



BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING AGENDA

Tuesday, February 04, 2025 at 7:00 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

Leadership Team

Chris McCartt, City Manager
Michael Borders, Assistant City Manager
Bart Rowlett, City Attorney
Lisa Winkle, City Recorder/Treasurer
John Morris, Budget Director
Scott Boyd, Fire Chief

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant City Manager
Tyra Copas, Human Resources Director
Dale Phipps, Police Chief
Adrienne Batara, Public Relations Director
Floyd Bailey, Chief Information Officer

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE TO THE FLAG

III. INVOCATION

IV. ROLL CALL

V. RECOGNITIONS AND PRESENTATIONS

1. Black History Month Proclamation (Mayor Montgomery)

VI. COMMENT

Citizens may speak on agenda items and 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. A total of thirty minutes is allocated for public comment.

VII. APPOINTMENTS

VIII. APPROVAL OF MINUTES

- [1.](#) January 21, 2025 - Work Session
- [2.](#) January 21, 2025 - Business Meeting

IX. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS

- [1.](#) Consideration of a Budget Adjustment Ordinance for Various Funds in FY2025 (AF-35-2025) (Chris McCartt)
- [2.](#) Consideration of a Budget Adjustment Ordinance for the General Fund in FY2025 (AF-41-2025) (Chris McCartt)

X. BUSINESS MATTERS REQUIRING FINAL ADOPTION

- [1.](#) Consideration of a Budget Ordinance to Appropriate \$25,181.00 from the Department of Justice, Office of Justice Program's FY '24 Edward Byrne Memorial Justice Assistance Grant Program (AF-05-2025) (Dale Phipps)
- [2.](#) Consideration of an Ordinance to Amend Zoning of Tax Map 047, Parcel 002.20 Located along Brookside Drive from the M-1, Light Manufacturing District to B-3, Highway Oriented Business District (AF-09-2025) (Jessica McMurray)
- [3.](#) Consideration of a Budget Ordinance for Various Funds FY25 (AF-26-2025) (Chris McCartt)

XI. OTHER BUSINESS

- [1.](#) Consideration of a Resolution to Enter into Agreement with TDOT for Resurfacing of Various Roadways (AF-11-2025) (Ryan McReynolds)
- [2.](#) Consideration of a Resolution to Enter into an Agreement with LJA Engineering, Inc. to Provide Inspection and Engineering Services for the West Kingsport Sewer Basin (AF-34-2025) (Ryan McReynolds)
- [3.](#) Consideration of a Resolution Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Agreement with O'Neal Manufacturing Services, LLC (AF-36-2025) (Steven Bower)

XII. CONSENT AGENDA

All matters listed under the Consent Agenda are considered in the ordinary course of business by the Board of Mayor and Aldermen and will be enacted on by one motion by a roll call vote. However, if discussion of an item is desired by any member of the board, the item will be removed from the Consent Agenda and considered separately.

- 1.** Consideration of a Resolution to Accept a Donation from the Kingsport Chamber Foundation (AF-21-2025) (Scott Boyd)
- 2.** Consideration of a Resolution Cancelling the March 3, 2025, Work Session and the March 4, 2025, Business Meeting of the Board of Mayor and Aldermen and Adding a Budget Work Session on February 28, 2025 (AF-32-2025) (Bart Rowlett)
- 3.** Consideration of a Resolution to Approve a Property Damage Release with Progressive Hawaii Insurance Corporation (AF-28-2025) (Bart Rowlett)
- 4.** Consideration to Approve Issuance of a Certificate of Compliance for a Business to Sell Retail Alcoholic Beverages (AF-37-3035) (Lisa Winkle)
- 5.** Consideration of Resolutions to Designate Officials Authorized to Execute Banking Transactions (AF-39-2025) (Lisa Winkle)

XIII. COMMUNICATIONS

1. City Manager
2. Mayor and Board Members

XIV. ADJOURN



BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Tuesday, January 21, 2025 at 4:00 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** 4:00 pm by Mayor Montgomery.

II. **ROLL CALL** by City Recorder/Treasurer Lisa Winkle.

III. **DISCUSSION ITEMS**

1. **FY2024 Audit Report** - Lisa Winkle

Ms. Winkle gave a presentation on this item, providing highlights and details throughout the report. David Elkins with Brown Edwards provided further information on the auditors' contribution to the report, including the final opinion issued. There was some discussion throughout.

2. **Library Update** - Michael Borders

Mr. Borders gave an overview of the library renovation project. He discussed the history of the building and the needs that arose over time, the approved funding and the construction to date and the future timeline. He also discussed the potential for utilizing Glen Bruce Park in conjunction with the library to create a unique destination. There was considerable discussion.

3. **Boards/Commissions Proposal** - Jessica Harmon

Ms. Harmon gave a presentation on this item. She stated that 24 out of 29 city boards and commissions have members that are appointed to the BMA. These appointments are spread out throughout the year. She then provided details on a proposed process to realign the terms to fill the vacancies twice a year. Discussion ensued.

BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Tuesday, January 21, 2025, at 4:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

IV. REVIEW OF BUSINESS MEETING AGENDA

City staff gave a summary for each item on the January 21, 2025 proposed agenda. No items were discussed at greater length or received specific questions of concerns.

The board did request for staff to address construction and demolition of the landfill for the benefit of the public.

V. ITEMS OF INTEREST

1. Sales Tax Report

2. Project Status Report

Have staff address construction and demolition of landfill for the public.

VI. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 6:09 p.m.

ANGELA MARSHALL
Deputy City Recorder

PAUL W. MONTGOMERY
Mayor



BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, January 21, 2025 at 7:00 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

City Administration

Chris McCartt, City Manager
Bart Rowlett, City Attorney

Lisa Winkle, City Recorder/Treasurer
Angie Marshall, City Clerk/Deputy City Recorder

I. **CALL TO ORDER** 7:00 pm by Mayor Montgomery.

II. **PLEDGE OF ALLEGIANCE TO THE FLAG**

III. **INVOCATION** led by Pastor Adam Love, Mafair United Methodist Church.

IV. **ROLL CALL** by City Recorder/Treasurer Lisa Winkle.

V. **RECOGNITIONS AND PRESENTATIONS** None.

VI. **COMMENT**

Mayor Montgomery invited citizens in attendance to speak. There being no one coming forward, the mayor closed the public comment section.

VII. **APPOINTMENTS** None.

VIII. **APPROVAL OF MINUTES** (*These items are considered under one motion.*)

Motion made by Alderman Mayes, Seconded by Alderman Baker.

Passed: All present voting "aye."

1. **December 16, 2024 - Called Business Meeting**
2. **December 16, 2024 - Work Session**
3. **December 17, 2024 - Business Meeting**

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, January 21, 2025 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

IX. BUSINESS MATTERS REQUIRING FIRST READING AND/ OR PUBLIC HEARINGS

- 1. Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 047, Parcel 002.20 Located along Brookside Drive from the M-1, Light Manufacturing District to B-3, Highway Oriented Business District (AF-09-2025) (Jessica McMurray)**

Motion made by Vice Mayor Duncan. Seconded by Alderman Mayes.

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG BROOKSIDE DRIVE FROM THE M-1, LIGHT MANUFACTURING DISTRICT TO B-3, HIGHWAY ORIENTED BUSINESS DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

- 2. Consideration of a Budget Ordinance to Appropriate \$25,181.00 from the Department of Justice, Office of Justice Program's FY '24 Edward Byrne Memorial Justice Assistance Grant Program (AF-05-2025) (Dale Phipps)**

Motion made by Alderman George. Seconded by Alderman Phillips.

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANT GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF JUSTICE FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

- 3. Consideration of a Budget Adjustment Ordinance for Various Funds in FY2025 (AF-26-2025) (Chris McCartt)**

Motion made by Alderman Phillips. Seconded by Alderman George.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

X. BUSINESS MATTERS REQUIRING FINAL ADOPTION

- 1. Consideration of an Ordinance to Amend Zoning of Tax Map 105, Parcels 193.00 and 194.00, Located along Summerville Road and Kendrick Creek Road from A-1, Agricultural District, to R-1C, Residential District (AF-337-2024) (Jessica McMurray)**

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Motion made by Vice Mayor Duncan, Seconded by Alderman Baker.

ORDINANCE NO. 7187 AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG SUMMERVILLE ROAD AND KENDRICK CREEK ROAD FROM THE A-1, AGRICULTURAL DISTRICT TO R-1C, RESIDENTIAL DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman Mayes, Alderman Phillips, Mayor Montgomery

Voting Abstaining: Alderman George

2. Consideration of an Ordinance to Amend the FY 2025 General Purpose School Fund and General Projects Fund Budgets (AF-338-2024) (David Frye)

Motion made by Alderman Cooper, Seconded by Alderman Mayes.

ORDINANCE NO. 7188 AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET AND THE GENERAL PROJECTS FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

3. Consideration of a Budget Ordinance for Various Funds FY25 (AF-354-2024) (Chris McCartt)

Motion made by Alderman George, Seconded by Alderman Cooper.

ORDINANCE NO. 7189 AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

XI. OTHER BUSINESS

1. Consideration of a Resolution to Approve a TDOT Right-of-Way Acquisition and Associated Construction Easement from a Portion of Tax Map 060, Parcel 6 for Rockslide Mitigation Purposes (AF-18-2025) (Ken Weems)

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Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

RESOLUTION NO. 2025-129 A RESOLUTION APPROVING THE CONVEYANCE OF REAL PROPERTY TO THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR ROCK SLIDE MITIGATION AND AUTHORIZING THE MAYOR TO EXECUTE AN APPROPRIATE DEED AND ANY OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

- 2. Consideration of a Resolution Awarding an Agreement for Architectural and Engineering Services for the New Elementary School and Associated Work at the Lynn View Community Center Site to Thompson & Litton, Inc. (AF-08-2025) (David Frye)**

Motion made by Alderman George, Seconded by Vice Mayor Duncan.

RESOLUTION NO. 2025-130 A RESOLUTION AWARDED AN AGREEMENT FOR ARCHITECTURAL AND ENGINEERING SERVICES FOR THE NEW ELEMENTARY SCHOOL AND ASSOCIATED WORK AT THE LYNN VIEW COMMUNITY CENTER SITE TO THOMPSON & LITTON, INC., AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SAME AND ANY AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

- 3. Consideration of a Resolution for Amendment Number 1 to TDOT Agreement for Island Road Improvements and Authorizing the Mayor to Sign all Applicable Documents (AF-10-2025) (Ryan McReynolds)**

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

RESOLUTION NO. 2025-131 A RESOLUTION APPROVING AN AMENDMENT TO AGREEMENT NUMBER 190070 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR THE ISLAND ROAD IMPROVEMENTS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

- 4. Consideration of a Resolution Authorizing the Mayor to Apply for and Receive a State Water Infrastructure Grant Application for Lead Service Line Inventory Grant (AF-16-2025) (Ryan McReynolds)**

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Motion made by Alderman George, Seconded by Alderman Baker.

RESOLUTION NO. 2025-132 A RESOLUTION RATIFYING THE APPLICATION FOR A STATE WATER INFRASTRUCTURE GRANT APPLICATION FOR LEAD SERVICE LINE INVENTORY AND AUTHORIZING THE MAYOR TO EXECUTE A LETTER IN SUPPORT THEREOF

Passed: All present voting "aye."

5. **Consideration of a Resolution Authorizing an Irrevocable License Agreement with LMK Communications, LLC d/b/a SEGRA (AF-03-2025) (Ryan McReynolds)**

Motion made by Alderman George, Seconded by Alderman Phillips.

RESOLUTION NO. 2025-133 A RESOLUTION APPROVING AN IRREVOCABLE LICENSE AGREEMENT WITH LMK COMMUNICATIONS, LLC FOR THE LOCATION OF INFRASTRUCTURE ALONG MAIN STREET, AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT FOR THE SAME

Passed: All present voting "aye."

6. **Consideration of a Resolution to Amend a Lease with Big Brothers Big Sisters for Space at V.O. Dobbins (AF-19-2025) (Michael T. Borders)**

Motion made by Vice Mayor Duncan, Seconded by Alderman Phillips.

RESOLUTION NO. 2025-134 A RESOLUTION APPROVING AN AMENDMENT TO THE LEASE BETWEEN THE CITY OF KINGSFORT AND BIG BROTHERS BIG SISTERS OF EAST TENNESSEE ALTERING THE LEASED SPACE AT THE V.O. DOBBINS COMPLEX AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME

Passed: All present voting "aye."

7. **Consideration of a Resolution to Enter into an Agreement with Phillips and Jordan for Material Disposal at Kingsport's Construction and Demolition Landfill and Authorizing the Mayor to Sign all Applicable Documents (AF-20-2025) (Ryan McReynolds)**

Motion made by Alderman George, Seconded by Alderman Cooper.

RESOLUTION NO. 2025-135 A RESOLUTION APPROVING AN AGREEMENT WITH PHILLIPS AND JORDAN, INC. FOR MATERIAL DISPOSAL AT THE CONSTRUCTION AND DEMOLITION LANDFILL, 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."

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- 8. Consideration of a Resolution to Issue a Purchase Order for Dozer Rental Utilizing Sourcewell Contracts (AF-17-2025) (Ryan McReynolds)**

Motion made by Alderman Baker, Seconded by Alderman Phillips.

RESOLUTION NO. 2025-136 A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO STOWERS MACHINERY CORPORATION UTILIZING SOURCEWELL COOPERATIVE PURCHASING AGREEMENT NO. 062320-CAT FOR THE RENTAL OF ONE DOZER FOR USE BY PUBLIC WORKS

Passed: All present voting "aye."

- 9. Consideration of a Resolution Authorizing the Transfer of Funding to the Kingsport Economic Development Board for the Purchase and Development of Property (AF-22-2025) (Chris McCartt)**

Motion made by Vice Mayor Duncan, Seconded by Alderman George.

RESOLUTION NO. 2025-137 A RESOLUTION APPROVING A FINANCIAL CONTRIBUTION TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT, TENNESSEE FOR ECONOMIC OR INDUSTRIAL DEVELOPMENT PURPOSES RELATIVE TO THE ACQUISITION AND DEVELOPMENT OF PROPERTY LOCATED 117 WEST SEVIER AVENUE AND AUTHORIZING SUCH AGREEMENTS AS MAY BE NEEDED TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

- 10. Consideration of a Resolution Ratifying the Mayor's Signature on an Intent to Apply Application and Authorizing the Mayor to Sign all Documents Necessary to Submit a Pre-Application for an Outdoor Recreation Grant (AF-23-2025) (Michael T. Borders)**

Motion made by Alderman George, Seconded by Alderman Baker.

RESOLUTION NO. 2025-138 A RESOLUTION TO RATIFY AN INTENT TO APPLY FOR A TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION OFFICE OF OUTDOOR RECREATION GRANT, AUTHORIZING THE MAYOR TO EXECUTE A PRE-APPLICATION FOR THE GRANT

Passed: All present voting "aye."

- 11. Consideration of a Resolution to Ratify the Mayors Signature to Receive Reimbursement Funds for Mission 484 (Hurricane Helene Disaster Response) as Part of the TN Statewide Mutual Aid Agreement (AF-24-2025) (Terry Arnold)**

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Motion made by Vice Mayor Duncan, Seconded by Alderman George.

RESOLUTION NO. 2025-139 A RESOLUTION RATIFYING THE MAYOR'S SIGNATURE ON A TENNESSEE EMERGENCY MANAGEMENT COST ESTIMATE FORM IN RELATION TO THE KINGSFORT FIRE DEPARTMENT'S RESPONSE TO HURRICANE HELENE AND AUTHORIZING THE MAYOR TO EXECUTE ALL OTHER DOCUMENTS NECESSARY AND PROPER TO OBTAIN REIMBURSEMENT FOR AID PROVIDED DURING HURRICANE HELENE

Passed: All present voting "aye."

12. **Consideration of a Resolution Ratifying the Submission of an Application for a Tennessee State Museum Capital Maintenance and Improvements Grant, Accepting Grant Funds if Awarded, and Authorizing the Mayor to Execute All Necessary and Proper Documents** (AF-14-2025) (Michael Borders)

Motion made by Alderman Baker, Seconded by Alderman George.

RESOLUTION NO. 2025-140 A RESOLUTION RATIFYING THE SUBMISSION OF AN APPLICATION FOR A TENNESSEE STATE MUSEUM CAPITAL MAINTENANCE AND IMPROVEMENTS GRANT FOR HURRICANE HELENE DISASTER RELIEF; ACCEPTING RECEIPT OF ANY GRANT FUNDS AWARDED; AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

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

Motion made by Vice Mayor Duncan, Seconded by Alderman Mayes.

Passed as presented with a roll call vote: Alderman Baker, Alderman Cooper, Vice Mayor Duncan, Alderman George, Alderman Mayes, Alderman Phillips, Mayor Montgomery

1. **Consideration of a Resolution Ratifying an Application for a Tennessee Arts Commission Arts Education Community Learning Grant for FY26** (AF-06-2025) (Michael Borders)

RESOLUTION NO. 2025-141 A RESOLUTION APPROVING A GRANT APPLICATION FOR A TENNESSEE ARTS COMMISSION LEARNING GRANT FOR FISCAL YEAR 2026; RATIFYING THE MAYOR'S EXECUTION OF THE SAME; AND IF AWARDED, ACCEPTING THE GRANT FUNDS AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO RECEIVE THE GRANT FUNDS AND TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

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- 2. Consideration of a Resolution Ratifying an Application for a Tennessee Arts Commission Partnership Grant for FY26** (AF-04-2025) (Michael Borders)

RESOLUTION NO. 2025-142 A RESOLUTION APPROVING A GRANT APPLICATION FOR A TENNESSEE ARTS COMMISSION PARTNERSHIP GRANT FOR FISCAL YEAR 2026; RATIFYING THE MAYOR'S EXECUTION OF THE SAME; AND IF AWARDED, ACCEPTING THE GRANT FUNDS AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO RECEIVE THE GRANT FUNDS AND TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

- 3. Consideration of a Resolution to Accept a Private Monetary Donation from Lavell Kish for the Kingsport Police Department and Appropriate the Funds** (AF-02-2025) (Chief Phipps)

RESOLUTION NO. 2025-143 A RESOLUTION ACCEPTING A PRIVATE DONATION FROM LAVELL KISH FOR THE KINGSFORT POLICE DEPARTMENT

- 4. Consideration of Approval of Offers for Right-of-Ways and Easements for Fieldcrest Annexation Sanitary Sewer Project** (AF-15-2025) (Ryan McReynolds)

- 5. Consideration of a Resolution to Enter into an Agreement with the Tennessee Main Street Program** (AF-07-2025) (Chris McCartt)

RESOLUTION NO. 2025-144 A RESOLUTION APPROVING AN AGREEMENT WITH THE TENNESSEE MAIN STREET PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

- 6. Acceptance of the June 30, 2024 Annual Comprehensive Financial Report filed with the State of Tennessee December 31, 2024** (AF-25-2025) (Lisa Winkle)

- 7. Consideration of a Resolution Ratifying the Mayor's Signature on the Certification of Local Official Determining that KHRA's Agency Plan is Consistent with the Consolidated Plan** (AF-01-2025) (Michael Price)

RESOLUTION NO. 2025-145 A RESOLUTION TO RATIFY THE MAYOR'S SIGNATURE ON THE CERTIFICATION BY STATE OR LOCAL OFFICIAL OF THE PUBLIC HOUSING AUTHORITY'S PLAN'S CONSISTENCY WITH THE CONSOLIDATED PLAN DOCUMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

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8. **Consideration of a Resolution Authorizing the Mayor to Sign Agreements and Addendum with the American Red Cross for the Kingsport Aquatic Center (AF-12-2025) (Michael T. Borders)**

RESOLUTION NO. 2025-146 A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE AMERICAN RED CROSS FOR THE KINGSFORT AQUATIC CENTER TO BECOME A LICENSED TRAINING PROVIDER; TO EXECUTE THE CENTENNIAL ADDENDUM WITH THE AMERICAN RED CROSS FOR THE KINGSFORT AQUATIC CENTER TO PARTICIPATE IN THEIR CENTENNIAL CAMPAIGN AND TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

XIII. COMMUNICATIONS

1. City Manager

Mr. McCartt highlighted several important items that were passed tonight and stated he appreciated the BMA's support as staff continues to work through these projects.

2. Mayor and Board Members

Alderman Mayes extended appreciation to the audit committee and staff who worked towards providing an outstanding audit. He encouraged citizens to view it on the city's website. He also mentioned he had the privilege to attend the Police Department's recognition service and appreciated the Chief's leadership. Alderman Cooper discussed the many things happening in downtown, pointing out how important and unique it is. She stated you can find details on the DKA website. Alderman George commented on the great budget presentation at the work session earlier. She stated she was excited about the library project and commented on the groundbreaking for the Blue Cross Blue Shield playground. She also listed several upcoming events coming to Kingsport. Lastly, she mentioned if you renew your Bays Mountain pass right now you can get a Bays Mountain license plate through generous donations as a fundraiser. Alderman Baker thanked Lisa Winkle and her staff for the remarkable audit presentation. He also commented on the schools' voucher program and tax legislation in light of two possible new elementary schools. Alderman Phillips remarked the new DB dome is opening January 28, noting he is very excited to see it open. He also thanked Public Works for all their work during the recent cold weather. Lastly, he mentioned he has received several comments on the Blue Cross Blue Shield playground regarding the smell and asked Deputy City Manager McReynolds to explain how the city works to mitigate that through the treatment plant. Vice-Mayor Duncan

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also congratulated Lisa Winkle, pointing out this is her last audit and thanking her for her hard work. He also talked about the cold weather and the availability of beds at many local shelters. The Vice-Mayor also mentioned the library, noting it's an exciting project. Mayor Montgomery stated he has received several calls recently commending staff for work in the cold weather. He also thanked those who helped in the rescue at the nursing home. Lastly he thanked Ryan for working with the DB folks in the dome project.

XIV. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 8:23 p.m.

ANGELA MARSHALL
Deputy City Recorder

PAUL W. MONTGOMERY
Mayor



AGENDA ACTION FORM

Consideration of a Budget Ordinance for Various Funds FY25

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-35-2025
Work Session: February 3, 2025
First Reading: February 4, 2025
Final Adoption: February 18, 2025
Staff Work By: Morris
Presentation By: McCartt

Recommendation:
Approve the Budget Ordinance

Executive Summary:
The General Fund is being amended by accepting a \$500 grant from the Kingsport Chamber Foundation in the amount of \$500 to the Fire Department and by accepting \$123,584 in Opioid settlements from the State of Tennessee to be allocated to the TN Opioid Settlement project (NC2420).

The Sewer Project Fund is being amended by moving \$129,276 from various projects to the West Kingsport Sewer Evaluation project to cover inspection and engineering services for the West Kingsport Sewer Basin.

Attachments:
1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by accepting a donation from the Kingsport Chamber Foundation in the amount of \$500 to the From Non-Profit Groups line (110-0000-364.30-00) to be allocated to the Maintenance Supplies line (110-3501-451.30-22) in the amount of \$500, and by accepting \$123,584 from the State of Tennessee to the TN Opioid Settlements line (110-0000-368.81-15) to be allocated to the To Gen Proj-Special Rev line (110-4804-481.70-35) in the amount of \$123,584.

SECTION II. That the General Projects-Special Revenue Fund be amended by allocating \$123,584 from the General Fund to the TN Opioid Settlements project (NC2420).

SECTION III. That the Sewer Project Fund be amended by transferring \$123,296 from the Main St Sewer Improvements project (SW1901), \$980 from the Maintenance Facility Improvements project (SW2202), and \$5,000 from the Maintenance Facility Improvements project (SW2503) for a total of \$129,276, to be allocated to the West Kingsport Sewer Evaluation project (SW2207).

Fund 110: General Fund

Account Number/Description:

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
110-0000-364.30-00 From Non-Profit Groups	50,000	500	50,500
110-0000-368.81-15 TN Opioid Settlements	0	123,584	123,584
Total:	50,000	124,084	174,084

Expenditures:

	\$	\$	\$
110-3501-451.30-22 Operating Supplies & Tool	66,014	500	66,514
110-4804-481.70-35 To Gen Proj-Special Rev	2,242,902	123,584	2,366,486
Total:	2,308,916	124,084	2,433,000

**General Projects-Special Revenue Fund: 111
TN Opioid Settlements (NC2420)**

Account Number/Description:

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
111-0000-391.01-00 From General Fund	220,982	123,584	344,566
Total:	220,982	123,584	344,566

Expenditures:

	\$	\$	\$
111-0000-601.90-03 Improvements	220,982	123,584	344,566
Total:	220,982	123,584	344,566

Sewer Project Fund: 452

Main St Sewer Line Replacement (SW1901)

Account Number/Description:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
452-0000-391.05-47 Series 2017 B GO Bonds	404,608	0	404,608
452-0000-391.05-48 GO Bonds Series 2018 B	400,551	0	400,551
452-0000-391.05-56 Series 2019 GO Improvement	7,183	0	7,183
452-0000-391.05-69 GO Bonds Series 2021	418,129	(123,296)	294,833
452-0000-391.42-00 From Sewer Fund	34,726	0	34,726
Total:	1,265,197		1,141,901

Expenditures:

452-0000-606.20-23 Arch/Eng/Landscaping	100,357	(1,424)	98,933
452-0000-601.90-03 Improvements	1,164,840	(121,872)	1,042,968
Total:	1,265,197	(123,296)	1,141,901

Maint Facility Imp (SW2202)

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
452-0000-391.42-00 From Sewer Fund	45,213	(980)	44,233
Total:	45,213	(980)	44,233

Expenditures:

452-0000-606.20-23 Arch/Eng/Landscaping Serv	24,000	0	24,000
452-0000-606.90-03 Improvements	21,213	(980)	20,233
Total:	45,213	(980)	44,233

Maintenance Facility Imp (SW2503)

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
452-0000-391.42-00 From Sewer Fund	100,000	(5,000)	95,000
Total:	100,000	(5,000)	95,000

Expenditures:

452-0000-606.90-03 Improvements	100,000	(5,000)	95,000
Total:	100,000	(5,000)	95,000

W KPT Sewer Evaluation (SW2207)

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
452-0000-391.05-69 GO Bonds Series 2021	0	123,296	123,296
452-0000-391.42-00 From Sewer Fund	357,020	5,980	363,000
Total:	357,020	129,276	486,296

Expenditures:

452-0000-606.20-23 Arch/Eng/Landscaping Serv	357,020	129,276	486,296
Total:	357,020	129,276	486,296

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



AGENDA ACTION FORM

Consideration of a Budget Ordinance for the General Fund in FY25

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-41-2025
Work Session: February 3, 2025
First Reading: February 4, 2025
Final Adoption: February 18, 2025
Staff Work By: Morris
Presentation By: McCartt

Recommendation:

Approve the Budget Ordinance.

