works projects, consisting of public art; construction, expansion and improvement of the city's water system and sewer system; the acquisition of property connected with such work; paying engineering costs and reimbursing the city for the costs of any of the above projects.

## Obligor Profile

The city of Kingsport has a population of 53,014 and is located in the northeast portion of Tennessee (Aaa stable) approximately 25 miles northwest of Johnson City (Aa2) and 23 miles from Bristol, TN (Aa2) and Bristol, VA (Baa2 stable).

## Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

## Ratings

Exhibit 2

### Kingsport (City of) TN

Issue	Rating
General Obligation Improvement Bonds, Series 2017A	Aa2
Rating Type	Underlying LT
Sale Amount	\$14,480,000
Expected Sale Date	08/28/2017
Rating Description	General Obligation
General Obligation Improvement Bonds, Series 2017B	Aa2
Rating Type	Underlying LT
Sale Amount	\$10,925,000
Expected Sale Date	08/28/2017

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REPORT NUMBER 1086077

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## Summary:

# Kingsport, Tennessee; General Obligation

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Rationale

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## Summary:

# Kingsport, Tennessee; General Obligation

### Credit Profile

US\$14.48 mil GO imp bnds ser 2017A due 03/01/2037

*Long Term Rating* AA/Stable New

US\$10.925 mil GO imp bnds ser 2017B due 03/01/2037

*Long Term Rating* AA/Stable New

### **Kingsport GO**

*Long Term Rating* AA/Stable Affirmed

## Rationale

S&P Global Ratings assigned its 'AA' long-term rating to Kingsport, Tenn.'s series 2017A and series 2017B general obligation (GO) public improvement bonds. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating and underlying rating (SPUR) on the city's existing GO debt. The outlook is stable.

Series 2017A and 2017B are secured by the city's full faith and credit pledge, payable from the levy of an unlimited ad valorem tax on all taxable property within the corporate limits of the city. Series 2017B is additionally payable from, but not secured by, the revenues to be derived from the operations of the water and sewer system.

The city's 2012A, 2013A, and 2014B GO bonds are secured by the city's full faith and credit pledge, payable from the levy of an unlimited ad valorem tax on all taxable property within the corporate limits of the city. Series 2012A and 2013A are further secured by a 0.25% local option sales tax. The series 2014B bonds are further secured by revenues from the city's water and sewer system. In accordance with our criteria, when an obligor pledges multiple revenue streams where each is assumed capable of covering debt service, the rating reflects our assessment of the pledged revenue stream with the higher credit quality if we believe that the additional revenue stream can be accessed in a timely manner. We view the city's unlimited-tax GO pledge as the stronger security for the series 2012A, 2013A, and 2014B bonds.

We understand officials intend to use the series 2017A bonds to finance various renovation projects within the city, including at public school facilities, the library, fire facilities, and parks and recreation facilities. Additionally, officials intend to use the series 2017B bonds to improve the city's water system.

The ratings reflect our assessment of the following factors of the city:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2016;

- Very strong budgetary flexibility, with an available fund balance in fiscal 2016 of 22% of operating expenditures;
- Very strong liquidity, with total government available cash at 29.9% of total governmental fund expenditures and 3.5x governmental debt service, and access to external liquidity we consider strong, but an exposure to a nonremote contingent liability risk;
- Weak debt and contingent liability position, with debt service carrying charges at 8.7% of expenditures and net direct debt that is 119.7% of total governmental fund revenue, but rapid amortization, with 66.4% of debt scheduled to be retired in 10 years; and
- Very strong institutional framework score.

### **Strong economy**

We consider Kingsport's economy strong. The city, with an estimated population of 49,987, is located in Hawkins and Sullivan counties in the Kingsport-Bristol-Bristol, Tenn.-Va. MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 85.4% of the national level and per capita market value of \$119,405. Overall, the city's market value grew by 4.1% over the past year to \$6.0 billion in 2017. The weight-averaged unemployment rate of the counties was 5.3% in 2016.

