

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING AGENDA

Tuesday, January 17, 2023 at 7:00 PM City Hall, 415 Broad Street, Boardroom

Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding Vice Mayor Colette George Alderman Betsy Cooper Alderman Darrell Duncan

Alderman Paul W. Montgomery Alderman Tommy Olterman Alderman James Phillips

Leadership Team

Chris McCartt, City Manager
Michael Borders, Assistant City Manager
Bart Rowlett, City Attorney
Lisa Winkle, City Recorder/Treasurer
John Rose, Economic Development Director
Adrienne Batara, Public Relations Director
Floyd Bailey, Chief Information Officer

Ryan McReynolds, Deputy City Manager Jessica Harmon, Assistant City Manager Tyra Copas, Human Resources Director Dale Phipps, Police Chief John Morris, Budget Director Scott Boyd, Fire Chief

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE TO THE FLAG
- III. INVOCATION
 - 1. Pastor Adam Love, Mafair United Methodist Church
- IV. ROLL CALL

V. RECOGNITIONS AND PRESENTATIONS

- 1. Proclamation Honoring Mike McIntire (Mayor Shull / Vice Mayor George)
- 2. Kingsport Police Department Professional Achievements (Chief Phipps)
- **3.** 2022 KOSBE Award Recipients (Aundrea Salyer)

VI. APPOINTMENTS

VII. APPROVAL OF MINUTES

- 1. Work Session December 19, 2022
- 2. Called Meeting December 19, 2022
- 3. Business Meeting December 20, 2022

COMMENT

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

VIII. PUBLIC HEARINGS

1. Consideration of an Ordinance Amending the Zoning Code by Adding Residential Use as a Permitted Use on the 2nd floor or higher floor of a building in a B-3, Highway Oriented Business zone, Sec 114-195 (AF-3-2023) (Ken Weems)

IX. BUSINESS MATTERS REQUIRING FIRST READING

Consideration of a Budget Adjustment Ordinance for Various Funds in FY23. (AF-12-2023)
 (John Morris) - Revised

X. BUSINESS MATTERS REQUIRING FINAL ADOPTION

 Consideration of an Ordinance to Amend the FY 2023 the General Purpose School Fund Budget (AF-376-2022) (David Frye)

XI. OTHER BUSINESS

- 1. Consideration of a Resolution Authorizing the Execution of an Amendment to the Agreement with Gordon Food Service for Kingsport City Schools Nutrition Services Grocery and Beverage Items and Authorizing the Mayor to Sign All Applicable Documents (AF-8-2023) (David Frye)
- Consideration of a Resolution Awarding the Proposal for a Concession Food Service Distributor for the Kingsport Aquatic Center to the H.T. Hackney Company (AF-9-2023) (Michael Borders)

- 3. Consideration of a Resolution Ratifying the Mayor's Signature on the Certification of Local Official that the Public Housing Authority Plans are Consistent with the Consolidated Plan Document. (AF-10-2023) (Michael Price)
- 4. Approve Change Order to Merrell Bros., Inc to Complete Digester Cleaning (AF-11-2023) (Ryan McReynolds)
- 5. Approval of an Amendment to the City of Kingsport Redevelopment Plan Authorizing Additional TIF Financing for the Stonegate Plaza Redevelopment District (AF-7-2023) (John Rose)

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 Awarding the Bid for the Rental of a Caterpillar PM312 Cold Planer Roadway Milling Machine from Stowers Machinery and Authorizing the City Manager to Execute a Rental Agreement for the Same (AF-2-2023) (Ryan McReynolds)
- Consideration of a Resolution to Enter into an Agreement with the Tennessee Main Street Program (AF-1-2023) (Chris McCartt)
- 3. Consideration of a Resolution to Ratify the Mayors Signature and Authorizing the Mayor to Sign a Release for Property Damage for National General and Its Insured Carl L. Newman (AF-6-2023) (Bart Rowlett)
- 4. Consideration of a Resolution Authorizing the Mayor to Sign a Property Damage Release for Root Insurance Company and Its Insured Zachary Cornely (AF-5-2023) (Bart Rowlett)
- 5. Acceptance of FY2022 Annual Comprehensive Financial Report (AF-13-2023) (Lisa Winkle)
- 6. Approve the Community Foundation of Middle Tennessee "Serving Tennessee Seniors" Grant (AF-4-2023) (Michael Borders)

XIII. COMMUNICATIONS

Citizens may speak on issue-oriented items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non- personal in nature, and they should be limited to five minutes.

- 1. City Manager
- 2. Mayor and Board Members
- 3. Visitors

XIV.ADJOURN

Minutes of the <u>Regular Work Session</u> of the Board of Mayor and Aldermen, City of Kingsport, Tennessee Monday, December 19, 2022, 4:30 PM City Hall, Boardroom, 415 Broad Street

PRESENT: Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding Vice-Mayor Colette George Alderman Betsy Cooper Alderman Darrell Duncan Alderman Paul Montgomery Alderman Tommy Olterman Alderman James Phillips

City Administration

Chris McCartt, City Manager
Ryan McReynolds, Deputy City Manager
Michael Borders, Assistant City Manager
Jessica Harmon, Assistant City Manager
Bart Rowlett, City Attorney
Lisa Winkle, City Recorder/Treasurer
Scott Boyd, Fire Chief
Jason Bellamy, Deputy Police Chief
John Morris, Budget Officer
John Rose, Economic Development Director
Adrienne Batara, Public Relations Director
Angie Marshall, City Clerk/Deputy City Recorder

- 1. CALL TO ORDER: 4:35 p.m. by Mayor Patrick W. Shull.
- 2. ROLL CALL: by City Recorder/Treasurer Lisa Winkle.
- 3. KEDB/NETWORKS UPDATE. Craig Denison discussed events during the previous quarter, pointing KEDB did not meet in November. The Rock Church is donating their building and assets to the city. He also discussed the Midland property, the dental school as well as the sales of the airport properties. Clay Walker gave an update on NETWORKS, noting they have just launched a new web portal that will allow the work force to view potential career paths in Sullivan County and the requirement necessary to follow that path. He provided details on other projects and answered questions from the board.
- **4. FIRE STATION #2 UPDATE.** Fire Chief Boyd gave a presentation on this item noting this facility was 80 years old and highlighting current deficiencies and noting it is not ADA compliant. He pointed out this building is limited for expansion and future apparatus. He provided a rendering of a new facility adjacent to this building on the property that would allow for the current fire station to still operate as well as the lifesaving crew located next door. The Chief discussed the estimated cost for the new facility and the phases to complete this project. There was some discussion.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, December 19, 2022

- 5. REVIEW OF AGENDA ITEMS ON THE DECEMBER 20, 2022 REGULAR BUSINESS MEETING AGENDA. City staff gave a summary for each item on the proposed agenda. The following items were discussed at greater length or received specific questions or concerns.
- **V.D.1 Updated Policy Adding Two Additional Holidays** (AF: 318-2022). Mr. McCartt explained the city was behind both the public and private sectors in observance of holidays. He stated when looking back at the history in Kingsport, Veterans Day was the most requested holiday requested to be considered taking off. A floating holiday will allow flexibility and make the city more competitive in the labor market.
- V.D.3 Professional Services Agreement with LJA Engineering, Inc. to Provide Engineering and Sewer Flow Monitoring Services for the West Kingsport Sewer Basin (AF: 374-2022). Deputy City Manager McReynolds explained the result of the end product is to right size the capital investments.
- V.D.6 Authorize the Mayor to Execute Documents to Apply for and Receive a Drinking Water Revolving Loan from the State of Tennessee for the Water Treatment Plant High Service Pump Station Project (AF: 377-2022). Mr. McCartt stated this was a 20-year loan at low rate. Mr. McReynolds added it was a competitive loan and thanked Niki Ensor for her efforts. He further commented on the EPA money traveling through the state and that this was a good investment for citizens.
- V.D.7 Resolution Identifying Primary Funding Source for the Lease of the Dental Clinic (AF: 384-2022). Mr. McCartt stated KEDB has been asked to secure a space and the city is being asked to provide funding. He noted the location looked promising, but they are still talking to architects. The facility is already plumbed with the ability to expand. The Healthy Smiles initiative may offset the cost. The city manager stated they are prepared to execute January 1 and buildout in 2023.
- V.D.8 Approve and Award Purchase of IBM Client Relationship Agreement and Cloud Services Agreement Utilizing National Cooperative Purchasing Alliance Purchasing Agreement (AF: 379-2022). Mr. McCartt explained the city was behind both the public and private sectors in observance of holidays. Funding for IT that allows existing software to interact with new to create more efficiencies
- VII.6 Bid Award of DBHS Pool Improvements Project and Authorize the Mayor to Enter into an Agreement with Preston Construction Company (AF: 369-2022). Vice-Mayor George asked Mr. David Frye about the timeline for working on this project. He replied the order would be submitted immediately but it would be late May or early June for mechanical equipment to arrive. Then a 60-day time frame to follow to install the dehumidification system and the HVAC. Mr. Frye stated the hope was to be ready when school starts back. Swim season is over in February to March so the swim team will not be affected.

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, December 19, 2022

| 6. ADJOURN. | Seeing no | other mat | ters presented | d for discussio | n at this | work | session |
|-------------------|--------------|--------------|----------------|-----------------|-----------|------|---------|
| Mayor Shull adjou | irned the me | eeting at 5: | 51 p.m. | | | | |
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| | | | | | | | |
| ANGELA MARSH | ALL | | PATRI | CK W. SHULL | | | |
| Deputy City Reco | rder | | Mayor | | | | |

Minutes of the Called Business Meeting of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee Monday, December 19, 2022, 4:30 PM City Hall, 415 Broad Street, Boardroom

PRESENT: Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding

Vice Mayor Colette George Alderman Paul Montgomery Alderman Betsy Cooper Alderman Tommy Olterman Alderman Darrell Duncan Alderman James Phillips

City Administration

Chris McCartt, City Manager Bart Rowlett, City Attorney

Lisa Winkle, Treasurer/City Recorder

Angie Marshall, City Clerk/Deputy City Recorder

I. CALL TO ORDER: 4:30 p.m., by Mayor Patrick W. Shull.

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG: Mayor Shull

II.B. **INVOCATION**: Alderman Cooper

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

- IV. BUSINESS MATTERS REQUIRING FIRST READING.
- An Ordinance to Amend an Ordinance that Abandoned a Section of a Stormwater Sewer Easement Located Off of Tay Station (AF: 385-2022) (Bart Rowlett).

Motion/Second: George/Duncan, to pass:

AN ORDINANCE TO AMEND ORDINANCE NUMBER 7046 ABANDONING A SECTION OF A STORMWATER SEWER EASEMENT LOCATED OFF OF TAY STATION SITUATED IN THE CITY OF KINGSPORT, TWELFTH CIVIL DISTRICT OF SULLIVAN COUNTY; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE Passed on first reading: All present voting "aye" except for Alderman Cooper who abstained.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 4:35 p.m.

| ANGELA MARSHALL | PATRICK W. SHULL | |
|----------------------|------------------|--|
| Deputy City Recorder | Mayor | |

Minutes of the <u>Regular Business Meeting</u> of the Board of Mayor and Aldermen of the City of Kingsport, Tennessee Tuesday, December 20, 2022, 7:00 PM City Hall, 415 Broad Street, Boardroom

PRESENT: Board of Mayor and Aldermen

Mayor Patrick W. Shull, Presiding

Vice Mayor Colette George Alderman Betsy Cooper Alderman Darrell Duncan Alderman Paul Montgomery Alderman Tommy Olterman Alderman James Phillips

City Administration

Chris McCartt, City Manager Bart Rowlett, City Attorney

Lisa Winkle, Treasurer/City Recorder

- I. CALL TO ORDER: 7:00 p.m., by Mayor Patrick W. Shull.
- II.A. PLEDGE OF ALLEGIANCE TO THE FLAG: Michael Borders.
- **II.B. INVOCATION**: Pastor Scottie Burkhalter, Holy Trinity Lutheran Church.
- **III.A. ROLL CALL:** By City Recorder Winkle. All Present.
- IV.A. RECOGNITIONS AND PRESENTATIONS. None.
- IV.B. APPOINTMENTS/REAPPOINTMENTS.

<u>Motion/Second</u>: Olterman/George, to approve:

1. Reappointment and Appointments to the Neighborhood Advisory Commission (AF: 355-2022) (Mayor Shull).

Approve:

REAPPOINTMENT OF AMY PROVANCE AND APPOINTMENT OF EDDIE GRILLS, LAURIE CHRISTOPHER, SANDY LARKIN AND RYAN SHIPLEY TO SERVE A THREE-YEAR TERM ON THE **NEIGHBORHOOD ADVISORY COMMISSION** EFFECTIVE IMMEDIATELY AND EXPIRING ON DECEMBER 31, 2025. Passed: All present voting "aye."

V. APPROVAL OF MINUTES.

Motion/Second: Phillips/Montgomery, to approve minutes for the following meetings:

- A. December 5, 2022 Regular Work Session
- B. December 6, 2022 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

A. PUBLIC HEARINGS. None.

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

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Amend FY23 General Purpose School Fund Budget (AF: 376-2022) (David Frye).

<u>Motion/Second</u>: Olterman/Montgomery, to pass:

AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Amend Zoning of 847 Mitchell Road from A-1, Agricultural District, to B-3, Highway Oriented Business District (AF: 352-2022) (Ken Weems).

Motion/Second: Phillips/Duncan, to pass:

ORDINANCE NO. 7061, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG MITCHELL ROAD FROM THE A-1 DISTRICT TO THE B-3, HIGHWAY ORIENTED BUSINESS 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

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, Montgomery, Olterman and Phillips voting "aye" with George and Shull "abstaining."

2. Amend Zoning of Tax Map 120, a Portion of Parcel 003.00 from P-1, Professional Offices District, and M-1R, Light Manufacturing Restricted District, to R-3, Low Density Apartment District (AF: 353-2022) (Ken Weems).