Executive Summary:

The General Fund is being amended by increasing the Sales Tax - Sullivan line (110-0000-333-01-00) by \$150,000 to be allocated to Petworks for operating expenses. This increases the total annual allocation to Petworks for operating expenses to \$500,000

Below is a history of annual allocations to Petworks for operations (does not include capital contributions) is as follows:

- FY2025: \$500,000 – If approved.
- FY2024: \$510,000 – New Director Added – First raises to staff in 5 years
- FY2023: \$405,000 – Principal removed from Line of Credit
- FY2022: \$370,000 – Principal and Interest became due on Line of Credit
- FY2021: \$300,000 – Moved into new facility – lost county day workers for custodial services
- FY2020: \$215,800 – Old Facility – simple operation, less staff, less traffic, less utilities.

Attachments:

1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by increasing the Sales Tax - Sullivan line (110-0000-333-01-00) by \$150,000 to be allocated to the SBK Animal Control line (110-1005-405.80-51) in the amount of \$150,000.

Fund 110: General Fund

Account Number/Description:

Revenues:

110-0000-333.10-00 Sales Tax – Sullivan

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$ 21,900,400	\$ 150,000	\$ 22,050,400
Total:	21,900,400	150,000	22,050,400

Expenditures:

110-1005-405-80-51 SBK Animal Control

	\$ 350,000	\$ 150,000	\$ 500,000
Total:	350,000	150,000	500,000

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



AGENDA ACTION FORM

Consideration of a Budget Ordinance to Appropriate \$25,181.00 from the Department of Justice, Office of Justice Program’s FY ’24 Edward Byrne Memorial Justice Assistance Grant Program

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-05-2025
Work Session: January 21, 2025
First Reading: January 21, 2025
Final Adoption: February 4, 2025
Staff Work By: Capt. Chris Tincher
Presentation By: Chief Dale Phipps

Recommendation:
Approve the Budget Ordinance.

Executive Summary:
On July 18, 2023, via AF-260-2024, the Board of Mayor and Aldermen approved the Mayor executing all documents necessary to apply for and receive a grant from the Department of Justice FY '24 Edward Byrne Memorial Justice Assistance Grant (JAG) Program. We have been notified that we were approved for \$25,181.00 in grant funds for the upcoming fiscal year. The grant will be utilized to purchase equipment and/or technological improvements.

There are no matching fund requirements.

Attachments:
1. Budget Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND THE JUSTICE ASSISTANT GRANT FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF JUSTICE FOR THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Justice Assistant Grant Fund budget be amended by appropriating grant funds received from the Department of Justice Edward Byrne Memorial Justice Assistance Program (JAG) in the amount of \$25,181 to the Justice Assist/Technology project (JG2500) to purchase equipment and/or technology improvements. No matching funds are required.

Fund 134: Justice Assist Grant Fund
Justice Assist/Technology (JG2500)

<u>Revenues:</u>	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
	\$	\$	\$
134-0000-331.45-37 BUREAU OF JUSTICE / JAG	0	25,181	25,181
<i>Totals:</i>	0	25,181	25,181
<u>Expenditures:</u>	\$	\$	\$
134-3030-443.90-06 PURCHASES \$5,000 & OVER	0	25,181	25,181
<i>Totals:</i>	0	25,181	25,181

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

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



AGENDA ACTION FORM

Consideration of an Ordinance to Amend Zoning of Tax Map 047, Parcel 002.20 Located along Brookside Drive from the M-1, Light Manufacturing District to B-3, Highway Oriented Business District

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-09-2025
Work Session: January 21, 2025
First Reading: January 21, 2025
Final Adoption: February 4, 2025
Staff Work By: J. McMurray
Presentation By: J. McMurray

Recommendation:

Approve ordinance amending the zoning ordinance to rezone Tax Map 047, Parcel 002.20 located along Brookside Drive from the M-1, Light Manufacturing District to B-3, Highway Oriented Business District.

Executive Summary:

This is an owner-requested rezoning of approximately 11.18 acres located along Brookside Drive from the M-1 zone to the B-3 zone. The purpose of the rezoning is to facilitate construction of a new church. The parcel is surrounded by lower-intensity county zoning, and the proposed change creates a buffer, transitioning smoothly between industrial and nearby commercial and residential zones. The B-3 zone supports retail, offices, services, and religious assembly, benefiting nearby businesses and the community.

No comment was received at the Planning Commission meeting. During their December 2024 regular meeting, the Kingsport Regional Planning Commission voted to send a positive recommendation to the Board of Mayor and Aldermen in support of approving the rezoning request by a vote of 6-0. The notice of public hearing was published on December 30, 2024.

Attachments:

- 1. Zoning Ordinance

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG BROOKSIDE DRIVE FROM THE M-1, LIGHT MANUFACTURING DISTRICT TO B-3, HIGHWAY ORIENTED BUSINESS DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property located along Brookside Drive from the M-1, Light Manufacturing District to B-3, Highway Oriented Business District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING AT AN IRON PIN IN THE WESTERLY SIDELINE OF BROOKSIDE ROAD, CORNER TO DONIHE PROPERTY; THENCE ALONG THE WESTERLY SIDELINE OF THE SAID BROOKSIDE ROAD THE FOLLOWING TWO CALLS: S. 16°26'05" W., 206.32 FEET TO A POINT; THENCE S. 19°51'34" W., 514.88 FEET TO AN IRON PIN IN THE WESTERLY SIDELINE OF BROOKSIDE ROAD, CORNER FOR SLAUGHTER-PIERCE PROPERTY AND THE PROPERTY HEREIN CONVEYED; THENCE WITH A NEW DIVISIONAL LINE OF THE SLAUGHTER-PIERCE PROPERTY THE FOLLOWING TWO CALLS: N. 75°41' W., 278.39 FEET TO A POINT; THENCE N. 44°48'27" W., 639.22 FEET TO AN IRON PIN, CORNER FOR THE GENERAL SHALE CORPORATION PROPERTY AND THE PROPERTY HEREIN CONVEYED; THENCE WITH THE DIVISIONAL LINE OF THE GENERAL SHALE CORPORATION PROPERTY , N. 18°24' E., 320.96 FEET TO AN IRON PIN, CORNER FOR GENERAL SHALE CORPORATION, KINGSPORT POWER COMPANY PROPERTY AND THE PROPERTY HEREIN CONVEYED; THENCE ALONG THE DIVISIONAL LINE OF THE KINGSPORT POWER COMPANY PROPERTY THE FOLLOWING TWO CALLS: S. 74°06' E., 161.42 FEET TO A POINT; THENCE N. 15°54' E., 5.89 FEET TO AN IRON PIN, CORNER FOR KINGSPORT POWER COMPANY PROPERTY, DONIHE PROPERTY AND THE PROPERTY HEREIN CONVEYED; THENCE WITH THE DIVISIONAL LINE OF THE DONIHE PROPERTY S. 81°18'57" E., 703.38 FEET TO AN IRON PIN IN THE WESTERLY SIDELINE OF BROOKSIDE ROAD, THE POINT OF BEGINNING, CONTAINING 11.18 ACRES, MORE OR LESS

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

PAUL W. MONTGOMERY
Mayor

ATTEST:

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III
City Attorney

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



AGENDA ACTION FORM

Consideration of a Budget Ordinance for Various Funds FY25

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-26-2025
 Work Session: January 21, 2025
 First Reading: January 21, 2025

Final Adoption: February 4, 2025
 Staff Work By: Morris
 Presentation By: McCartt

Recommendation:
 Approve the Budget Ordinance.

Executive Summary:
 The General Fund is being amended by increasing Commercial Property Tax by \$189,531, KEDB PILOTs by \$942,000, and by accepting a donation from Lavell Kish in the amount of \$300 for a total of \$1,131,831. Allocated to KEDB Façade Grants in the amount of \$100,000, Economic Development in the amount of \$37,500 for market analysis, the Police Department in the amount of \$300, Urban Mass Transit in the amount of \$66,031 for grant matching, State Street Aid Fund in the amount of \$125,000 for the purchase of salt, and MPO Fund in the amount of \$803,000 to provide matching funds for a State STBG Grant.

The General Projects-Special Revenue Fund is being amended by appropriating \$954,858 in Border Regions Sales Tax Collected to the Border Regions District Sales Tax project (NC2013), accepting a technology grant from the Tennessee State Library and Archives in the amount of \$5,131 and accepting a matching donation from the Friends of the Library in the amount of \$5,131 to the LSTA Tech Grant project (NC2512), and by accepting a grant from the Tennessee Historical Records Advisory Board in the amount of \$5,000 to the Library Archives project (NC2513).

The State Street Aid Fund is being amended by appropriating \$125,000 from the General Fund for the purchase of road salt.

The MPO Project Fund is being amended by accepting \$3,212,000 from TDOT and \$803,000 matching funds from the General Fund to the Street Resurfacing project (MP025A).

The Urban Mass Transit Assistance Project Fund is being amended by appropriating \$24,556 from the General Fund to the FY19 Operating Grant (FTA023) and by appropriating \$350,450 from the General Fund and \$1,761,150 State/Federal Funding for a total of \$2,111,600 to the 5307 Operations/Capital project (FTA038)

The General Project Fund is being amended by appropriating \$2,000,000 received from the Tennessee Department of Economic & Community Development to the Library Renovations project (GP2300).

The Solid Waste Fund is being amended by increasing Landfill Tipping Fees by \$100,000 to be used to rent equipment to accept debris from Erwin caused by Hurricane Helene.

Attachments:
 1. Budget Ordinance

Item X3.

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR
THE YEAR ENDING JUNE 30, 2025; AND, TO FIX THE
EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Fund be amended by increasing the Commercial line (110-0000-311.20-10) by \$189,531, the Thru IDBK line (110-0000-312.60-00) by \$942,000, and the From Individuals line (110-0000-364.10-00) in the amount of \$300 for a total of \$1,131,831 to be allocated to the Façade Grant line (110-1005-405.80-78) in the amount of \$100,000, to the Professional Consultant line (110-2506-436.20-20) in the amount of \$37,500, to the Operating Supplies & Tool line (110-3001-441.30-20) in the amount of \$300, to the To UMTA Fund line (110-4804-481.70-13) in the amount of \$66,031, to the To State Street Aid Fund line (110-4804-481.70-23) in the amount of \$125,000, and to the To MPO Fund line (110-4804-481.70-52) in the amount of \$803,000.

SECTION II. That the General Projects-Special Revenue Fund be amended by appropriating \$954,858 in Border Regions Sales Tax received to the Border Regions District Sales Tax project (NC2013), by accepting a technology grant from the Tennessee State Library and Archives in the amount of \$5,131 and accepting a matching donation from the Friends of the Library in the amount of \$5,131 to the LSTA Tech Grant project (NC2512), and by accepting a grant from the Tennessee Historical Records Advisory Board in the amount of \$5,000 to the Library Archives project (NC2513).

SECTION III That the State Street Aid Fund be amended by appropriating \$125,000 from the General Fund to the Snow Removal Supplies line (121-4024-461.30-38) for the purchase of road salt.

SECTION IV That the MPO Project Fund be amended by accepting \$3,212,000 from TDOT and \$803,000 matching funds from the General Fund to the Street Resurfacing project (MP025A).

SECTION V. That the Urban Mass Transit Assistance Project Fund be amended by appropriating \$24,556 from the General Fund to the FY19 Operating Grant (FTA023) and by appropriating \$350,450 from the General Fund and \$1,761,150 State/Federal Funding for a total of \$2,111,600 to the 5307 Operations/Capital project (FTA038).

SECTION VI. That the General Project Fund be amended by appropriating \$2,000,000 received from the Tennessee Department of Economic & Community Development to the Library Renovations project (GP2300).

SECTION VII. That the Solid Waste Fund be amended by increasing the Landfill Tipping Fee line (415-0000-343.60-00) by \$100,000 and the Machinery/Equip Rental line (415-4023-462.20-54) by \$100,000.

Fund 110: General Fund

Account Number/Description:

Revenues:

	Budget	Incr/(Decr)	New Budget
	\$	\$	\$
110-0000-311.20-10 Commercial	7,357,200	189,531	7,546,731
110-0000-312.60-00 Thru IDBK	1,991,600	942,000	2,933,600
110-0000-364.10-00 From Individuals	0	300	300
Total:	9,348,800	1,131,831	10,480,631

Expenditures:

	Budget	Incr/(Decr)	New Budget
	\$	\$	\$
110-1005-405.80-78 Façade Grant	100,000	100,000	200,000
110-2506-436.20-20 Professional/Consultant	48,600	37,500	86,100
110-3001-441.30-20 Operating Supplies & Tool	7,200	300	7,500
110-4804-481.70-13 To UMTA	380,000	66,031	446,031
110-4804-481.70-23 To State Street Aid Fund	1,146,250	125,000	1,271,250
110-4804-481.70-52 To MPO	68,000	803,000	871,000
Total:	1,750,050	1,131,831	2,881,881

Gen Proj-Special Rev Fund: 111

Border Reg Dist Sales Tax (NC2013)

Account Number/Description:

Revenues:

	Budget	Incr/(Decr)	New Budget
	\$	\$	\$
111-0000-332.10-15 Border Regions Allocation	831,570	954,858	1,786,428
Total:	831,570	954,858	1,786,428

Expenditures:

	\$	\$	\$
111-0000-681.75-10 Meade Tractor	831,570	954,858	1,786,428
Total:	831,570	954,858	1,786,428

LSTA Tech Grant (NC2512)

Revenues:

	Budget	Incr/(Decr)	New Budget
	\$	\$	\$
111-0000-337.41-01 Technology Grants	0	5,131	5,131
111-0000-364.30-00 From Non-Profit Groups	0	5,131	5,131
Total:	0	10,262	10,262

Expenditures:

	\$	\$	\$
111-0000-601.30-20 Operating Supplies & Tools	0	10,262	10,262
Total:	0	10,262	10,262

Library Archives (NC2513)

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
111-0000-332.69-00 Miscellaneous Other State	\$ 0	\$ 5,000	\$ 5,000
Total:	0	5,000	5,000

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
111-0000-601.30-39 Library Program Supplies	\$ 0	\$ 5,000	\$ 5,000
Total:	0	5,000	5,000

State Street Aid Fund: 121

Account Number/Description:

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
121-0000-391.01-00 From General Fund	\$ 1,126,250	\$ 125,000	\$ 1,251,250
Total:	1,126,250	125,000	1,251,250

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
121-4024-461.30-38 Snow Removal Supplies	\$ 200,000	\$ 125,000	\$ 325,000
Total:	200,000	125,000	325,000

MPO Project Fund: 122

Street Resurfacing (MP025A)

Account Number/Description:

Revenues:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
122-0000-337.90-10 FTA/TN Section 5303 80%	\$ 0	\$ 3,212,000	\$ 3,212,000
122-0000-391-01.00 From General Fund	0	803,000	803,000
Total:	0	4,015,000	4,015,000

Expenditures:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
122-0000-609.20-22 Construction Contracts	\$ 0	\$ 3,615,000	\$ 3,615,000
122-0000-609.20-23 Arch/Eng/Landscaping Serv	0	400,000	400,000
Total:	0	4,015,000	4,015,000

Urban Mass Transit Assist Fund: 123

FY19 Operating Grant (FTA023)

Account Number/Description:

Revenues:

	Budget	Incr/(Decr)	New Budget
	\$	\$	\$
123-0000-331.20-00 UMTA Section 9	902,463	0	902,463
123-0000-332.90-00 Department of Transportation	723,415	0	723,415
123-0000-365.20-09 Bus Fares TN-90-X150	82,000	0	82,000
123-0000-365.21-00 ADA Paratransit	26,727	0	26,727
123-0000-368.15-00 Rental of Land & Building	65,333	0	65,333
123-0000-391.01-00 From General Fund	491,438	24,556	515,994
Total:	2,291,376	24,556	2,315,932

Expenditures:

	\$	\$	\$
123-5901-602.10-10 Salaries & Wages	1,068,127	24,556	1,092,683
123-5901-602.10-11 Overtime	56,385	0	56,385
123-5901-602.10-20 Social Security	75,186	0	75,186
123-5901-602.10-30 Group Health Insurance	186,670	0	186,670
123-5901-602.10-41 TCRS Retirement	91,337	0	91,337
123-5901-602.10-42 TCRS Hybrid Retirement	3,391	0	3,391
123-5901-602.10-43 ICMA Retirement	36,748	0	36,748
123-5901-602.10-50 Life Insurance	1,856	0	1,856
123-5901-602.10-52 Long Term Disability Ins	1,595	0	1,595
123-5901-602.10-60 Workmen's Compensation	1,111	0	1,111
123-5901-602.10-61 Unemployment Insurance	2,242	0	2,242
123-5901-602.20-10 Advertising & Publication	1,023	0	1,023
123-5901-602.20-11 Printing & Binding	6,480	0	6,480
123-5901-602.20-20 Professional/Consultant	581	0	581
123-5901-602.20-30 Electric Service	22,695	0	22,695
123-5901-602.20-33 Water & Sewer	5,572	0	5,572
123-5901-602.20-34 Telephone	3,465	0	3,465
123-5901-602.20-36 Natural Gas	4,191	0	4,191
123-5901-602.20-40 Travel Expense	19,510	0	19,510
123-5901-602.20-41 Registration Fees/Tuition	5,310	0	5,310
123-5901-602.20-43 Dues & Memberships	7,047	0	7,047
123-5901-602.20-44 Literature/Subscriptions	1,106	0	1,106
123-5901-602.20-45 Training	3,070	0	3,070
123-5901-602.20-52 Medical Services	864	0	864
123-5901-602.20-54 Equipment Rental	6,188	0	6,188
123-5901-602.20-55 Repairs & Maintenance	7,630	0	7,630
123-5901-602.20-56 Repairs & Maint-Vehicles	420,681	0	420,681
123-5901-602.20-57 Computer Repairs/Mainten	2,015	0	2,015
123-5901-602.20-68 Covid-19	20,862	0	20,862
123-5901-602.20-69 Stormwater Fee Expense	1,627	0	1,627
123-5901-602.20-75 Temporary Employees	9,323	0	9,323
123-5901-602.20-99 Miscellaneous	156,101	0	156,101
123-5901-602.30-10 Office Supplies	6,187	0	6,187
123-5901-602.30-11 Postage	517	0	517
123-5901-602.30-12 Food	3,175	0	3,175
123-5901-602.30-20 Operating Supplies & Tool	8,546	0	8,546
123-5901-602.30-22 Maintenance Supplies	20,289	0	20,289

123-5901-602.30-26 Sign Parts & Supplies	381	0	381
123-5901-602.30-29 Clothing & Uniforms	5,605	0	5,605
123-5901-602.30-68 Covid-19	9,630	0	9,630
123-5901-602.50-26 Vehicle Ins Chgd by FLM	7,057	0	7,057
Total:	2,291,376	24,556	2,315,932

5307 Operations/Capital (FTA038)

Account Number/Description:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
123-0000-331.20-00 UMTA Section 9	0	1,140,700	1,140,700
123-0000-332.90-00 Department of Transportation	0	620,450	620,450
123-0000-391.01-00 From General Fund	0	350,450	350,450
Total:	0	2,111,600	2,111,600

Expenditures:

	\$	\$	\$
123-5901-602.10-10 Salaries & Wages	0	1,100,000	1,100,000
123-5901-602.10-11 Overtime	0	55,000	55,000
123-5901-602.10-20 Social Security	0	75,000	75,000
123-5901-602.10-30 Group Health Insurance	0	180,000	180,000
123-5901-602.10-41 TCRS Retirement	0	90,000	90,000
123-5901-602.10-42 TCRS Hybrid Retirement	0	3,300	3,300
123-5901-602.10-43 ICMA Retirement	0	37,000	37,000
123-5901-602.10-50 Life Insurance	0	1,800	1,800
123-5901-602.10-52 Long Term Disability Ins	0	1,600	1,600
123-5901-602.10-60 Workmen's Compensation	0	1,100	1,100
123-5901-602.10-61 Unemployment Insurance	0	2,200	2,200
123-5901-602.20-10 Advertising & Publication	0	1,000	1,000
123-5901-602.20-11 Printing & Binding	0	6,400	6,400
123-5901-602.20-20 Professional/Consultant	0	500	500
123-5901-602.20-30 Electric Service	0	22,600	22,600
123-5901-602.20-33 Water & Sewer	0	5,500	5,500
123-5901-602.20-34 Telephone	0	3,400	3,400
123-5901-602.20-36 Natural Gas	0	4,100	4,100
123-5901-602.20-40 Travel Expense	0	19,500	19,500
123-5901-602.20-41 Registration Fees/Tuition	0	5,300	5,300
123-5901-602.20-43 Dues & Memberships	0	7,000	7,000
123-5901-602.20-44 Literature/Subscriptions	0	1,000	1,000
123-5901-602.20-45 Training	0	3,000	3,000
123-5901-602.20-52 Medical Services	0	800	800
123-5901-602.20-54 Equipment Rental	0	6,000	6,000
123-5901-602.20-55 Repairs & Maintenance	0	7,000	7,000
123-5901-602.20-56 Repairs & Maint-Vehicles	0	400,000	400,000
123-5901-602.20-57 Computer Repairs/Mainten	0	2,000	2,000
123-5901-602.20-69 Stormwater Fee Expense	0	1,600	1,600
123-5901-602.20-75 Temporary Employees	0	9,300	9,300
123-5901-602.20-99 Miscellaneous	0	7,300	7,300
123-5901-602.30-10 Office Supplies	0	6,100	6,100
123-5901-602.30-11 Postage	0	500	500
123-5901-602.30-12 Food	0	3,100	3,100

123-5901-602.30-20 Operating Supplies & Tool	0	8,500	8,500
123-5901-602.30-22 Maintenance Supplies	0	20,200	20,200
123-5901-602.30-26 Sign Parts & Supplies	0	300	300
123-5901-602.30-29 Clothing & Uniforms	0	5,600	5,600
123-5901-602.50-26 Vehicle Ins Chgd by FLM	0	7,000	7,000
Total:	0	2,111,600	2,111,600

General Project Fund: 311
Library Renovations (GP2300)

Account Number/Description:

	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
311-0000-331.95-00 American Rescue Plan Act	72,000	0	72,000
311-0000-332.73-00 TN State Library Grant	0	2,000,000	2,000,000
311-0000-368.10-55 Series 2017 A GO Bonds	64,000	0	64,000
311-0000-368.10-56 GO Bonds Series 2018 A	236,000	0	236,000
311-0000-368.10-72 GO Bonds Series 2023	4,334,062	0	4,334,062
311-0000-368.21-01 Premium From Bond Sale	112,632	0	112,632
311-0000-368.99-00 Miscellaneous	11,509	0	11,509
311-0000-391-01.00 From General Fund	2,476,303	0	2,476,303
Total:	7,306,506	2,000,000	9,306,506

Expenditures:

	\$	\$	\$
311-0000-601.20-22 Construction Contracts	7,014,569	2,000,000	9,014,569
311-0000-601.20-23 Arch/Eng/Landscaping Fee	246,400	0	246,400
311-0000-601.40-41 Bond Sale Expense	45,537	0	45,537
Total:	7,306,506	2,000,000	9,306,506

Solid Waste Fund: 415

Account Number/Description:

Revenues

	\$	\$	\$
415-0000-343.60-00 Landfill Tipping Fee	806,600	100,000	906,600
Total:	806,600	100,000	906,600

Expenditures:

	\$	\$	\$
415-4023-462.20-54 Machinery/Equip Rental	34,000	100,000	134,000
Total:	34,000	100,000	134,000

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



AGENDA ACTION FORM

Consideration of a Resolution to Enter into Agreement with TDOT for Resurfacing of Various Roadways

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-11-2025
Work Session: February 3, 2025
First Reading: N/A
Final Adoption: February 4, 2025
Staff Work By: Staff
Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution.

Executive Summary:

As part of our current paving initiatives the city has the opportunity to enter into an agreement with TDOT for resurfacing various roads. This grouping will focus on Meadowview Parkway and Orebank Road. The project consists of milling, grading, repairing, ADA improvements, striping and signage.

The estimated cost for all the phases of this project is \$4,015,000, which will be funded 80% through Metropolitan Transportation Planning Organization (MTPO) Surface Transportation Block Grant (STBG) funding source (Federal funds); and the local government is responsible for 20% matching share (estimated amount of \$803,000).

Therefore, we request to enter into a Local Agency Project Agreement with TDOT for Resurfacing of Various Roads. Funds are available in MP025A Street Resurfacing in the amount of \$803,000. Entering into this agreement is the initial step in a multi-year process for repaving anticipated in 2029.

Project Data: TDOT Agreement #: 240447; PIN: 136057.00; Federal Project #: STP-M-9108(54); State Project #: 82LPLM-F3-105.

Attachments:

1. Resolution
2. Agreement
3. Maps

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AGREEMENT NUMBER 240447 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR THE RESURFACING OF VARIOUS ROADWAYS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, as part of our current paving initiatives the city has the opportunity to enter into an agreement with the Tennessee Department of Transportation (TDOT) for resurfacing various roads; and

WHEREAS, this agreement will focus on Meadowview Parkway and Orebank Road, and will consists of milling, grading, other necessary repairs, ADA improvements, striping and signage; and

WHEREAS, the estimated cost for all the phases of this project is \$4,015,000, 80% of which will be funded through Metropolitan Transportation Planning Organization (MTPO) Surface Transportation Block Grant (STBG) funding (Federal funds); with city being responsible for a 20% match which is estimated to be \$803,000; and

WHEREAS, funding is available in MP025A Street Resurfacing in the amount of \$803,000.

Now therefore,

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

SECTION I. That Agreement Number 240447 with the Tennessee Department of Transportation for resurfacing various roads, 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, Agreement Number 240447 with Tennessee Department of Transportation for resurfacing various roads, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below:

Agreement Number: 240447
Project Identification Number: 136057.00
Federal Project Number: STP-M-9108(54)
State Project Number: 82LPLM-F3-105

State of Tennessee Department of Transportation
LOCAL AGENCY PROJECT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20__, by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the CITY OF KINGSPORT (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

Various Roads in Kingsport

A. PURPOSE OF AGREEMENT

A.1 Purpose:

a) The purpose of this Agreement is to provide for the Department's participation in the project as further described in Exhibit A attached hereto and by this reference made a part hereof (hereinafter called the "Project") and state the terms and conditions as to the manner in which the Project will be undertaken and completed.

A.2 Modifications and Additions:

a) Exhibit(s) are attached hereto and by this reference made a part hereof.