Kingsport is located northeastern Tennessee, near the Kentucky border in Hawkins and Sullivan counties. Kingsport is the largest city in the Kingsport-Bristol MSA and has a strong manufacturing and industrial presence. While we recognize the city's regional economic strength, the city's tax base is moderately concentrated, in our opinion, with 34.4% of tax base represented by the 10 leading taxpayers; Eastman, the city's leading taxpayer, accounts for 25% of fiscal 2017 AV. Eastman, a global chemical company that supports various markets, is headquartered in Kingsport and has been a stable taxpayer and a leading employer over a decade. Although the city's economy has diversified into education, retail, and tourism, the city's economy remains moderately concentrated due to Eastman's strong presence. Eastman recently completed its Corporate Business Center, increasing its taxable AV by \$23.3 million for fiscal 2017, and plans to further expand the Kingsport facility. While the company's growth provides additional taxable revenues and employment opportunities, it further exacerbates the concentration risk within the top 10 taxpayers. Should the taxpayer concentration threshold exceed 35% of AV, our view of the economy could change to adequate from strong.

The city's tax base remained relatively stable, with annual growth of 2.5%. Officials expect this trend to continue and expect 2% annual AV growth for the next two years.

### **Strong management**

We view the city's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

We revised the city's FMA to good from strong due to an update in our understanding of the city's long-term financial plan. While the city maintains a long-term capital improvement plan, the city does not have an informal long-term financial plan.

Key budgeting practices include management's use of five years of historical data to create its revenue and expenditure assumptions. In formulating its annual budget, management reviews state publications, evaluates state and national economic conditions, and consults the counties' property assessors to build its revenue projections. In addition, the city performs a pay study to compare salary and benefit affordability and competitiveness projections with other

municipalities throughout the region and state. During each fiscal year, management conducts regular monitoring of budget-to-actual performance, and reports results quarterly to the city board of mayor and alderman (BMA). On an as-needed basis, management recommends amendments to address expenditure reclassifications and supplemental appropriations in the operating budget, which the BMA must approve. The district also adopted a formal investment policy that follows state guidelines. Management presents comprehensive quarterly investment reports with holdings and performance updates to the BMA.

In addition, the city has a comprehensive long-term capital plan that looks out five years and is updated annually. The capital improvement plan (CIP) categorizes projects by departments and funds, projects costs, and evaluates debt and nondebt funding sources. Kingsport also maintains a formal debt policy. Furthermore, the city maintains a reserve policy that establishes a minimum general fund unassigned fund balance between 15% and 20% of the following year's budgeted expenditures. The fund balance policy is reviewed and adopted annually to determine sufficient cover for unexpected cash flow issue. Should the fund balance fall below the 15% minimum, the city manager is required to prepare a plan to replenish the fund balance to the minimum level.

### **Strong budgetary performance**

Kingsport's budgetary performance is strong in our opinion. The city had slight surplus operating results in the general fund of 0.6% of expenditures, and surplus results across all governmental funds of 7.0% in fiscal 2016. General fund operating results of the city have been stable over the last three years, with a result of 1.9% in 2015 and a result of 0.2% in 2014.

Our view of the city's budgetary performance reflects adjustments made to include recurring transfers in from the enterprise funds, transfers out to the general purpose school fund, the debt service fund, and capital expenditures funded with bond proceeds.

Based on better-than-budgeted annual revenue and strong tax collections, coupled with management's historically conservative annual budgeting of operating expenditures, we do not expect Kingsport's budgetary performance to deteriorate within the next two fiscal years.

The city reported continuous operating surpluses in the last three fiscal years. For fiscal 2016, the city's main source of revenue was local taxes (66%), followed by intergovernmental revenues (34%). Property tax collections have remained healthy, totaling more than 97% each year. The city reported better-than-budgeted operating results due to favorable revenue collections, unspent expenditures in debt service, and lower-than-expected personnel costs due to conservative budgeting.