<u>Motion/Second</u>: George/Montgomery, to pass:

ORDINANCE NO. 7062, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG BRECKENRIDGE TRACE FROM THE P-1 AND M-1R DISTRICTS TO THE R-3, LOW DENSITY APARTMENT 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

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

3. Accept Private Monetary Donation for the Police K-9 Program and Appropriate the Funds (AF: 351-2022) (Dale Phipps)

Motion/Second: Montgomery/Duncan, to pass:

ORDINANCE NO. 7063, AN ORDINANCE TO AMEND THE GENERAL PROJECT-SPECIAL REVENUE FUND BUDGET BY APPROPRIATING DONATED FUNDS FOR THE YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

4. Budget Ordinance and Agreement with TDOT for Resurfacing of Various Roadways Authorizing the Mayor to Sign All Applicable Documents (AF: 367-2022) (Ryan McReynolds)

<u>Motion/Second</u>: Montgomery/Cooper, to pass:

ORDINANCE NO. 7064, AN ORDINANCE TO AMEND THE METROPOLITAN PLANNING ORGANIZATION (MPO) FUND AND THE GENERAL PROJECTS – SPECIAL REVENUE FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

5. Accept Donation from Kingsport Eagles Auxiliary 3141 and Appropriate the Funds (AF: 363-2022) (Terry Arnold)

Motion/Second: Duncan/George, to pass:

ORDINANCE NO. 7065, AN ORDINANCE TO AMEND THE GENERAL FUND BUDGET BY APPROPRIATING DONATED FUNDS FOR THE YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

6. Budget Adjustment for Various Funds in FY23 (AF: 365-2022) (Chris McCartt)

Motion/Second: George/Olterman, to pass:

ORDINANCE NO. 7066, AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2023; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

<u>Passed on second reading in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

7. Amend an Ordinance that Abandoned a Section of a Stormwater Sewer Easement Located off of Tay Station (AF: 385-2022) (Bart Rowlett)

Motion/Second: George/Duncan, to pass:

ORDINANCE NO. 7067, AN ORDINANCE TO AMEND ORDINANCE NUMBER 7046 ABANDONING A SECTION OF A STORMWATER SEWER EASEMENT LOCATED OF OF TAY STATION SITUATED IN THE CITY OF KINGSPORT, TWELFTH CIVIL DISTRICT OF SULLIVAN COUNTY; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

<u>Passed on second reading in a roll call vote</u>: Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye" and Cooper "abstaining."

D. OTHER BUSINESS.

1. Updated Policy Adding Two Additional Holidays (AF: 318-2022) (Tyra Copas).

Motion/Second: George/Duncan, to pass:

Resolution No. 2023-133, A RESOLUTION AMENDING THE HOLIDAY LEAVE POLICY FOR CITY EMPLOYEES

Passed: All present voting "aye."

2. Approve a Public Transportation Agency Safety Plan for the Kingsport Area Transit Service (AF: 373-2022) (Cindy Johnson)

<u>Motion/Second</u>: Olterman/Cooper, to pass:

Resolution No. 2023-134, A RESOLUTION APPROVING AND ADOPTING A PUBLIC TRANSPORTATION AGENCY SAFETY PLAN FOR THE KINGSPORT AREA TRANSIT SERVICE

Passed: All present voting "aye."

3. Professional Services Agreement with LJA Engineering, Inc. to Provide Engineering and Sewer Flow Monitoring Services for the West Kingsport Sewer Basin (AF: 374-2022) (Ryan McReynolds).

Motion/Second: Duncan/Phillips, to pass:

Resolution No. 2023-135, A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH LJA ENGINEERING, INC. FOR A STUDY OF 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

Passed: All present voting "aye."

4. Approve Amendment to Thompson & Litton Agreement for Architectural Services for the DBHS Dome Re-Roofing Project (AF: 375-2022) (David Frye).

<u>Motion/Second</u>: Montgomery/Olterman, to pass:

Resolution No. 2023-136, A RESOLUTION TO AMEND THE AGREEMENT WITH THOMPSON & LITTON, INC., FOR THE DOBYNS-BENNETT HIGH SCHOOL DOME RE-ROOFING PROJECT AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT Passed: All present voting "aye."

5. Accept Grant Funds from Northeast State Community College (AF: 378-2022) (Tyra Copas).

Motion/Second: Phillips/Cooper, to pass:

Resolution No. 2023-137, A RESOLUTION ACCEPTING GRANT FUNDS FROM NORTHEAST STATE COMMUNITY COLLEGE MADE AVAILABLE THROUGH THE GOVERNOR'S INVESTMENT IN VOCATIONAL EDUCATION PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO RECEIVE THE GRANT FUNDS AND TO DEMONSTRATE CITY'S COMPLIANCE WITH THE GRANT PROGRAM

Passed: All present voting "aye."

6. Authorize the Mayor to Execute Documents to Apply for and Receive a Drinking Water Revolving Loan from the State of Tennessee for the Water Treatment Plant High Service Pump Station Project (AF: 377-2022) (Ryan McReynolds).

Motion/Second: Olterman/Phillips, to pass:

Resolution No. 2023-138, RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING

Passed: All present voting "aye."

7. Resolution Identifying Primary Funding Source for the Lease of the Dental Clinic (AF: 384-2022) (Chris McCartt).

Motion/Second: Montgomery/Olterman, to pass:

Resolution No. 2023-139, A RESOLUTION AUTHORIZING THE IDENTIFICATION OF A PRIMARY FUNDING SOURCE FOR THE LEASE OF SPACE AT 111 WEST SEVIER AVENUE WHICH WILL SERVE AS THE SITE OF THE FUTURE DENTAL CLINIC TO BE ESTABLISHED IN COLLABORATION WITH EAST TENNESSEE STATE UNIVERSITY, UNIVERSITY OF TENNESSEE HEALTH SCIENCE CENTER AND BALLAD HEALTH Passed: All present voting "aye."

8. Approve and Award Purchase of IBM Client Relationship Agreement and Cloud Services Agreement Utilizing National Cooperative Purchasing Alliance Purchasing Agreement (AF: 379-2022) (Floyd Bailey).

Motion/Second: Duncan/Cooper, to pass:

Resolution No. 2023-140, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO INTERNATIONAL BUSINESS MACHINES FOR THE ACQUISITION OF IBM CLOUD PAK FOR BUSINESS AUTOMATION UNDER THE TERMS OF NATIONAL PURCHASING ALLIANCE CONTRACT NUMBER 01-67 Passed: All present voting "aye."

VII. CONSENT AGENDA.

(These items are considered under one motion.)

<u>Motion/Second</u>: George/Olterman, to adopt:

1. Interlocal Agreement with The Interlocal Purchasing System (TIPS Cooperative Purchasing) (AF: 302-2022) (David Frye).

Resolution No. 2023-141, A RESOLUTION APPROVING AN AGREEMENT WITH THE INTERLOCAL PURCHASING SYSTEM (TIPS PURCHASING COOPERATIVE) FOR COOPERATIVE PURCHASING AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

2. Apply and Receive a Grant for \$476,917 from the State of Tennessee Violent Crime Intervention Fund Grant for the Upcoming Year (AF: 372-2022) (Jason Bellamy).

Resolution No. 2023-142, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A STATE OF TENNESSEE VIOLENT CRIME INTERVENTION GRANT FOR THE KINGSPORT POLICE DEPARTMENT

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

3. Renew Bid Award for Generator Services (AF: 370-2022) (Ryan McReynolds).

Resolution No. 2023-143, A RESOLUTION RENEWING THE AWARD OF BID FOR GENERATOR SERVICES TO NIXON POWER SERVICES AND AUTHORIZING THE MAYOR TO SIGN THE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RENEWAL

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

4. Apply and Receive Tennessee Agriculture Enhancement Program Grant (AF: 368-2022) (Michael Borders).

Resolution No. 2023-144, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A TENNESSEE AGRICULTURE ENHANCEMENT PROGRAM GRANT FROM THE TENNESSEE DEPARTMENT OF AGRICULTURE FOR THE FARMERS MARKET Passed in a roll call vote: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

5. Authorization to Renew License to Receive Funding from USDA for SNAP (Supplemental Nutrition Assistance Program) at the Kingsport Farmers Market (AF: 371-2022) (Michael Borders).

Resolution No. 2023-145, A RESOLUTION RATIFYING THE MAYORS SIGNATURE ON ALL DOCUMENTS NECESSARY AND PROPER TO REAUTHORIZE THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AT THE FARMERS MARKET FACILITY; AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE FUNDING FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AT THE KINGSPORT FARMERS MARKET Passed in a roll call vote: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

6. Bid Award of DBHS Pool Improvements Project and Authorize the Mayor to Enter into an Agreement with Preston Construction Company (AF: 369-2022) (David Frye).

Resolution No. 2023-146, A RESOLUTION AWARDING THE BID FOR THE DOBYNS-BENNETT HIGH SCHOOL POOL IMPROVEMENTS PROJECT TO PRESTON CONSTRUCTION COMPANY AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT.

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

7. Authorize a Change Order to a Purchase Order with Stowers Equipment and the City Manager to Execute (AF: 380-2022) (Ryan McReynolds).

Resolution No. 2023-147, A RESOLUTION APPROVING A TO A CHANGE ORDER TO A RENTAL AGREEMENT WITH STOWERS MACHINERY CORPORATION FOR THE DAMAGE TO THE RENTAL EQUIPMENT AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE CHANGE ORDER

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

8. Approve Application for Cement Hill Park to be Accepted into Tennessee Department of Environment and Conservation's (TDEC) Voluntary Brownfield Agreement Program (AF: 383-2022) (John Rose).

Resolution No. 2023-148, A RESOLUTION APPROVING AN APPLICATION TO THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION'S VOLUNTARY BROWNFIELD AGREEMENT PROGRAM FOR PROPERTY COMMONLY REFERRED TO AS CEMENT HILL AND AUTHORIZING THE MAYOR TO EXECUTE THE APPLICATION AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE APPLICATION

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

9. Authorize the Mayor to Enter into a Lease Agreement with Congresswoman Diana Harshbarger for Office Space at the Kingsport Center for Higher Education (AF: 382-2022) (Chris McCartt).

Resolution No. 2023-149, A RESOLUTION APPROVING A DISTRICT OFFICE LEASE AGREEMENT WITH CONGRESSWOMAN DIANA HARSHBARGER FOR DISTRICT OFFICE SPACE AT THE KINGSPORT CENTER FOR HIGHER EDUCATION; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE AGREEMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

10. Renewal of a Policy for Stop Loss Insurance Coverage with Voya ReliaStar Life Insurance Company (AF: 381-2022) (Tyra Copas).

Resolution No. 2023-150, A RESOLUTION AUTHORIZING THE RENEWAL OF A POLICY FOR STOP LOSS INSURANCE COVERAGE WITH VOYA RELIASTAR LIFE INSURANCE COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE ALL AGREEMENTS FOR STOP LOSS INSURANCE AND ANY OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT OR THIS RESOLUTION

<u>Passed in a roll call vote</u>: Cooper, Duncan, George, Montgomery, Olterman, Phillips and Shull voting "aye."

VIII. COMMUNICATIONS.

- A. <u>CITY MANAGER</u>. Mr. McCartt stated the board has always stepped up to take care of the employees and thanked the BMA for passing the extra holidays and that it sends a very positive message. He then wished the BMA a merry Christmas and their time serving the city does not go unnoticed and is greatly appreciated. He also wished city employees a merry Christmas pointing out there are many who will be working over the upcoming holidays.
- B. MAYOR AND BOARD MEMBERS. Alderman Montgomery remarked we are ending the year on a great note, commenting on the sales tax revenue and the Tribe complex. He wished everyone a merry Christmas and thanked city and school staff for making Kingsport a great place. Alderman Phillips also commented on the city employees working over the holidays as the weather forecast does not look favorable. He also thanked all city staff and city employees who have been involved in all the Christmas events. He wished everyone a merry Christmas stating it has been a great year. Alderman Olterman congratulated the Dobyns Bennett basketball team on their first victory at the new complex. He wished everyone a merry Christmas and a happy new year. Alderman Duncan pointed out the city has showcased itself over the last few weeks with everything going on pointing out that many people have traveled here to participate. He pointed this coming Thursday is the last local hop and shop before Christmas. He wished everyone a merry Christmas and happy new year, noting there was a lot to look forward to in 2023. Alderman Cooper thanked the city manager for all his efforts to keep the board informed. She thanked everyone for a successful Christmas in the Park event. She shared an inspirational quote encouraging everyone to have a great attitude for an optimal life. She wished everyone a merry Christmas and happy new year. Vice-Mayor George gave a recap on the many projects, events, milestones and awards that the city has been involved in throughout the past year. The mayor commented on the professional city staff managing all of these projects and advised citizens where they could find information regarding city business on social media and the website. He wished everyone a merry Christmas and happy new year, pointing he is looking forward to a productive new year.
- C. VISITORS. None.
- **IX.** ADJOURN. Seeing no other business for consideration at this meeting, Mayor Shull adjourned the meeting at 7:58 p.m.

| ANGELA MARSHALL | PATRICK W. SHULL |
|----------------------|------------------|
| Deputy City Recorder | Mayor |

Item VIII1.



AGENDA ACTION FORM

Consideration of an Ordinance Amending the Zoning Code by Adding Residential Use as a Permitted Use on the 2nd floor or higher floor of a building in a B-3, Highway Oriented Business zone, Sec 114-195

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

Action Form No.: AF-3-2023 Final Adoption: February 7, 2023 Work Session: January 17, 2023 Staff Work By: Ken Weems First Reading: January 17, 2023 Presentation By: K. Weems

Recommendation:

- Hold public hearing
- Approve ordinance amending the zoning ordinance to add residential use as a permitted use on the 2nd floor or higher floor of a building in a B-3, Highway Oriented Business District zone, Sec 114-195.

Executive Summary:

This is a property owner-requested zoning text amendment that would allow residential use as a permitted use on the 2nd floor or higher floor of a building in a B-3, Highway Oriented Business District zone, Sec 114-195. Once approved, the text change would apply to all City B-3 zones. After reviewing adjacent city ordinances that already support this allowance and the benefits of the proposal, staff feels that the added use in the B-3 zoning district will be a positive one for the City. Main benefits include lower infrastructure costs due to increased density, budget cost saving, and increased walkable places, among others. During their December 2022 regular meeting, the Kingsport Regional Planning Commission voted to send a favorable recommendation to the Board in support of the text amendment. The notice of public hearing was published on January 2, 2023.

Attachments:

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

| | Υ | N | 0 |
|----------------------|---|---|---|
| Cooper | _ | | _ |
| Duncan | | | _ |
| George Montgomery | _ | _ | _ |
| Olterman | | | _ |
| Phillips | | _ | |
| Shull | | | |

Item VIII1.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday, January 17, 2023 to consider amending the Code of Ordinances as it pertains to zoning. The proposed ordinance will add residential use as a permitted use on the 2nd floor or higher floor of a building in a B-3, Highway Oriented Business District zone. The regular business meeting will begin at 7:00 p.m. in the boardroom located on the third floor of City Hall, 415 Broad Street, Kingsport, Tennessee.