B. ACCOMPLISHMENT OF PROJECT

B.1 General Requirements:

	Responsible Party	Funding Provided by Agency or Project.
Environmental Clearance by:	Agency	Project
Preliminary Engineering by:	Agency	Project
Right-of-Way by:	Agency	Project
Utility Coordination by:	Agency	Project
Construction by:	Agency	Project

After receiving authorization for a phase, the Agency shall commence and complete the phases as assigned above of the Project as described in Exhibit A with all practical dispatch, in a sound, economical, and efficient manner, and in accordance with the provisions herein, and all applicable laws. The Project will be performed in accordance with all latest applicable Department procedures guidelines, manuals, standards, and directives as described in the Department's Local Government Guidelines, available in electronic format, which by this reference is made a part hereof as if fully set forth herein.

a) A full time employee of the Agency shall supervise the herein described phases of the Project. Said full time employee of the Agency shall be qualified to and shall ensure that the Project will be performed in accordance with the terms of this Agreement and all latest applicable Department procedures, guidelines manuals, standards, and directives as described in the Department s Local Government Guidelines and this Agreement.

B.2 Completion Date:

a) This Agreement shall be effective from the period beginning on the fully executed date, and ending five (5) years from the fully executed date. The Agency shall provide the Department with the documents, certifications and clearances necessary to obtain the Department's Notice to Proceed to the Construction Phase by three (3) years from the fully executed date. If the Agency does not provide the Department with the documents, certifications and clearances necessary to obtain the Department's Notice to Proceed to the Construction Phase by the aforesaid date, then the Department may terminate this Agreement. If the Agency does not complete the herein described phases of the Project within the time period, this Agreement will expire on the last day of scheduled completion as provided in this paragraph unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of the Agreement. An extension of the term of this Agreement will be effected through an amendment to the Agreement. The Agency hereby acknowledges and affirms that the Department shall have no obligation for Agency services or expenditures that were not completed within this specified contract period.

B.3 Environmental Regulations:

a) The Department will review environmental documents and require any appropriate changes for approval as described in the Department's Local Government Guidelines.

b) In the event the Agency is made responsible for the Environmental Clearances in Section B.1(a) of this Agreement, the Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations and will reimburse the Department of any loss incurred in connection therewith to the extent permitted by Tennessee Law. The Agency will be responsible for securing any applicable permits as described in the Department's Local Government Guidelines.

c) In the event the Agency is made responsible for the Environmental Clearances in section B. 1.(a) of this Agreement, then the Agency must complete environmental clearances before it begins final design and understands that a separate Notice to Proceed will be submitted for final design. Any work on final design performed ahead of this Notice to Proceed will not be reimbursable.

B.4 Plans and Specifications

a) In the event that the Agency is made responsible for the Preliminary Engineering in Section B.1.(a) of this Agreement and federal and/or state funding is providing reimbursement, except as otherwise authorized in writing by the Department, the Agency shall not execute an agreement for the Preliminary Engineering phase of the Project without the written approval of the Department. Failure to obtain such written approval shall be sufficient cause for nonpayment by the Department.

b) In the event that this Agreement involves constructing and equipping of facilities on the State Highway System and/or is a Project with Federal participation and the Agency is made responsible for Preliminary Engineering in section B.1.(a) of this Agreement, the Agency shall submit to the Department for approval all appropriate plans and specifications covering the Project. The Department will review all plans and specifications and will issue to the Agency written approval with any approved portions of the Project and comments or recommendations covering any remainder of the Project deemed appropriate.

1) After resolution of these comments and recommendations to the Department's satisfaction, the Department will issue to the Agency written approval and authorization to proceed with the next assigned phase of the Project. Failure to obtain this written approval and authorization to proceed shall be sufficient cause for nonpayment by the Department.

c) In the event that this Agreement involves the use of State Highway Right-of-Way, the Agency shall submit a set of plans to the TOOT Traffic Engineer responsible for the land in question. These plans shall be sufficient to establish the proposed Project and its impact on the State Highway Right-of-Way.

B.5 Right-of-Way

a) The Agency shall, without cost to the Department, provide all land owned by the Agency or by any of its instrumentalities as may be required for the Project right-of-way or easement purposes.

b) The Agency understands that if it is made responsible for the Right-of-Way phase in section B.1.(a) hereof and federal and/or state funds are providing the reimbursement, any activities initiated for the appraisal or the acquisition of land prior to authorization from the Department will not be reimbursed and that failure to follow applicable Federal and State law in this regard may make the Project ineligible for federal and/or state funding.

c) The Department will review the processes the Agency used for the acquisition of land and other right-of-way activities. If those processes are found to be in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646, 84 Stat. 1894), the Department will certify that the acquisition phase was completed appropriately. The Agency understands that the Project cannot proceed to the Construction phase until this certification of the acquisition phase has been provided. It further understands that if the processes used for acquisition are such that certification is impossible, federal and/or state funds will be withdrawn from the Project. If such withdrawal does occur, the Agency hereby agrees to reimburse the Department for all federal and/or state funds expended at the time of such withdrawal.

d) If the Agency is responsible for the Construction phase, it agrees to correct any damage or disturbance caused by its work within the State Highway Right-of-Way, including but not limited to the replacement of any control access fence removed by the Agency or its Contractor or agent during the Construction phase of the Project.

B.6 Approval of the Construction Phase

a) In the event that the Agency is made responsible for the Construction phase in section B.1.(a) of this Agreement, except as otherwise authorized in writing by the Department, the Agency shall not execute an agreement for the Construction phase of the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department.

b) In the event that the Department is made responsible for the Construction phase in section B.1.(a) of this Agreement, when the construction phase begins, the Agency may make such periodic visits to the Project site as necessary to familiarize itself generally with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the Construction Agreement. If there is any perceived failure, the Agency shall give prompt written notification to the Department's Resident Engineer in charge.

c) If the Project includes State Highway Right-of-Way and the Agency is responsible for the Construction phase, the Agency shall follow all requirements imposed by the TDOT Traffic Engineer.

d) In the event that the Project includes State Highway Right-of-Way and the Agency is performing any construction work on this project, such work shall be performed to the satisfaction of the Department. If the Agency is being compensated for any construction work under this Agreement, any remedial work deemed necessary by the Department shall be done at the Agency's sole expense.

e) The Agency understands that all contractors allowed to bid hereunder must be included on the Department's pre-qualified contractor list. Under Federal law, however, no contractor shall be required by law, regulation, or practice to obtain a license before submitting a bid or before a bid may be considered for an award of a contract; provided, however, that this is not intended to preclude requirements for the licensing of a contractor upon or subsequent to the award of the contract if such requirements are consistent with competitive bidding.

B.7 Detours

a) If the Agency deems a detour to be necessary to maintain traffic during a road closure, then the Agency shall select, sign, and maintain the detour route in strict accordance with the Departments Final Construction Plan Notes and the Manual on Uniform Traffic Control Devices.

B.8 Utilities

a) In the event that the Department is made responsible for the Construction phase in Section B.1(a) of this Agreement, the Department shall also be responsible for the Utilities phase.

b) In the event that the Agency is made responsible for the Utilities Phase in section B.1.(a) of this Agreement, the following applies:

1) The Agency shall assist and ensure that all utility relocation plans are submitted by the utilities and received by the Regional TDOT Utility Office per TDOT's coordination instructions for approval prior to the Project advertisement for bids.

2) The Agency agrees to provide for and have accomplished all utility connections within the right-of-way and easements prior to the paving stage of the Construction phase.

B.9 Railroad

a) In the event that a railroad is involved, Project costs may be increased by federally required improvements. The Agency agrees to provide such services as necessary to realize these improvements. The Agency understands it may have to enter into additional agreements to accomplish these improvements.

C. PAYMENT TERMS AND CONDITIONS

C.1 Total Cost:

In the event that the Agency shall receive reimbursement for Project expenditures with federal and/or state funds for any portion of the herein described Project, this provision shall apply.

a) The Department agrees to reimburse the Agency for eligible and appropriate Project expenditures as detailed in the Department' Local Government Guidelines with federal and/or state funds made available and anticipated to become available to the Agency, provided that the maximum liability of the Department shall be as set forth in Exhibit A.

C.2 Eligible Costs:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

a) Only Project costs incurred after the issuance of the Notice to Proceed for each phase as detailed in the Department's Local Government Guidelines are eligible for Department reimbursement.

C.3 Limits on Federal and State Participation:

a) Federal and/or state funds shall not participate in any cost which is not incurred in conformity with applicable federal and state law, the regulations in 23 C.F.R. and 49 C.F.R., and policies and procedures prescribed by the Federal Highway Administration (FHWA). Federal funds shall not be paid on account of any cost incurred prior to authorization by the FHWA to the Department to proceed with the Project or part thereof involving such cost. (23 CFR 1.9 (a)). If FHWA and/or the Department determines that any amount claimed is not eligible, federal and/or state participation may be approved in the amount determined to be adequately supported. The Department shall notify the Agency in writing citing the reasons why items and amounts are not eligible for federal and/or state participation. Where correctable non-compliance with provisions of law or FHWA requirements exists, federal and/or state funds may be withheld until compliance is obtained. Where non-compliance is not correctable, FHWA and/or the Department may deny participation in Project costs in part or in total.

b) For any amounts determined to be ineligible for federal and/or state reimbursement for which the Department has made payment, the Agency shall promptly reimburse the Department for all such amounts within ninety (90) days of written notice.

c) The Agency agrees to pay all costs of any part of this project which are not eligible for federal and/or state funding. These funds shall be provided upon written request therefore by either (a) check, or (b) deposit to the Local Government Investment Pool, whenever requested.

C.4 Payment Methodology:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

a) The Agency shall submit invoices, in a form outlined in the Local Government Guidelines with all necessary supporting documentation, prior to any reimbursement of allowable costs. Such invoices shall be submitted no more often than monthly but at least quarterly and indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced the amount charged by line-item to date the total amounts charged for the period invoiced and the total amount charged under this agreement to date. Each invoice shall be accompanied by proof of payment in the form of a canceled check or other means acceptable to the Department.

b) The payment of an invoice by the Department shall not prejudice the Department's right to object to or question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as final approval of any of the costs invoiced therein. The Agency's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the Department not to constitute allowable costs. Any payment may be reduced for overpayments or increased for underpayments on subsequent invoices.

c) Should a dispute arise concerning payments due and owing to the Agency under this Agreement, the Department reserves the right to withhold said disputed amounts pending final resolution of the dispute.

C.5 The Department's Obligations:

In the event that the Department is managing all phases of the Project herein described, this provision C.5 does not apply.

a) Subject to other provisions hereof, the Department will honor requests for reimbursement to the Agency in amounts and at times deemed by the Department to be proper to ensure the carrying out of the Project and payment of the eligible costs. However, notwithstanding any other provisions of this Agreement, the Department may elect not to make a payment if:

1) Misrepresentation:

The Agency shall have made misrepresentation of a material nature in its application, or any supplement thereto or amendment thereof, or in or with respect to any document or data furnished therewith or pursuant hereto;

2) Litigation:

There is then pending litigation with respect to the performance by the Agency of any of its duties or obligations which may jeopardize or adversely affect the Project, this Agreement or payments to the Project;

3) Approval by Department:

The Agency shall have taken any action pertaining to the Project, which under this Agreement requires the approval of the Department or has made related expenditure or incurred related obligations without having been advised by the Department that same are approved;

4) Conflict of Interests:

There has been any violation of the conflict of interest provisions contained herein in D.16; or

5) Default:

The Agency has been determined by the Department to be in default under any of the provisions of the Agreement.

C.6 Final Invoices:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

a) The Agency must submit the final invoice on the Project to the Department within one hundred twenty (120) days after the completion of the Project. Invoices submitted after the one hundred twenty (120) day time period may not be paid.

C.7 Offset:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

a) If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement which it has with the Agency owing such amount if, upon demand, payment of the amount is not made within sixty (60) days to the Department.

Offsetting any amount pursuant to this section shall not be considered a breach of agreement by the Department.

C.8 Travel Compensation

a) If the Project provided for herein includes travel compensation, reimbursement to the Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and subject to the Agreement Budget.

D. STANDARD TERMS AND CONDITIONS

D.1 Governing Law:

a) This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Agreement. The Agency acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and

any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.

D.2 General Compliance with Federal, State, and Local Law:

a) The Agency is assumed to be familiar with and observe and comply with those Federal, State, and local laws, ordinances, and regulations in any manner affecting the conduct of the work and those instructions and prohibitive orders issued by the State and Federal Government regarding fortifications, military and naval establishments and other areas. The Agency shall observe and comply with those laws, ordinances, regulations, instructions, and orders in effect as of the date of this Agreement.

b) The parties hereby agree that failure of the Agency to comply with this provision shall constitute a material breach of this Agreement and subject the Agency to the repayment of all damages suffered by the State and/or the Department as a result of said breach.

D.3 State Law:

a) Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable state law, provided, that if any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing in order that appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

D.4 Submission of the Proceedings, Agreements, and Other Documents:

a) The Agency shall submit to the Department such data, reports, records, agreements, and other documents relating to the Project as the Department and the Federal Highway Administration may require.

D.5 Appropriations of Funds:

a) This Agreement is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the Department reserves the right to terminate the Agreement upon thirty (30) days written notice to the Agency. Said termination shall not be deemed a breach of agreement by the Department. Upon receipt of the written notice, the Agency shall cease all work associated with the Agreement. Should such an event occur, the Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Agency shall have no right to recover from the Department any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.6 Rights and Remedies Not Waived:

a) In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

b) Nothing in this agreement shall be construed to limit the Department's right at any time to enter upon its highway right-of-way, including the area occupied by the Project, for the purpose of maintaining or reconstructing its highway facilities.

D.7 Department and Agency Not Obligated to Third Parties:

a) The Department and Agency shall not be obligated hereunder to any party other than the parties to this Agreement.

D.8 Independent Contractor:

a) The parties hereto, in the performance of this Agreement, shall not act as agents, employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Agreement shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

b) The Agency, being a political subdivision of the State, is governed by the provisions of the Tennessee Government Tort Liability Act, Tennessee Code Annotated, Sections 29-20-101, et seq, and all other applicable laws.

D.9 Maintenance:

a) Nothing contained herein shall be construed as changing the maintenance responsibility of either party for any part of the referenced project that lies on its system of highways. If the project funded hereunder results in the installation of any traffic signal, lighting or other electrically operated device(s), then the Agency shall be solely responsible for and pay all costs associated with maintenance and operation of all electrically operated devices together with the related equipment,

wiring and other necessary appurtenances, and the Agency shall furnish electrical current to all such devices which may be installed a part of the project. Additionally the Agency shall be solely responsible for and pay all costs associated with the maintenance and operation of solar-powered devices, including but not limited to, replacement of solar panels, batteries, lights and lenses.

b) In the event that the Department is made responsible for the Construction phase in section B.1 (a) of this Agreement and to the extent that the Department is responsible for accomplishing the construction of the project, the Department will notify the Agency when Construction phase of the project has been completed. provided however, that failure to notify the Agency shall not relieve the Agency of its maintenance responsibilities.

D.10 Disadvantaged Business Enterprise (DBE) Policy and Obligation:

In the event that the herein-described project is funded with federal funds, the following shall apply:

a) DBE Policy:

It is the policy of the Department that Disadvantaged Business Enterprises, as defined in 49 C.F.R., Part 26, as amended, shall have the opportunity to participate in the performance of agreements financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state regulations apply to this Agreement; including but not limited to project goals and good faith effort requirements.

b) DBE Obligation:

The Agency and its Contractors agree to ensure that Disadvantaged Business Enterprises, as defined in applicable federal and state regulations, have the opportunity to participate in the performance of agreements and this Agreement. In this regard, all recipients and Contractors shall take all necessary and reasonable steps in accordance with applicable federal and state regulations, to ensure that the Disadvantaged Business Enterprises have the opportunity to compete for and perform agreements. The Agency shall not discriminate on the basis of race, color, national origin or sex in the award and performance of Department-assisted agreements.

D.11 Tennessee Department of Transportation Debarment and Suspension:

a) In accordance with the Tennessee Department of Transportation regulations governing Contractor Debarment and Suspension, Chapter 1680-5-1, the Agency shall not permit any suspended, debarred or excluded business organizations or individual persons appearing on the Tennessee Department of Transportation Excluded Parties List to participate or act as a principal of any participant in any covered transaction related to this Project. Covered transactions include submitting a bid or proposal entering into an agreement, or participating at any level as a subContractor.

D.12 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion (applies to federal aid projects):

a) Instructions for Certification - Primary Covered Transactions:

By signing and submitting this Agreement, the Agency is providing the certification set out below.

1) The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The Agency shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Department's determination whether to enter into this transaction. However, failure of the Agency to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

2) The certification in this clause is a material representation of fact upon which reliance was placed when the Department determined to enter into this transaction. If it is later determined that the Agency knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department may terminate this transaction for cause or default.

3) The Agency shall provide immediate written notice to the Department if at any time the Agency learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the Department for assistance in obtaining a copy of those regulations.

5) The Agency agrees by entering into this Agreement that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department.

6) The Agency further agrees by entering into this Agreement that it will include the clause titled

"Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the Department, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7) An Agency may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement portion of the "Lists of Parties Excluded From Federal Procurement or Non-procurement Programs" (Non- procurement List) which is compiled by the General Services Administration.

8) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9) Except for transactions authorized under these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Department may terminate this transaction for cause or default.

b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Primary Covered Transactions:

The prospective participant in a covered transaction certifies to the best of its knowledge and belief, that it and its principals:

1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, State or local department or agency;

2) Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or agreement under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in this certification; and

4) Have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

5) Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

D.13 Equal Employment Opportunity:

a) In connection with the performance of any Project, the Agency shall not discriminate against any employee or applicant for employment because of race, age, religion, color, sex, national origin, disability or marital status. The Agency will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, age, religion, color, gender, national origin, disability or marital status. Such action shall include, but not be limited to, the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

b) The Agency shall insert the foregoing provision in all agreements modified only to show the particular contractual relationship in all its agreements in connection with the development of operation of the Project, except agreements for the standard commercial supplies or raw materials, and shall require all such Contractors to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials. When the Project involves installation, construction, demolition, removal, site improvement, or similar work, the Agency shall post, in conspicuous places available to employees and applicants for employment for Project work, notices to be provided by the Department setting forth the provisions of the nondiscrimination clause.

D.14 Title VI- Civil Rights Act of 1964:

a) The Agency shall comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), 49 C.F.R., Part 21, and related statutes and regulations. The Agency shall include provisions in all agreements with third parties that ensure compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R., Part 21, and related statutes and regulations.

D.15 Americans with Disabilities Act of 1990 (ADA):

a) The Agency will comply with all the requirements as imposed by the ADA and the regulations

of the federal government issued thereunder.

D.16 Conflicts of Interest:

a) The Agency warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subContractor, or consultant to the Agency in connection with any work contemplated or performed relative to this Agreement.

b) The Agency shall insert in all agreements entered into in connection with the Project or any property included or planned to be included in any Project, and shall require its Contractors to insert in each of its subcontracts, the following provision:

1) "No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subContractor, or consultant to the Agency in connection with any work contemplated or performed relative to this Agreement."

D.17 Interest of Members of or Delegates to, Congress (applies to federal aid projects):

a) No member of or delegate to the Congress of the United States shall be admitted to any share or part of the Agreement or any benefit arising therefrom.

D.18 Restrictions on Lobbying (applies to federal aid projects):

The Agency certifies, to the best of its knowledge and belief, that:

a) No federally appropriated funds have been paid or will be paid, by or on behalf of the Agency, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal agreement, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal agreement, grant, loan, or cooperative agreement.

b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Agency shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c) The Agency shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and agreements under grants, loans, and cooperative agreements) and that all sub- recipients of federally appropriated funds shall certify and disclose accordingly.

D.19 Records:

a) The Agency shall maintain documentation for all charges against the Department under this Agreement. All costs charged to the Project, including any approved services contributed by the Agency or others, shall be supported by properly executed payrolls, time records, invoices, agreements or vouchers evidencing in proper detail and in a form acceptable to the Department the nature and propriety of the charges. The books, records, and documents of the Agency, insofar as they relate to work performed or money received under this Agreement, shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for at least three (3) years after final payment is made.

b) Copies of these documents and records shall be furnished to the Department, the Comptroller of the Treasury, or their duly appointed representatives, upon request. Records of costs incurred includes the Agency's general accounting records and the Project records, together with supporting documents and records, of the Agency and all subContractors performing work on the Project and all other records of the Agency and subContractors considered necessary by the Department for a proper audit of costs. If any litigation, claim, or audit is started before the expiration of the three (3) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

c) The aforesaid requirements to make records available to the Department shall be a continuing obligation of the Agency and shall survive a termination of the Agreement.

D.20 Inspection:

a) The Agency shall permit, and shall require its Contractor, subcontractor or materials vendor to permit, the Department's authorized representatives and authorized agents of the Federal Highway Administration to inspect all work, workmanship, materials, payrolls, records and to audit the books, records and accounts pertaining to the financing and development of the Project.

b) The Department reserves the right to terminate this Agreement for refusal by the Agency or any Contractor, subContractor or materials vendor to allow public access to all documents, papers, letters or other material made or received in conjunction with this Agreement.

D.21 Annual Report and Audit:

a) In the event that an Agency expends \$500,000 or more in federal awards in its fiscal year, the

Agency must have a single or program specific audit conducted in accordance with the United States Office of Management and Budget (OMB) Circular A-133.

b) All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Agency may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit agreement between the Agency and the licensed independent public accountant shall be on an agreement form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the Audit Manual for Governmental Units and Recipients of Grant Funds published by the Tennessee Comptroller of the Treasury.

c) The Agency shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Agency shall be subject to the provisions relating to such fees contained in the prescribed agreement form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

D.22 Termination for Convenience:

a) The Department may terminate this agreement without cause for any reason. Said termination shall not be deemed a breach of agreement by the Department. The Department shall give the Agency at least thirty (30) days written notice before the effective termination date. The Agency shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the Department be liable to the Agency for compensation for any service which has not been rendered. The final decision as to the amount for which the Department is liable shall be determined by the Department. Should the Department exercise this provision, the Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.23 Termination for Cause:

a) If the Agency fails to properly perform its obligations under this Agreement in a timely or proper manner, or if the Agency violates any terms of this Agreement, the Department shall have the right to immediately terminate the Agreement and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Agency shall not be relieved of liability to the Department for damages sustained by virtue of any breach of this Agreement by the Agency.

b) In the event that the Project herein described includes Federal funds, the Agency understands that if the Federal Highway Administration (**FHWA**) determines that some or all of the cost of this project is ineligible for federal funds participation because of failure by the Agency to adhere to federal laws and regulations, the Agency shall be obligated to repay to the Department any federal funds received by the Agency under this agreement for any costs determined by the FHWA to be ineligible.

c) If the Project herein described lies on the state highway system and the Agency fails to perform any obligation under this section of this agreement, the Department shall have the right to cause the Agency, by giving written notice to the Agency, to close the Project to public use and to remove the Project at its own expense and restore the premises to the satisfaction of the Department within ninety (90) days thereafter.

D.24 How Agreement is Affected by Provisions Being Held Invalid:

a) If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance the remainder would then continue to conform to the terms and requirements of applicable law.

D.25 Agreement Format:

a) All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. AU words used in any gender shall extend to and include all genders.

D.26 Certification Regarding Third Party Contracts:

a) The Agency certifies by its signature hereunder that it has no understanding or contract with a third party that will conflict with or negate this Agreement in any manner whatsoever.

b) The Agency further certifies by its signature hereunder that it has disclosed and provided to the Department a copy of any and all contracts with any third party that relate to the Project or any work funded under this Agreement.

c) The Agency further certifies by its signature hereunder that it will not enter into any contract with a third party that relates to this project or to any work funded under this Agreement without prior disclosure of such proposed contract to the Department.

d) The Agency hereby agrees that failure to comply with these provisions shall be a material

breach of this Agreement and may subject the Agency to the repayment of funds received from or through the Department under this Agreement and to the payment of all damages suffered by the Department as a result of said breach.

D.27 Amendment:

a) This Agreement may be modified only by a written amendment, which has been executed and approved by the appropriate parties as indicated on the signature page of this Agreement.

D.28 State Liability:

a) The Department shall have no liability except as specifically provided in this Agreement.

D.29 Force Majeure:

a) The obligations of the parties to this Agreement are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

D.30 Required Approvals:

a) The Department is not bound by this Agreement until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

D.31 Estimated Cost:

a) The parties recognize that the estimated costs contained herein are provided for planning purposes only. They have not been derived from any data such as actual bids, etc

b) In the event that the Department is made responsible in section B.1.(a) of this Agreement for the management of the herein described Project, the parties understand that more definite cost estimates will be produced during project development. These more reliable estimates will be provided to the Agency by the Department as they become available.

D.32 Third Party Liability:

a) The Agency shall assume all liability for third-party claims and damages arising from the construction, maintenance, existence and use of the Project to the extent provided by Tennessee Law and subject to the provisions, terms and liability limits of the Governmental Tort Liability Act, T.C.A. Section 29-20-101, et seq and all applicable laws.

D.33 Deposits:

a) Required deposits and any other costs *for which the Agency is liable shall be made available to the Department, whenever requested.*

D.34 Department Activities:

a) Where the Agency is managing any phase of the project the Department shall provide various activities necessary for project development. The estimated cost for these activities are included in the funds shown herein.

D.35 Congestion Mitigation and Air Quality Requirement:

a) If the herein described project is funded with Congestion Mitigation Air Quality (CMAQ) funds, this section D.35 shall apply.

1) Whereas the Agency understands and agrees that the funding provided hereunder must be obligated with the Federal Highway Administration within three years from the date of this agreement. It is further agreed that once all requirements have been met for development of the project, the Agency will expend the funds in a manner to insure its expenditure on a continuous basis until the funds are exhausted. Failure to follow this process may result in a loss of funds.

D.36 Investment of Public Funds:

a) The facility on which this project is being developed shall remain open to the public and vehicular traffic for a sufficient time to recoup the public investment therein as shown below:

Amount	Open to Public and Vehicular Traffic
\$1.00 - \$200,000	5 Years
>\$200,000- \$500,000	10 Years
>\$500,000 - \$1,000,000	20 Years

b) Projects over \$1,000,000 cany a minimum 25 years open to public and vehicular traffic requirement and will be subject to individual review.

D.37 Federal Funding Accountability and Transparency Act:

a) **If the Project is funded with federal funds the following shall apply:** The Agency shall comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub.L. 109-282), as amended by section 6202 of Public Law 110-252 ("the Transparency Act") and the regulations and requirements of the federal government issued thereunder, including, but not limited to, 2 CFR Part 170. The Agency shall submit the information needed for the Transparency Act in accordance with the forms and processes identified by the Department.

Amendment to Change Completion Date

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date 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 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
LOCAL PROGRAMS & COMMUNITY INVESTMENTS DIVISION
SUITE 1000, JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
(615) 741-2208

BUTCH ELEY
DEPUTY GOVERNOR &
COMMISSIONER OF TRANSPORTATION

BILL LEE
GOVERNOR

January 3, 2025

The Honorable Paul W. Montgomery
Mayor, City of Kingsport
415 Broad Street
Kingsport, TN 37660

Re: Various Roads in Kingsport
Kingsport, Sullivan County
PIN:136057.00
Federal Project Number: STP-M-9108(54)
State Project Number: 82LPLM-F3-105
Contract Number: 240447

Dear Mayor Montgomery:

I am attaching a contract providing for the development of the referenced project. Please review the contract and advise me if it requires further explanation. If you find the contract satisfactory, please execute it in accordance with all rules, regulations, and laws. Adobe Sign will then forward the document for the signature of the attorney for your agency. Once the contract is fully executed Adobe Sign will send you a link to the download the contract for your files.