For fiscal 2017, the city's operating budget increased by approximately 7% from the fiscal 2016 budget. Officials attribute the budget increase to a new franchise agreement with Kingsport Power Co., which is estimated to generate additional \$3.6 million revenue annually (effective fiscal 2017 through 2037), and to tax base growth. Although the city's sales tax revenues unexpectedly declined by 2% due to a new shopping complex in Bristol, the city expects to finish the year with a surplus of \$400,000 to \$500,000 in the general fund. The city historically budgets conservatively and budgets higher-than-anticipated expenditures. In addition, the city expects to report a minor surplus in total governmental fund.

Furthermore, the city implemented a new sanitation fee, beginning in fiscal 2017, for household refuse collections. Although the fee will be accounted for in the city's solid waste enterprise fund, the estimated \$2.4 million collected from this fee is expected to partially offset subsidies provided by the general fund to the solid waste fund and provide the city additional general fund flexibility. Moreover, the city intends to use additional revenues to offset the hall tax income elimination, which we view as proactive financial management. The hall income tax will be fully phased out by fiscal 2022, and officials budget for 1% decrease in hall tax revenue annually.

For fiscal 2018, the city adopted a balanced budget. The budget assumptions include a decreased tax levy (to \$1.98 from \$2.07 due to reappraisal), a 2% property tax revenue increase, and flat sales tax revenue; expenditures remained relatively flat.

### **Very strong budgetary flexibility**

Kingsport's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 22% of operating expenditures, or \$12.9 million.

The city has maintained very strong budgetary flexibility in the last three years, with reserves equal to approximately 20% of operating expenditures. The city has no additional plans to draw down the reserves, and it plans to adhere to its formal fund balance policy, which sets a minimum unassigned fund balance at 15% of the following year's operating budget. According to its policy, Kingsport maintains reserves to provide financial stability in the event it realizes significant one-time expenditures and mandatory expenses resulting from significant economic downturn or emergencies, or to address unforeseen revenue fluctuations or cash flow liquidity needs.

### **Very strong liquidity**

In our opinion, Kingsport's liquidity is very strong, with total government available cash at 27.8% of total governmental fund expenditures and 3.5x governmental debt service in 2016. In our view, the city has strong access to external liquidity if necessary. Weakening Kingsport's liquidity position, in our assessment, is the city's exposure to a nonremote contingent liability that could come due within 12 months.

We believe Kingsport maintains strong access to external liquidity if necessary, demonstrated by its regular market participation and issuance of GO debt over the past several years.

Currently, Kingsport has two direct-purchase agreements with a combined total principal amount of about \$6.63 million outstanding: TMBF series 1998 and TMBF series 2008. These agreements allow for acceleration payable in less than 180 days, and we do not consider the termination events consistent with our published criteria for standby bond purchase agreement termination events. However, the total outstanding direct purchase debt accounts for 8.8% of general fund revenues and 16% of total available cash. While not expected, the city has sufficient cash to cover the acceleration and maintain its very strong liquidity position. We understand the city has no other obligations outstanding with acceleration provisions that, if triggered, could lead to acceleration under the agreements.

Although the state allows for what we view as somewhat permissive investments, we do not consider the city's investments to be aggressive. Kingsport's formal investment policy allows it to invest idle operating funds in low-risk, highly liquid assets in order to maintain cash flow liquidity for immediate operations, including U.S. treasury securities, collateralized money market accounts, certificates of deposit, and the Tennessee Local Government Investment Pool.

Currently, the city invests the majority of its cash in the local government investment pool, which is required to maintain a 90-day or less weighted-average maturity. For these reasons, the city's available cash position remains strong and stable, and we do not expect cash levels to decline significantly during the next two years.