All interested persons are invited to attend this meeting and public hearing. A detailed description of the zoning text amendment is on file in the offices of the City Clerk, Kingsport Chamber of Commerce, and public library for inspection. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Department, telephone 423-229-9485.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in this meeting, these may be requested by calling (423) 229-9485 or by emailing ADAContact@KingsportTN.gov at least 72 hours in advance. Copies of any documents used are available in accessible formats upon request.

CITY OF KINGSPORT Angie Marshall, City Clerk

PIT: 1/2/2023

AN ORDINANCE TO AMEND SECTION 114-195 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That Section 114-195(a)(1) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and substituting in its place the following:

- (a) *Principal uses*. Principal uses and other substantially similar uses permitted in the B-3, Highway Oriented Business District area as follows:
- (1) Ambulance services; animal hospitals; antennas; antique shops; artist studios; automobile sales and services; automobile service stations; bakeries, retail and wholesale; boat sales; brewpubs; building materials and services; business services and supplies; catering services; climate controlled indoor storage facilities; convenience stores; craft breweries; distilleries; eating and drinking establishments; equipment sales, service and rentals; financial institutions; fitness centers; food and beverage sales; funeral and internment services; hotels and motels; laboratories; maintenance and repair services; major and minor motor vehicle repair; manufactured and mobile home sales; off-premises and onpremises alcohol sales; plant nurseries; offices; open air uses (garden supplies, lawn furniture, plant nurseries, playground equipment); pawn shops; personal improvement services; printing and publishing; recreation vehicle sales; research and development; residential use on the 2nd floor or higher floor of a building; restaurants; retail sales; shopping centers; wineries.

SECTION II. That Section 114-195(d) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and substituting in its place the following:

- (d)Prohibited uses. Uses prohibited in the B-3 district are as follows:
- (1) Industry, manufacturing as principal uses; junkyard; auto salvage.
 - (2)Mini-storage warehouses.

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

| ATTEST: | |
|-------------|--|
| ANGELA MARS | HALL, DEPUTY CITY RECORDER |
| | APPROVED AS TO FORM: |
| | |
| | RODNEY B. ROWLETT, III, CITY ATTORNEY |
| | |
| | PASSED ON 1ST READING PASSED ON 2ND READING |

Sec. 114-195. B-3, Highway Oriented Business District.

- (a) *Principal uses*. Principal uses and other substantially similar uses permitted in the B-3, Highway Oriented Business District area as follows:
 - (1) Ambulance services; animal hospitals; antennas; antique shops; artist studios; automobile sales and services; automobile service stations; bakeries, retail and wholesale; boat sales; brewpubs; building materials and services; business services and supplies; catering services; climate controlled indoor storage facilities; convenience stores; craft breweries; distilleries; eating and drinking establishments; equipment sales, service and rentals; financial institutions; fitness centers; food and beverage sales; funeral and internment services; hotels and motels; laboratories; maintenance and repair services; major and minor motor vehicle repair; manufactured and mobile home sales; off-premises and on-premises alcohol sales; plant nurseries; offices; open air uses (garden supplies, lawn furniture, plant nurseries, playground equipment); pawn shops; personal improvement services; printing and publishing; recreation vehicle sales; research and development; residential use on the 2nd floor or higher of a building; restaurants; retail sales; shopping centers; wineries.
 - (2) Clubs and lodges; cultural institutions; community centers; institutions for human care; day care centers; parking lots and structures; public facilities; meeting centers.
 - (3) Commercial recreation and entertainment; park and recreation facilities; public and private campgrounds; RV parks; golf courses; theaters and auditoriums.
 - (4) Government uses; religious assembly; schools, public, private, trade.
 - (5) Communication facilities.
 - (6) Adult oriented establishments: adult bookstores, cabaret, motion picture theater, sexual encounter establishments, provided however, that the property line of such businesses shall not be closer than 1,500 feet from any residential district or residential use; and public amusement or entertainment activity, public gathering place, including but not limited to: arcades, motion picture theaters, bowling alleys, marinas, golf courses, playgrounds, ice-skating or roller skating rinks or arenas, zoos, community centers, and similar amusements offered to the general public; any public recreation, school, library, day care center, park, church, mortuary, hospital or cemetery; or closer than one-half mile from any other adult oriented establishment property line. Measurement for the purpose of this regulation shall be made in a straight line without regard to intervening structures or objects, from the nearest portion of the structure used as part of the adult oriented establishment to the nearest property line or boundary of any restricted area set out herein. Documentation illustrating existing land uses, zoning, and other pertinent features located within one-half mile of the property proposed for use by an adult oriented

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establishment shall be submitted in conjunction with an application for approval for such use, along with site plans, surveys, and other pertinent site information as may reasonably be required by the zoning administrator to make a thorough evaluation of such proposal.

- (b) Accessory uses. Accessory uses which are incidental and subordinate to the principal use are as follows:
 - (1) Dwelling unit for owner, operator or employee of principal use.
 - (2) Industry, manufacturing and offices, but only as accessory and incidental to principal use.
 - (3) Telecommunication facilities.
- (c) Special exceptions. Special exceptions are permitted only with approval of board of zoning appeals and are as follows:
 - (1) Automobile storage; automobile impoundment yards.
 - (2) Lumberyards.
- (d) Prohibited uses. Uses prohibited in the B-3 district are as follows:
 - (1) Residential, except as provided under accessory uses; industry, manufacturing as principal uses; junkyard; auto salvage.
 - (2) Mini-storage warehouses.
- (e) Locational standards. Not applicable.
- (f) Design standards; dimensional requirements.
 - (1) Minimum requirements.
 - a. Lot area, 10,000 square feet.
 - b. Lot frontage, 50 feet.
 - c. Front yard, 20 feet.
 - d. Each side yard, not applicable.
 - e. Rear yard, 30 feet.
 - f. Usable open space, not applicable.
 - (2) Maximum requirements.
 - a. Lot coverage, 40 percent.
 - b. Building height, not applicable.
- (g) Parking. Parking and loading provisions shall be as required by article VI of this chapter. Parking areas should interconnect with adjacent commercial property.

- (h) HVAC Landscaping. All HVAC units located at ground level shall be landscaped by a vegetative buffer containing the entire unit or units.
- (i) Parking lot landscaping. All parking areas must provide interior landscaping as follows: In addition to all other landscaping requirements, all parking areas shall contain a minimum of one tree per five parking spaces to be located in the interior parking lot area.
- (j) Property landscaping. The sum of all landscaping contained within any one zoning development plan shall be a minimum of ten percent of the entire land area.
- (k) Signs. See article IV of this chapter for sign provisions.
- (I) Development plan and building permit. No building permit for a B-3 district shall be issued by the zoning administrator until a final zoning development plan has been approved by the city planning department. The site plan shall contain (at a minimum) all building footprints (drawn to scale); all proposed landscaping; all proposed driveways, parking spaces, and their dimensions; all proposed HVAC unit locations; location information; property owners name and address; all adjacent public streets; all proposed sign information; and all property lines that contain the tract of land being developed.

(Code 1981, app. A, art. IV, § 9; Code 1998, § 114-204; Ord. No. 4018, § IV(24), 3-21-1995; Ord. No. 4276, § I, 9-3-1996; Ord. No. 4498, § 2, 4-7-1998; Ord. No. 4629, § I, 2-2-1999; Ord. No. 4629, § I, 2-2-1999; Ord. No. 5050, §§ I, II, 10-1-2002; Ord. No. 5097, § I, 4-1-2003; Ord. No. 5613, § II, 11-6-2007; Ord. No. 6388, § IV, 4-1-2014; Ord. No. 6730, § IX, 6-19-2018)

Item VIII1.

Zoning Text Amendment Report File Number PLNCOM22-0343

Residential Use in a B-3 Zone Zoning Text Amendment

| Property Information | City-wide B-3 zoning dist | ricts | | | |
|--|---|--|----------|--|--|
| Address | | | | | |
| Tax Map, Group, Parce | ıl | | | | |
| Civil District | | | | | |
| Overlay District | | | | | |
| Land Use Designation | | | | | |
| Acres | | | | | |
| Existing Use | | Existing Zoning | | | |
| Proposed Use | | Proposed Zoning | | | |
| Owner /Applicant Info | rmation | | | | |
| Name: The Valcap Gro | Name: The Valcan Group Intent: To amend amend Chapter 114, Section 114-195 | | | | |
| Address: 5600 West Lo | • | for the purpose of adding "residential use on the 2nd | | | |
| City: Dallas | vers Lane, Ste 303 | floor or higher floor of a building" as a principal use in the B-3 zone. | | | |
| State: TX | Zip Code: 75209 | the b 5 zone. | | | |
| Email: rfishman@valcapgroup.com | | | | | |
| | Phone Number: 858-669-6546 | | | | |
| Planning Department | Recommendation | | | | |
| (Approve, Deny, or De | fer) | | | | |
| | | DDDOWAI | | | |
| The Kingsport Planning Division recommends APPROVAL. | | | | | |
| | | | | | |
| Planner: | Ken Weems | Date: | 12/1/22 | | |
| Planning Commiss | sion Action | Meeting Date: | 12/15/22 | | |
| Approval: | | | | | |
| Denial: | | Reason for | | | |
| | | Denial: | | | |
| Deferred: | | Reason for | | | |
| | | Deferral: | | | |

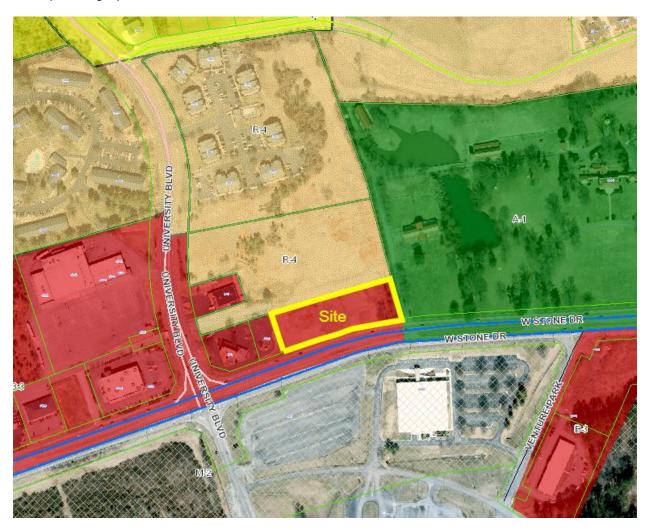
INTENT

To amend Chapter 114, Section 114-195 for the purpose of adding "residential use on the 2nd floor or higher floor of a building" as a principal use in the B-3 zone.

Presentation:

The developer of the property surrounding the Bradley Hills property desires to construct residential use on the second floor or higher floor of their proposed commercial uses along W. Stone Drive. The Planning Commission and Board most recently approved an R-4 rezoning for the adjacent residential property to the north. The site in question is flanked by the Allandale Mansion to the east and a financial center plus University Parkway to the west. A graphic is provided below that shows the specific area:

Site specific graphic:



Kingsport Regional Planning Commission

Zoning Text Amendment Report File Number PLNCOM22-0343

Item VIII1.

The City's B-3 zone currently only allows residential use in accessory form as shown below from the zoning code Sec 114-195(b)1:

- (b) Accessory uses. Accessory uses which are incidental and subordinate to the principal use are as follows:
 - (1) Dwelling unit for owner, operator or employee of principal use.
 - (2) Industry, manufacturing and offices, but only as accessory and incidental to principal use.
 - (3) Telecommunication facilities.

It should be noted that mixed commercial and residential use is currently only permitted in the City's commercial zones of B-2, B-2E and B-1 districts. The existing mixed commercial and residential uses in these zones have been welcomed by the citizenry with very few adverse issues arising from the mixing of these land use types.

Staff has examined adjacent city zoning codes from Bristol, TN and Johnson City. Both of these municipalities already allow residential use in their respective zones that are comparable to Kingsport's B-3 zone. Excerpts are provided below from both Bristol, TN and Johnson City codes:

- 1. Bristol, TN: As shown in Sec 405, B-3 District- General Business Zone, Permitted Uses:
 - hh. Residential purposes as specified below:
 - 1. 236115 Single and two-family residences
 - 2. 236116 Multifamily residences

As shown above in Bristol, TN, there are no floor restrictions to the residential use in their B-3, General Business Zone.

- 2. Johnson City: As shown in Sec 6.17, B-4 Arterial Business District, Permitted Uses:
 - 6.17.2.28 Residential dwellings on the upper floors of buildings;

As shown above in Johnson City, residential dwellings are permitted on the upper floors of buildings

Item VIII1.

Proposed Change:

The changes proposed for the City's B-3 code occur in two separate parts of the B-3 code description. First, the specific language to be added to define residential on the 2nd floor or higher floor as principal use is shown below with added words highlighted with yellow background:

Sec. 114-195. - B-3, Highway Oriented Business District.

(a)

Principal uses. Principal uses and other substantially similar uses permitted in the B-3, Highway Oriented Business District area as follows:

(1)

Ambulance services; animal hospitals; antennas; antique shops; artist studios; automobile sales and services; automobile service stations; bakeries, retail and wholesale; boat sales; brewpubs; building materials and services; business services and supplies; catering services; climate controlled indoor storage facilities; convenience stores; craft breweries; distilleries; eating and drinking establishments; equipment sales, service and rentals; financial institutions; fitness centers; food and beverage sales; funeral and internment services; hotels and motels; laboratories; maintenance and repair services; major and minor motor vehicle repair; manufactured and mobile home sales; off-premises and on-premises alcohol sales; plant nurseries; offices; open air uses (garden supplies, lawn furniture, plant nurseries, playground equipment); pawn shops; personal improvement services; printing and publishing; recreation vehicle sales; research and development; residential use on the 2nd floor or higher floor of a building; restaurants; retail sales; shopping centers; wineries.

Additionally, the "prohibited uses" portion of the B-3 code needs to be changed to account for the proposed change. The amended code, with struck language appears below.

- (d) Prohibited uses. Uses prohibited in the B-3 district are as follows:
- (1) Residential, except as provided under accessory uses; industry, manufacturing as principal uses; junkyard; auto salvage.
- (2)Mini-storage warehouses.

Note that the full B-3 code description is provided in this report for full context during the vetting process.

Current literature in the planning field characterize the benefits of mixed commercial and residential uses as increased economic viability, lower infrastructure costs, increased tax revenue, budget cost savings, and healthier walkable places, among others

Staff recommends sending a positive recommendation to the Board of Mayor and Aldermen in support of the zoning text amendment. It is staff's opinion that the change is an appropriate one and that the change will keep our most land-use intensive commercial zone consistent with uses found in adjacent cities.