If you have any questions or need any additional information, please contact Katie Brown at 615-253-2421 or katie.brown@tn.gov.

Sincerely,

Steve Allen
Director, Local Programs & Community Investments Division

Attachment

Item X11.

Agreement Number: 240447
Project Identification Number: 136057.00
Federal Project Number: STP-M-9108(54)
State Project Number: 82LPLM-F3-105
State of Tennessee Department of Transportation

LOCAL AGENCY PROJECT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20__ by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the CITY OF KINGSPORT (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

Various Roads in Kingsport

A. PURPOSE OF AGREEMENT

A.1 Purpose:

- a) The purpose of this Agreement is to provide for the Department's participation in the project as further described in Exhibit A attached hereto and by this reference made a part hereof (hereinafter called the "Project") and state the terms and conditions as to the manner in which the Project will be undertaken and completed.

A.2 Modifications and Additions:

- a) Exhibit(s) are attached hereto and by this reference made a part hereof.

B. ACCOMPLISHMENT OF PROJECT

B.1 General Requirements:

	Responsible Party	Funding Provided by Agency or Project.
Environmental Clearance by:	Agency	Project
Preliminary Engineering by:	Agency	Project
Right-of-Way by:	Agency	Project

Utility Coordination by: **Agency** **Project**
Construction by: **Agency** **Project**

- b) After receiving authorization for a phase, the Agency shall commence and complete the phases as assigned above of the Project as described in Exhibit A with all practical dispatch, in a sound, economical, and efficient manner, and in accordance with the provisions herein, and all applicable laws. The Project will be performed in accordance with all latest applicable Department procedures, guidelines, manuals, standards, and directives as described in the Department's Local Government Guidelines, available in electronic format, which by this reference is made a part hereof as if fully set forth herein.
- c) A full time employee of the Agency shall supervise the herein described phases of the Project. Said full time employee of the Agency shall be qualified to and shall ensure that the Project will be performed in accordance with the terms of this Agreement and all latest applicable Department procedures, guidelines, manuals, standards, and directives as described in the Department's Local Government Guidelines and this Agreement.

B.2 Completion Date:

- a) This Agreement shall be effective from the period beginning on the fully executed date, and ending **five (5) years from the fully executed date**. The Agency shall provide the Department with the documents, certifications and clearances necessary to obtain the Department's Notice to Proceed to the Construction Phase by **three (3) years from the fully executed date**. If the Agency does not provide the Department with the documents, certifications and clearances necessary to obtain the Department's Notice to Proceed to the Construction Phase by the aforesaid date, then the Department may terminate this Agreement. If the Agency does not complete the herein described phases of the Project within the time period, this Agreement will expire on the last day of scheduled completion as provided in this paragraph unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of the Agreement. An extension of the term of this Agreement will be effected through an amendment to the Agreement. The Agency hereby acknowledges and affirms that the Department shall have no obligation for Agency services or expenditures that were not completed within this specified contract period.

B.3 Environmental Regulations:

- a) The Department will review environmental documents and require any appropriate changes for approval as described in the Department's Local Government Guidelines.

- b) In the event the Agency is made responsible for the Environmental Clearances in Section B.1(a) of this Agreement, the Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations and will reimburse the Department of any loss incurred in connection therewith to the extent permitted by Tennessee Law. The Agency will be responsible for securing any applicable permits as described in the Department's Local Government Guidelines.
- c) In the event the Agency is made responsible for the Environmental Clearances in section B.1.(a) of this Agreement, then the Agency must complete environmental clearances before it begins final design and understands that a separate Notice to Proceed will be submitted for final design. Any work on final design performed ahead of this Notice to Proceed will not be reimbursable.

B.4 Plans and Specifications

- a) In the event that the Agency is made responsible for the Preliminary Engineering in Section B.1.(a) of this Agreement and federal and/or state funding is providing reimbursement, except as otherwise authorized in writing by the Department, the Agency shall not execute an agreement for the Preliminary Engineering phase of the Project without the written approval of the Department. Failure to obtain such written approval shall be sufficient cause for nonpayment by the Department.
- b) In the event that this Agreement involves constructing and equipping of facilities on the State Highway System and/or is a Project with Federal participation and the Agency is made responsible for Preliminary Engineering in section B.1.(a) of this Agreement, the Agency shall submit to the Department for approval all appropriate plans and specifications covering the Project. The Department will review all plans and specifications and will issue to the Agency written approval with any approved portions of the Project and comments or recommendations covering any remainder of the Project deemed appropriate.
 - 1) After resolution of these comments and recommendations to the Department's satisfaction, the Department will issue to the Agency written approval and authorization to proceed with the next assigned phase of the Project. Failure to obtain this written approval and authorization to proceed shall be sufficient cause for nonpayment by the Department.
- c) In the event that this Agreement involves the use of State Highway Right-of-Way, the Agency shall submit a set of plans to the TDOT Traffic Engineer responsible for the land in question. These plans shall be sufficient to establish the proposed Project and its impact on the State Highway Right-of-Way.

B.5 Right-of-Way

- a) The Agency shall, without cost to the Department, provide all land owned by the Agency or by any of its instrumentalities as may be required for the Project right-of-way or easement purposes.
- b) The Agency understands that if it is made responsible for the Right-of-Way phase in section B.1(a) hereof and federal and/or state funds are providing the reimbursement, any activities initiated for the appraisal or the acquisition of land prior to authorization from the Department will not be reimbursed and that failure to follow applicable Federal and State law in this regard may make the Project ineligible for federal and/or state funding.
- c) The Department will review the processes the Agency used for the acquisition of land and other right-of-way activities. If those processes are found to be in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646, 84 Stat. 1894), the Department will certify that the acquisition phase was completed appropriately. The Agency understands that the Project cannot proceed to the Construction phase until this certification of the acquisition phase has been provided. It further understands that if the processes used for acquisition are such that certification is impossible, federal and/or state funds will be withdrawn from the Project. If such withdrawal does occur, the Agency hereby agrees to reimburse the Department for all federal and/or state funds expended at the time of such withdrawal.
- d) If the Agency is responsible for the Construction phase, it agrees to correct any damage or disturbance caused by its work within the State Highway Right-of-Way, including but not limited to the replacement of any control access fence removed by the Agency or its Contractor or agent during the Construction phase of the Project.

B.6 Approval of the Construction Phase

- a) In the event that the Agency is made responsible for the Construction phase in section B.1.(a) of this Agreement, except as otherwise authorized in writing by the Department, the Agency shall not execute an agreement for the Construction phase of the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department.
- b) In the event that the Department is made responsible for the Construction phase in section B.1.(a) of this Agreement, when the construction phase begins, the Agency may make such periodic visits to the Project site as necessary to familiarize itself generally with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the Construction Agreement. If there is any perceived failure, the Agency shall give prompt written notification to the Department's Resident Engineer in charge.

- c) If the Project includes State Highway Right-of-Way and the Agency is responsible for the Construction phase, the Agency shall follow all requirements imposed by the TDOT Traffic Engineer.
- d) In the event that the Project includes State Highway Right-of-Way and the Agency is performing any construction work on this project, such work shall be performed to the satisfaction of the Department. If the Agency is being compensated for any construction work under this Agreement, any remedial work deemed necessary by the Department shall be done at the Agency's sole expense.
- e) The Agency understands that all contractors allowed to bid hereunder must be included on the Department's pre-qualified contractor list. Under Federal law, however, no contractor shall be required by law, regulation, or practice to obtain a license before submitting a bid or before a bid may be considered for an award of a contract; provided, however, that this is not intended to preclude requirements for the licensing of a contractor upon or subsequent to the award of the contract if such requirements are consistent with competitive bidding.

B.7 Detours

- a) If the Agency deems a detour to be necessary to maintain traffic during a road closure, then the Agency shall select, sign, and maintain the detour route in strict accordance with the Departments Final Construction Plan Notes and the Manual on Uniform Traffic Control Devices.

B.8 Utilities

- a) In the event that the Department is made responsible for the Construction phase in Section B.1(a) of this Agreement, the Department shall also be responsible for the Utilities phase.
- b) In the event that the Agency is made responsible for the Utilities Phase in section B.1.(a) of this Agreement, the following applies:
 - 1) The Agency shall assist and ensure that all utility relocation plans are submitted by the utilities and received by the Regional TDOT Utility Office per TDOT's coordination instructions for approval prior to the Project advertisement for bids.
 - 2) The Agency agrees to provide for and have accomplished all utility connections within the right-of-way and easements prior to the paving stage of the Construction phase.

B.9 Railroad

- a) In the event that a railroad is involved, Project costs may be increased by federally required improvements. The Agency agrees to provide such services as necessary to realize these improvements. The Agency understands it may have to enter into additional agreements to accomplish these improvements.

C. PAYMENT TERMS AND CONDITIONS

C.1 Total Cost:

In the event that the Agency shall receive reimbursement for Project expenditures with federal and/or state funds for any portion of the herein described Project, this provision shall apply.

- a) The Department agrees to reimburse the Agency for eligible and appropriate Project expenditures as detailed in the Department's Local Government Guidelines with federal and/or state funds made available and anticipated to become available to the Agency, provided that the maximum liability of the Department shall be as set forth in Exhibit A.

C.2 Eligible Costs:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

- a) Only Project costs incurred after the issuance of the Notice to Proceed for each phase as detailed in the Department's Local Government Guidelines are eligible for Department reimbursement.

C.3 Limits on Federal and State Participation:

- a) Federal and/or state funds shall not participate in any cost which is not incurred in conformity with applicable federal and state law, the regulations in 23 C.F.R. and 49 C.F.R., and policies and procedures prescribed by the Federal Highway Administration (FHWA). Federal funds shall not be paid on account of any cost incurred prior to authorization by the FHWA to the Department to proceed with the Project or part thereof involving such cost. (23 CFR 1.9 (a)). If FHWA and/or the Department determines that any amount claimed is not eligible, federal and/or state participation may be approved in the amount determined to be adequately supported. The Department shall notify the Agency in writing citing the reasons why items and amounts are not eligible for federal and/or state participation. Where correctable non-compliance with provisions of law or FHWA requirements exists, federal and/or state funds may be withheld until compliance is obtained. Where non-compliance is not correctable, FHWA and/or the Department may deny participation in Project costs in part or in total.

- b) For any amounts determined to be ineligible for federal and/or state reimbursement for which the Department has made payment, the Agency shall promptly reimburse the Department for all such amounts within ninety (90) days of written notice.
- c) The Agency agrees to pay all costs of any part of this project which are not eligible for federal and/or state funding. These funds shall be provided upon written request therefore by either (a) check, or (b) deposit to the Local Government Investment Pool, whenever requested.

C.4 Payment Methodology:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

- a) The Agency shall submit invoices, in a form outlined in the Local Government Guidelines with all necessary supporting documentation, prior to any reimbursement of allowable costs. Such invoices shall be submitted no more often than monthly but at least quarterly and indicate, at a minimum, the amount charged by allowable cost line-item for the period invoiced, the amount charged by line-item to date, the total amounts charged for the period invoiced, and the total amount charged under this agreement to date. Each invoice shall be accompanied by proof of payment in the form of a canceled check or other means acceptable to the Department.
- b) The payment of an invoice by the Department shall not prejudice the Department's right to object to or question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as final approval of any of the costs invoiced therein. The Agency's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the Department not to constitute allowable costs. Any payment may be reduced for overpayments or increased for under-payments on subsequent invoices.
- c) Should a dispute arise concerning payments due and owing to the Agency under this Agreement, the Department reserves the right to withhold said disputed amounts pending final resolution of the dispute.

C.5 The Department's Obligations:

In the event that the Department is managing all phases of the Project herein described, this provision C.5 does not apply.

- a) Subject to other provisions hereof, the Department will honor requests for reimbursement to the Agency in amounts and at times deemed by the Department to be proper to ensure the carrying out of the Project and payment of the eligible

costs. However, notwithstanding any other provision of this Agreement, the Department may elect not to make a payment if:

- 1) **Misrepresentation:**
The Agency shall have made misrepresentation of a material nature in its application, or any supplement thereto or amendment thereof, or in or with respect to any document or data furnished therewith or pursuant hereto;
- 2) **Litigation:**
There is then pending litigation with respect to the performance by the Agency of any of its duties or obligations which may jeopardize or adversely affect the Project, this Agreement or payments to the Project;
- 3) **Approval by Department:**
The Agency shall have taken any action pertaining to the Project, which under this Agreement requires the approval of the Department or has made related expenditure or incurred related obligations without having been advised by the Department that same are approved;
- 4) **Conflict of Interests:**
There has been any violation of the conflict of interest provisions contained herein in D.16; or
- 5) **Default:**
The Agency has been determined by the Department to be in default under any of the provisions of the Agreement.

C.6 Final Invoices:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

- a) The Agency must submit the final invoice on the Project to the Department within one hundred twenty (120) days after the completion of the Project. Invoices submitted after the one hundred twenty (120) day time period may not be paid.

C.7 Offset:

In the event that the Agency shall receive federal and/or state funds for any portion of the herein described Project, this provision shall apply.

- a) If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement which it has with the Agency owing such amount if, upon demand, payment of the amount is not made within sixty (60) days to the Department.

Offsetting any amount pursuant to this section shall not be considered a breach of agreement by the Department.

C.8 Travel Compensation

- a) If the Project provided for herein includes travel compensation, reimbursement to the Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and subject to the Agreement Budget.

D. STANDARD TERMS AND CONDITIONS

D.1 Governing Law:

- a) This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Agreement. The Agency acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Sections 9-8-101 through 9-8-407.

D.2 General Compliance with Federal, State, and Local Law:

- a) The Agency is assumed to be familiar with and observe and comply with those Federal, State, and local laws, ordinances, and regulations in any manner affecting the conduct of the work and those instructions and prohibitive orders issued by the State and Federal Government regarding fortifications, military and naval establishments and other areas. The Agency shall observe and comply with those laws, ordinances, regulations, instructions, and orders in effect as of the date of this Agreement.
- b) The parties hereby agree that failure of the Agency to comply with this provision shall constitute a material breach of this Agreement and subject the Agency to the repayment of all damages suffered by the State and/or the Department as a result of said breach.

D.3 State Law:

- a) Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable state law, provided, that if any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing in order that appropriate changes and modifications may be

made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

D.4 Submission of the Proceedings, Agreements, and Other Documents:

- a) The Agency shall submit to the Department such data, reports, records, agreements, and other documents relating to the Project as the Department and the Federal Highway Administration may require.

D.5 Appropriations of Funds:

- a) This Agreement is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the Department reserves the right to terminate the Agreement upon thirty (30) days written notice to the Agency. Said termination shall not be deemed a breach of agreement by the Department. Upon receipt of the written notice, the Agency shall cease all work associated with the Agreement. Should such an event occur, the Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Agency shall have no right to recover from the Department any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.6 Rights and Remedies Not Waived:

- a) In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- b) Nothing in this agreement shall be construed to limit the Department's right at any time to enter upon its highway right-of-way, including the area occupied by the Project, for the purpose of maintaining or reconstructing its highway facilities.

D.7 Department and Agency Not Obligated to Third Parties:

- a) The Department and Agency shall not be obligated hereunder to any party other than the parties to this Agreement.

D.8 Independent Contractor:

- a) The parties hereto, in the performance of this Agreement, shall not act as agents, employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Agreement shall be construed to create a

principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

- b) The Agency, being a political subdivision of the State, is governed by the provisions of the Tennessee Government Tort Liability Act, Tennessee Code Annotated, Sections 29-20-101, et seq, and all other applicable laws.

D.9 Maintenance:

- a) Nothing contained herein shall be construed as changing the maintenance responsibility of either party for any part of the referenced project that lies on its system of highways. If the project funded hereunder results in the installation of any traffic signal, lighting or other electrically operated device(s), then the Agency shall be solely responsible for and pay all costs associated with maintenance and operation of all electrically operated devices together with the related equipment, wiring and other necessary appurtenances, and the Agency shall furnish electrical current to all such devices which may be installed as part of the project. Additionally, the Agency shall be solely responsible for and pay all costs associated with the maintenance and operation of solar-powered devices, including, but not limited to, replacement of solar panels, batteries, lights and lenses.
- b) In the event that the Department is made responsible for the Construction phase in section B.1.(a) of this Agreement and to the extent that the Department is responsible for accomplishing the construction of the project, the Department will notify the Agency when Construction phase of the project has been completed; provided however, that failure to notify the Agency shall not relieve the Agency of its maintenance responsibilities.

D.10 Disadvantaged Business Enterprise (DBE) Policy and Obligation:

In the event that the herein-described project is funded with federal funds, the following shall apply:

- a) **DBE Policy:**
It is the policy of the Department that Disadvantaged Business Enterprises, as defined in 49 C.F.R., Part 26, as amended, shall have the opportunity to participate in the performance of agreements financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state regulations apply to this Agreement; including but not limited to project goals and good faith effort requirements.
- b) **DBE Obligation:**
The Agency and its Contractors agree to ensure that Disadvantaged Business

Enterprises, as defined in applicable federal and state regulations, have the opportunity to participate in the performance of agreements and this Agreement. In this regard, all recipients and Contractors shall take all necessary and reasonable steps in accordance with applicable federal and state regulations, to ensure that the Disadvantaged Business Enterprises have the opportunity to compete for and perform agreements. The Agency shall not discriminate on the basis of race, color, national origin or sex in the award and performance of Department-assisted agreements.

D.11 Tennessee Department of Transportation Debarment and Suspension:

- a) In accordance with the Tennessee Department of Transportation regulations governing Contractor Debarment and Suspension, Chapter 1680-5-1, the Agency shall not permit any suspended, debarred or excluded business organizations or individual persons appearing on the Tennessee Department of Transportation Excluded Parties List to participate or act as a principal of any participant in any covered transaction related to this Project. Covered transactions include submitting a bid or proposal, entering into an agreement, or participating at any level as a subContractor.

D.12 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion (applies to federal aid projects):

- a) **Instructions for Certification - Primary Covered Transactions:**

By signing and submitting this Agreement, the Agency is providing the certification set out below.

- 1) The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The Agency shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Department's determination whether to enter into this transaction. However, failure of the Agency to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.
- 2) The certification in this clause is a material representation of fact upon which reliance was placed when the Department determined to enter into this transaction. If it is later determined that the Agency knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department may terminate this transaction for cause or default.
- 3) The Agency shall provide immediate written notice to the Department if at any time the Agency learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

- 4) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the Department for assistance in obtaining a copy of those regulations.
- 5) The Agency agrees by entering into this Agreement that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department.
- 6) The Agency further agrees by entering into this Agreement that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the Department, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7) An Agency may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement portion of the "Lists of Parties Excluded From Federal Procurement or Non-procurement Programs" (Non-procurement List) which is compiled by the General Services Administration.
- 8) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 9) Except for transactions authorized under these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Department may terminate this transaction for cause or default.

b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Primary Covered Transactions:

The prospective participant in a covered transaction certifies to the best of its knowledge and belief, that it and its principals:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, State or local department or agency;
- 2) Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or agreement under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in this certification; and
- 4) Have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 5) Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

D.13 Equal Employment Opportunity:

- a) In connection with the performance of any Project, the Agency shall not discriminate against any employee or applicant for employment because of race, age, religion, color, sex, national origin, disability or marital status. The Agency will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, age, religion, color, gender, national origin, disability or marital status. Such action shall include, but not be limited to, the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- b) The Agency shall insert the foregoing provision in all agreements modified only to show the particular contractual relationship in all its agreements in connection with the development of operation of the Project, except agreements for the standard commercial supplies or raw materials, and shall require all such Contractors to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials. When the Project involves installation, construction, demolition, removal, site improvement, or similar work, the Agency shall post, in conspicuous places available to employees and applicants for employment for

Project work, notices to be provided by the Department setting forth the provisions of the nondiscrimination clause.

D.14 Title VI – Civil Rights Act of 1964:

- a) The Agency shall comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), 49 C.F.R., Part 21, and related statutes and regulations. The Agency shall include provisions in all agreements with third parties that ensure compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R., Part 21, and related statutes and regulations.

D.15 Americans with Disabilities Act of 1990 (ADA):

- a) The Agency will comply with all the requirements as imposed by the ADA and the regulations of the federal government issued thereunder.

D.16 Conflicts of Interest:

- a) The Agency warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subContractor, or consultant to the Agency in connection with any work contemplated or performed relative to this Agreement.
- b) The Agency shall insert in all agreements entered into in connection with the Project or any property included or planned to be included in any Project, and shall require its Contractors to insert in each of its subcontracts, the following provision:
 - 1) "No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subContractor, or consultant to the Agency in connection with any work contemplated or performed relative to this Agreement."

D.17 Interest of Members of or Delegates to, Congress (applies to federal aid projects):

- a) No member of or delegate to the Congress of the United States shall be admitted to any share or part of the Agreement or any benefit arising therefrom.

D.18 Restrictions on Lobbying (applies to federal aid projects):

The Agency certifies, to the best of its knowledge and belief, that:

- a) No federally appropriated funds have been paid or will be paid, by or on behalf of the Agency, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of

any federal agreement, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal agreement, grant, loan, or cooperative agreement.

- b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Agency shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c) The Agency shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and agreements under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

D.19 Records:

- a) The Agency shall maintain documentation for all charges against the Department under this Agreement. All costs charged to the Project, including any approved services contributed by the Agency or others, shall be supported by properly executed payrolls, time records, invoices, agreements or vouchers evidencing in proper detail and in a form acceptable to the Department the nature and propriety of the charges. The books, records, and documents of the Agency, insofar as they relate to work performed or money received under this Agreement, shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for at least three (3) years after final payment is made.
- b) Copies of these documents and records shall be furnished to the Department, the Comptroller of the Treasury, or their duly appointed representatives, upon request. Records of costs incurred includes the Agency's general accounting records and the Project records, together with supporting documents and records, of the Agency and all subContractors performing work on the Project and all other records of the Agency and subContractors considered necessary by the Department for a proper audit of costs. If any litigation, claim, or audit is started before the expiration of the three (3) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- c) The aforesaid requirements to make records available to the Department shall be a continuing obligation of the Agency and shall survive a termination of the Agreement.

D.20 Inspection:

- a) The Agency shall permit, and shall require its Contractor, subContractor or materials vendor to permit, the Department's authorized representatives and authorized agents of the Federal Highway Administration to inspect all work, workmanship, materials, payrolls, records and to audit the books, records and accounts pertaining to the financing and development of the Project.
- b) The Department reserves the right to terminate this Agreement for refusal by the Agency or any Contractor, subContractor or materials vendor to allow public access to all documents, papers, letters or other material made or received in conjunction with this Agreement.

D.21 Annual Report and Audit:

- a) In the event that an Agency expends \$500,000 or more in federal awards in its fiscal year, the Agency must have a single or program specific audit conducted in accordance with the United States Office of Management and Budget (OMB) Circular A-133.
- b) All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Agency may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit agreement between the Agency and the licensed independent public accountant shall be on an agreement form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the Audit Manual for Governmental Units and Recipients of Grant Funds published by the Tennessee Comptroller of the Treasury.
- c) The Agency shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Agency shall be subject to the provisions relating to such fees contained in the prescribed agreement form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

D.22 Termination for Convenience:

- a) The Department may terminate this agreement without cause for any reason. Said termination shall not be deemed a breach of agreement by the Department. The Department shall give the Agency at least thirty (30) days written notice before the effective termination date. The Agency shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the Department be liable to the Agency for compensation

for any service which has not been rendered. The final decision as to the amount for which the Department is liable shall be determined by the Department. Should the Department exercise this provision, the Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.23 Termination for Cause:

- a) If the Agency fails to properly perform its obligations under this Agreement in a timely or proper manner, or if the Agency violates any terms of this Agreement, the Department shall have the right to immediately terminate the Agreement and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Agency shall not be relieved of liability to the Department for damages sustained by virtue of any breach of this Agreement by the Agency.
- b) In the event that the Project herein described includes Federal funds, the Agency understands that if the Federal Highway Administration (FHWA) determines that some or all of the cost of this project is ineligible for federal funds participation because of failure by the Agency to adhere to federal laws and regulations, the Agency shall be obligated to repay to the Department any federal funds received by the Agency under this agreement for any costs determined by the FHWA to be ineligible.
- c) If the Project herein described lies on the state highway system and the Agency fails to perform any obligation under this section of this agreement, the Department shall have the right to cause the Agency, by giving written notice to the Agency, to close the Project to public use and to remove the Project at its own expense and restore the premises to the satisfaction of the Department within ninety (90) days thereafter.

D.24 How Agreement is Affected by Provisions Being Held Invalid:

- a) If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance the remainder would then continue to conform to the terms and requirements of applicable law.

D.25 Agreement Format:

- a) All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

D.26 Certification Regarding Third Party Contracts:

- a) The Agency certifies by its signature hereunder that it has no understanding or contract with a third party that will conflict with or negate this Agreement in any manner whatsoever.
- b) The Agency further certifies by its signature hereunder that it has disclosed and provided to the Department a copy of any and all contracts with any third party that relate to the Project or any work funded under this Agreement.
- c) The Agency further certifies by its signature hereunder that it will not enter into any contract with a third party that relates to this project or to any work funded under this Agreement without prior disclosure of such proposed contract to the Department.
- d) The Agency hereby agrees that failure to comply with these provisions shall be a material breach of this Agreement and may subject the Agency to the repayment of funds received from or through the Department under this Agreement and to the payment of all damages suffered by the Department as a result of said breach.

D.27 Amendment:

- a) This Agreement may be modified only by a written amendment, which has been executed and approved by the appropriate parties as indicated on the signature page of this Agreement.

D.28 State Liability:

- a) The Department shall have no liability except as specifically provided in this Agreement.

D.29 Force Majeure:

- a) The obligations of the parties to this Agreement are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

D.30 Required Approvals:

- a) The Department is not bound by this Agreement until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

D.31 Estimated Cost:

- a) The parties recognize that the estimated costs contained herein are provided for planning purposes only. They have not been derived from any data such as actual bids, etc
- b) In the event that the Department is made responsible in section B.1.(a) of this Agreement for the management of the herein described Project, the parties understand that more definite cost estimates will be produced during project development. These more reliable estimates will be provided to the Agency by the Department as they become available.

D.32 Third Party Liability:

- a) The Agency shall assume all liability for third-party claims and damages arising from the construction, maintenance, existence and use of the Project to the extent provided by Tennessee Law and subject to the provisions, terms and liability limits of the Governmental Tort Liability Act, T.C.A. Section 29-20-101, et seq, and all applicable laws.