### **Weak debt and contingent liability profile**

In our view, Kingsport's debt and contingent liability profile is weak. Total governmental fund debt service is 8.7% of total governmental fund expenditures, and net direct debt is 119.7% of total governmental fund revenue.

Approximately 66.4% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

Over the next two to three years, we understand Kingsport is likely to issue additional debt for projects recognized in its adopted CIP. The city identified potential additional debt issues of approximately \$30.8 million in fiscal 2019 and \$18.3 million in fiscal 2020. According to officials, the city does not expect any adverse impact on the tax rate. While the city's amortization is above 65%, the city's additional debt issuance and structure of debt may slow down the amortization. Therefore, there is a potential for the city's debt to deteriorate to a very weak level.

Kingsport has two direct-purchase variable debts outstanding: TMBF series 1998 and TMBF series 2008. The combined total principal amount equates to \$6.63 million, with the current interest rate of 0.95%. The city, however, budgets for 5% interest rate due to conservative budgeting practices.

Kingsport's combined required pension and actual other postemployment benefit (OPEB) contributions totaled 4.2% of total governmental fund expenditures in 2016. The city made its full annual required pension contribution in fiscal 2016.

The city participates in the state-administered Tennessee Consolidated Retirement System (TCRS) defined benefit plan to provide pension benefits for eligible retirees. Kingsport's required pension contribution is statutorily determined. The city reports that it closed participation in the TCRS to new employees, effective July 1, 2013, and created a defined contribution plan, which includes a mandatory employee contribution equal to 5% of compensation and a 5% matching employer contribution. In fiscal 2016, the city's total contribution to the plan was \$426,109, which should mitigate significant increases in future liabilities, in our view.

The city's net pension liability was approximately \$30.5 million as of June 30, 2015, the most recent actuarial valuation. The TCRS' total pension liability was approximately \$200.9 million. The plan fiduciary net position as a percentage of the total pension liability for the TCRS was approximately 84.8%. The city contributed approximately \$5.6 million, or 100% of its actuarially determined contribution, in fiscal 2016.

The city provides other postemployment health insurance and life insurance benefits on a pay-as-you-go basis for certain eligible retired employees under a single-employer defined benefit plan. The city's annual required contribution in fiscal 2016 was \$468,000. At fiscal year ended June 30, 2016, the city's net OPEB obligation was about \$15 million. The city does not anticipate that these costs associated with its pension and OPEB will increase substantially in the near term.

At this time, Kingsport City Schools participates in a legally separate cost-sharing, multiemployer, defined-benefit plan

administered by TCRS; the plan was closed to new membership on June 30, 2014. The school system also participates in a legally separate, self-insured, postemployment health insurance and life insurance plan that is funded on a pay-as-you-go basis.

### Very strong institutional framework

The institutional framework score for Tennessee municipalities is very strong.

## Outlook

The stable outlook reflects our view of the city's ability to maintain an overall strong financial position, evidenced by its very strong budgetary flexibility and liquidity, and the city's expectation of at least balanced budgetary performance in fiscals 2017 and 2018. Furthermore, we also expect the city to maintain its good financial management policies and practices, which will likely ensure overall rating stability. For these reasons, we do not expect to change the ratings within the next two years.

### Upside scenario

All else being equal, we could raise the ratings if the city's debt burden were to moderate significantly and its economic indicators were to improve substantially levels considered commensurate with those of higher-rated peers.

### Downside scenario

We could lower the ratings if the city's budgetary performance or its debt profile were to significantly deteriorate, resulting in a weakening of its reserves or liquidity.

## Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- 2016 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of August 21, 2017)		
Kingsport go bnds ser 2013A due 03/01/2034		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Kingsport GO		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Kingsport GO pub imp bnds ser 2014B due 09/01/2034		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<b>Kingsport GO</b>		
<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
<i>Long Term Rating</i>	AA/Stable	Affirmed
Many issues are enhanced by bond insurance.		

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