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY23

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-12-2023

Work Session: January 17, 2023 First Reading: January 17, 2023 Staff Work By: John Morris

Presentation By: Chris McCartt

Recommendation:

Approve the Ordinance.

Executive Summary:

The General Projects-Special Revenue Fund is being amended by transferring \$15,394 from the Streets Resurfacing project (NC2200) to the Streets Resurfacing project (NC2300) to prepare NC2200 for closure, by reducing the Assist To Firefighters line by \$32,118 and appropriating \$32,118 from the General Fund to the Technical Rescue Grant project (NC2310) to cover grant matching funds, and by appropriating grant funds received from The Community Foundation of Middle Tennessee "Serving Tennessee Seniors" grant in the amount of \$5,000 to the Serving TN Seniors project (NC2318) for the purchase of exercise equipment. Closes NC2200.

The General Project Fund is being increased by accepting donations from various individuals in the amount of \$4,016 to the Contributions From Individuals line (311-0000-364.10-00) and to the Improvements line (311-0000-601.90-03).

The Sewer Project Fund is being amended by transferring \$331,000 from the SLS Improvements project (SW2204) to the WWTP Digester Cleaning project (SW2010) to cover a change order for digester cleaning at the wastewater treatment plant.

Attachments:

1. Ordinance

| | Υ | Ν | 0 |
|--------------------|---|---|---|
| Cooper | | | |
| Duncan | | | |
| George | _ | | _ |
| <i>N</i> ontgomery | _ | | _ |
| Olterman | | | |
| Phillips | | _ | _ |
| Shull | | | |

ORDINANCE NO.

AN ORDINANCE TO AMEND VARIOUS FUND BUDGETS FOR THE YEAR ENDING JUNE 30, 2023; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Projects-Special Revenue Fund be amended by transferring \$15,394 from the Streets Resurfacing project (NC2200) to the Streets Resurfacing project (NC2300) to prepare NC2200 for closure, by reducing the Assist To Firefighters line by \$32,118 and appropriating \$32,118 from the General Fund to the Technical Rescue Grant project (NC2310) to cover grant matching funds, and by appropriating grant funds received from The Community Foundation of Middle Tennessee "Serving Tennessee Seniors" grant in the amount of \$5,000 to the Serving TN Seniors project (NC2318) for the purchase of exercise equipment. Close NC2200.

SECTION II. That the General Fund be amended by transferring \$32,118 from the Repair & Maint-Vehicles Line (110-4810-481.20-56) to the To Gen Proj-Special Rev line (110-4804-481.70-35).

SECTION III. That the General Project Fund be increased by accepting donations from various individuals in the amount of \$4,016 to the Contributions From Individuals line (311-0000-364.10-00) and to the Improvements line (311-0000-601.90-03).

SECTION IV. That the Sewer Project Fund be amended by transferring \$331,000 from the SLS Improvments project (SW2204) to the WWTP Digester Cleaning project (SW2010) to cover a change order for digester cleaning at the wastewater treatment plant.

| Fund 111: General Projects-Special Rev Fund | | | |
|---|---------------|-------------|-------------------|
| Streets Resurfacing (NC2200) | Budget | Incr/(Decr) | New Budget |
| Revenues: | \$ | \$ | \$ |
| 111-0000-391.01-00 From General Fund | 2,409,450 | (15,394) | 2,394,056 |
| Totals | 2,409,450 | (15,394) | 2,394,056 |
| Expenditures: | \$ | \$ | \$ |
| 111-0000-601.20-22 Construction Contracts | 2,409,450 | (129,945) | 2,279,505 |
| 111-0000-601.20-23 Arch/Eng/Landscaping Service | 0 | 114,551 | 114,551 |
| Totals | 2,409,450 | (15,394) | 2,394,056 |

| Streets Resurfacing (NC2300) | <u>Budget</u> | Incr/(Decr) | New Budget |
|---|---------------|-------------|-------------------|
| Revenues: | \$ | \$ | \$ |
| 111-0000-331.95-00 American Rescue Plan Act | 927,518 | 0 | 927,518 |
| 111-0000-391.01-00 From General Fund | 2,647,482 | 15,394 | 2,662,876 |
| Totals | 3,575,000 | 15,394 | 3,590,394 |
| Expenditures: | \$ | \$ | \$ |
| 111-0000-601.20-22 Construction Contracts | 3,050,000 | 15,394 | 3,065,394 |
| 111-0000-601.20-23 Arch/Eng/Landscaping Service | 525,000 | 0 | 525,000 |
| Totals | 3,575,000 | 15,394 | 3,590,394 |

| Technical Rescue Grant (NC2310) Revenues: | Budget \$ | Incr/(Decr) | New Budget \$ |
|---|--------------|-------------|------------------|
| 111-0000-331.31-04 Assist to Firefighters | 353,293 | (32,118) | 321,175 |
| 111-0000-391.01-00 From General Fund | 0 | 32,118 | 32,118 |
| Totals | 353,293 | 0 | 353,293 |
| Expenditures: | \$ | \$ | \$ |
| 111-0000-601.10-10 Salaries & Wages | 160,000 | 0 | 160,000 |
| 111-0000-601.10-11 Overtime | 8,050 | 0 | 8,050 |
| 111-0000-601.10-20 Social Security | 12,480 | 0 | 12,480 |
| 111-0000-601.10-30 Group Health Ins | 4,640 | 0 | 4,640 |
| 111-0000-601.10-42 TCRS Hybrid Retirement | 13,600 | 0 | 13,600 |
| 111-0000-601.10-50 Life Insurance | 320 | 0 | 320 |
| 111-0000-601.10-52 Long Term Disability | 310 | 0 | 310 |
| 111-0000-601.10-60 Workmen's Comp | 600 | 0 | 600 |
| 111-0000-601.20-20 Professional/Consultant | 104,800 | 0 | 104,800 |
| 111-0000-601.20-53 Machinery/Equipment Rental | 12,000 | 0 | 12,000 |
| 111-0000-601.30-20 Operating Supplies & Tools | 36,493 | 0 | 36,493 |
| Totals | 353,293 | 0 | 353,293 |

| Serving TN Seniors (NC2318) Revenues: | | Budget \$ | | Incr/(Decr) | New Budget \$ |
|---|---------------|--------------|---|-------------|------------------|
| 111-0000-364.30-00 From Non-Profit Groups | | | 0 | 5,000 | 5,000 |
| | Totals | | 0 | 5,000 | 5,000 |
| Expenditures: | | \$ | | \$ | \$ |
| 111-0000-601.90-04 Equipment | | | 0 | 5,000 | 5,000 |
| | Totals | | 0 | 5,000 | 5,000 |

Account Number/Description:

| General Fund: 110 | | Budget | Incr/(Decr) | New Budget |
|--|-------|---------------|-------------|------------|
| Expenditures: | | \$ | \$ | \$ |
| 110-4804-481.70-35 To Gen Proj-Special Rev | | 6,277,484 | 32,118 | 6,309,602 |
| 110-4810-481.20-56 Repair & Maint-Vehicles | | 147,693 | (32,118) | 115,575 |
| | Total | 6,425,177 | 0 | 6,425,177 |

Account Number/Description:

| General Project Fund: 311 | | | | |
|---|-------|---------------|-------------|------------|
| Library Improvements (GP1908) | | Budget | Incr/(Decr) | New Budget |
| Revenues: | | \$ | \$ | \$ |
| 311-0000-364.10-00 Individuals | | 27,110 | 4,016 | 31,126 |
| 311-0000-364.30-00 From Non-Profits | | 1,535 | 0 | 1,535 |
| 311-0000-368.10-54 Series 2016 GO (Nov 4) | | 17,106 | 0 | 17,106 |
| 311-0000-368.10-56 GO Bonds Series 2018 A | | 90,992 | 0 | 90,992 |
| 311-0000-368.21-01 Premium from Bond Sale | | 3,378 | 0 | 3,378 |
| 311-0000-391-01.00 From General Fund | | 69,859 | 0 | 69,859 |
| 7 | otals | 209,980 | 4,016 | 213,996 |
| Expenditures: | | \$ | \$ | \$ |
| 311-0000-601.40-41 Premium from Bond Sale | | 3,153 | 0 | 3,153 |
| 311-0000-601.90-03 Improvements | _ | 206,827 | 4,016 | 210,843 |
| T | otals | 209,980 | 4,016 | 213,996 |

Account Number/Description: Sewer Project Fund: 452

| WWTP Digester Cleaning (SW2010) | <u>Budget</u> | Incr/(Decr) | New Budget |
|---|---------------|-------------|------------|
| Revenues: | \$ | \$ | \$ |
| 452-0000-391.05-56 Series 2019 GO Improvement | 30,217 | 0 | 30,217 |
| 452-0000-391.05-69 GO Bonds Series 2021 | 268,000 | 331,000 | 599,000 |
| 452-0000-391.42-00 From Sewer Fund | 150,000 | 0 | 150,000 |
| Total | 448,217 | 331,000 | 779,217 |
| Expenditures: | \$ | \$ | \$ |
| 452-0000-606.20-22 Construction Contracts | 448,217 | 331,000 | 779,217 |
| Total | 448,217 | 331,000 | 779,217 |

| | Budget | Incr/(Decr) | New Budget |
|-------|---------------|--|--|
| | \$ | \$ | \$ |
| | 1,992,400 | (331,000) | 1,661,400 |
| Total | 1,992,400 | (331,000) | 1,661,400 |
| | \$ | \$ | \$ |
| | 40,000 | 0 | 40,000 |
| | 1,952,400 | (331,000) | 1,621,400 |
| Total | 1,992,400 | (331,000) | 1,661,400 |
| | | \$ 1,992,400 Total 1,992,400 \$ 40,000 1,952,400 | \$ \$ \$ (331,000) Total 1,992,400 (331,000) \$ \$ (331,000) \$ \$ 40,000 0 1,952,400 (331,000) |

SECTION V. 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.

| ATTEST: | PATRICK W. SHULL, Mayor |
|--------------------------------|--------------------------------------|
| ANGELA MARSHALL, Deputy City F | Recorder |
| | APPROVED AS TO FORM: |
| | RODNEY B. ROWLETT III, City Attorney |
| PASSED ON 1ST READING: | |

PASSED ON 2ND READING:

Item X1.



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the FY 2023 the General Purpose School Fund Budget

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

Action Form No.: AF-376-2022 Final Adoption: January 17, 2023

Work Session: December 19, 2022 Staff Work By: David Frye First Reading: December 20, 2022 Presentation By: David Frye

Recommendation:

Approve the Ordinance.

Executive Summary:

The Board of Education approved fiscal year 2023 budget amendment number five at their meeting on December 13, 2022. This amendment decreases the General Purpose School Fund budget by \$2,089,250. The estimated revenue for Other Local Revenue is being increased by \$70,350. These funds are from a donation for Cora Cox Academy and grant funds from the Niswonger and Eastman Foundations. The estimated revenue for Fund Balance Appropriations is being decreased by \$2,159,600. The appropriation for Land Purchase is being decreased by \$2,250,000 and the appropriations for salaries and benefits are being increased by \$90,400.

Attachments:

| 1. | Ordinance |
|----|-----------|
| | Cramanoc |

2. BOE Budget Amendment Number Five – FY 2023

| Funding source appropriate and funds are available: | V | NI | 0 |
|--|---|----|----------------------|
| The money required for such contract, agreement, obligation or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: Buncan George Montgomery Olterman Phillips Shull | | | <u>-</u> |



AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2023; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Purpose School Fund Budget be amended by increasing the estimated revenue for Other Local Revenue by \$70,350 and the estimated revenue for Fund Balance Appropriations is being decreased by \$2,159,600. The expenditure budget will be amended by increasing the appropriations for Cora Cox Academy Awards and Dues by \$1,500; increasing the appropriations and Special Education Teachers and Instructional Assistants salaries and benefits by \$69,300; increasing the appropriations for Student Support salaries and benefits by \$21,100; increasing the appropriations Regular Education Teacher Salaries, Benefits, and Instructional Supplies by \$68,850 and by decreasing the appropriation for Land Purchase by \$2,250,000.

Fund 141: General Purpose School Fund

| Revenues: | | \$ | \$ | \$ |
|-------------------|-----------------------------|---------------|-------------|------------|
| 141-0000-369-4990 | Other Local Revenue | 817,192 | 70,350 | 887,542 |
| 141-0000-392-0100 | Fund Balance Appropriations | 6,731,792 | (2,159,600) | 4,572,192 |
| | Totals | 7,548,984 | (2,089,250) | 5,459,734 |
| | | | | |
| Expenditures: | | \$ | \$ | \$ |
| | Cora Cox – Awards & Dues | 1,250 | 1,500 | 2,750 |
| | Sp Ed – Teachers Salaries | 3,220,200 | 41,900 | 3,262,100 |
| | Sp Ed – Inst Assts Salaries | 656,200 | 13,200 | 669,400 |
| | Sp Ed – Social Security | 259,300 | 3,400 | 262,700 |
| | Sp Ed – State Retirement | 369,400 | 3,750 | 373,150 |
| 141-7150-721-0206 | Sp Ed – Life Insurance | 8,000 | 150 | 8,150 |
| 141-7150-721-0207 | Sp Ed – Medical Insurance | 626,200 | 5,850 | 632,050 |
| 141-7150-721-0209 | Sp Ed – L-T Disability | 4,900 | 150 | 5,050 |
| | Sp Ed – Unemp Insurance | 4,700 | 100 | 4,800 |
| 141-7150-721-0212 | Sp Ed – Medicare | 60,900 | 800 | 61,700 |
| 141-7150-711-0116 | Reg Ed – Teacher Salaries | 28,143,600 | 54,000 | 28,197,600 |
| 141-7150-711-0201 | Reg Ed – Social Security | 1,757,400 | 3,400 | 1,760,800 |
| 141-7150-711-0212 | Reg Ed – Medicare | 410,900 | 800 | 411,700 |
| 141-7150-711-0429 | Reg Ed – Inst Supplies | 0 | 6,800 | 6,800 |
| 141-7250-785-0138 | Tech Ser – Other Salaries | 886,800 | 14,500 | 901,300 |
| 141-7250-785-0201 | Tech Ser – Social Security | 52,700 | 900 | 53,600 |
| 141-7250-785-0204 | Tech Ser – State Retirement | 110,100 | 1,300 | 111,400 |
| 141-7250-785-0206 | Tech Ser – Life Insurance | 1,700 | 100 | 1,800 |
| 141-7250-785-0207 | Tech Ser – Medical Ins | 88,500 | 3,900 | 92,400 |
| 141-7250-785-0209 | Tech Ser – L-T Disability | 900 | 100 | 1,000 |
| 141-7250-785-0210 | Tech Ser – Unemp Insurance | 800 | 100 | 900 |

City of Kingsport, Tennessee, Ordinance No. _____, Page 1 of 2

Item X1.

| 141-7250-785-0212 Tech Ser – Medicare | 12,400 | 200 | 12,600 |
|---|------------|-------------|------------|
| 141-7105-711-0429 Reg Ed – Rob. Inst Supplies | 41,352 | 550 | 41,902 |
| 141-7110-711-0429 Reg Ed – Sev. Inst Supplies | 33,113 | 1,100 | 34,213 |
| 141-7116-711-0429 Reg Ed – Roo. Inst Supplies | 13,093 | 1,100 | 14,193 |
| 141-7120-711-0429 Reg Ed – Jef. Inst Supplies | 22,330 | 550 | 22,880 |
| 141-7154-711-0429 Reg Ed – C&I Inst Supplies | 205,823 | 550 | 206,373 |
| 141-7650-871-0715 Land Purchase | 2,250,000 | (2,250,000) | 0 |
| Totals | 39,242,561 | (2,089,250) | 37,153,311 |

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

| ATTEST: | PAT W. SHULL Mayor |
|--|---|
| | |
| ANGELA MARSHAL 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 Authorizing the Execution of an Amendment to the Agreement with Gordon Food Service for Kingsport City Schools Nutrition Services Grocery and Beverage Items and Authorizing the Mayor to Sign All Applicable Documents

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-8-2023 Final Adoption: January 17, 2023 Work Session: January 17, 2023 Staff Work By: KCS Nutrition Services

First Reading: N/A Presentation By: David Frye

Recommendation:

Approve the Resolution.