D.33 Deposits:

- a) Required deposits and any other costs for which the Agency is liable shall be made available to the Department, whenever requested.

D.34 Department Activities:

- a) Where the Agency is managing any phase of the project the Department shall provide various activities necessary for project development. The estimated cost for these activities are included in the funds shown herein.

D.35 Congestion Mitigation and Air Quality Requirement:

- a) If the herein described project is funded with Congestion Mitigation Air Quality (CMAQ) funds, this section D.35 shall apply.
 - 1) Whereas the Agency understands and agrees that the funding provided hereunder must be obligated with the Federal Highway Administration within three years from the date of this agreement. It is further agreed that once all requirements have been met for development of the project, the Agency will expend the funds in a manner to insure its expenditure on a continuous basis until the funds are exhausted. Failure to follow this process may result in a loss of funds.

D.36 Investment of Public Funds:

- a) The facility on which this project is being developed shall remain open to the public and vehicular traffic for a sufficient time to recoup the public investment therein as shown below:

Amount	=	Open to Public and Vehicular Traffic
\$1.00 - \$200,000	=	5 Years
>\$200,000 - \$500,000	=	10 Years
>\$500,000 - \$1,000,000	=	20 Years

- b) Projects over \$1,000,000 carry a minimum 25 years open to public and vehicular traffic requirement and will be subject to individual review.

D.37 Federal Funding Accountability and Transparency Act:

- a) **If the Project is funded with federal funds the following shall apply:** The Agency shall comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub.L. 109-282), as amended by section 6202 of Public Law 110-252 ("the Transparency Act") and the regulations and requirements of the federal government issued thereunder, including, but not limited to, 2 CFR Part 170. The Agency shall submit the information needed for the Transparency Act in accordance with the forms and processes identified by the Department.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date first above written.

CITY OF KINGSPORT

**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

Signature:

Email: paulmontgomery@kingsporttn.gov

By

Signature:

Email: TDOT.COMMISSIONER'S.Office@tn.gov

**APPROVED AS TO
FORM AND LEGALITY**

**APPROVED AS TO
FORM AND LEGALITY**

Signature:

Email: bartrowlett@kingsporttn.gov

By

Signature:

Email: TDOT.Legal.Attorneys@tn.gov

ATTESTED BY:

E

Signature:

Email: Steve.Allen@tn.gov

Signature:

Email: angiemarshall@kingsporttn.gov

**& Community Investments
Division**

EXHIBIT "A"

AGREEMENT #: 240447

PROJECT IDENTIFICATION #: 136057.00

FEDERAL PROJECT #: STP-M-9108(54)

STATE PROJECT #: 82LPLM-F3-105

PROJECT DESCRIPTION: Various Roads in Kingsport. Resurfacing of Meadowview Parkway, from Wilcox Drive to the Kingsport City Limits near Saratoga Road and Orebank Road from Memorial Boulevard to the Kingsport City Limits near Cleek Road. Project will include milling, grading, repairing, striping, signage, sidewalks, and ADA upgrades where applicable.

CHANGE IN COST: Cost hereunder is controlled by the figures shown in the TIP and any amendments, adjustments or changes thereto.

TYPE OF WORK: Resurfacing

PHASE	FUNDING SOURCE	FED %	STATE %	LOCAL %	ESTIMATED COST
PE-NEPA	STBG-U	80	0	20	\$150,000.00
PE-DESIGN	STBG-U	80	0	20	\$250,000.00
CONSTRUCTION	STBG-U	80	0	20	\$3,257,115.00
CEI	STBG-U	80	0	20	\$325,350.00
TDOT ES	STBG-U	80	0	20	\$32,535.00

INELIGIBLE COST: One hundred percent (100%) of the actual cost will be paid from Agency funds if the use of said state or federal funds is ruled ineligible at any time by the Federal Highway Administration.

LEGISLATIVE AUTHORITY: STBG: 23 U.S.C.A., Section 133, Surface Transportation Block Grant Program funds allocated or subject to allocation to the Agency












TDOT ENGINEERING SERVICES (TDOT ES): In order to comply with all federal and state laws, rules, and regulations, the TDOT Engineering Services line item in Exhibit A is placed there to ensure that TDOT's expenses associated with the project during construction are covered.

For federal funds included in this contract, the CFDA Number is 20.205, Highway Planning and Construction funding provided through an allocation from the US Department of Transportation.



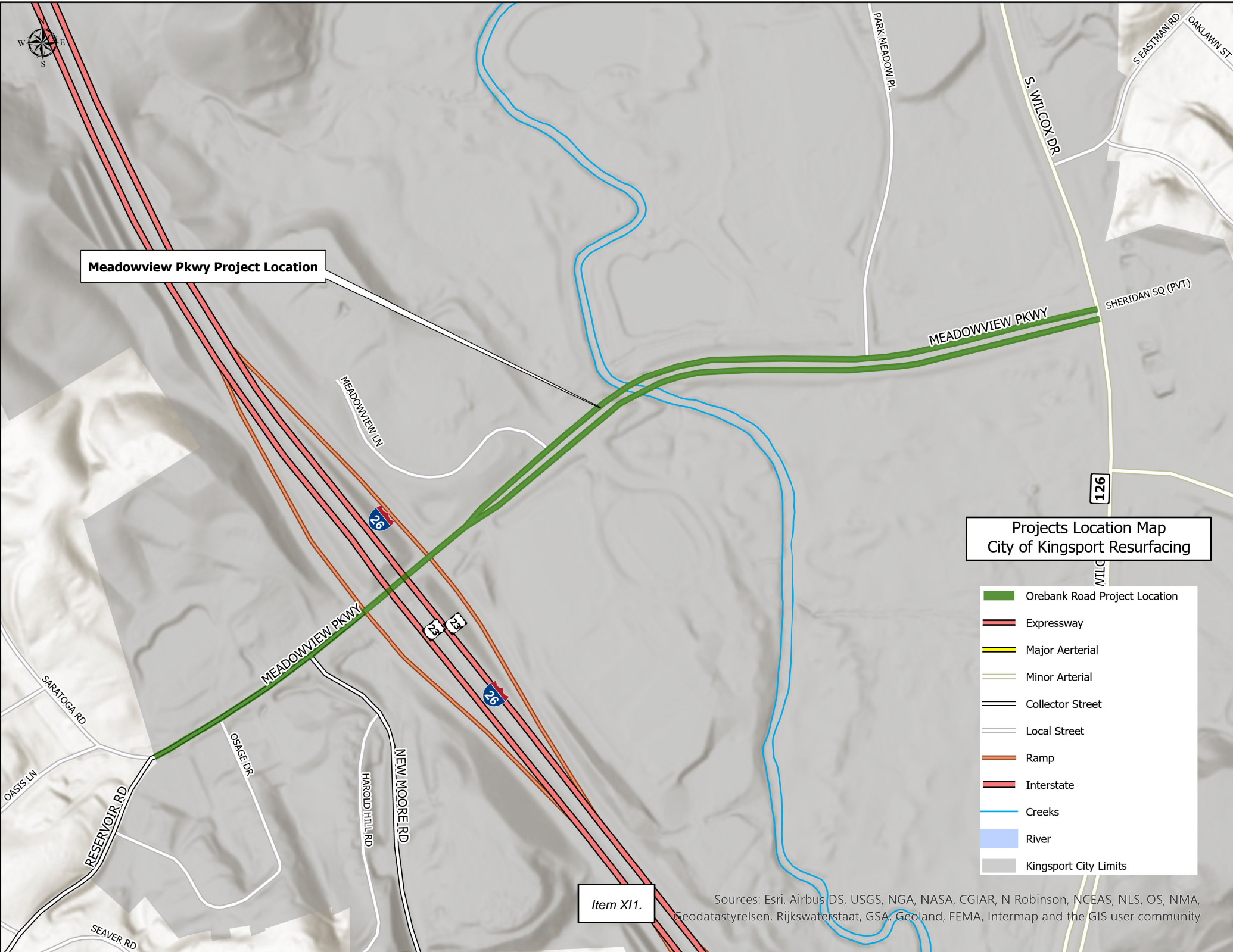
Meadowview Pkwy Project Location

**Projects Location Map
City of Kingsport Resurfacing**

-  Orebank Road Project Location
-  Expressway
-  Major Arterial
-  Minor Arterial
-  Collector Street
-  Local Street
-  Ramp
-  Interstate
-  Creeks
-  River
-  Kingsport City Limits

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Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community



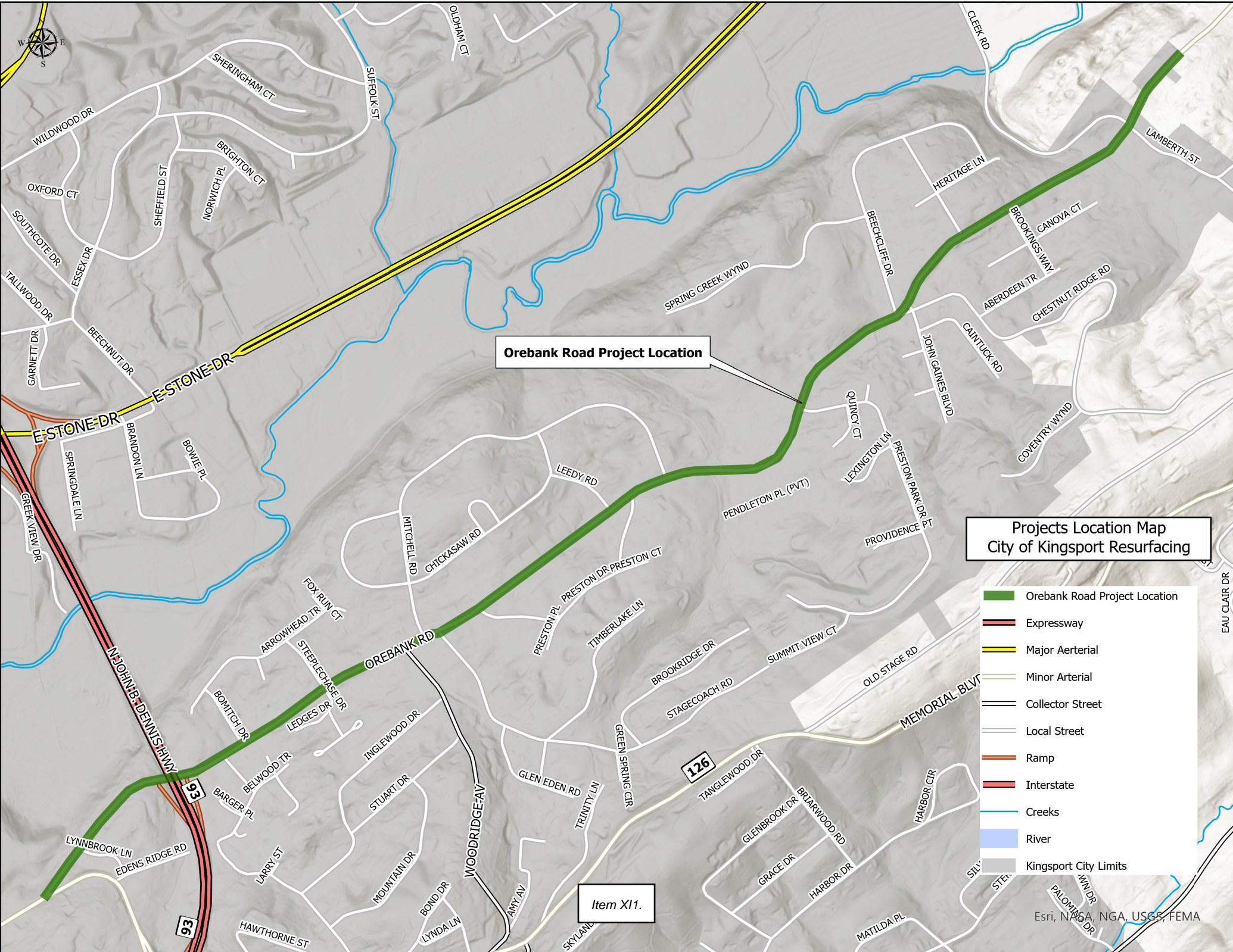


Orebank Road Project Location

Projects Location Map
City of Kingsport Resurfacing

-  Orebank Road Project Location
-  Expressway
-  Major Arterial
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-  Collector Street
-  Local Street
-  Ramp
-  Interstate
-  Creeks
-  River
-  Kingsport City Limits

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AGENDA ACTION FORM

Consideration of a Resolution to Enter into an Agreement with LJA Engineering, Inc. to Provide Inspection and Engineering Services for the West Kingsport Sewer Basin

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-34-2025
Work Session: February 3, 2025
First Reading: N/A
Final Adoption: February 4, 2025
Staff Work By: Will Stallard
Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution

Executive Summary:

To properly plan for future capital expenditures, in-depth monitoring of sewer flows during rainy periods is necessary to assess the overall capacity of the sewer system. The West Kingsport Sewer Drainage Basin has seen increased development over the past few years and continued assessment of the sewer system was needed. This flow monitoring assessment was completed in early 2023. Phase 1, which covered much of the west side of Ridgefields Road was completed in 2024.

This project (Phase 2) will continue the City’s investigation of the West Kingsport sewer basin to the east side of Ridgefields Road up to Manor Drive, where the 2023 assessment identified the highest instances of inflow and infiltration. This project will perform/provide manhole inspections, GPS survey and integration, smoke testing, CCTV inspection and cleaning, and engineering summary which can be used to develop additional rehabilitation projects for the West Kingsport sewer basin.

To ensure the City’s ability to grow and for proper infrastructure reinvestment, city staff recommends awarding the contract to LJA Engineering in the amount of \$139,662 in accordance with the attached proposal. Project funding will reside in SW2207.

Attachments:

- 1. Resolution
- 2. LJA Proposal
- 3. Location Map

	<u>Y</u>	<u>N</u>	<u>O</u>
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN AGREEMENT WITH LJA ENGINEERING FOR PHASE 2 OF THE SANITARY SEWER INSPECTION PROJECT FOR THE WEST KINGSPORT SEWER BASIN AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the city has been working on an in-depth monitoring of sewer flows during rainy periods to assess the overall capacity of the sewer system; and

WHEREAS, the West Kingsport Sewer Drainage Basin has seen increased development over the past few years and assessment of this area is particularly important; and

WHEREAS, previously the board adopted Resolution No. 2024-203 which authorized an agreement with LJA Engineering, Inc., to perform flow monitoring and other analysis of Basin 5348_12; and

WHEREAS, Basin 5491_12 which was previously identified as a high priority area in need of further inspection and analysis; and

WHEREAS, LJA Engineering has proposed as part of Phase 2 of the Sanitary Sewer Inspection Project to perform/provide manhole inspections, GPS survey and integration, smoke testing, CCTV inspection and cleaning, and engineering summary for Basin 5491_12 which can be used to develop additional rehabilitation projects for the West Kingsport sewer basin; and

WHEREAS, the funds, in the amount of \$139,662.00, is available in project SW2207

Now therefore,

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

SECTION I. That an agreement with LJA Engineering to provide inspection and engineering services for for Pase 2 of the sanitary sewer inspection project for the West Kingsport Sewer Basin, 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, an Agreement with LJA Engineering to provide inspection and engineering services for the West Kingsport Sewer Basin Sanitary Sewer Inspection Project – Phase 2, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and 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 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 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

November 11, 2024

TASK ORDER – OPTION A

Mr. Chad Austin
City of Kingsport
1113 Konnarock Road
Kingsport, Tennessee 37664

RE: Engineering Services as Related to the
Phase 2 Sanitary Sewer Inspection Project
City of Kingsport, Tennessee
LJA Task Order 20241111

Dear Mr. Austin,

LJA Engineering, Inc. (“LJA”) is pleased to provide this Task Order for engineering services associated with the Phase 2 Sanitary Sewer Inspection Project for the City of Kingsport (“Client”). This task order is made pursuant to the terms and conditions of the Professional Services Agreement (“PSA”) entered into on November 28, 2022, by and between LJA Engineering, Inc. and the City of Kingsport .

Background

The Client is actively working through inflow/infiltration (I/I) correction measures within the sanitary sewer collection system. LJA staff recently completed a flow monitoring study and Phase 1 Sanitary Sewer Evaluation Survey (SSES) Inspection Project in Basin 5438_12 which was one of the high priority areas identified in the flow monitoring study. LJA staff facilitated manhole inspections, manhole GPS and mapping corrections, smoke testing, and CCTV Inspections throughout the basin. The results indicated that a number of severe defects were observed.

The Client has requested LJA to provide a proposal for a similar project in Basin 5491_12 which was identified as a high priority area during the flow monitoring study. Basin 5491_12 is approximately 14,500 linear feet with approximately 75 manholes (See Exhibit A).

Approach

It is expected that project activities will begin (manhole inspections and CCTV inspections) once weather conditions are more wet and be completed by the end of March 2025. The manhole wet weather inspections will be performed utilizing NASSCO defect criteria such that all defects can be relatively ranked and prioritized. The inspections will provide a condition assessment for each manhole and identify defects to be prioritized. It is critical that these inspections be performed during wetter periods to identify those contributing Rain-dependent inflow & infiltration (RDII) into the system since manhole/line connections are a typical inflow and infiltration (I/I) source. During the manhole inspection process, system connectivity and map verification is also performed which is critical for the next phases of work. Survey grade GPS coordinates will be taken at each manhole during the process of identifying system connectivity. It is imperative to have a corrected map prior to beginning any rehabilitation projects in order to minimize change orders and provide the most efficient repairs.

Smoke testing efforts will be completed during the spring/summer of 2025, approximately between the months of April through July when groundwater levels are at the lowest. This will identify inflow type defects which contribute to the significant peaks observed with intense rainfall events. These type defects also significantly contribute to SSO events due to the quick response during intense storms.

CCTV inspections are necessary to identify defects within mainlines and provide a means to formulate a rehabilitation design. Once completed, the CCTV inspection results are analyzed (coupled with the smoke testing and wet weather manhole inspection results) to finalize the priority ranking of work to be performed during rehabilitation.

Upon completion of all field work, LJA staff will compile the findings into a summary spreadsheet to provide a general indication of defects observed. LJA staff would integrate the associated reports from the SSES activities into the Client's current GIS and provide an updated GIS map layer. LJA would work with the Client's GIS staff to incorporate the updated layers into the Client's current GIS system.

The associated Scope of Services outline the tasks to be performed to meet the approach discussed in the above narrative.

Scope of Services

1.0 SSES Activities, Field Services Management, & GIS Integration

SSES field activities performed during this Task include the following with approximate quantities based on Client's current GIS:

- Manhole inspections (approximately 75) – Manhole inspections will be conducted during wet weather periods (~ January through March) to identify I/I sources. Data collected during manhole inspections will include the material of each manhole component (cover, frame, chimney, cone, wall, bench and invert) and will be based on NASSCO coding. The condition of each component will be assessed, defects identified, and pertinent photos will be taken. Additionally, connectivity will be verified with the GIS on each incoming and outgoing pipe segment such that map corrections can be made. A PDF report summarizing the information collected will be provided including photos. A sample is included in Exhibit B.
- GPS Surveying of Manholes (approximately 75) – A GPS survey of each manhole will be performed to obtain x, y, and z coordinates. Each point will be gathered with survey grade accuracy using a Trimble GPS data collector. Manhole GPS work will be performed during the wintertime period (between February through April) when the tree canopy is at a minimum. Any manholes where survey grade accuracy cannot be obtained will be collected with mapping grade accuracy (+/- 3 feet). At the time a model is formulated utilizing the GPS data, other survey means will be utilized as part of that effort to obtain survey grade data for any locations required. LJA staff will coordinate with the Client to integrate the GPS data and revised sanitary sewer layer into the Client's existing GIS mapping system.
- Smoke testing (approximately 14,500 LF) – Smoke testing will be conducted to identify cross connection defects and severe inflow sources. These activities will be conducted during drier periods of the year (~ April through July) when ground conditions are dry allowing the smoke to permeate through the soil and into the air. Strategic smoke testing points will be identified throughout the project area to accommodate approximately 600-800 foot stretches of sewer mainline. While smoke is being pushed through the mainlines by a smoke blower, GPS points will be taken of each observed defect where smoke is exiting the ground. A photo will

be taken of each defect and logged with the associated data collected. A summary report of each segment will be provided detailing the type of leak observed and an aerial map of the marked location. A sample is provided in Exhibit B.

In order to facilitate the field work listed above, LJA staff will perform the following:

- Provide oversight and direct management of subcontractors working on the project performing the above activities including scheduling, coordinating with the Client, coordinating during specific weather periods.
- Track progress throughout the project and provide updates to the Client as requested, including evaluating production logs and “cannot locate” lists for manholes. LJA staff will coordinate with subcontractor and the Client to get necessary access/manholes raised to facilitate work.
- A professional licensed surveyor (PLS) will validate any GPS shots taken to verify accuracy and ensure the points are imported into ESRI platform to be used in the Client’s current GIS layer.
- Track progress during the smoke testing phase and provide updates to the Client as requested. Any significant findings will be submitted to the Client as they are identified.
- Perform various site visits during field activities.
- Conduct interim meetings/progress meetings with the Client during work to provide updates and discuss project progress and details.

Throughout the course of each field activity, LJA staff will receive preliminary data cuts of the database deliverable to ensure data is being collected properly, perform QA/QC checks, and verify accuracy. As each type of field work is completed, LJA staff will receive a final database submittal and perform a final review of the information collected. Upon receipt and final review of each dataset, LJA staff will integrate the data collected within the Client’s current GIS layer. Using any GPS data collected, LJA staff will initially create the geometric network within the GIS to provide connectivity from manhole to manhole throughout the project area and enable the ability to perform tracing functions within ESRI. The manhole reports and individual data will be linked to each associated manhole within the manhole shape file. The smoke testing reports and individual data will be linked to each associated mainline segment within the sewer line shape file. LJA staff will compile the digital information and create point and linear defect events in personal geodatabases that will contain all the data to be served and queried within the GIS. Specific information about the defect such as type, location and severity score will be available in tabular format via the “Identify Tool” of ArcGIS. LJA staff will provide the Client with a final layer set to be imported into current GIS system. The final layer will contain links to each manhole and smoke testing report submitted.

Upon finalization of the GIS integration, LJA staff will compile the findings and create a list of priority mainline segments to be CCTV inspected. A map book will be created in PDF format, with index pages and map numbering, to be provided to the CCTV subcontractor to complete inspection work. An associated listing of each segment will also be exported from the GIS layer to create an Excel spreadsheet which will also be provided to the subcontractor to be used during the project to facilitate work.

2.0 CCTV Surveys, Field Services Management, & GIS Integration

It is anticipated that approximately 14,500 linear feet will be inspected. Preconditioning (cleaning) will only be conducted when needed. It is not expected that each pipe will need to be cleaned prior to inspections. A budgeted quantity of the inspected footage will be used for

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segments to be cleaned. However, this footage is a budgetary number and the segments that need to be cleaned in order to complete the work will be cleaned.

Of the pipe segments on the priority CCTV inspection list, only those mainlines requiring cleaning will be cleaned. It is expected that up to 60% (~8,700 LF) of the mainlines inspected may require preconditioning prior to inspection and 20% (~3,000 LF) of the mainlines may require heavy cleaning. However, should the pipes have a significant amount of debris, the totals could be higher. The projected footage to be cleaned and associated fees are only estimates. Should more cleaning be required than anticipated, fees will need to be increased appropriately or an associated reduction in scope for the inspection will be necessary. Although the service lateral connections within the mainline will be visible during the mainline inspections, the inspection of each individual service lateral via a lateral launch will not be included as part of the scope of this project. It will be required to inspect each lateral included in the rehabilitation project at the time of construction to verify final rehabilitation once that data becomes available.

CCTV mainline inspections will be performed utilizing NASSCO standards. The camera will stop and pan each defect and tap to record pertinent information. Pre-conditioning of the pipe will be performed as needed to obtain an unobstructed view of the pipe. Heavy cleaning may be required to remove roots, heavy debris/silt, or remove protruding taps. It is estimated/budgeted that approximately 20% of the pipelines will require heavy cleaning. This is only an estimate. Should the actual footage requiring heavy cleaning be higher than the estimated amount, additional monies would be required to complete the work or work would need to be eliminated accordingly. A log will be provided that indicates the footage inspected, the footage preconditioned, and the footage heavy cleaned. A PDF report will be created from the inspection summarizing each item observed along with pictures.

In order to facilitate the CCTV inspections listed above, LJA staff will perform the following:

- Provide oversight and direct management of subcontractors working on the project performing the above activities including scheduling, coordinating with Client, coordinating during specific weather periods
- Track progress throughout the project and provide updates to Client as requested, including evaluating production logs and manholes that have been located and marked for Client to raise.
- Perform various site visits during field activities.
- Conduct interim meetings/progress meetings with Client during work to provide updates and discuss project progress and details as needed.

Throughout the course work, LJA staff will receive preliminary data cuts of the database deliverable to ensure data is being collected properly, perform QA/QC checks, and verify accuracy. As field work is completed, LJA staff will receive a preliminary database submittal and perform a review of the information collected. Upon receipt and final review of each dataset, LJA staff will integrate the data collected within the GIS layer. LJA staff will compile the digital information and create point and linear defect events in personal geodatabases that will contain all the data to be served and queried within the GIS. Specific information about the defect such as type, location and severity score will be available in tabular format via the "Identify Tool" of ArcGIS. LJA staff will provide Client with a final layer set to be imported into Client's current GIS system. The final layer will contain links to the associated inspection report.

3.0 Engineering Summary of Findings

Upon finalization of the GIS integration, LJA staff will perform a general prioritization for each sewer mainline segment, taking into account each SSES activity completed. This summary of information will be shown in ESRI ArcGIS via symbology based on severity of defects or I/I observed. LJA staff will provide a summary spreadsheet with defects prioritized based on the NASSCO scoring system. LJA staff will present the findings to Client staff and discuss the criteria used during the evaluation. LJA staff and Client staff will jointly review the results and findings and discuss steps to perform the next phase of work (rehabilitation).

LJA staff will provide a summary GIS dataset that can be incorporated into Client's existing GIS network. LJA will coordinate with Client's GIS department to facilitate the delivery.

Client's Responsibilities

Client shall be responsible for the following items:

- Provide assistance and coordinate with property owners as needed for property access.
- Assist LJA staff by locating manholes not easily identified both above and below grade.
- Provide access to buried manholes that are below grade (raising manholes to facilitate entry).
- Provide water at no charge during cleaning and CCTV inspections. Contractors will provide an accounting of water used for water loss purposes.
- Provide access at the WWTP to offload debris from the Vac-truck during cleaning and inspections.
- Allow CCTV inspections to be performed during Monday through Saturday if needed to ensure deadlines are met.

