



BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, April 20, 2026 at 3:30 PM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

I. **CALL TO ORDER** 3:30 pm by Mayor Paul Montgomery.

II. **ROLL CALL** by City Recorder Travis Bishop.

III. **DISCUSSION ITEMS**

1. **Utility Financial Overview** - Ryan McReynolds

The Deputy City Manager pointed out the rates would not be presented until the budget work session on May 14th, however they would be setting the framework for that conversation. He stated the goal is to mimic the paving program sustainability by reinvesting in the assets, pointing out staff would present a plan this fall. There was some discussion throughout the presentation as he answered questions from the board. Niki Ensor and Chad Austin also provided further details. Mr. McReynolds talked about the regulatory risks and the ramifications on the finances and fallout that reflects in performance. City Recorder Travis Bishop confirmed it will take four years to reach the cash reserves through the model provided by Raftelis. Mr. McReynolds explained how the revenue and expense forecast has changed. He pointed out if the rates are adjusted by 1.25 % it will help the city move forward without bonding and have the ability to cover debt. He confirmed there is no plan to adjust the sewer rate at this time. The City Manager commented on the level of analysis that goes into these projections is significant.

IV. **REVIEW OF BUSINESS MEETING AGENDA**

City staff gave a summary for each item on the April 21, 2026 proposed agenda. The following items were discussed at greater length or received specific questions or concerns.

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Kingsport City Hall, 415 Broad Street, Boardroom

X.2 Consideration of a Resolution Approving a Payment in Lieu of Tax Agreement between KHRA and the Grove at Poplardale, LP (AF-101-2026) The City Manager stated that KHRA is in the process of getting tax credits for the Lee Property and this will be a similar PILOT agreement to the others.

X.6 Consideration of a Resolution to Execute a Blanket Order to NAPA Auto Parts for Various Vehicle/Equipment Parts Utilizing Sourcewell Contract (AF-104-2026) Mr. McCart confirmed to Alderman Mayes the increase was due to the rising cost of parts rather than to an aging fleet.

X.8 Consideration of a Resolution to Award the Bid to Thomas Construction Co., Inc. for the Watauga St Improvements Phase 1 Project (AF-110-2026) Deputy City Manager Ryan McReynolds provided details on the bid award, noting the goal is to wrap up the project before winter.

X.10 Consideration of a Resolution Authorizing the City Manager to Accept CAASI Bid for Wastewater Plant Valves (AF-109-2026) Mr. McReynolds stated since this is a smaller project, the work is being done internally rather than bidding it out and will save \$150,000

X.11 Consideration of a Resolution Authorizing the Mayor to Enter into an Interlocal Agreement with the Town of Mount Carmel for the City of Kingsport to Provide Residential Automated Garbage Collection (AF-92-2026) The Deputy City Manager commented the financial advisors suggested raising the cost for this service to be implemented over a three year period.

V. ITEMS OF INTEREST


- 1. Sales Tax Revenue Report**
- 2. Projects Status Report**

VI. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 4:45 p.m.


ANGELA MARSHALL
Deputy City Recorder




PAUL W. MONTGOMERY
Mayor