Executive Summary:

The 2022-2023 agreement with Gordon Food Service included an addendum addressing the current market uncertainty and inflation and permits Gordon to increase pricing four times. As a result, \$712,800 has already been spent at our half way point.

To prevent exceeding the contract spend threshold, we recommend doubling the current spend amount and adding an additional 15 percent. The contract is currently a not to exceed amount of \$1,350,000.00. KCS School Nutrition recommends amending this agreement to increase the spend amount to a not to exceed amount of \$1,650,000.00 through June 30, 2023.

The Board of Education approved the execution of the amendment to the agreement on January 10, 2023.

All expenditures from this contract are fully funded by the School Nutrition Services budget. School Nutrition Services is a self-supporting department within Kingsport City Schools. School Nutrition Services receives funding from federal reimbursements, state funding and revenue generated by meal fees, a la carte items sold, and catering.

Attachments:

- 1. Resolution
- 2. Recommendation

| | Y | Ν | 0 |
|------------------|---|---|---|
| Cooper | | | |
| Duncan | | _ | |
| George | | | |
| Montgomery 1 4 1 | | | _ |
| Olterman | | _ | |
| Phillips | | _ | |
| Shull | | | |

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE AGREEMENT WITH GORDON FOOD SERVICE FOR KINGSPORT CITY SCHOOLS NUTRITION SERVICES GROCERY AND BEVERAGE ITEMS AND AUTHORIZING THE MAYOR TO SIGN ALL APPLICABLE DOCUMENTS

WHEREAS, on May 17, 2022, the board approved an amendment to the agreement with Gordon Food Service to provide grocery and beverage items to Kingsport City School Nutrition Services for the period of July 1, 2022, through June 30, 2023; and

WHEREAS, the amendment included an addendum addressing the current market uncertainty and inflation and permits Gordon to increase pricing four times; and

WHEREAS, as a result of price increases, current spending is \$712,800.00; and

WHEREAS, on January 10, 2023, the Board of Education approved the execution of an amendment to increase the amount of the agreement to \$1,650,000.00 through June 30, 2023.

Now therefore,

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

SECTION I. That an amendment of the agreement with Gordon Food Service for grocery and beverage items for Kingsport City Schools Nutrition Services for the not to exceed amount of \$1,650,000.00 is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an amendment for the same and all documents necessary and proper, 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, said agreement being as follows:

AMENDMENT TO THE AGREEMENT ENTERED INTO BETWEEN GORDON FOOD SERVICE AND CITY OF KINGSPORT, TENNESSEE FOR ITS KINGSPORT CITY SCHOOLS

On July 1, 2020 an Agreement was entered into by and between Gordon Food Service, Inc., (hereinafter Contractor) and the City of Kingsport Tennessee (hereinafter City). An Addendum to the Agreement was executed on May 18, 2022 to include the period of July 1, 2022 through June 30, 2023. The terms of the Agreement are hereby amended as set forth herein.

SECTION 3. THE CONTRACT PRICE. The City shall pay, in current fund, the Contractor for the performance of this Contract on the basis of the unit price cost per unit, as set forth in Gordon Food Service Intent to Renew dated April 15, 2022, with the subject "Renewal of Grocery and Beverage Items (the "Bid")", and as set out and stipulated in the bid or proposal of said Contract, and the total cost of ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$1,650,000.00) is an estimated total cost, based upon the number of units required for the performance of this Contract and in the event there is any variation in the units actually required in the performance of this Contract, and the estimate made above, then the unit price shall in all things

Item XI1.

control, so that the total estimated cost of ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$1,650,000.00) is subject to being increased in the event the units required for this Contract are greater than that estimated, and is subject to being decreased in the event said units are less than that estimated; which said payment, based upon the unit costs mentioned above, shall be full compensation for all materials and supplies furnished.

Except as hereby amended, all other terms and conditions of the Agreement effective July 1, 2020 shall remain in full force and effect.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreements 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 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 17th day of January, 2023.

| ATTEST: | PATRICK W. SHULL, MAYOR |
|--------------------------------|--------------------------|
| ANGELA MARSHALL, DEPUTY CITY R | RECORDER |
| APPROVED AS T | O FORM: |
| RODNEY B. ROW | VI ETT III CITY ATTORNEY |

Jennifer Walker, RD



Item XI1.



400 Clinchfield Street, Ste. 200 Kingsport, TN 37660

> p: (423) 378.2106 f: (423) 378.2109

jwalker@k12k.com www.k12k.com

MEMORANDUM

TO: KCS Board of Education/Board of Mayor and Alderman

FROM: Jennifer Walker, Supervisor of School Nutrition

DATE: 12/15/2022

RE: School Nutrition Grocery and Beverage Contract

Recommendation: To amend the renewal agreement for Gordon Food Service contract

Kingsport City entered into an agreement with Gordon Food Service beginning July 1, 2020 thru June 30 2021 to maintain a continuous supply of grocery and beverage items to KCS school nutrition. The agreement included an option to renew the contract for up to three additional years in one year increments, providing pricing and quality of service is acceptable to the City of Kingsport. This year's agreement included an addendum addressing the current market uncertainty and inflation permitting Gordon's to increase pricing four times. As a result, \$712,800 has already been spent at our half way point. To prevent exceeding the contract spend threshold, we recommend doubling the current spent amount and adding an additional 15 percent.

The contract not to exceed spend amount is currently \$1,350,000.00. KCS School Nutrition recommends to amend this agreement and increase the spend amount to \$1,650,000 through June 30, 2023.

All expenditures from this contract are fully funded by the School Nutrition Services budget. School Nutrition Services is a self-supporting department within Kingsport City Schools. We receive funding from federal reimbursements, state funding and revenue generated by meal fees, a la carte items and catering.



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Proposal for a Concession Food Service Distributor for the Kingsport Aquatic Center to the H.T. Hackney Company

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-9-2023 Final Adoption: January 17, 2023
Work Session: January 17, 2023 Staff Work By: C. Smiley/W. Terrazas
First Reading: N/A Presentation By: Michael T. Borders

Recommendation:

Approve the Resolution.

Executive Summary:

The Kingsport Aquatic Center operates concessions with revenues of approximately \$240,000 annually. Proposals were opened on December 22, 2022 for a Concession Food Service Distributor at the Kingsport Aquatic Center. The H.T. Hackney Company was the only company that submitted a proposal.

Following an internal review, it is staff's recommendation that the City accept the proposals from H.T. Hackney for various concessions items and equipment at the Kingsport Aquatic Center. The Kingsport Aquatics Center has purchased concessions items from H.T. Hackney since 2017. H.T. Hackney offers competitive pricing and can provide weekly delivery with one day advance ordering which is advantageous based on our market demands for various items during the summer months.

Concession items will be ordered on an as needed basis by the City. The contract will be awarded for a period of one (1) year with a renewal option on an annual basis in (1) one-year increments providing all terms, conditions, and costs are acceptable to both parties. The City reserves the right to re-bid at the end of any contract period.

Funding is identified in account # 41950225073190

It is staff's recommendation that the City accept the Concessions Food Service Distributor proposal.

Attachments:

- 1. Resolution
- 2. Concessions Proposal

| | Υ | Ν | 0 |
|------------------|---|---|---|
| Cooper | | | |
| Duncan | | _ | |
| George | | | _ |
| Montgomery 1 4 1 | | | _ |
| Olterman | | _ | |
| Phillips | | | |
| Shull | | _ | |

| RESOLUTION NO. | |
|----------------|--|
|----------------|--|

A RESOLUTION AUTHORIZING THE RENEWAL OF THE KINGSPORT AQUATIC CENTER CONCESSION FOOD SERVICE DISTRIBUTOR PROPOSAL WITH H.T. HACKNEY COMPANY AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, on May 15, 2017, the board approved the proposal of H.T. Hackney Company as the Concession Food Service Distributor at the Kingsport Aquatic Center (Resolution No. 2017-208); and

WHEREAS, the request for proposal permitted annual renewals so long as the terms of the renewal were acceptable to the city; and

WHEREAS, staff recommends renewing the proposal for the period of one year; and

WHEREAS, concession items will be ordered on an as needed basis, and funding is identified in account # 41950225073190.

Now therefore,

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

SECTION I. That the renewal of the proposal with H.T. Hackney Company as the Kingsport Aquatic Center concession food service distributor for a period of one year, is approved, and the city manager is authorized to execute purchase orders for the same.

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

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

ADOPTED this the 17th day of January, 2023.

| | PATRICK W. SHULL, MAYO | R |
|---------------|---------------------------------------|---|
| ATTEST: | | |
| ANGELA MARSHA | ALL, DEPUTY CITY RECORDER | |
| | APPROVED AS TO FORM: | |
| | RODNEY B. ROWLETT, III, CITY ATTORNEY | _ |



December 4, 2022

PROJECT: Concession Food Service Distributor for Kingsport Aquatic Center

Dear Prospective Submitter:

You are invited to submit a sealed price proposal for the above project. A copy of the Public Notice, Affidavits Form, and Request for Proposal. Please make certain you sign your Proposal Letter, Affidavits Form(must also be notarized) and include with your sealed proposal. Other items may be required to be included in your proposal so please read the documents thoroughly.

If you have questions please contact me at (423) 229-9315 or email brentmorelock@kingsporttn.gov.

Regards,

Brent Morelock, CPPO, CPPB

Breet Montak

Procurement Manager

REQUEST FOR PROPOSAL

Sealed Price Proposals for the following will be received by the Procurement Manager until 4:00 P.M., Eastern Time, December 22, 2022, and at that time publicly opened in Room 436, City Hall located at 415 Broad Street., Kingsport, TN. All proposals will be considered for award or rejection at a later date.

PROJECT: Concession Food Service Distributor for Kingsport Aquatic Center

Documents for the above referenced item are available online at kingsporttn.gov/city-services/purchasing. Interested parties may also contact the Procurement Department at (423) 229-9419.

By submission of a signed proposal bid, the bidder certifies total compliance with Title VI and Title VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.

No submitted proposals may be withdrawn for a period of one hundred twenty (120) days after the scheduled closing time of the receipt of proposals. All proposals shall be signed, sealed and addressed to the Procurement Manager, City of Kingsport, 415 Broad Street., Kingsport, TN 37660 and marked "Concession Food Service Distributor for Kingsport Aquatic Center". The City by its governing regulations reserves the right to accept or reject any or all proposals received, to waive any informalities in bidding and to re-advertise.

PUB 1T: 12/04/22

Chris McCartt City Manager COMPLIANCE AFFIDAVIT(S) (TOTAL OF 2 PAGES)
THIS COMPLIANCE AFFIDAVIT MUST BE SIGNED, NOTARIZED AND INCLUDED WITH ALL BIDS – FAILURE TO INCLUDE THIS FORM WITH THE BID SUBMITTED SHALL DISQUALIFY THE BID FROM BEING CONSIDERED.

VENDOR: The H.T. Hackney Co.

CONFLICT OF INTEREST:

- 1. No Board Member or officer of the City of Kingsport or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for the City of Kingsport has a direct interest in the award of the vendor providing goods or services.
- 2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of their immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
- 3. The grantee's or sub-grantees officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
- 4. Do you or any officers/part-owners/stake-holders/employees of this company have any relative(s) (relatives include spouse, children, stepchildren or any to whom you are related by blood or marriage) that are currently employed by the City of Kingsport, Tennessee, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or the Kingsport Board of Education?

 Yes No

 If you answered yes please state the name and relationship of the employee or member of the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education member
 5. Are you or any officers/part-owners/stake-holders/employees of this company also employees of the City of Kingsport, including the Kingsport City School System or serve on the Kingsport Board of Mayor and Aldermen or Kingsport Board of Education?

 Yes No

 If you answered yes please state the name of the employee or board member
- 6. By submission of this form, the vendor is certifying that no conflicts of interest exist.

DRUG FREE WORKPLACE REQUIREMENTS:

7. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

ELIGIBILITY:

8. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contender to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

GENERAL:

- 9. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
- 10. Such offer is genuine and is not a collusive or sham offer.

IRAN DIVESTMENT ACT:

11. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each vendor and each person signing on behalf of any vendor certifies, and

in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.

NON-COLLUSION:

- 12. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other responder, firm, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Kingsport or any person interested in the proposed award or agreement.
- 13. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

BACKGROUND CHECK REQUIREMENT FOR SCHOOL SYSTEM SUPPLIERS:

14. In submitting this bid/quote/proposal, you are certifying that you are aware of the requirements imposed by TCA § 49-5-413 (d) to conduct criminal background checks through the Tennessee Bureau of Investigation and the Federal Bureau of Investigation on yourself and any of your employees who may come in direct contact with students or who may come on or about school property anytime students are present. You are further certifying that at no time will you ever permit any individual who has committed a sexual offense or who is a registered sex offender to come in direct contact with children or to come on or about school property while students are present.