Compensation

We propose to provide the specific services described above to be billed as follows:

Task 1.0 SSES Activities, Field Services Management, & GIS Integration

Item No.	Description	Units	Unit Cost	Total
1a.	Manhole Inspections	75	\$165	\$12,375
1b.	Manhole GPS	75	\$55	\$4,125
1c.	Smoke Testing	14,500	\$0.65	\$9,425
1d.	Engineering/GIS integration Field/Management	LS	\$15,250	\$15,250
Sub-Total Task 1				\$41,175

Task 2.0 CCTV Inspections, Field Services Management, & GIS Integration

Item No.	Description	Units	Unit Cost	Total
2a.	Mobilization	1	\$4,200	\$4,200
2b1.	CCTV Inspection 6-inch to 8-inch	14,000	\$1.93	\$27,048
2b2.	CCTV Inspection 12-inch	500	\$2.03	\$1,014
2c1.	Preconditioning 6-inch to 8-inch	8,400	\$2.07	\$17,405
2c2.	Preconditioning 12-inch	300	\$2.17	\$652
2d1.	Heavy Cleaning Adder to Preconditioning 6-inch to 8-inch	2,800	\$1.40	\$3,931
2d2.	Heavy Cleaning Adder to Preconditioning 12-inch	200	\$1.54	\$307
2e.	Reverse Setup	10	\$210	\$2,100
2f.	Locate, Sonde, Mark MH	10	\$158	\$1,580
2g.	CCTV Reports and Data Delivery	LS	\$6,000	\$6,000
2h.	Engineering/GIS CCTV & Management	LS	\$18,750	\$18,750
Sub-Total Task 2				\$82,987

Task 3.0 Engineering Summary of Findings

Item No.	Description	Units	Unit Cost	Total
3	Engineering Reporting	LS	\$15,500	\$15,500

Total Not-to-Exceed Amount	\$139,662
-----------------------------------	------------------

Any work not authorized within three (3) months of the date of this agreement will be subject to renegotiations based on current rates.

Schedule

LJA staff would tentatively schedule to begin manhole inspections and manhole GPS work immediately upon approval. It is anticipated the manhole inspections will take approximately 4-5 weeks to complete pending weather conditions. CCTV inspections will begin within 2-3 weeks of authorization. It is anticipated that CCTV inspections will take approximately 3-4 weeks to complete the field portion of the work. It is anticipated that smoke testing would begin in the when groundwater conditions are at the lowest. Timing to complete smoke testing would tentatively be between April 2025 and July 2025. It is anticipated that smoke testing would take approximately 2 weeks to complete pending weather conditions. Upon completion of all field work, LJA staff will present the findings and discuss the recommendations for the rehabilitation project and design parameters. LJA staff will then coordinate with the Client to determine the tentative schedule for advertisement and bidding of the project.

Reimbursables and additional services

Included in the above fees are reimbursable expenses incurred on the project's behalf, including: mileage, printing, plotting, photocopies, reproduction, express mail, and/or courier services. Any regulatory agency review fees associated with plan reviews shall be the responsibility of the Client. Reimbursable expenses will be billed at cost plus ten percent (10%). LJA will bill monthly for all work performed and expenses incurred on the project's behalf. Unpaid invoices after thirty (30) days will accrue service charges at 1-1/2% per month and include any costs of collections and reasonable attorney's fees.

Authorization

If this proposal meets with your approval, your signature below and on the attached Professional Services Agreement will be sufficient authorization for LJA to commence the stated work as indicated in the above Scope of Services.

We appreciate the opportunity to submit this proposal and look forward to working with you on this project. If you have any questions, please contact me at 931.273.8999.

Sincerely,



Travis E. Wilson, PE
Vice President

TEW

Attachments:
Exhibit A – Basin Maps
Exhibit B – Sample Field Reports

Accepted By:
City of Kingsport

By: _____

Name: _____

Title: _____

Date: _____

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EXHIBITS

EXHIBIT A

Basin Maps

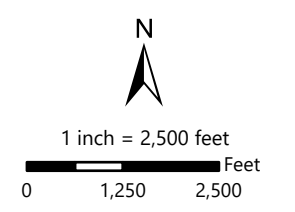
Basin Name	Basin Net Footage	gal/LF	MGD
132A_1	24,344	6.34	0.15
665_6	23,624	7.64	0.18
824_1	24,824	0.93	0.02
1452_11	23,215	1.03	0.02
2643_12	37,614	-1.87	-0.07
2680_12	13,978	2.70	0.04
3421_1	13,995	7.79	0.11
4047_12	22,929	6.04	0.14
4862_9	25,322	2.50	0.06
5070_10	30,106	0.51	0.01
5183_11	23,253	5.96	0.14
5315_12	15,600	3.71	0.06
5334_12	27,060	-6.81	-0.18
5438_12	24,472	18.74	0.46
5491_12	13,751	22.05	0.30
5564_12	12,424	5.62	0.07
5605_12	28,990	12.44	0.36
6101_12	29,236	12.32	0.36
7543_12	18,834	11.35	0.21
26039_12	18,862	4.00	0.08

City of Kingsport

Flow Monitoring Location Map

Page 1 of 1

- Legend**
- Pump and Lift Stations
 - Sewer Force Mains
 - Sewer Gravity Mains
 - Existing Flow Meters
 - Temporary Flow Meters
 - Minimal RDII
 - Significant RDII
 - Severe RDII
 - Inconclusive due to Balancing



DATE:
7/17/2023

LJA PROJECT NO.
3236-0002



LJA Engineering | 265 Brookview Centre Way
Suite 504 Knoxville, TN 37919 | www.lja.com

REFERENCE:
GIS BASE LAYERS WERE OBTAINED FROM THE CITY OF KINGSFORT GIS DEPARTMENT AND ESRI. THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY. ALL FEATURE LOCATIONS DISPLAYED ARE APPROXIMATED. THEY ARE NOT BASED ON CIVIL SURVEY INFORMATION, UNLESS STATED OTHERWISE.

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Drawing Path: Z:\SoutheastRegion\Projects\3236-0002-Kingsport 2023 Flow Monitoring-City of Kingsport\GISData\Final Map for Report.aprx plotted by mcrow 07-17-2023

EXHIBIT B

Sample Field Reports

Manhole ID: 139
Crew: FB

Street Address: 272 RIVER EDGE CT
General Location: Next to street

Inspection Type: Internal
Structure Type: Standard
Location: Grass
Surface Type: Dirt/Grass
Weather: Dry

Cover Type: Pick
Cover Fit: Good
Holes in Cover: 2
Riser Present?: 0
Riser Height: 0

Ponding Type: None
Ponding Depth: 0
Grade +/-: 0
Inflow Dish?: No
Frame Offset: 0 in

Chimney Material: Pre-Cast
Chimney Height: 4 in
Cone Material: Pre-Cast
Cone Shape: Eccentric

Wall Material: Pre-Cast
Wall Lining Type: Cementitious
Wall Length: 0
Wall Width/Dia: 48 in

Bench Type: Poured
Trough Type: Poured
Step Type: Plastic

Manhole Depth: 5.15 ft

Evidence of Surcharge?: No

Surcharge Depth: 0

Comments: Roughness increased on cover and frame. Deposits on bench.

Area Photo



Internal Photo



Manhole Defect Information

Components with Defects: Bench, Cone, Chimney, Frame, Cover

I/I Code Type	Broken	Lining Failure	Deposits	Roots	Fracture	Crack	Hole	Surface Damage	Brickwork	Joint
Cover:								Roughness Increased		
Frame:								Roughness Increased		
Frame Seal:										
Chimney: Staining										
Cone: Staining										
Wall:										
Bench:			Settled - Fine							
Trough:										

Manhole Defect Photos:



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Manhole Inspection Report - Pipes

Pipe #: 1

Upstream MH: 139

Downstream MH: 5584

Clock Position: 6

Shape of Pipe: Round

Diameter/Height: 8 in

Material: PVC

Rim to Invert: 5.15 ft

Flow Depth: 0 in



Comments: None

Pipe #: 2

Upstream MH: 5733

Downstream MH: 139

Clock Position: 12

Shape of Pipe: Round

Diameter/Height: 8 in

Material: PVC

Rim to Invert: 5 ft

Flow Depth: 1 in



Comments: None

Smoke Test Inspection Report

Observation: 1-1

Collected By: Finn Basler

Date Inspected: 8/5/2024

Address: 305 Pleasley Road

Upstream Manhole: 5526

Downstream Manhole: 5448

Property Type: Private

Source: Service Cleanout

Smoke Intensity: Heavy

I & I Rating: Moderate

Comments: Smoke from 6" cleanout. Cleanout missing cap.



Project:		Date/Time:	May 7 2024 - 16:02
Street and City:	256 River Edge Dr - Kingsport	Weather:	Dry - No precipitation during survey
Owner:	Kingsport	Inspection Status:	Complete Inspection
Customer:	LJA	Segment:	5404_24908
Surveyor Name and Certificate:	Spencer Seidel P0039857-112022	Direction:	Downstream
Reviewer Name and Certificate:	Elisabeth Lowery U-0220-70308547	Up MH:	5404
P.O. #	3236-0003	Down MH:	24908

Pipe Details and Measurements

Pipe Use:	SS	Material:	CP
Height:	15	Lining:	N
Width:		Joint Length:	4
Shape:	C	Purpose:	B
Pre-Cleaning:	No Pre-Cleaning	Additional Info:	

Pipe Ratings

Overall Quick Rating: 3121

Structural Quick Rating:	3100	O&M Quick Rating:	2112
Structural Pipe Rating Index:	3.0	O&M Pipe Rating Index:	1.3



Surveyed Length: 350

Total Length: 353

Inspection Technology Used: CCTV

Item XI2.

Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

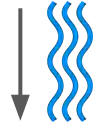
Down MH: 24908

Observations & Defects

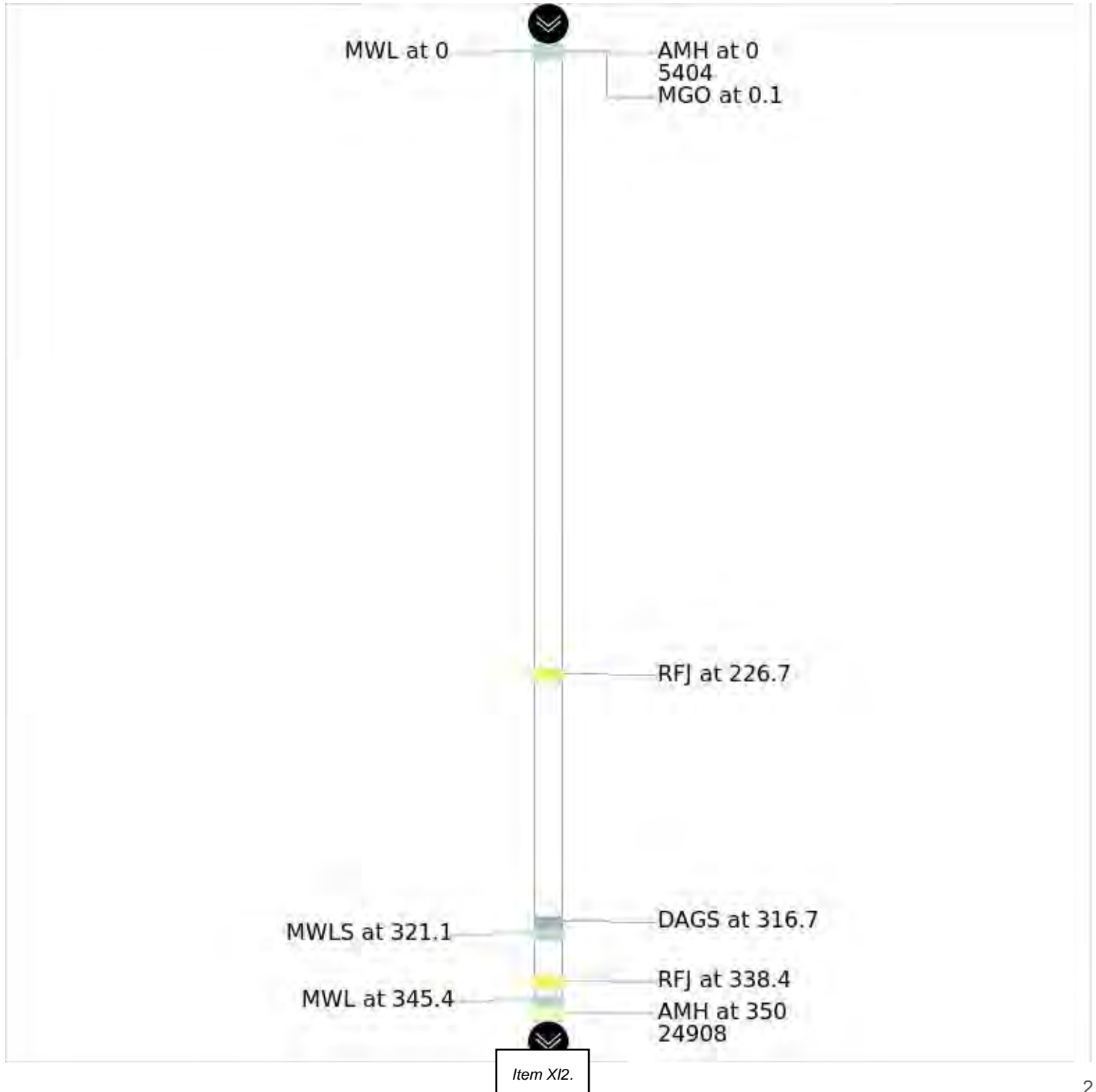
Surveyed Length: 350

Total Length: 350

Flow Direction:



Survey Direction:
Downstream







Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

Down MH: 24908

Photo	Distance	Description	Time
	0	AMH - Manhole Remark = 5404	00:00:17
	0	MWL - Miscellaneous Water Level Percent: 30	00:01:33
	0.1	MGO - Miscellaneous General Observation Remark = Pipe Diameter Confirmation	00:01:11
	226.7	RFJ - Roots Fine Joint Joint: True Clock from 10 to 11 Grade = 1	00:07:58


Item XI2.

Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

Down MH: 24908

Photo	Distance	Description	Time
 <p>Date: 05/07/2024 16:20 Up MH: 5404 City: Kingsport Down MH: 24908 Pipe Seq. Ref: 5404_24908 Direction: D</p> <p>316.7 ft</p>	316.7	DAGS - Deposits Attached Grease Percent: 5 Clock from 10 to 1 Grade = 2	00:11:13
 <p>Date: 05/07/2024 16:20 Up MH: 5404 City: Kingsport Down MH: 24908 Pipe Seq. Ref: 5404_24908 Direction: D</p> <p>321.1 ft</p>	321.1	MWLS - Miscellaneous Water Level Sag Percent: 50 Grade = 3	00:11:29
 <p>Date: 05/07/2024 16:23 Up MH: 5404 City: Kingsport Down MH: 24908 Pipe Seq. Ref: 5404_24908 Direction: D</p> <p>338.4 ft</p>	338.4	RFJ - Roots Fine Joint Joint: True Clock At 11 Grade = 1	00:14:54
 <p>Date: 05/07/2024 16:24 Up MH: 5404 City: Kingsport Down MH: 24908 Pipe Seq. Ref: 5404_24908 Direction: D</p> <p>345.4 ft</p>	345.4	MWL - Miscellaneous Water Level Percent: 35	00:15:13

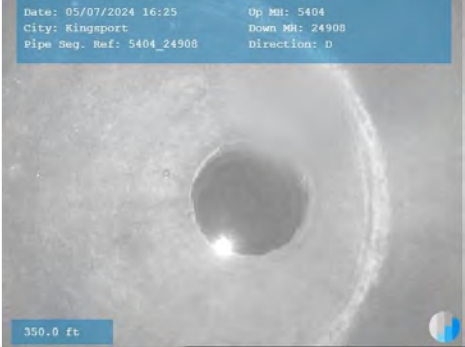
Item XI2.

Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

Down MH: 24908

Photo	Distance	Description	Time
	350	AMH - Manhole Remark = 24908	00:16:13

Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

Down MH: 24908

Time	Dist.	Code	Cont.	Dim. 1	Dim. 2	%	Joint	Clock From	Clock To	Remarks
00:00:17	0	AMH								5404
00:01:33	0	MWL				30				
00:01:11	0.1	MGO								Pipe Diameter Confirmation
00:07:58	226.7	RFJ					True	10	11	
00:11:13	316.7	DAG S				5		10	1	
00:11:29	321.1	MWL S				50				
00:11:29	338.4	RFJ					True	11		
00:15:13	345.4	MWL				35				
00:16:13	350	AMH								24908

Item XI2.

Kingsport — May 7 2024

Up MH: 5404

Pipe: 5404_24908

Down MH: 24908

Additional PACP Header Information

Media Label:		Up Rim to Invert:	
Work Order:	24-06639	Up Rim to Grade:	
Sheet Number:		Up Grade to Invert:	
Date Cleaned:	Unknown	Up Northing:	
Flow Control:	N	Up Easting:	
Consequence of Failure		Up Elevation:	
Pressure Value:		Down Rim to Invert:	
Drainage Area:	5	Down Rim to Grade:	
Location Code:	D	Down Grade to Invert:	
Location Details:		Down Northing:	
Coating Method:		Down Easting:	
Pipe Joint Length:	4	Down Elevation:	
Year Constructed:	1900	Coordinate System:	
Year Renewed:	1900	Vertical Datum:	
		GPS Accuracy:	
Reverse Setup:		Imperial?:	True

Item XI2.

West Kingsport Sewer Basin 5490

Legend



Riverport Rd

Eastley Ct

Manor Dr

Fleetwood Dr

Google Earth

Item XI2.

1000 ft





AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Industrial Development Board of the City of Kingsport, Tennessee to Execute a Payment in Lieu of Tax (PILOT) Agreement with O’Neal Manufacturing Services, LLC

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-36-2025
Work Session: February 3, 2025
First Reading: N/A
Final Adoption: February 4, 2025
Staff Work By: Steven Bower
Presentation By: Steven Bower

Recommendation:
Approve the Resolution.

Executive Summary:
Formally referred to as “Project Crane”, O’Neal Manufacturing has purchased a 41,000SF existing building located in Kingsport’s Regional Service Park. They plan to expand manufacturing operations to Tennessee to take advantage of vendor’s relocation and related business opportunities. O’Neal provides metal components for a broad range of industries including Agricultural Equipment, Material Handling, Construction Equipment, Renewable Energy, and others.

O’Neal plans to invest an estimated \$8,540,000 into the Kingsport operation and create 29 new jobs. The proposed incentive is a five-year Payment in Lieu of Taxes agreement abating 50% of the tax levied on their personal property. The estimated personal property investment is \$4,565,000. If appraised at this value the PILOT represents new personal property tax revenue of \$42,966 for the city and \$51,736 for the county, therefore representing a company savings of \$94,702 over the next five years.

This agreement came recommended from NETWORKs Sullivan Partnership and the State of Tennessee as the local incentive for recruitment. The Industrial Development Board of Kingsport voted and approved this agreement at their September 10th, 2024 meeting. The State of Tennessee announced this project on October 1st, 2024.

- Attachments:**
- 1. Resolution
 - 2. PILOT Agreement
 - 3. PILOT Payment Chart

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE TO NEGOTIATE AND ACCEPT FROM O'NEAL MANUFACTURING SERVICES, LLC, PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A MANUFACTURING OPERATIONS PROJECT IN THE CITY OF KINGSPORT, TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE BOARD AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305

WHEREAS, the Board of Mayor and Aldermen of the City of Kingsport, Tennessee (the "Governing Body") has met pursuant to proper notice; and

WHEREAS, the Governing Body had previously authorized the incorporation of The Industrial Development Board of the City of Kingsport, Tennessee (KEDB) as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, O'Neal Manufacturing Services, LLC, a Tennessee limited liability corporation, or an affiliate thereof (the "Developer") has requested KEDB to take leasehold ownership of certain property on which the Developer proposes to make improvements and expanded manufacturing operations (collectively, the "Project") at an approximately 41,000 square foot facility located at 108 Regional Service Park Drive, Kingsport, Sullivan County, Tennessee (the "Property"); and

WHEREAS, as a part of such discussions, the Developer has requested KEDB lease the Project to the Developer or an affiliated entity under an arrangement whereby the Developer or its affiliated entity will make payments in lieu of ad valorem taxes; and

WHEREAS, upon the acquisition of the Project by KEDB and the lease of the Project to the Developer or an affiliated entity, the Developer intends to make improvements to and renovate the Project; and

WHEREAS, the renovations to the Project will bring manufacturing and will create 29 new jobs and will contribute to the health, welfare and citizens of in the City of Kingsport, Tennessee, and Sullivan County, Tennessee in furtherance of the purpose for which KEDB was created; and

WHEREAS, Tenn. Code Ann. § 7-53-305(b) authorizes the Governing Body to delegate to KEDB the authority to negotiate and accept from the lessees of KEDB payments in lieu of ad valorem tax upon the finding that such payments are deemed to be in furtherance of the public purposes of KEDB as defined in said Code Section; and

WHEREAS, the Governing Body finds that such payments in lieu of ad valorem taxes are deemed to be in furtherance of the public purposes of KEDB as defined in Tennessee Code Annotated section 7-53-305(b) in that among other things the Project will enhance employment opportunities in the city and will generate additional tax revenues for the city.

Now therefore,

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

SECTION I. The Governing Body hereby finds that the negotiation and acceptance by KEDB of payments in lieu of ad valorem taxes consistent with this resolution are deemed to be in furtherance of the public purposes of KEDB as defined in Tennessee Code Annotated Section 7-53-305.

SECTION II. That KEDB's agreement with the Developer concerning payments in lieu of ad valorem taxes may provide that any ad valorem taxes paid by the Developer to any taxing jurisdiction with respect to its leasehold interest in the Project shall constitute a credit against the payments in lieu of ad valorem taxes due such taxing jurisdiction.

SECTION III. The Governing Body hereby consents and delegates to KEDB the right to negotiate such payments in lieu of tax from the Developer, as a lessee of KEDB with respect to the Project, in accordance with the Lease.

SECTION IV. KEDB's agreements concerning payments in lieu of ad valorem taxes relating to the Project may contain such administrative provisions not inconsistent with this resolution as KEDB deems appropriate.

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

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

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

PAYMENT IN LIEU OF TAX AGREEMENT

THIS AGREEMENT (the “Agreement”) is made and entered into with an effective date as of January 1, 2026 (“Effective Date”), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a Tennessee public non-profit corporation (“KEDB”) and O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company (the “Company”).

WITNESSETH:

WHEREAS, KEDB is an industrial development corporation duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, Company has recently acquired an approximately 41,000 square foot facility located at 108 Regional Service Park Drive in the City of Kingsport, Sullivan County, Tennessee, on real property more particularly described in Exhibit A (the “Project Site”)

WHEREAS, Company is contemplating the renovation and expansion of the facility located on the Project Site through the purchase and installation of new metal fabrication equipment, which will include (i) new total capital investment of approximately \$4,565,000 in new tangible personal property and \$3,795,000 in the purchase and renovation of the Project Site (ii) the creation of approximately twenty-nine (29) jobs which is subject to a grant contract (“ECD Grant Contract”) between the State of Tennessee Department of Economic and Community Development (hereafter the “Project”).

WHEREAS, Company and KEDB have agreed, pursuant to Tenn. Code Ann. §7-53-305, to enter into a Payment in Lieu of Taxes (“PILOT”) Agreement whereby the Company will convey the Personal Property, as defined below, to be acquired as part of the Project by bill of sale to KEDB and KEDB has agreed to lease the Personal Property to Company under an arrangement whereby Company will make payments in lieu of ad valorem taxes as set forth herein; and

WHEREAS, KEDB has agreed during the term of this Agreement to take title to the new equipment, machinery and other tangible personal property to be located on the Project Site as part of the

Project as more particularly described on Exhibit B which is attached hereto and is incorporated herein by reference (hereafter “Personal Property” or “Property”); and

WHEREAS, KEDB has pursuant to Tenn. Code Ann. §7-53-305(b) previously adopted a resolution delegating to the Chairman or Vice-Chairman of its Board of Directors the authority to negotiate and accept payments in lieu of ad valorem taxes with respect to the Property; and

WHEREAS, the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, has pursuant to Tenn. Code Ann. §7-53-305(b), previously adopted a resolution delegating to KEDB the authority to negotiate and accept payments in lieu of ad valorem taxes with respect to the Property; and

WHEREAS, the Project is designed to enhance employment opportunities, develop trade and commerce in and adjacent to the City of Kingsport, Tennessee (“City”) and Sullivan County, Tennessee (“County”), contribute to the general welfare and provide substantial economic benefits to the City and County all in furtherance of the purpose for which KEDB was created.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, KEDB and Company, intending to be legally bound, enter into this Agreement.

1. Lease. KEDB hereby agrees that at such time as Company conveys the Personal Property to KEDB by bill of sale it shall lease the Property to Company for a term not to exceed five (5) years (the “Term”), with an effective beginning date as of January 1, 2026 (the “Lease”). The form of the Bill of Sale is attached as Exhibit C and the form of Lease is attached hereto as Exhibit D and are incorporated herein by reference. Company further agrees to convey all Personal Property acquired for the Project subsequent to the execution of the Lease but prior to January 1, 2026, to KEDB via a Bill of Sale at least an annual basis. The Lease shall provide that Company shall pay all costs to acquire, construct and install the Property by the Completion Date. The Lease shall also grant to Company the absolute right to purchase the Property at any time for a nominal amount and that upon transfer and conveyance of the Property to Company pursuant to Company’s exercise of its option to purchase this Agreement shall terminate. Upon termination

of this Agreement for any reason, all applicable ad valorem taxes shall be fully assessable against the Property from and after the date of termination.

2. PILOT Payments. Beginning with the 2026 tax year and each and every subsequent tax year through 2030, Company shall make a payment in lieu of ad valorem taxes (“PILOT Payment”) in an amount equal to the property taxes that would have been payable to the City and County if the Personal Property were subject to City and County property taxes without reduction (the “Applicable Ad Valorem Taxes”) multiplied by the following percentage for each applicable tax year:

2026	50%
2027	50%
2028	50%
2029	50%
2030	50%
2031 and thereafter	100%

Forty five percent (45%) of each PILOT payment due hereunder shall be paid directly to the City of Kingsport and fifty five percent (55%) shall be paid directly to Sullivan County, Tennessee.

3. Assessment. KEDB will request the Sullivan County Property Assessor (the “Assessor”) to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee (the “State”) as though the Property were subject to property taxes. The Assessor shall give the Sullivan County Trustee (the “Trustee”), the City Treasurer, KEDB, and Company notice of the appraisals of the Property annually in the same manner that notices are given to owners of taxable property.

4. PILOT Calculations. KEDB will request the Trustee to compute the amounts of the PILOT Payments. On or about October 1 of each year during the Term of this Agreement, the KEDB will request that the Trustee compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State and in accordance with the

appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send KEDB and Company a bill for appropriate amounts of PILOT Payments.