NON-BOYCOTT OF ISRAEL AFFIDAVIT

15. Concerning the Non-Boycott of Israel Act (TCA 12-4-1 et seq.), by submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to § 12-4-1 and will not during the term of any award. Note: Applicable only to contracts of \$250,000 or more and to suppliers with 10 or more employees.

The undersigned hereby acknowledges and verifies that the response submitted to this solicitation is in full compliance with the applicable laws/listed requirements. The undersigned also declares under penalty of perjury under the laws of the State of Tennessee that the foregoing is true and correct.

| SIGNED Samantha Gandy | |
|---|---|
| PRINTED NAME: Samantha Gandy | |
| TITLE: Sales Manager | GAIVO |
| SUBSCRIBED AND SWORN TO BEFORE METHIS DATE UCC, 225 | 2012 |
| BY (NOTARY PUBLIC): | TENNESSEE > |
| MY COMMISION EXPIRES ON: Hug 3, 2022 | PUBLIC S |
| | 000000000000000000000000000000000000000 |

Concession Food Service Distributor Request for Proposal for the Kingsport Aquatic Center

Item XI2.

PART I - INTRODUCTION

The City of Kingsport, Tennessee is requesting proposals from qualified food service vendors interested in performing services in whole or in part necessary to develop and implement the concession food vending category at the City of Kingsport Aquatic Center; herein thereafter referred to as Aquatic Center.

Overview: Kingsport Aquatic Center

The Kingsport Aquatic Center at Meadowview has been opened since May of 2013. Opportunities for this facility are endless as it encompasses many features. The indoor section, open year round, of the Aquatic Center (approximately ~50,000sq ft) will feature a total of three pools, including a zero depth entry 25 yard warm pool targeted towards seniors, special needs and rehabilitation patients. The other two indoor pools will be an 8 lane, 50 meter competition/lap pool and a recreational pool featuring an indoor water slide and splashpad. Additionally, two-one meter and one-three meter diving boards will be available. The indoor area will seat approximately 350-400 people making it an excellent venue for swim meets.

The outdoor component, opens from Mid May to First of October, features a water park atmosphere and will be geared towards kids and teens. This area will feature two waterslides, a climbing structure/fun-play area with water cannons, lily pad crossings, a 900 foot lazy river (accessible to people with all abilities).

We offer a full service concession operation designed to service both indoor and outdoor features. Attendance to the Kingsport Aquatic Center alone averages over 150,000 visits per year.

Response Process:

The process for selecting an appropriate vendor for food service for a full service concession stand is designed to attract competitive proposals from companies supportive of complementing the Kingsport Aquatic Center.

<u>Criteria for selection</u>- Prospective corporations will be appraised on the basis of categories deemed most appropriate for a successful partnership. Those are:

- 1. Financial structure of proposal
- 2. Term of proposal
- 3. Contract servicing plan
- 4. City of Kingsport Code of Ordinances

Rejection

The City of Kingsport reserves the right to reject any proposal

Addenda

Any interpretation, correction, or change of the RFP will be made by an addendum.

Selection Process

Following the RFP opening the internal review team will review all proposals submitted and if necessary schedule interviews with those who submitted proposals. Ultimately, a recommendation will be made to the Kingsport Board of Mayor and Alderman. The date for that recommendation is not yet known.

Selection Criteria Details

<u>Financial Proposal</u>- Respondent must outline its financial proposal including: availability, unit measure and cost of concession items comparable to the desired items found within this RFP, delivery timeframe, delivery cost if any, equipment included with food items and specs of the equipment, equipment available for purchase or rent as well as price and specs of said equipment.

<u>Term</u>- The contract will be awarded for a period of one (1) year with a renewal option on an annual basis in one (1) year increments providing all terms, conditions and costs are acceptable to both parties. The City reserves the right to rebid at the end of any contract period.

<u>Contract Servicing Plan</u>- Respondent must outline its plan to service the contract's requirements of product ordering and delivery, as well as any maintenance needs that shall arise throughout the term of the contract.

Equipment and Maintenance & See addendum attached

- A. The successful vendor will be required to furnish, all agreed upon equipment, if necessary, at all locations designated by the Kingsport Aquatic Center Manager. The equipment shall be current models and of the latest technology, be energy and/or electrically efficient, and be aesthetically acceptable by the Kingsport Aquatic Center. Said equipment includes but is not limited to the following:
 - a. Display boards
 - b. Cooking units
 - c. Display racks



- d. Storage units
- e. Ice cream freezers
- B. All equipment shall be quiet and not disruptive to the activities taking place in the facility.
- C. The installation and expense of installation of all equipment shall be the vendors responsibility. The Kingsport Aquatic Center shall cooperate with, and support, reasonable requests from the successful vendor in this regard.
- D. The Kingsport Aquatic Center may reject machine signage or logo if deemed objectionable or a distraction to the activities in the facility by the General Manager. The Kingsport Aquatic Center reserves the right to approve artwork prior to production and installation.
- E. Vendor should supply any service support related to equipment to minimize interruption of operations of the concession.

Equipment Provided on Site

- A. Cube Ice Maker (Air-cooled): Ice-O-Matic, ICE-0606A or an approved equal.
- B. Reach-in Solid Door Refrigerator: True Manufacturing, T-35, or an approved equal.
- C. Reach-in Solid Door Freezer: True Manufacturing, T-35F, or an approved equal.
- D. Food Warming Cabinet: Wisco Industries, model #690-25, or an approved equal.
- E. Microwave: Amana, model C-Max HDC21, or and approved equal.
- F. Coffee Maker/Warmer: Bunn Corporation, model Axiom-15-3, or an approved equal.
- G. Merchandiser Warmer (Nacho Chip Warmer): Star Manufacturing International, model NCP15W, or an approved equal.
- H. Nacho Cheese Warmer/Dispenser: Star Manufacturing International, model 11WLA-HS, or an approved equal.
- I. Popcorn Maker/Warmer: Star Manufacturing International, model 39S-A Jetstar, or an approved equal.
- J. Portable Food Warmer: Hatco Corporation, model GRFFB, or an approved equal.
- K. Fryer (Electric): MTI AUTOFRY MTI-40C, or an approved equal.
- L. Griddle (Electric): Star Manufacturing International, model 536TGD Star-Max, or an approved equal.
- M. Candy Rack/Display: 5 tier candy rack waterfall merchandiser 20-252 by E System Sales, Inc.
- N. Merrychef eikon e4s Greaseless Fryer (Electric)

Desired Food Service Items

Granola Bars
Columbian Coffee
Popcorn kernals for use in Popcorn maker/warmer listed

4oz Fruit cups- various flavors

2oz -4oz Trail mix packages

1.5 oz sized Chips- assortments (Plain, BBQ & Pretzels

Candy bar assortment (Snickers, M&M's, Reese Cups, KitKat)

Candy assortment (airheads, ringpops, Skittles, gummies, etc)

Crinkle Cut French Fries

American cheese

Hamburger patties

White Hamburger buns

Standard size Hotdogs

White Hotdog buns

Chicken tenders

Sausage Biscuits

Corndogs

Bosco Sticks

Mozerella Cheese Sticks

Nacho Chips

Nacho Cheese for dispenser listed

Hotdog Chili (~108oz can)

Prepackaged ice cream- Various assortments (ice cream cone, ice cream sandwich,

novelty "characters", pushups, etc)- please list possible items

Snow cone syrup - Cherry, Grape, Orange, Blueberry, etc

Ketchup

Mustard

Relish

Mayonnaise

Salt

Pepper

Paper Goods

Boats- different sizes

Plastic ware

Nacho Cheese travs

Dispenser and Dispenser cups for condiments if necessary

Coffee Filters

9oz Styrofoam coffee cups

Napkins

Napkin dispenser

The H. T. Hackney Co.- Johnson City TN 12/21/22

- 1. Equipment must be purchased outright by retailer. Service on equipment is the retailers responsibility. Equipment for purchase will vary depending on availability. The only equipment available for lease is the Blue Bunny freezer bunkers. They are \$5.00 a week rental fee. IF service needs arise HTH will replace the freezer if possible or arrange for the unit to be serviced.
 - 2. The items listed on the proposal are subject to price changes which could occur within the 120 day frame that the bid/proposal is being held.



KINGSPORT AQUATIC CENTER

| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 8/8.5 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/2 OZ CLIF BAR WHITE CHOC MACADAMIA 18 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA DEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/1 OZ RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS PRETZELS 30/1.5 OZ RAYS PRETZELS 30/1.5 OZ RAYS YELLOW TORTILLA ROUNDS 1/1 OZ SKINNY POP POPCORN 12/1 OZ SKINNY POP POPCORN 12/1 OZ SKINNY POP ULTRA LITE WH CHED 12/1 OZ SKINNY POP ULTRA LITE WH CHED 12/1 OZ SKINNY POP ULTRA LITE WH CHED 12/1 OZ AIRHEADS CHERRY CANDY | \$32.69 | | 36 | 1523083 |
|--|---------|-------------------------------|---------------------------------------|----------------|
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONE CARAMEL LOVERS BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/2 OZ CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 13/1.5 OZ RAYS BBQ CHIPS NIP/NS 24/2.5 OZ RAYS REG CHIPS NIP/NS 12/1 OZ RAYS REG CHIPS NIP/NS 12/1 OZ RAYS REG CHIPS NIP/NS 12/1 OZ SKINNY POP POPCORN 12/1 OZ SKINNY POP PULTRA LITE WH CHED 36 ABBLEACE CHERRY CALLY ABBLEACE CHERRY ABBLEACE CHERRY CALLY ABBLEACE CHERRY ABLEACE CHERRY ABBLEACE CHERRY ABLEACH CHERRY | \$16.85 | 20 | 18/1.6 OZ | 1852557 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ CLIF BAR CHOC CHIP 112/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 118 NV GRANOLA OAT & HONEY 118 NV GRANOLA OAT & HONEY 119/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 30/1.5 OZ RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS BBQ CHIPS NP/NS 12/1 OZ RAYS REG CHIPS NP/NS 12/1 OZ SKINNY POP POPCORN 12/1 OZ SKINNY POP POPCORN 12/1 OZ FLA-VOR-ICE ASST 6 BB BIG VANILLA SANDWICH BB BIG CORANGE SHERBET PUSHUP BB CHAMP CONES LARAMEL LOVERS UNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOVERS BB CHAMP CONES VANILLA BB COOKIE DOUGH LOVERS BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOVERS BB CHAMP CONES VANILLA BB COOKIE DOUGH COLETA BB COOKIE DOUGH COLETA BB COOKIE DOUGH COLETA BB COOKIE DOU | \$6.85 | AIRHEADS BLUE RASPBERRY | 36 | 1471721 |
| PACK/SIZE 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BIG CORANGE SHERBET PUSHUP 8/8.5 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24 8/8.5 OZ BB CHAMP CONE VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB CAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 12/2.4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR WHITE CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ RAYS REG CHIPS NP/NS 24/2.5 OZ RAYS REG CHIPS NP/NS 12/1 OZ RAYS REG CHIPS NP/NS 12/1 OZ SKINNY POP POPCORN 12/1 OZ SKINNY POP POPCORN SKINNY POP PULTRA LITE WH CHED 45/5.5 OZ FLA-VOR-ICE ASST | | | | CANDY |
| PACK/SIZE 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/2 OZ CLIF BAR CHOC CHIP 12/2 OZ CLIF BAR CHOC CHIP 12/2 OZ CLIF BAR CHOC CHIP 12/2 OZ RAYS BBQ CHIPS NP/NS 12/2 OZ RAYS BBQ CHIPS NP/NS 24/2 OZ RAYS PRETZELS RAYS PRETZELS RAYS PRETZELS RAYS PRETZELS RAYS POP POPCORN 12/1 OZ RAYS NINNY POP POPCORN SKINNY POP POPCORN 12/1 OZ SKINNY POP POPCORN SKINNY POP ULTRA LITE WH CHED | \$14.90 | FLA-VOR-ICE ASST | 45/5.5 OZ | 1398965 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANIILA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 B/8.5 OZ BB CHAMP CONES VANIILA 8/8.5 OZ BB CHAMP CONES VANIILA B/8.5 OZ BB CHAMP CONES VANIILA BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR CLIF BAR CHOC CHIP 12/2.4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY NV GRANOLA OAT & HONEY NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 30/1.5 OZ RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS REG CHIPS NP/NS 12/10 OZ RAYS YELLOW TORTILLA ROUNDS 1/1 OZ SKINNY POP POPCORN SKINNY POP POPCORN SKINNY POP POPCORN SKINNY POP ULTRA LITE WH CHED | | | | DRINKS |
| PACK/SIZE DESCRIPTION 24 BB BIG VANIILA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANIILA 8/8.5 OZ BB CHAMP CONES VANIILA B/8.5 OZ BB CHAMP CONES VANIILA BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOAD'D SUNDAE BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA OAT & HONEY 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/10 OZ RAYS REG CHIPS NP/NS 1/1 OZ SKINNY POP POPCORN 12/10 OZ SKINNY POP POPCORN | \$16.60 | SKINNY POP ULTRA LITE WH CHED | 12/1 OZ | 1850148 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA OAT & HONEY 16 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ RAYS PRETZELS 30/1.5 OZ RAYS PRETZELS 11/1 OZ RAYS YELLOW TORTILLA ROUNDS SKINNY POP POPCORN | \$16.60 | SKINNY POP POPCORN | 12/1 OZ | 1824580 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANIILA SANDWICH 24/3 OZ BK BB BIG ORANGE SHERBET PUSHUP BK BB CORANGE SHERBET PUSHUP BK BB CHAMP CONE CARAMEL LOVERS 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS BB CHAMP CONES VANILLA BK CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 30/1.5 OZ RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS REG CHIPS NP/NS 12/10 OZ RAYS YELLOW TORTILLA ROUNDS | \$1.53 | SKINNY POP POPCORN | 1/1 0Z | 8379844 |
| PACK/SIZE DESCRIPTION 24 24 8B BIG VANILLA SANDWICH 24/3 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR WHITE CHOC MACADAMIA 18 11/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA NV GRANOLA OAT & HONEY 18 NV GRANOLA OAT & HONEY 18 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS REG CHIPS NP/NS | \$20.94 | RAYS YELLOW TORTILLA ROUNDS | 12/10 OZ | 1938372 |
| PACK/SIZE 24 24 24/3 OZ 8/8.5 OZ 24/4.6 OZ 24/4 OZ 8/8.5 OZ 8/8.5 OZ 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ 8/8.5 OZ 8/8.5 OZ 8/8.5 OZ 8/8.5 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT 12/6 OZ PLANT TROPICAL FRUIT & NUT RAYS BBQ CHIPS NP/NS 24/2.5 OZ RAYS PRETZELS | \$17.98 | RAYS REG CHIPS NP/NS | 30/1.5 OZ | 1787118 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP BB BC CORANGE SHERBET PUSHUP BB BCHAMP CONE CARAMEL LOVERS 24/4.6 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR BB KS STRBERRY SHORTCAKE BAR 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA PEANUT BUTTER 12/6 OZ PLANT TROPICAL FRUIT & NUT PLANT TROPICAL FRUIT & NUT RAYS BBQ CHIPS NP/NS | \$18.80 | RAYS PRETZELS | 24/2.5 0Z | 1680388 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 5 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY 18 NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT PLANT TROPICAL FRUIT & NUT | \$17.98 | RAYS BBQ CHIPS NP/NS | 30/1.5 OZ | 1787126 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4.6 OZ BB CHAMP CONES VANILLA 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR S 12/2.4 OZ CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA PEANUT BUTTER 1/6 OZ PLANT TROPICAL FRUIT & NUT | \$25.88 | PLANT TROPICAL FRUIT & NUT | 12/6 OZ | 1676634 |
| PACK/SIZE 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 5 12/2.4 OZ CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA 18 NV GRANOLA OAT & HONEY NV GRANOLA PEANUT BUTTER | \$2.39 | PLANT TROPICAL FRUIT & NUT | 1/6 0Z | 7182363 |
| PACK/SIZE 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANILLA 8/8.5 OZ BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR 12/2.4 OZ CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA NV GRANOLA OAT & HONEY | \$12.6 | NV GRANOLA PEANUT BUTTER | 18 | 1651074 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR CHOC CHIP 12/2.4 OZ CLIF BAR WHITE CHOC MACADAMIA | \$12.6 | NV GRANOLA OAT & HONEY | 18 | 1651116 |
| PACK/SIZE 24 BB BIG VANIILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24 B8/8.5 OZ B8/8.5 OZ B8/8.5 OZ B8/8.5 OZ B8 CHAMP CONES VANIILLA B8/8.5 OZ BB CHAMP CONES VANIILLA BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR CLIF BAR CHOC CHIP | \$15.8 | CLIF BAR WHITE CHOC MACADAMIA | 12/2.4 OZ | 1653567 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4 OZ BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR | \$15.8 | CLIF BAR CHOC CHIP | 12/2.4 OZ | 1747989 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANIILLA SANDWICH 24/3 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24 B8/8.5 OZ BB CHAMP CONES VANIILLA B8/8.5 OZ BB CHAMP CONES VANIILLA BB COOKIE DOUGH LOAD'D SUNDAE 24/4 OZ BB KS CHOCOLATE ELCAIR BAR 24/4 OZ BB KS STRBERRY SHORTCAKE BAR | | | | SNACKS & CHIPS |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB CHAMP CONE CARAMEL LOVERS 24/4.6 OZ BB CHAMP CONES VANILLA BB COOKIE DOUGH LOAD'D SUNDAE 8/8.5 OZ BB COOKIE DOUGH LOAD'D SUNDAE BB KS CHOCOLATE ELCAIR BAR | \$34.1 | BB KS STRBERRY SHORTCAKE BAR | 24/4 OZ | 5924675 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANIILLA SANDWICH 24/3 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANIILLA BB COOKIE DOUGH LOAD'D SUNDAE | \$34.1 | BB KS CHOCOLATE ELCAIR BAR | 24/4 OZ | 5924691 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS 24 BB CHAMP CONES VANILLA | \$21.4 | BB COOKIE DOUGH LOAD'D SUNDAE | 8/8.5 OZ | 5950084 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB BUNNY TRACKS LOAD'D SUNDAE 24/4.6 OZ BB CHAMP CONE CARAMEL LOVERS | \$32.3 | BB CHAMP CONES VANILLA | 24 | 5916580 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP 8/8.5 OZ BB BUNNY TRACKS LOAD'D SUNDAE | \$32.3 | BB CHAMP CONE CARAMEL LOVERS | 24/4.6 OZ | 5916630 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH 24/3 OZ BB BRC ORANGE SHERBET PUSHUP | \$21.4 | BB BUNNY TRACKS LOAD'D SUNDAE | 8/8.5 OZ | 5950134 |
| PACK/SIZE DESCRIPTION 24 BB BIG VANILLA SANDWICH | \$18.5 | BB BRC ORANGE SHERBET PUSHUP | 24/3 OZ | 5958566 |
| PACK/SIZE DESCRIPTION | \$21.7 | BB BIG VANILLA SANDWICH | 24 | 5916564 |
| PACK/SIZE DESCRIPTION | - | | · · · · · · · · · · · · · · · · · · · | FROZEN FOODS |
| | PRIC | DESCRIPTION | PACK/SI7F | ITEM NUMBER |