5. Penalties and Late Charges. Company shall make the PILOT Payment for each calendar tax year before December 31 of that same year. All PILOT Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If Company fails to make any PILOT Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non payment has been provided to Company, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1.5%) of the owed amount, and shall be charged cumulatively based on the prior month's unpaid balance (including late fee) for each calendar month that a payment remains unpaid.

(b) If Company should fail to pay all amounts and late charges due as provided hereinabove, and/or otherwise fails to comply with the terms of this Agreement, then KEDB may bring suit in the Chancery Court of Sullivan County to seek to recover the PILOT Payments due, late charges, expenses and costs of collection as well as its reasonable attorneys' fees.

6. Performance Requirements. Company shall provide written notice (each, a "Performance Report") to KEDB on or before March 1 of each calendar year, starting with March 1, 2027 and ending on March 1, 2030 (the "Performance Period"), stating the number of full-time equivalent employees employed by Company in the County or working remotely and reporting to Company at a location within the County, as of December 31 of the preceding calendar year (the "Reported Jobs"). In the event that any Performance Report during the Performance Period, indicates that the number of Reported Jobs is below the number of jobs pursuant to the table below (the "Jobs Expectation"), then Company's PILOT Payment for that year during the Performance Period to which the Performance Report relates may, in the discretion of KEDB, be increased based upon a percentage of the Applicable Ad Valorem Taxes proportionate to the amount by which the Jobs Expectation exceeds the Reported Jobs, rounded to the nearest percentage point, provided that Company shall not owe an increased PILOT Payment for any year during the Performance Period if

Company’s failure to meet the Jobs Expectation is due to an event of Force Majeure and the consequences thereof, as that term is defined in the Lease. Specifically for any year during the Performance Period where the number of Reported Jobs is less than the Jobs Expectation, the PILOT Payment shall be calculated as the percentage of Applicable Ad Valorem Taxes from Section 2, plus an amount determined by subtracting (i) the quotient obtained by dividing the number of Reported Jobs by the Jobs Expectation from (ii) 1, rounded to the nearest percentage point, multiplied by the Applicable Ad Valorem Taxes. For example, if the Reported Jobs at December 31, 2027 was 20, then the PILOT Payment for the following year would be 70% of the Applicable Ad Valorem Taxes [(1 – (20/25) = 20%), plus 50%]. In no event shall the PILOT Payment exceed 100% of the Applicable Ad Valorem Taxes, and in no event shall Company owe an increased PILOT Payment for any year prior to the then-applicable Performance Period.

Year	Jobs Expectation
December 31, 2026	20
December 31, 2027	25
December 31, 2028	29
December 31, 2029	29
December 31, 2030	29

7. Covenants of Company. Company agrees to perform the following requirements during the Term of this Agreement:

- (a) Company will complete installation and construction of the entire Project in accordance with this Agreement, and all applicable local, state and federal laws, ordinances, and regulations no later than December 31, 2025 (“Completion Date”);
- (b) Maintain the Property in good order, condition and repair free from unreasonable accumulations of waste materials and odors.
- (c) Operate the Project in accordance with all applicable local, state and federal laws, ordinances, and regulations and in such manner as to not constitute a nuisance.
- (d) Pay all PILOT Payments on or before the applicable due date.

(e) Timely file all reports as Company may be required by the State as a result of this Agreement or accompanying Lease agreement or grant agreements with the State related to the Project and provide a copy of said reports to KEDB.

(f) Within six (6) months of the Completion Date, provide all documentation reasonably required by KEDB to substantiate Company's capital investment in the Project in an amount not less than \$8,540,000.

(g) On or before January 31 of each year during the Term, Company shall file a written report for the prior calendar year with KEDB summarizing its financial investment in the Project as well as the number of full time equivalent jobs in existence as a result of the Project as of December 31 of each year of the term and such other documentation as may be reasonably requested by KEDB to document the number of full time employees.

(h) Timely file all personal property schedules and other information and reports with the City and County as would be required by applicable law if Company owned the Property.

If Company fails to perform any of the performance requirements in subparagraphs (a) through (h) above within the applicable timeframe it shall be considered an Event of Default.

8. Events of Default. An "Event of Default" shall occur if (a) there shall have occurred a breach by Company in any respect to the performance of any of its respective obligations under this Agreement, including, but not limited to, the obligations more specifically set forth in Section 7. If there is an Event of Default as defined above, KEDB shall not exercise its remedies hereunder unless Company has failed to cure the Event of Default within thirty (30) days after receipt of written notice of the Event of Default; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may reasonable under the circumstances, but in no event more than ninety (90) days, to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

8. Remedies. Upon the occurrence of an Event of Default by Company, KEDB may pursue one or more of the following remedies:

(a) KEDB may terminate this Agreement including the termination of the benefits of this Agreement for any years remaining hereunder.

(b) KEDB may pursue any other legal or equitable remedy available to it under law or as provided in this Agreement, including proceedings to compel specific performance of Company's obligations under this Agreement.

(c) If Company relocates the Project or any portion thereof from the City during the Term hereof without the consent of KEDB, KEDB reserves the right to require Company to pay an amount equal to the amount which would have been due and payable on the Personal Property if said property were subject to property taxes without reduction for the entire term of this Agreement prior to the relocation minus the annual PILOT Payments actually paid under this Agreement prior to the relocation.

9. Contest by Company. Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the PILOT Payment. If Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the PILOT Payments being contested shall be or become due and payable, Company shall make such payments under protest. Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If Company and the Assessor or the Trustee are unable to resolve a dispute, then Company may file suit in the Chancery Court of Sullivan County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

10. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

11. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise hereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

12. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

13. No Liability of KEDB Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the KEDB, whether past, present or future, either directly or through KEDB. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

15. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State.

16. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

17. Notices. Any notice or demand required or permitted to be given by or to any of the parties hereto shall be in writing and shall be personally delivered, sent by nationally recognized overnight courier service or mailed by certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to KEDB: 400 Clinchfield Street
Suite 100
Kingsport TN 37660
Attn: Chair

With a copy to: J Conkin Law PLLC
P.O. Box 2336
Kingsport, TN 37662
Attention: Joel A. Conkin

If to Company: O'NEAL MANUFACTURING SERVICES, LLC

Attention: _____

With copies to: _____

or to such other addresses as the parties may from time to time designate in writing in the manner set forth above.

18. Entire Agreement. This Agreement, together with the Lease and bill of sale referenced herein, constitutes the entire agreement between the parties with respect to the subject matter and all prior agreements and representations are integrated herein and superseded hereby.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties have executed this instrument in multiple originals as of the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE

By: _____
Its: _____

O'NEAL MANUFACTURING SERVICES, LLC

By: _____
Its: _____

EXHIBIT A TO PILOT AGREEMENT

PROJECT SITE DESCRIPTION

EXHIBIT A

Property Legal Description

Situate in the City of Kingsport, Thirteenth (13th) Civil District of Sullivan County, Tennessee, to-wit:

BEING all of Lots 1, 2 and 3, Block B, Kingsport Regional Service Park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 16, at pages 53 through 55, AND

BEING all of Lot 4, Block B, of the Re-Plat of Lots 4-11, Block B, Kingsport Regional Service park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 33, at pages 21 and 23.

Less and except 0.176 acres, more or less, conveyed to the State of Tennessee by instrument of record in Deed Book 1011C, at page 692.

EXHIBIT B TO PILOT AGREEMENT

PERSONAL PROPERTY DESCRIPTION

The Personal Property shall include the following machinery, equipment and other tangible personal property located on the Project Site which is described on the attached schedule, together with all replacements and substitutions therefore:

EXHIBIT C TO PILOT AGREEMENT

BILL OF SALE

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement with an effective date of January 1, 2026 (the "PILOT Agreement") and that certain Lease Agreement effective as of January 1, 2026, (the "Lease Agreement"), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, ("Purchaser") and O'NEAL MANUFACTURING SERVICES, LLC, ("Seller"), the undersigned Seller, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Purchaser all of Seller's right, title and interest in and to: all Leased Personal Property as defined in the PILOT Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

The Leased Personal Property as shown on Schedule One is transferred, sold and conveyed to Purchaser AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Seller hereby warrants and represents to Purchaser that Seller holds, and hereby delivers to Purchaser, good and marketable title to all assets, properties and interests conveyed hereby, and further warrants that title to such assets, properties and interests is unencumbered and free and clear of all mortgages, liens, security interests, pledges, and other encumbrances of title except those granted under any financing to which Seller is a debtor or guarantee which was concluded prior to the execution of this Bill of Sale.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of January 1, 2026.

SELLER:

O'NEAL MANUFACTURING SERVICES, LLC

By: _____

Its: _____

PURCHASER:

THE INDUSTRIAL DEVELOPMENT BOARD

OF THE CITY OF KINGSPORT, TENNESSEE

By: _____

Its: _____

Schedule One

Equipment List

Item X13.

EXHIBIT D TO PILOT AGREEMENT

LEASE BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF KINGSPORT, TENNESSEE
AND
O'NEAL MANUFACTURING SERVICES, LLC

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF KINGSPORT, TENNESSEE

(a public nonprofit corporation organized
under Tennessee law)

TO

O'NEAL MANUFACTURING SERVICES, LLC
(a Delaware limited liability company)

LEASE

EFFECTIVE AS OF JANUARY 1, 2026

LEASE

This Lease, effective as of the 1st day of January, 2026, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (“Lessor”), and O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company (“Lessee”).

WITNESSETH:

WHEREAS, Lessor is a public nonprofit corporation and a public instrumentality of the City of Kingsport, Tennessee, and is authorized under Sections 7-53-101 to 7-53-317, inclusive, Tennessee Code Annotated, as amended (the “Act”), to acquire, whether by purchase, exchange, gift, lease, or otherwise, and to own, lease and dispose of properties for certain purposes identified in the Act; and

WHEREAS, in order to encourage Lessee to locate its metal fabrication facility in the City of Kingsport, Tennessee and install approximately \$4,565,000 of manufacturing equipment in order to provide metal fabrication services (the “Project”), thereby furthering the purposes of the Act, Lessor desires to accept ownership of certain tangible personal property hereinafter more particularly described and lease said personal property to Lessee and Lessee desires to rent said property from Lessor, on the terms and conditions set forth herein; and

NOW, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, and Lessee does by these presents hire, lease and rent from Lessor, for the Term (as defined below) and upon the conditions hereinafter stated, the tangible personal property described on Exhibit B attached hereto which is used in connection with the Project and located on Project Site as described on Exhibit A attached hereto;

UNDER AND SUBJECT, however, to any encumbrances applicable to the tangible personal property to be leased and existing as of the date hereof and any other encumbrance hereafter existing that is not created by Lessor; and

UNDER AND SUBJECT to the following terms and conditions:

ARTICLE I Definitions

In addition to the words, terms and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

“Act” shall mean Sections 7-53-101 to 7-53-317, inclusive of Tennessee Code Annotated, as amended.

“Additional Rent” shall mean the amounts described in Section 4.02.

“Basic Rent” shall mean the amounts described in Section 4.01.

“City” shall mean the City of Kingsport, Tennessee.

“County” shall mean Sullivan County, Tennessee.

“Force Majeure” means fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the applicable party’s reasonable control. Where this Lease expressly provides that a party’s obligations are subject to Force Majeure, then delay or non-performance on the part of such party will be excused upon the occurrence and during the continuance of such event of Force Majeure, provided that such party promptly gives the other party written notice of the occurrence and abatement of such event of Force Majeure.

“Lease” shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more instruments supplemental hereto.

“Project Site” shall mean the real property described in Exhibit A attached hereto.

“Leased Personal Property” shall mean means all items of machinery, equipment and other tangible personal property used on the Project Site in connection with the Project that is listed on Exhibit B attached hereto, as may be amended from time to time to add additional personal property acquired for the Project through December 31, 2026, together with any replacements and substitutions therefor.

“Leased Property” shall mean the Leased Personal Property.

“Lessee” shall mean O’NEAL MANUFACTURING SERVICES, LLC, a Delaware limited liability company.

“Lessor” shall mean The Industrial Development Board of the City of Kingsport, Tennessee, a public nonprofit corporation organized under the Act.

“PILOT Agreement” shall mean the Payment in Lieu of Taxes Agreement between Lessor and Lessee of even date herewith.

“Tax Year” shall mean each annual period beginning on January 1 of each year and ending on December 31 of that year.

“Term” shall mean the term described in Article III.

ARTICLE II LEASE

Lessor hereby leases the Leased Personal Property to Lessee and Lessee hereby accepts and leases the Leased Personal Property from Lessor at rental rate and subject to the terms and conditions of this Lease Agreement.

ARTICLE III Lease Term

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on January 1, 2026, and ending at midnight on December 31, 2029, unless terminated earlier, in accordance with the terms hereof.

Notwithstanding the foregoing, the Term of this Lease may be terminated upon exercise by Lessee of the purchase option described in Article XIV hereof.

ARTICLE IV
Rent

Section 4.01 Basic Rent. Lessee will pay the sum of \$100.00 to Lessor without notice or demand as annual Basic Rent on or before January 1 of each year during the Term,.

Section 4.02 Additional Rent. Lessee agrees to pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay including all Pilot Payments as defined in the PILOT Agreement.

ARTICLE V
Compliance with Laws; Permitted Contests;
Lessee's Acceptance of Leased Property; Reports; Net Lease

Section 5.01 Compliance with Laws. Lessee shall throughout the Term and at no expense to Lessor promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become lawfully applicable to the Leased Property, the repair and alteration thereof, and the use or manner of use of the Leased Property, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof; provided, however, that Lessee, in lieu of compliance with such laws, orders, rules, regulations and requirements, or the making of such additions, changes or alterations, may, at its option, exercise its right to purchase the Leased Property, as provided below and, in such event shall have no further liability hereunder, except as otherwise provided herein.

Section 5.02 Permitted Contests. Lessee shall not be required to comply or cause compliance with the laws, ordinances, orders, rules, regulations or requirements referenced in Section 5.01, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses.

Section 5.03 Acceptance of Leased Property. Lessee acknowledges that, as between Lessor and Lessee, it has examined the Leased Property and the state of Lessor's title thereto prior to the making of this Lease and knows the condition and state thereof, including, without limitation, the environmental and soil conditions, as of the first day of the term of this Lease, and accepts the same AS IS in said condition and state; that no representations as to the condition or state thereof have been made by representatives of Lessor; and that in entering into this Lease, Lessee is relying solely upon its own examination thereof.

Section 5.04 Net Lease. This is a "net lease" and the Basic Rent, Additional Rent and all other sums payable hereunder to or for the account of Lessor shall be paid promptly and without set off, counterclaim, abatement, suspension, deduction, diminution or defense.

Section 5.05 Identification of Leased Personal Property. Lessee will at all times maintain in its permanent records a complete list of the Leased Personal Property which will specifically identify each such item as being property of the Lessor and shall provide a copy of said records to Lessor at least annually.

ARTICLE VI
Title and Tax Benefits

Section 6.01. No Conveyance of Title by Lessor. Lessor covenants and agrees that, except as set forth herein, during the Term of this Lease, it will not convey, pledge, encumber or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Leased Property to any person, firm, corporation, or other entity whatsoever, irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease unless such conveyance is consented, in writing, to by Lessee, its mortgagee that has been disclosed to Lessor in writing pursuant to Section 12.03. Lessor will not create any lien, encumbrance or charge upon its interest in the Leased Property except for any such lien, encumbrance or charge otherwise created by this Lease, the PILOT Agreement or consented to by Lessee.

Section 6.02. Tax Benefits. The parties acknowledge that Lessee is funding the construction, rehabilitation and equipping of the Project. It is agreed by the parties hereto that in no event is Lessor intended to be treated as the owner of the Leased Property or the Project for federal income and state franchise and excise tax purposes. Instead, all of the benefits and burdens of ownership of the Leased Property and the Project are held by Lessee and that Lessee shall be the owner of the Leased Property and Project for federal income and state franchise and excise tax purposes throughout the term of this Lease. Without limiting the generality of the foregoing, Lessee alone shall be entitled to claim depreciation or cost recovery deductions for all taxation purposes or cost recovery deductions on all all machinery, equipment and fixtures upon the Leased Property that are part of the Project. Lessor shall execute and deliver other and further certificates, documents and amendments to this Lease as reasonably requested by Lessee (and at the expense of Lessee) to confirm and establish that Lessee is the owner of the Leased Property or Project for federal income and state franchise and excise tax purposes.

ARTICLE VII
Taxes and Other Charges

Section 7.01 Taxes and Other Governmental Charges. Lessee agrees, subject to the terms of the PILOT Agreement, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable without penalty, all ad valorem taxes that at any time during the Term shall be or become due and payable by Lessor or Lessee and that shall be levied, assessed or imposed upon, or that shall be or become liens upon, the Leased Property or any portion thereof or any interest of Lessor or Lessee therein, under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority.

Section 7.02 Utility Services. Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other user of the Leased Property any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind pursuant to this Lease and Lessee agrees that it shall pay all costs and expenses related to the foregoing. This is a fully net Lease to the Lessor.

Section, 7.03 Reports. On behalf of Lessor, Lessee shall, during the term of this Lease, submit on or before October 1 of each year to the Tennessee State Board of Equalization the annual report required to be submitted by it pursuant to Section 7-53-305 of the Act with a copy to Lessor.

ARTICLE VIII
Maintenance and Repair

Lessor shall not be required to rebuild or to make any repairs, replacements or renewals of any nature or description to the Leased Property or to make any expenditures whatsoever in connection with this Lease or to maintain the Leased Property in any way. Lessee expressly waives the right contained in any law now or hereafter in effect to make any repairs at the expense of Lessor.

Lessee shall keep and maintain in good order, condition and repair (including any such repair as is required due to fire, storm or other casualty) the Leased Property and every part thereof and any and all appurtenances thereto. Lessee shall save Lessor harmless on account of claims for mechanics and materialmen's liens in connection with any work by Lessee, and any such liens shall exist only against Lessee's leasehold interest and shall be discharged, by bond or otherwise, within sixty (60) days after filing. Lessee shall keep and maintain the Leased Property in accordance with all directions, rules and regulations of the proper officials of the government agencies having jurisdiction, at the sole cost and expense of Lessee. Lessee shall be entitled to receive all proceeds of casualty insurance relating to any damage or destruction of any portion of the Leased Property.

ARTICLE IX
Representations of Lessee

Lessee makes the following representations and warranties to induce Lessor to enter into this Lease:

Lessee is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in the State of Tennessee, has full power and authority to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper action, been duly authorized to execute and deliver this Lease and, when executed and delivered by the parties thereto, this Lease will constitute the valid and binding obligation of Lessee enforceable in accordance with its terms.

Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated herein by Lessee, nor the fulfillment of or compliance with the terms and conditions of this Lease, does or will conflict with or result in a breach of the terms, conditions or provisions of any restriction or internal governing document of Lessee or any agreement or instrument to which Lessee is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee under the terms of any instrument or agreement.

There are no proceedings pending, or to the knowledge of Lessee threatened, against or affecting Lessee in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of Lessee, or the ability of Lessee to perform its obligations under this Lease. Lessee is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

No event has occurred and no condition exists with respect to Lessee that would constitute an Event of Default under this Lease, as defined in Article XIII, or which, with the lapse of time or with the

giving of notice, or both, would become such an Event of Default.

ARTICLE X
Insurance and Indemnification

Section 10.01 Insurance. Lessee shall at Lessee's sole expense carry commercial general liability insurance covering the Leased Property and the use of the same in a company or companies licensed to do business in Tennessee under a policy satisfactory to Lessor both as to amount and coverage and shall provide evidence of same to Lessor. Lessor shall be listed as an additional insured on such policy. Lessee shall at Lessee's sole expense also insure all Leased Property at its replacement value, with Lessor being included as an additional insured, and Lessee shall provide evidence of same to Lessor. Each policy described above shall not be canceled without first giving Lessor not less than thirty (30) days prior written notice. Lessee shall provide to Lessor evidence of all insurance policies contemplated by this Section, including, upon request, annual certificates of continued coverage.

Section 10.02 Indemnification. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor and its directors, agents and employees (collectively, the "Indemnified Parties") harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work or activity done in or about the Leased Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Property or the occupancy or use thereof. Lessee also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless against and from, any and all claims, costs or expenses arising from (i) any condition, including any environmental condition, now existing or hereafter arising, on the Leased Property, (ii) any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Lease, (iii) any act or negligence of Lessee, or any of its agents, contractors, servants, employees or licensees, (iv) the failure of the Bill of Sale to convey title to the Leased Property to Lessor on the date hereof other than as described in the Bill of Sale, (v) any disputes, demands or claims related to the title of the Leased Property or any liens or other encumbrances affecting the Leased Property (other than claims originating from an action in violation of Section 6.01 hereof), or (vi) any accident, injury or damage whatever caused to any person, firm or corporation in or about the Leased Property and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against any Indemnified Party by reason of any such claims, Lessee, upon notice from such Indemnified Party, covenants to resist or defend such action or proceeding. Notwithstanding anything in this Lease to the contrary, Lessee shall not be required to indemnify any of the Indemnified Parties in the event of any acts of willful misconduct or intentional misconduct of any of the Indemnified Parties. The indemnification provided shall survive termination of this Lease.

Section 10.03 Limitation of Liability. Notwithstanding anything in this Lease to the contrary, this Lease and the obligations of Lessor hereunder shall be non-recourse as to Lessor, and Lessor shall have absolutely no personal or individual liability with respect to any of the terms, covenants and conditions of this Lease. Lessee hereby expressly agrees that it shall look solely to the equity of Lessor or its successor(s) interest in the Leased Premises for the satisfaction of any remedy of Lessee in the event of any breach by Lessor of any of the terms covenants and conditions of this Lease. This exculpation of Lessor's personal liability is absolute and without any exception whatsoever. Lessee acknowledges that Lessor is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated § 29-20-101 through 29-20-408 (as amended from time to time), and nothing contained herein shall constitute a waiver or release of Lessor's rights and protections under said Act.

ARTICLE XI
Renovations, Replacements and Alterations of Property

Lessee shall have the right from time to time and to make additions to, replacements of and alterations of any such Leased Property. All work done in connection with such additions, alterations, replacements, improvements or construction shall be done promptly, and in good and workmanlike manner, and in compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof. Lessee shall maintain or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Property.

The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery or equipment constituting a part of the Project. In any instance where the Lessee in its sole discretion determines that any items of such machinery or equipment have become inadequate, obsolete, undesirable or unnecessary, the Lessee may remove such items of machinery or equipment and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part). To the extent Lessee substitutes or replaces Leased Property, Lessee shall add said substitutes or replacements to Exhibit B and shall be held by Lessee under this Lease as Leased Property on the same terms and conditions as the property that was replaced. Lessee shall give Lessor written notice within thirty days of any such substitutions or replacements.

ARTICLE XII
Subletting, Assignments and Financing

Section 12.01 Assignment or Subleasing. This Agreement may be assigned and the Property be subleased, as a whole or in part, (including collateral assignments, leasehold mortgages and similar pledges) by the Lessee without the prior written consent of Lessor provided that:

Unless authorized in writing by the Lessor, no assignment or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and, in the event of any such assignment or subleasing, the Lessee shall continue to remain primarily liable for performance and observance of the agreements on its part herein and the PILOT Agreement provided to be performed and observed by it to the same extent as though no assignment or subleasing had been made. The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

Section 12.02 Lessor and Lessee acknowledge that during the Lease Term, Lessee, from time to time, may deem it advisable to obtain financing from one or more third party lender(s) and to secure such financing with the granting of a mortgage or security interest in or on all or some portion of the Leased Property. In such event(s), Lessor agrees to fully cooperate with Lessee and such lender(s) and to take such actions and execute such documents as Lessee or such lender(s) may reasonably require including, without limitation, granting security interests in the Leased Property to such lender(s). Lessor agrees to make such modifications of this Lease (and to execute documents in evidence thereof) as may be reasonably required by Lessee or such third party lender(s) in connection with such financing. However, Lessee shall be responsible for all payments on any notes and deeds of trust executed by Lessee pursuant to any such financing and Lessor shall incur no liability as a result thereof.

ARTICLE XIII
Events of Default; Termination

If any one or more of the following events (herein called "Events of Default") shall happen:

- (a) if Lessee fails to maintain the commercial general liability insurance required by Section 10.01 after being given notice of such failure and not curing such failure within thirty (30) days of receipt of such notice; or
- (b) if default shall be made in the due and punctual payment of any payment due pursuant to this Agreement or Lessee shall fail to perform any other material obligation under this Lease, and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; or
- (c) an Event of Default shall occur under the PILOT Agreement and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; provided, however, if the circumstance or condition constituting an Event of Default cannot reasonably be cured within thirty (30) days after receipt of such written notice, then the Company shall have such additional time as may reasonable under the circumstances, but in no event to exceed 90 days, to cure or remedy such Event of Default before KEDB shall be entitled to exercise rights and remedies with respect to such Event of Default.

then in any such event Lessor at any time thereafter and while such Event of Default shall continue may give a written termination notice to Lessee, which notice shall specify the nature of the Event of Default and a date of termination of this Lease not less than sixty (60) days after the giving of such notice. This termination right is subject to Lessee's right to purchase the Leased Property pursuant to Section 14.01 and at any time during or within 60 days after the Term of this Lease, Lessee may exercise its right in Section 14.01 to purchase the Leased Property without regard to whether an Event of Default has occurred.

ARTICLE XIV
Purchases and Purchase Prices

Section 14.01 Option to Purchase. Lessee shall have an irrevocable and exclusive option to purchase the Leased Property as a whole or any part thereof at any time during the Term or within sixty (60) days after the termination or expiration of the Lease for the amount provided in Section 14.02. To exercise such option Lessee shall (i) give Lessor at least ten (10) business days' prior written notice of its intent to exercise any option granted pursuant to this Section 14.01, which notice shall state the purchase date, and (ii) comply with the provisions of Section 14.02 hereof. The option to be exercised by Lessee hereunder may be exercised whether or not a default or Event of Default has occurred hereunder.

Section 14.02 Exercise of Option.

To exercise any option contained in Section 14.01, Lessee shall pay, or cause to be paid, on or prior to the purchase date, as the purchase price the sum of (i) \$100.00 plus (ii) any other amounts that are then due or that have accrued under this Lease (including, without limitation, any amounts due upon termination or expiration of this Lease).

On the purchase date for the purchase of the Leased Property pursuant to Section 14.01, this Lease shall terminate and Lessor shall convey Lessor's interest in the Leased Property to Lessee (or its assigns) by bill of sale (i) free and clear of any liens, encumbrances or exceptions to the title created by

Lessor's acquisition, and (ii) without warranty of any type regarding the status of title or condition of the Leased Property and Lessee shall accept the Leased Property in its AS IS condition. The form of the bill of sale to which property will be conveyed pursuant to this Section shall be in the form attached hereto as Exhibit C. Lessee shall pay all expenses relating to such conveyance.