| \$10.74 | HEINZ MUSTARD | 200/1/5 0Z | 6307805 |
|----------|--------------------------------|------------|---------------------|
| \$41.62 | HEINZ MAYONNAISE | 200/12 GR | 6304604 |
| \$27.95 | HEINZ KETCHUP INDV | 500/9 GR | 6303580 |
| \$12.92 | HEINZ KETCHUP | 200/9 GR | 6303606 |
| \$24.39 | HEINZ IND MUSTARD | 500/1/5 0Z | 6306740 |
| \$22.49 | GONNELLA HOT DOG BUNS | 8/12 OZ | 5954060 |
| \$22.49 | GONNELLA HAMBURGER BUNS | 8/12 OZ | 5954078 |
| \$42.75 | GOLDEN FRY 1/2" KK F FRY GFR60 | 6/5 LB | 6141162 |
| \$48.37 | GEHLS SHARP CHED W/DISP VALVES | 4/80 OZ | 6464762 |
| \$32.58 | GEHLS NACHO CHIP PLASTIC TRAY | 30/3 OZ | 6261663 |
| \$29.76 | GEHLS NACHO CHIP PAPER TRAY | 36/3 OZ | 6448088 |
| \$48.37 | GEHLS JALA CHS W/DISP VALVES | 4/80 OZ | 6464739 |
| \$52.07 | GEHLS CHILI W/DISP VALVES | 4/80 OZ | 6464788 |
| \$67.53 | G/LAKES SLI AMER CHEESE 120 CT | 4/5 LB | 6237473 |
| \$108.77 | FOLGERS FL FILT REG 44192 | 160/.9 OZ | 6248900 |
| \$31.90 | FF ALL MEAT CORN DOG (BAG) | 60/2.67 OZ | 6212377 |
| \$34.52 | ELM HILL AM WIENER 8-1 | 1/10 LB | 6217103 |
| \$27.55 | CHAPPYS HONEY MUST DIPPING CUP | 60/2 0Z | 6481204 |
| \$54.04 | BOSCO STUFFED PIZZA STIX | 72/7 IN | 6281133 |
| \$69.12 | BOSCO CHEESE FILLED STIX | 108/7 IN | 6267587 |
| | | | DELICATESSEN |
| \$13.78 | OH SNAP DILLY BITES | 12/3.25 OZ | 6453831 |
| \$33.98 | GAD ITALIAN SUB | 12/6.7 0Z | 5853221 |
| \$14.56 | GAD HTG SAUSAGE BISCUIT | 7/4.1 0Z | 6022537 |
| \$2.84 | GAD HAM/TURK/BACON SUB | 1/6.7 02 | 5851191 |
| \$33.98 | GAD HAM/TURK/BACON SUB | 12/6.7 07 | 5853239 |
| \$2.24 | F/L APPLE CUP | 1/4 0Z | 5800271 |
| | | EN . | RETAIL DELICATESSEN |
| \$43.37 | SNICKERS SINGLES | 48/1.86 OZ | 1790765 |
| \$33.53 | SKITTLES FRUIT CHEWS | 36 | 1526607 |
| \$14.64 | RING POP BOX | 24/.50 OZ | 1483080 |
| \$32.69 | REECE PNB CUP | 36 | 1523141 |
| \$32.54 | M&M PLAIN MILK CHOC | 36 | 1854207 |
| \$43.37 | M&M PEANUT CHOCOLATE | 48 | 1526003 |
| | | | |

| 91 80/4 OZ | \$94.89 | ELARA PWD FREE VINYL GLOVE | 10/100 XL | 6453922 |
|--|----------|---------------------------------|------------|----------|
| BO/4 OZ | \$18.32 | | 1/1 GAL | 6423362 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | \$6.15 | | 1/125 SLV | 7733264 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | \$3.67 | | 1/125 SLV | 6409833 |
| B0/4 OZ | \$37.34 | | 2/ 1 GAL | 6494918 |
| 80/4 OZ | \$7.45 | | 1/24 0Z | 6482723 |
| 80/4 OZ | \$98.87 | | 2M CT | 6385322 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | \$27.52 | | 1M CT | 6457360 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | | | | SUPPLIES |
| 80/4 OZ | \$14.70 | | 1/32 02 | 5782552 |
| 80/4 OZ 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS CANNON BALL BBQ SAUCE RENS CANNON BALL BBQ SAUCE MT. OLIVE SLCD JALAPENO PEPP 6/2 LB MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OIS BANANA NUT MUFFIN 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 1/9 GR SAUER MAYONNAISE PC 500/5.5 GR SAUER MAYONNAISE PC 500/5.5 GR SUNGLE SERV FLAT PEPPER PACKET 3M/.6 GR SINGLE SERV FLAT SALT PEPPER PACKET 3M/.6 GR SINGLE SERV FLAT SALT PACKETS SMUCKERS PB/STRBRY UNCUSTABLE 72/2.6 OZ SMUCKERS PB/STRBRY UNCUSTABLE 100/1 OZ TASTE PLEASER MARINARA CUP 2/5 LB TYSON FC HS BRD PREM TEND RL | \$27.42 | CHICKEN SALAD | 2/32 0Z | 5782545 |
| 80/4 OZ 100/1.25 OZ KENS CANINON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS SLUEBERRY MUFFIN 1/9 GR 24/4 OZ OTIS CHOC CHOC CHIP MUFFIN 1/9 GR SAUER MAYONNAISE PC 500/5.5 GR SAUER MAYONNAISE PC 500/5.5 GR SAUER MUSTARD PC 1/5 LB SCHREIBER AMER 120 CLIU VERTSTK 3M/.1 GR SINGLE SERV FLAT PEPPER PACKET 3M/.26 OZ SMUCKERS PB/STRBRY UNCUSTABLE 72/2.6 OZ SMUCKERS PB/STRBRY UNCUSTABLE 72/2.6 OZ TASTE PLEASER MARINARA CUP 80/2 OZ TYS TENDERS FC BRD W/BOX | \$56.86 | RL | 2/5 LB | 6006969 |
| MOLTEN THICK N JUICY PATTY | \$58.02 | | 80/2 0Z | 6035794 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | \$22.48 | | 100/1 OZ | 6307680 |
| BO/4 OZ HOLTEN THICK N JUICY PATTY | \$24.88 | | 36/2.67 0Z | 5814215 |
| BO/4 OZ | \$52.87 | | 72/2.6 OZ | 5948351 |
| 80/4 OZ 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 24/4 OZ OTIS CHOC CHOC CHIP MUFFIN 1/9 GR SAUER KETCHUP PKS 200/12 GR SAUER MAYONNAISE PC 500/5.5 GR SAUER MUSTARD PC 1/5 LB SINGLE SERV FLAT SALT PACKETS SINGLE SERV FLAT SALT PACKETS | \$50.79 | | 72/2.6 0Z | 5948344 |
| 80/4 OZ 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL 1/35 LB 1/35 LB 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 24/4 OZ OTIS CHOC CHOC CHIP MUFFIN 24/4 OZ SOUER KETCHUP PKS 200/12 GR SAUER MAYONNAISE PC 500/5.5 GR SMIGLE SERV FLAT PEPPER PACKET | \$11.29 | | 3M/.6 GR | 6476717 |
| 80/4 OZ 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK 4/3 LB 1/1 1 GAL 1/2 LB 6/2 LB 6/2 LB 6/2 LB 6/4 OZ 24/4 OZ 30TIS BLUEBERRY MUFFIN 24/4 OZ 300/12 GR 500/5.5 GR SAUER MAYONNAISE PC 500/5.5 GR SCHREIBER AMER 120 CLIU VERTSTK | \$17.69 | | 3M/.1 GR | 6476733 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OID WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 24/4 OZ OTIS CHOC CHOC CHIP MUFFIN 500/12 GR SAUER MAYONNAISE PC SAUER MUSTARD PC | \$18.60 | SCHREIBER AMER 120 CLIU VERTSTK | 1/5 LB | 5763255 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE KENS RANCH CUPS 1/10/1 OZ KENS RANCH CUPS LEWIS PLAIN HAMBURGER BUN 4" MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 24/4 OZ OTIS CHOC CHOC CHIP MUFFIN SAUER KETCHUP PKS SAUER MAYONNAISE PC | \$25.33 | SAUER MUSTARD PC | 500/5.5 GR | 6328462 |
| HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN 24/4 OZ OTIS BLUEBERRY MUFFIN 5/4/9 GR SAUER KETCHUP PKS | \$23.36 | SAUER MAYONNAISE PC | 200/12 GR | 6328454 |
| HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BLUEBERRY MUFFIN 24/4 OZ OTIS CHOC CHOP MUFFIN | \$52.37 | SAUER KETCHUP PKS | 1//9 GR | 6326284 |
| 80/4 OZ 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/ 1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK 1/35 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN OTIS BLUEBERRY MUFFIN | \$33.23 | OTIS CHOC CHOC CHIP MUFFIN | 24/4 0Z | 5939145 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OLD WORLD CLEAR LIQ FRY OIL 24/4 OZ OTIS BANANA NUT MUFFIN | \$33.23 | OTIS BLUEBERRY MUFFIN | 24/4 0Z | 5939129 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/1 GAL MT. OLIVE SLCD JALAPENO PEPP 6/2 LB OI FRY SAVER MOZZ CHEESE STK OLD WORLD CLEAR LIQ FRY OIL | \$33.23 | OTIS BANANA NUT MUFFIN | 24/4 0Z | 5939103 |
| 80/4 OZ 100/1.25 OZ 100/1.25 OZ 100/1 OZ 100/1 OZ 8/12 PK 4/3 LB 1/ 1 GAL 6/2 LB HOLTEN THICK N JUICY PATTY KENS CANNON BALL BBQ SAUCE KENS RANCH CUPS LEWIS PLAIN HAMBURGER BUN 4" MCCAIN BRD MOZZ CHEESE STIX OI FRY SAVER MOZZ CHEESE STK | \$61.30 | OLD WORLD CLEAR LIQ FRY OIL | 1/35 LB | 6285662 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX 1/ 1 GAL MT. OLIVE SLCD JALAPENO PEPP | \$67.91 | OI FRY SAVER MOZZ CHEESE STK | 6/2 LB | 6227565 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" 4/3 LB MCCAIN BRD MOZZ CHEESE STIX | \$10.72 | MT. OLIVE SLCD JALAPENO PEPP | 1/ 1 GAL | 6323059 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS 8/12 PK LEWIS PLAIN HAMBURGER BUN 4" | \$70.15 | MCCAIN BRD MOZZ CHEESE STIX | 4/3 LB | 6143317 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE 100/1 OZ KENS RANCH CUPS | \$18.21 | LEWIS PLAIN HAMBURGER BUN 4" | 8/12 PK | 5958319 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY 100/1.25 OZ KENS CANNON BALL BBQ SAUCE | \$25.02 | KENS RANCH CUPS | 100/1 02 | 6305296 |
| 80/4 OZ HOLTEN THICK N JUICY PATTY | \$26.07 | KENS CANNON BALL BBQ SAUCE | | 6303390 |
| | \$109.24 | HOLTEN THICK N JUICY PATTY | 80/4 OZ | 6210991 |