ARTICLE XV
Miscellaneous

Section 15.01 Applicable Law. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee.

Section 15.02 Severability. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 15.03 Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be effective either (a) when delivered personally to the party for whom intended, (b) on the second business day following mailing by a nationally recognized overnight courier service, or (c) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (d) on the date emailed provided such email transmission is followed by mailing of such notice by overnight courier or certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Lessor:

The Industrial Development Board of the City of Kingsport, Tennessee
400 Clinchfield Street, Suite 100
Kingsport TN 37660
Attention: Chairman
Email: ebodenweiser@kingsportchamber.org

with copies to:

J Conkin Law PLLC
P.O. Box 2336
Kingsport, TN 37662
Attention: Joel A. Conkin
Email: joelconkin@jconkinlaw.com

To the Lessee:

O'NEAL MANUFACTURING SERVICES, LLC

with copies to: _____

Section 15.04 Headings and References. The headings in this Lease are for convenience of

reference only and shall not define or limit the provisions thereof. All references in this Lease to particular Articles or Sections are references to Articles or Sections of this Lease, unless otherwise indicated.

Section 15.05 Successors and Assigns. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 15.06 Multiple Counterparts. This Lease may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 15.07 Expenses. Each party shall pay its own costs and expenses in connection with the preparation, negotiation and execution of this Lease and the PILOT Agreement and the performance thereof. In the event that either party shall be required to engage legal counsel for the performance or enforcement of any of the terms of this Lease or the PILOT Agreement, whether or not such employment shall require institution of suit or other legal services required to secure compliance on the part of the other party, the prevailing party shall be reimbursed by the other party upon demand of all reasonable attorney fees and expenses incurred by the prevailing party.

Section 15.08 No Liability of Officers, Etc. No recourse under or upon any obligation, covenants or agreement contained in this Lease shall be had against any incorporator, members, director or officer, as such, past, present or future, of Lessor, either directly or through the Lessor. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by Lessee as a condition of and consideration for the execution of this Lease.

Section 15.09 No Liability of City, County, Officers, Etc. The City, County and the officers and agents of the City and County shall not in any event be liable for the performance of any obligation or agreement of any kind whatsoever herein, and none of the agreements or obligations of Lessor contained in this Lease or otherwise shall be construed to constitute an indebtedness of the City, County or the officers or agents of the City or County, within the meaning of any constitutional or statutory provision whatsoever.

Section 15.10 Limitation of Liability. Notwithstanding any other provision hereof, Lessor's liability hereunder shall be limited to its interest in the Leased Property and the payments to be made pursuant to this Lease, and Lessee shall not have any recourse against any other assets of Lessor.

Section 15.11 Cost-Benefit Analysis. Attached hereto as Exhibit D is the analysis of the costs and benefits of the payment-in-lieu of tax provisions of this Lease required by Tennessee Code Annotated Section 7-53-305(b).

[Signatures appear on following page.]

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto as of the date and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF KINGSPORT, TENNESSEE

By: _____
Chairman

STATE OF TENNESSEE :
 :ss.
COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, _____, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Chairman of The Industrial Development Board of the City of Kingsport, Tennessee, the within-named bargainor, a corporation, and that he as such Chairman, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the corporation by himself as Chairman.

WITNESS my hand and official seal at office this _____ day of _____, 2024.

Notary Public

My Commission Expires: _____

O'NEAL MANUFACTURING SERVICES, LLC
a Tennessee limited liability company

By: _____
Name: _____
Title: _____

STATE OF TENNESSEE :
:ss.
COUNTY OF _____ :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, _____, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Sr. Director, Operations of O'NEAL MANUFACTURING SERVICES, LLC, the within-named bargainer, a limited liability company, and that he/she as such _____, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the limited liability company by himself/herself as _____.

WITNESS my hand and official seal at office this _____ day of _____, 2024.

Notary Public

My Commission Expires: _____

EXHIBIT A TO LEASE

PROJECT SITE

EXHIBIT A

Property Legal Description

Situate in the City of Kingsport, Thirteenth (13th) Civil District of Sullivan County, Tennessee, to-wit:

BEING all of Lots 1, 2 and 3, Block B, Kingsport Regional Service Park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 16, at pages 53 through 55, AND

BEING all of Lot 4, Block B, of the Re-Plat of Lots 4-11, Block B, Kingsport Regional Service park, as shown on map of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 33, at pages 21 and 23.

Less and except 0.176 acres, more or less, conveyed to the State of Tennessee by instrument of record in Deed Book 1011C, at page 692.

EXHIBIT B TO LEASE
LIST OF LEASED PROPERTY

The Personal Property shall include the following machinery, equipment and other tangible personal property located on the Project Site which is described on the attached schedule, together with all replacements and substitutions therefore:

[ATTACH EQUIPMENT SCHEDULE]

EXHIBIT C TO LEASE

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, as further set forth and described in that certain Payment in Lieu of Tax Agreement effective as of January 1, 2026, (the "PILOT Agreement") and that certain Lease Agreement effective as of January 1, 2026, (the "Lease Agreement"), made by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE, ("Seller") and O'NEAL MANUFACTURING SERVICES, LLC, ("Purchaser"), the undersigned Seller, pursuant to the PILOT Agreement and Lease Agreement, does hereby sell, transfer, assign and convey to Purchaser all of Seller's right, title and interest in and to: all Leased Personal Property as defined in the Lease Agreement, together with all replacements and substitutions therefore, all as more particularly described on Schedule One attached hereto.

The Leased Personal Property as shown on Schedule One is transferred, sold and conveyed to Purchaser AS IS, WHERE IS AND with all faults, without any express or implied warranty or representation as to physical condition, merchantability, fitness for a particular purpose, or any other matter; provided, however, Seller hereby warrants and represents to Purchaser that Seller holds, and hereby delivers to Purchaser, good and marketable title to all assets, properties and interests conveyed hereby, and further warrants that Seller has done nothing to encumber said Leased Personal Property.

IN WITNESS WHEREOF, the undersigned company has caused this Bill of Sale to be executed and delivered by its duly authorized officer effective as of _____.

PURCHASER:

O'NEAL MANUFACTURING SERVICES, LLC

By: _____

Its: _____

SELLER:

THE INDUSTRIAL DEVELOPMENT BOARD

OF THE CITY OF KINGSPORT, TENNESSEE

By: _____

Its: _____

Schedule One

Equipment List

Item X13.

EXHIBIT D TO LEASE

Cost-Benefit Analysis

Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax										
This form should be included with every PILOT agreement submitted to the Comptroller's Office at https://www.comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/property-tax-incentive-programs.html										
Instructions: Complete fields shaded gray. Additional comments and information about costs or benefits associated with the project may be attached.										
Date:				Person Completing the Form:						
				Title:						
Lessor:										
Lessee:										
Describe Abatement Term:										
Lease Term Begin Date:				Lease Term End Date:						
Comments/Description:										
Industry Group (drop down box):										
NAICS Code (drop down box):										
Step 1		x		x	2080	=	\$0	x		
	Number of New Jobs		Average Hourly Wage		Hours		Direct Income		Earnings multiplier*	Total New Direct, Indirect & Induced Income
Step 2		x		=						
	Number of New Jobs		Employment multiplier*		Total Number of New Direct, Indirect & Induced Jobs					
Step 3		x	0.0942	=		x .606* =		x	0.162	
	Direct, Indirect & Induced Income				New Total Annual State Tax		New Annual State Sales Tax			New Annual Local Sales Tax
Total New Direct, Indirect & Induced Jobs:				First Full Year of Service*						
Total Direct, Indirect & Induced Income:				PILOT Payment County:						
Total of New Annual State & Local Sales Tax:				PILOT Payment City:						
				* Please attach essential terms relating to PILOT, including term and method of calculation.						
Estimated Project Cost:				Clawback? Yes or No:						
Personal Property:										
Real Property:				Delegation Resolution(s)						
Total Project Cost: \$ -				Date of County Resolution:						
				Date of City Resolution:						
*RIMS II employment and income multipliers for the State of Tennessee								Revised 1/29/19 (CERT)		

Personal Property Tax PILOT AGREEMENT

Personal Property Investment		\$4,565,000								
County & City Tax Rate (Per \$100)		\$4.4045								
Assessment Value		30%								
Year	Depreciation Schedule	Depreciated Value	Assessment Rate	Taxable Investment	Normal City Tax Payment	Normal County Tax Payment	% Abatement	City PILOT Payment	County PILOT Payment	Company Total Savings
1	88%	\$4,017,200	30%	\$1,205,160	\$24,083	\$28,999	50%	\$12,041	\$14,499	\$26,541
2	75%	\$3,423,750	30%	\$1,027,125	\$20,525	\$24,715	50%	\$10,263	\$12,357	\$22,620
3	63%	\$2,875,950	30%	\$862,785	\$17,241	\$20,760	50%	\$8,621	\$10,380	\$19,001
4	50%	\$2,282,500	30%	\$684,750	\$13,683	\$16,476	50%	\$6,842	\$8,238	\$15,080
5	38%	\$1,734,700	30%	\$520,410	\$10,399	\$12,522	50%	\$5,200	\$6,261	\$11,461
6	25%	\$1,141,250	30%	\$342,375	\$6,842	\$8,238	0%	\$0	\$0	\$0
7+	20%	\$913,000	30%	\$273,900	\$5,473	\$6,591	0%	\$0	\$0	\$0
Totals					\$85,931	\$103,472		\$42,966	\$51,736	\$94,702

Item XI3.



AGENDA ACTION FORM

Consideration of a Resolution to Accept a Donation from the Kingsport Chamber Foundation

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-21-2025
Work Session: February 3, 2025
First Reading: N/A
Final Adoption: February 4, 2025
Staff Work By: Fire Chief Scott Boyd
Presentation By: Fire Chief Scott Boyd

Recommendation:
Approve the Resolution.

Executive Summary:
The Kingsport Chamber Foundation has made a donation to the Kingsport Fire Department in the amount of \$500.00. The Kingsport Fire Department will use the funds for needs designated by the Chief Boyd. It has been determined that we will purchase carbon monoxide and smoke detectors to be placed in all 8 fire stations. Money to be placed in the fire departments miscellaneous line item 110-0000-364-3000.

Attachments:
1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayer	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION ACCEPTING A DONATION FROM THE
KINGSPORT CHAMBER FOUNDATION FOR THE BENEFIT
OF THE KINGSPORT FIRE DEPARTMENT

WHEREAS, the Kingsport Chamber Foundation would like to donate funds in the amount of \$500.00 to the city for the benefit of its Kingsport Fire Department; and

WHEREAS, the funds will be used to purchase carbon monoxide and smoke detectors to be placed in all 8 fire stations.

Now therefore,

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

SECTION I. That the donation from the Kingsport Chamber Foundation of funds in the amount of \$500.00 for the benefit of the Kingsport Fire Department, is accepted.

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

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution Cancelling the March 3, 2025, Work Session and the March 4, 2025, Business Meeting of the Board of Mayor and Aldermen and adding a Budget Work Session on February 28, 2025

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-32-2025
Work Session: February 03, 2025
First Reading: N/A
Final Adoption: February 04, 2025
Staff Work By: Bart Rowlett
Presentation By: Bart Rowlett

Recommendation:

Approve the resolution.

Executive Summary:

Approval of the accompanying resolution will cancel the March 3, 2025, work session and the March 4, 2025, business meeting. A work session on February 28, 2025 will be added to discuss the fiscal year 2026 budget.

Article III, section 7 of the Charter of the City of Kingsport grants the board the authority to fix the time and place of regular board meetings by ordinance or resolution.

The work session on March 3, 2025, and the Business meeting on March 4, 2025 conflict with Tennessee Municipal League Legislative Conference held in Nashville.

Attachments:

- 1. Resolution

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION CANCELLING THE MARCH 3, 2025, WORK SESSION AND THE MARCH 4, 2025, REGULAR MEETING OF THE BOARD OF MAYOR AND ALDERMAN AND ADDING A FEBRUARY 28, 2025 BUDGET WORK SESSION, IN ACCORDANCE WITH ARTICLE III, SEC. 7 OF THE CHARTER OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS, the board deems it necessary to cancel the March 3, 2025, work session and the March 4, 2025, business meeting due to the 2025 Legislative Conference hosted by the Tennessee Municipal League; and

WHEREAS, Article III, Sec. 7 of the Charter of the City of Kingsport, Tennessee states:

The board of mayor and aldermen shall by ordinance fix the time and place at which the regular meetings of said board shall be held. Until otherwise provided by ordinance or resolution, the regular meeting of said board shall be held at 7:00 p.m. (local time) on the first and third Tuesday of each month.

WHEREAS, the addition of a work session on February 28, 2025 is needed to discuss the fiscal year 2026 budget; and

WHEREAS, as of this date, there will be no other change to the schedule.

Now therefore,

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

SECTION I. That in accordance with the Article III, Sec. 7 of the Charter of the City of Kingsport, Tennessee, the board hereby cancels the March 3, 2025, work session and the March 4, 2025, business meeting.

SECTION II. That a work session is hereby provided for on February 28, 2025 to discuss the fiscal year 2026 budget and any other matters which may necessarily come before the board.

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

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

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution to Approve a Property Damage Release with Progressive Hawaii Insurance Corporation

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager

Action Form No.: AF-28-2025
Work Session: February 3, 2025
First Reading: February 4, 2025
Final Adoption: February 4, 2025
Staff Work By: K Hodgson
Presentation By: B Rowlett

Recommendation:

Approve the Resolution

Executive Summary:

This resolution authorizes the execution of a release with Progressive Hawaii Insurance Corporation to resolve a claim for damages to a stop sign and street signs owned by City of Kingsport.

On September 10, 2024, Austin Byrnes lost control of his vehicle and hit the stop and street sign at the intersection of N Eastman Road and Franklin Square before proceeding into a Bank of Tennessee ATM. Austin Byrnes is insured by Progressive Hawaii Insurance Corp with a policy limit of \$50,000 for property damage. The total costs of damages to all parties is \$55,703.92. The signs cost \$308.92 to repair; Progressive has offered \$277.29 to settle the claim.

It is recommended the board approve the release and authorize the mayor to execute the same.

Attachments:

- 1. Resolution

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A RELEASE IN FULL OF ALL CLAIMS WITH AUSTIN BYRNES THROUGH PROGRESSIVE HAWAII INSURANCE CORPORATION AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, on September 10, 2024, Austin Bynes, while operating his motor vehicle, lost control of his vehicle and hit the stop and street sign at the intersection of North Eastman Road and Franklin Square before proceeding into a Bank of Tennessee ATM; and

WHEREAS, the cost to the city to repair the signs is \$308.92; and

WHEREAS, Mr. Bynes insurer, Progressive Hawaii Insurance Corporation, has offered to settle the claim with the city for the damages incurred in the amount of \$277.29; and

WHEREAS, based on the amount of the policy limits and other pertinent factors it is deemed advisable to settle the claim for the amount offered; and

WHEREAS, Progressive Hawaii Insurance Corporation requires a release be executed by city in exchange for payment of damages.

Now therefore,

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

SECTION I. That a Release of all Fixed Property Damage Claims with Progressive Hawaii Insurance Corporation Insurance Company in the amount of \$277.29 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 Release of all Fixed Property Damage Claims with Progressive Hawaii Insurance Corporation Insurance Company, to deliver the release and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the release and this resolution, said release being as follows:

FULL RELEASE OF ALL FIXED PROPERTY DAMAGE CLAIMS

Claim number: 24-327793638

IT IS UNDERSTOOD AND AGREED, that I (We), City of Kingsport for and in consideration of the sum of two hundred seventy-seven and 29/100 Dollars (\$277.29) the receipt and sufficiency of which is hereby acknowledged, does (do) hereby for myself (ourselves), and for my (our) heirs, executors, administrators, successors and assigns and any and all other persons, firms, employers, corporations, associations, or partnerships release, acquit and forever discharge Austin Byrns, Courtney Byrns, and Progressive Hawaii Insurance Corp of any and all claims, actions, causes of actions, demands, rights, damages and costs, that pertain to property damage known and unknown, including rental, resulting from an automobile accident which occurred on or about September 10, 2024, at or near N. Eastman Rd in Kingsport, TN.

It is understood and agreed this settlement is in full compromise of a disputed claim as to both questions of liability and as to thenature and extent of the property damage, and that neither this release, nor the payment pursuant thereto, shall be construed as anadmission of liability, such being denied.

It is further understood and agreed that the undersigned relies wholly upon the undersigned's judgment, belief, and knowledge of the nature, extent, effect, and duration of said property damages and liability, and therefore this release is made without reliance upon any statement or representation of the party or parties hereby released or their representatives.

The undersigned expressly agrees to indemnify the above released parties and save them harmless from any and all further liability, loss, damage, claims of subrogation and expense arising because of any property damage, and, if necessary in order to save them so harmless, to satisfy on their behalf any judgment against them arising in any way out of the aforesaid accident.

THE UNDERSIGNED HAS READ THE FOREGOING RELEASE AND FULLY UNDERSTANDS IT.

[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 release set out herein that do not substantially alter the material provisions of the release, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION 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 4th day of February, 2025.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

FULL RELEASE OF ALL FIXED PROPERTY DAMAGE CLAIMS

Claim number: 24-327793638

IT IS UNDERSTOOD AND AGREED, that I (We), **City of Kingsport** for and in consideration of the sum of **two hundred seventy-seven and 29/100 Dollars (\$277.29)** the receipt and sufficiency of which is hereby acknowledged, does (do) hereby for myself (ourselves), and for my (our) heirs, executors, administrators, successors and assigns and any and all other persons, firms, employers, corporations, associations, or partnerships release, acquit and forever discharge **Austin Byrns, Courtney Byrns, and Progressive Hawaii Insurance Corp** of any and all claims, actions, causes of actions, demands, rights, damages and costs, that pertain to property damage known and unknown, including rental, resulting from an automobile accident which occurred on or about **September 10, 2024**, at or near **N. Eastman Rd in Kingsport, TN**.

It is understood and agreed this settlement is in full compromise of a disputed claim as to both questions of liability and as to the nature and extent of the property damage, and that neither this release, nor the payment pursuant thereto, shall be construed as an admission of liability, such being denied.

It is further understood and agreed that the undersigned relies wholly upon the undersigned's judgment, belief, and knowledge of the nature, extent, effect, and duration of said property damages and liability, and therefore this release is made without reliance upon any statement or representation of the party or parties hereby released or their representatives.

The undersigned expressly agrees to indemnify the above released parties and save them harmless from any and all further liability, loss, damage, claims of subrogation and expense arising because of any property damage, and, if necessary in order to save them so harmless, to satisfy on their behalf any judgment against them arising in any way out of the aforesaid accident.

THE UNDERSIGNED HAS READ THE FOREGOING RELEASE AND FULLY UNDERSTANDS IT.

IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSES OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

City of Kingsport, Tennessee

Paul W. Montgomery, Mayor

Date

Attest:

Angela Marshall, Deputy City Recorder

Approved as to form:

Rodney B. Rowlett, III, City Attorney



AGENDA ACTION FORM

Consideration to Approve Issuance of a Certificate of Compliance for a Business to Sell Retail Alcoholic Beverages

To: Board of Mayor and Aldermen
 From: Chris McCartt, City Manager *CM*

Action Form No.: AF-37-2025
 Work Session: February 3, 2025
 First Reading: N/A
 Final Adoption: February 4, 2025
 Staff Work By: Angie Marshall
 Presentation By: Lisa Winkle

Recommendation:

Approve the issuance of a Certificate of Compliance.

<u>Store Name</u>	<u>Address</u>	<u>Applicant</u>
Jolly Time Too Liquor & Wine	2716 North John B. Dennis Hwy	Amal Jaykar Bhavsar

Executive Summary:

The ownership Jolly Time Too Liquor & Wine is changing from April Lingerfelt to Amal Jaykar Bhavsar. The new owner is in the process of submitting their application to the Tennessee Alcoholic Beverage Commission to reflect this change. A Certificate of Compliance from the City of Kingsport is required to accompany this application.

Tennessee Code Annotated; Section 57-3-806 directs municipalities that the Certificate must state:

1. The applicant in charge of the business has not been convicted of a felony within the past ten years; and
2. The applicant's business location complies with local zoning laws.

This application has met the requirements of TCA 57-3-806. A police background check has been conducted with nothing found that would prevent the applicant from receiving this certificate. Planning has also verified the business is properly zoned
 Staff recommends approval of this certificate to reflect the ownership change.

Attachments:

None

	<u>Y</u>	<u>N</u>	<u>O</u>
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—



AGENDA ACTION FORM

Consideration of Resolution to Designate the Officials Authorized to Execute Banking Transactions for the City of Kingsport

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-39-2025
Work Session: February 3, 2025
First Reading: N/A
Final Adoption: February 4, 2025
Staff Work By: Howell
Presentation By: Lisa Winkle

Recommendation:

Approve separate resolutions, effective February 8, 2025, for each of the authorized depositories and designate the authorized official signatures for the accounts on deposit with each of the depositories and designate the officials authorized to execute banking transactions for the City of Kingsport.

Banks and Depositories Currently Holding City Funds

- Approve Resolution with Bank of Tennessee
- Approve Resolution with HomeTrust Bank
- Approve Resolution with First Horizon Bank National Association
- Approve Resolution with the State of Tennessee Local Government Investment Pool

Additional Banks and Depositories on Bid Request List

- Approve Resolution with FHN Financial
- Approve Resolution with First Bank and Trust
- Approve Resolution with Citizens Bank
- Approve Resolution with Truist Bank
- Approve Resolution with Regions Bank
- Approve Resolution with Renasant Bank

Executive Summary:

As a result of recent personnel changes, including the hiring of Travis Bishop as City Recorder/ Treasurer/ Chief Financial Officer and the impending retirement of City Recorder/ Treasurer/ Chief Financial Officer Lisa Winkle, it is necessary to provide new resolutions to the banks in order to designate authorized official signatures and designate officials to execute banking transactions.

Attachments:

1. Resolutions

	Y	N	O
Baker	—	—	—
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Mayes	—	—	—
Phillips	—	—	—
Montgomery	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH FIRST HORIZON BANK NATIONAL
ASSOCIATION

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That First Horizon Bank National Association (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	

OR

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH LOCAL GOVERNMENT INVESTMENT
POOL

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Local Government Investment Pool (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	

OR

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH FHN FINANCIAL

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That FHN Financial (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH HOMETRUST BANK

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That HomeTrust Bank (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH CITIZENS BANK

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Citizens Bank (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH REGIONS BANK

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Regions Bank (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH BANK OF TENNESSEE

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Bank of Tennessee (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH FIRST BANK & TRUST

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That First Bank & Trust (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH TRUIST BANK

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Truist Bank (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING OFFICIAL SIGNATURES FOR
ACCOUNTS ON DEPOSIT WITH RENASANT BANK

BE IT RESOLVED by the Board of Mayor and Aldermen as follows:

SECTION I. That Renasant Bank (hereinafter referred to as the "Bank") be and is hereby designated as a depository of this municipality, and that accounts established at the Bank, for and on behalf of this municipality shall be identified in the accounts and on the records of the Bank in the name of the City of Kingsport as well as by account name/description, account number and/or any other means as the Bank and/or municipality may determine to be necessary to appropriately identify, track and account for said account or accounts in the Bank's records.

SECTION II. That either the City Manager or Deputy City Manager or Assistant City Manager and the City Recorder/Treasurer or Comptroller or Accounting Supervisors, the officers herein listed below, are hereby authorized on behalf of this municipality to enter into any of the Bank's checking, savings, time deposit, wire transfer, night deposit, or cash management and corporate service agreements, or other deposit account agreements and that the municipality shall be bound by the terms and conditions of the said agreements.

SECTION III. That any of the officers designated herein and listed below are authorized on behalf of this municipality to endorse for deposit with said Bank, any and all checks, drafts, certificate of deposits, savings certificates, or other instruments or written orders for the payment of money payable to this municipality and such endorsements may be in writing, by stamp or otherwise affixed.

SECTION IV. That delivery to the Bank of funds, checks, drafts or other property, with or without endorsement, and, if endorsed, in whatever manner effected, unless specifically restricted, shall be authority to the Bank to place the same to the credit of the municipality, and such credits may be withdrawn by check, draft or instrument executed for the municipality by the duly appointed City Manager or Deputy City Manager or Assistant City Manager or Assistant to the City Manager and the City Recorder/Treasurer, Comptroller, or Accounting Supervisors as herein identified:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		

City Recorder/Treasurer Travis R. Bishop

OR

Comptroller Robert A. Howell

OR

Accounting Supervisor Christy L. Bemrich

OR

Accounting Supervisor Scott A. LaNasa

SECTION V. That the Bank is hereby requested, directed, and authorized to honor checks, drafts, and other instruments on said account which bear or purport to bear the facsimile signatures appearing below. Bank is entitled to charge said account regardless of by whom or by what means the facsimile signature or signatures may be affixed if such signature resembles the following facsimile specimens which are hereby certified to the Bank:

<u>TITLE</u>	<u>TYPED NAME</u>	<u>FACSIMILE SIGNATURE</u>
City Manager	Christopher W. McCartt	
OR		
Deputy City Manager	Ryan O. McReynolds	
OR		
Assistant City Manager	Michael T. Borders	
OR		
Assistant City Manager	Jessica L. Harmon	
AND		
City Recorder/Treasurer	Travis R. Bishop	
OR		
Comptroller	Robert A. Howell	
OR		
Accounting Supervisor	Christy L. Bemrich	
OR		

Accounting Supervisor

Scott A. LaNasa

SECTION VI. That any of the officers designated herein and listed above are authorized on behalf of this municipality to execute the Funds Transfer Agreement to authorize the transfer of funds to other financial institutions or other accounts at Bank by written instructions, telephone or terminal communication device and to appoint persons from time to time who are authorized to request such transfers on behalf of the municipality.

SECTION VII. That the Bank shall be under no obligation to see or make inquiry as to the application of any funds withdrawn from said account, even though the withdrawal order may be payable to the agent of the municipality executing the same, and the funds be withdrawn for his individual use or credit.

SECTION VIII. That this resolution shall supersede all previous resolutions on file with the Bank from and after its adoption, and that the Bank shall recognize only those signatures of the officials designated herein as authorized signatures on behalf of the City of Kingsport, and that the Bank shall delete from its records any previously authorized signatures that do not appear herein.

SECTION IX. That the accounts established at the Bank in the name of, for and on behalf of this municipality shall be classified and identified on the accounts and in the records of the Bank as public funds.

SECTION X. That no official correspondence and/or official notice from the Bank shall be effective unless directed to the office of the City Recorder/Treasurer at the following address:

Travis R. Bishop
City Recorder/Treasurer
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

SECTION XI. That this resolution shall be effective from and after February 8, 2025, the public welfare requiring it.

ADOPTED this the 4th day of February, 2025.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

Item XII.5.