| \$40.60 | XDRESSNAD NADKIN 8 5 Y 12 WHITE | 13/F00 | 6668875 |
|----------|---------------------------------|-----------|---------|
| 4000 | WC FOAM CUP 16 OZ 16C18 | 20/25 S | 6342745 |
| \$56.27 | WC FOAM CUP 12 OZ 12C18 | 40/25 S | 6342703 |
| \$0.08 | TORK XPRESSNAP RED NAP 41XPT | 1 | 6668933 |
| | STRAW 7.75" WRAP JUMBO TRANSL | 500 CT | 6487227 |
| \$4.92 | STRAW 7 3/4 GIANT WRAP STRIPE | 1/300 | 6391932 |
| \$4.32 | ROYAL GRILL BRICK RGB49 | 1 LG | 6411094 |
| \$80.06 | PARADE CTRBX STD FOIL 18X1000 | 1 RL | 6389258 |
| \$9.71 | MERRYCHEF CLEANER 4144 | 1/32 OZ | 9807876 |
| \$18.72 | JRMI MW KNIFE WHT PP | 1M CT | 6420079 |
| \$49.71 | JRMI HW FORK IW WHT PP | 1M CT | 6420277 |
| V \$6.56 | JOB SELECT PWDR FREE SYNTH GLV | 1/100 LG | 6410021 |
| \$55.39 | JOB PWD FR VINYL GLOVE XL | 10/100 XL | 6414361 |
| \$5.56 | JOB PWD FR VINYL GLOVE XL | 1/100 XL | 6414528 |
| \$55.39 | JOB PWD FR VINYL GLOVE LG | 10/100 LG | 6410070 |
| \$5.71 | JOB PWD FR VINYL GLOVE LG | 1/100 LG | 6410088 |
| | HOT DOG 8IN TRAY REG/PAP 53 08 | 1/500 | 6369219 |
| | HOT DOG 8IN TRAY REG/PAP 53 08 | 6/500 | 6369201 |
| \$46.18 | FOOD TRAY #500 | 500/5 LB | 6475222 |
| \$32.46 | FOOD TRAY #50 | 1M 1/2 LB | 6475172 |
| \$28.48 | FOOD TRAY #25 | 1M 1/4 LB | 6475156 |



Samantha Gandy Sales Manager

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AGENDA ACTION FORM

Consideration of a Resolution Ratifying the Mayor's Signature on the Certification of Local Official that the Public Housing Authority Plans are Consistent with the Consolidated Plan Document

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-10-2023 Final Adoption: January 17, 2023 Work Session: January 17, 2023 Staff Work By: Michael Price

First Reading: N/A Presentation By: Michael Price

Recommendation:

Approve the Resolution.

Executive Summary:

The Mayor's Signature is required on the Certification by State & Local Official of PHA Consistency Plan. This form is created and required by the US Department of Housing and Urban Development. The purpose of this form is to ensure at the Kingsport Housing and Redevelopment Authority's 5-year plan is consistent with City of Kingsport's Consolidated Plan as it relates to the Community Development Block Grant Program.

Both, the City of Kingsport and Kingsport Housing and Redevelopment Authority are committed to providing for the development of decent housing, the development of suitable living environments, the expansion of economic opportunities, as well as transform and empower our communities and help Tennesseans build communities of opportunity.

Attachments:

- 1. Resolution
- 2. Certification by State or Local Official of PHA Plans Consistency w/ the Consolidated Plan
- 3. KHRA Plan

| | Υ | Ν | 0 |
|-------------------|---|---|---|
| Cooper | | | |
| Duncan | _ | _ | _ |
| George | _ | _ | _ |
| Montgomery | _ | _ | _ |
| Olterman | _ | | _ |
| Phillips | _ | _ | _ |
| Shull | | | |

| RESOLUTION NO. | |
|----------------|--|
|----------------|--|

A RESOLUTION TO RATIFY THE MAYOR'S SIGNATURE ON THE CERTIFICATION BY STATE OR LOCAL OFFICIAL OF THE PUBLIC HOUSING AUTHORITY PLANS CONSISTENCY WITH THE CONSOLIDATED PLAN DOCUMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the Certification by State and Local Official of the Public Housing Authority Plans Consistency with the Consolidated Plan is a form created and required by the United States Department of Housing and Urban Development (HUD); and

WHEREAS, this certification is to ensure that the Kingsport Housing and Redevelopment Authority's 5- year plan is consistent with the City of Kingsport's Consolidated Plan as it relates to the Community DevelopmentBlock Grant Program; and

WHEREAS, the certification was due by January 17, 2023, and required the mayor's signature.

Now therefore,

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

SECTION I. That the Certification by State and Local Official of the Public Housing Authority Plans Consistency with the Consolidated Plan submitted on January 17, 2023, is ratified, including the execution of thesame by Mayor Patrick W. Shull.

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, all documents necessary and proper to provide the Certification State and Local Official of the Public Housing Authority Consistency Plan submitted on January 17, 2023.

SECTION III. That the board finds that the actions authorized by this resolution are for a publicpurpose 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 17th of January, 2023.

| | PATRICK W. SHULL, MAYOR |
|-----------------------------------|-------------------------|
| ATTEST: | , |
| ANGELA MARSHALL, DEPUTY CITY RECO | DRDER |

| ltem | ΧI | . ≺ |
|------|----|-----|

| APPROVED AS TO FORM: |
|---------------------------------------|
| |
| |
| RODNEY B. ROWLETT, III, CITY ATTORNEY |

U. S Department of Housing and Urban Development

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan (All PHAs)

Office of Public and Indian Housing OMB No. 2577-0226

Expires 3/31/2024

Item XI3.

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan

| I, | Patrick W. Shull | , the | Mayor of Kingsport |
|-------------------------------|--|------------------------------------|---|
| | Official's Name | | Official's Title |
| | | | 21-2025 and/or Annual PHA Plan for fiscal ment Authority is consistent with the |
| | dated Plan or State Consolidated Choice or Assessment of Fair I | _ | the Analysis of Impediments (AI) to Fair as applicable to the |
| | 9 | City of Kingsp | <u>ort</u> |
| | I | Local Jurisdiction I | Name |
| pursuan | t to 24 CFR Part 91 and 24 CFR | §§ 903.7(o)(3) |) and 903.15. |
| | a description of how the PHA Proposolidated Plan. | lan's contents a | re consistent with the Consolidated Plan or |
| housing. opportus KHRA' | the development of suitable livinities, and the improvement of the | ing environmen ne effectiveness | ovide for the development of decent ts, the expansion of economic of programs. This is consistent with unities and help Tennesseans build |
| | y that all the information stated herein, as well as any in e claims and statements. Conviction may result in crimi | | accompaniment herewith, is true and accurate. Warning: HUD will (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802) |
| Name of Auth | orized Official: | Title: | |
| Patrick W. Sh | ull | Mayor | of Kingsport |
| Signature: | | Date: | |

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure consistency with the consolidated plan or state consolidated plan.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

To Transform and Empower Communities

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Streamlined Annual PHA Plan (HCV Only PHAs)

U.S. Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-022 Expires 03/31/2024

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. The Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

Definitions.

- (1) *High-Performer PHA* A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) Small PHA A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) Housing Choice Voucher (HCV) Only PHA A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.
- (5) Troubled PHA A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) Qualified PHA A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

| Α. | PHA Information. | | | | |
|-----|--|--|---|-------------------------------------|------------------------------|
| A.1 | PHA Plan for Fiscal Year B PHA Inventory (Based on Al Number of Housing Choice PHA Plan Submission Type Availability of Information. A PHA must identify the spectand proposed PHA Plan are areasonably obtain additional is submissions. At a minimum, encouraged to post complete I | eginning: (MM/nnual Contributi Vouchers (HCV) in addition to the original of the original origin | ons Contract (ACC) units at time of FY beginning, above) /s) | | |
| | Participating PHAs | PHA Code | a joint Plan and complete table bell Program(s) in the Consortia | OW) Program(s) not in the Consortia | No. of Units in Each Program |
| | Lead HA: | | | | |

| В. | Plan Elements. |
|-----|---|
| | Revision of Existing PHA Plan Elements. |
| B.1 | a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission? |
| | Y N Statement of Housing Needs and Strategy for Addressing Housing Needs. Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. Financial Resources. Rent Determination. Operation and Management. Informal Review and Hearing Procedures. Homeownership Programs. Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. Substantial Deviation. Significant Amendment/Modification. |
| | (b) If the PHA answered yes for any element, describe the revisions for each element(s): |
| | The revisions of the existing PHA plan elements are attached as Exhibit B.1.b Eligibility Selection Admissions and Exhibit B.1.b Rent Determination. |
| B.2 | New Activities. – Not Applicable |
| В.3 | Progress Report. |
| | Provide a description of the PHA's progress in meeting its Mission and Goals described in its 5-Year PHA Plan. |
| | The PHA has maintained its focus to transform and empower our community. KHRA is working toward obtaining High Performer Status. Please see attached exhibit B.3 for more information. |
| B.4 | Capital Improvements. – Not Applicable |
| B.5 | Most Recent Fiscal Year Audit. |
| | (a) Were there any findings in the most recent FY Audit? |
| | Y N N/A □ □ |
| | (b) If yes, please describe: |
| | A narrative explaining the finding from the most recent audit are attached as Exhibit B.5 KHRA Audit Narrative. The full audit is attached as Exhibit B.5 KHRA Audit |
| C. | Other Document and/or Certification Requirements. |
| C.1 | Resident Advisory Board (RAB) Comments. |
| | (a) Did the RAB(s) have comments to the PHA Plan? |
| | Y N |
| | (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations. |
| C.2 | Certification by State or Local Officials. |
| | Form HUD 50077-SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan. |
| C.3 | Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. |
| | Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed, must be submitted by the PHA as an electronic attachment to the PHA Plan. |

| | Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of | $\overline{}$ |
|-----|---|---------------|
| ~ . | | |
| C.4 | any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. | |
| | (a) Did the public challenge any elements of the Plan? | |
| | Y N | |
| | | |
| | │ <u>- </u> | |
| | If yes, include Challenged Elements. | |

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing (AFFH).

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

Fair Housing Goal: Nondiscrimination

Describe fair housing strategies and actions to achieve the goal

• The PHA implements policies and procedures within the KHRA Admin plan to affirmatively further fair housing. Chapter 2 of the KHRA Admin plan details these goals and policies. Full PHA Policy attached as Exhibit D.1 Part 1 – Nondiscrimination.

PHA Policy:

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes"). The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/2012]

- The PHA provides civil rights information to families and owners through briefings.
 - All briefing packets contain Fair Housing brochures complete with descriptions, resources, contact information for legal aid, etc.
- The PHA has a written policy regarding discrimination complaints and procedures
 - The PHA provides written documentation in all briefing packets detailing how to file grievance procedures for tenants and landlords.

Fair Housing Goal: Provide Persons with Disabilities Equal Opportunity

Describe fair housing strategies and actions to achieve the goal

The PHA ensures that persons with disabilities have full access to the PHA's programs and services and continues through every aspect of the program. Full PHA Policy attached as Exhibit D.1 Part 2 – Policies Related to Persons with Disabilities.

PHA Policy:

The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

"If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

- The KHRA Admin plan details the process by which an applicant or participants may request a reasonable accommodation.
 - The PHA will encourage the family to make its request in writing using a reasonable accommodation request form.

- Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability by following the verification policies as described in the KHRA Admin Plan Chapter 7
- After a request for accommodation is presented, the PHA will respond, in writing, within 10 business days.
- The PHA provides TTD/TTY communication to meet the needs of persons with hearing impairments
- The PHA provides physical accessibility per Section 504 requirements, in accordance with Notice PIH- 2010-26, the Americans with Disabilities Act, The Architectural Barriers Act, and the Fair Housing Act.

Fair Housing Goal: Improve Access for Persons with Limited English Proficiency (LEP)

Describe fair housing strategies and actions to achieve the goal

The PHA takes affirmative steps to communicate with people who need services or information in a language other than English by offering competent interpretation services free of charge, upon request, to the LEP person. Full PHA Policy is attached as Exhibit D.1 Part 3 -Improving Access to Services for Persons with LEP.

PHA Policy:

The PHA will utilize a language line for telephone interpreter services.

- Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.
- The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.
- Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.
- With fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access
- The PHA employs one full-time bilingual (Spanish and English) employee who can provide oral translation services
- The PHA utilizes area translation services such as Tri-Cities Bilingual in the event that the on-staff person is unavailable.

Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV-Only PHAs

PHA Information. All PHAs must complete this section. (24 CFR §903.4) A.1 Include the full PHA Name, PHA Code, PHA Type, PHA Fiscal Year Beginning (MM/YYYY), Number of Housing Choice Vouchers (HCVs), PHA Plan Submission Type, and the Availability of Information, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a)) Plan Elements. All PHAs must complete this section. (24 CFR §903.11(c)(3)) **B.1** Revision of Existing PHA Plan Elements. PHAs must: Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no." ☐ Statement of Housing Needs and Strategy for Addressing Housing Needs. Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenantbased assistance waiting lists. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR 5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR § 903.7(a)). The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii)) ☑ Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. (24 CFR §903.7(b)) ☐ Financial Resources. A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c)) Rent Determination. A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. (24 CFR §903.7(d)) Operation and Management. A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. (24 CFR §903.7(e)). ☐ Informal Review and Hearing Procedures. A description of the informal hearing and review procedures that the PHA makes available to its applicants. (24 CFR §903.7(f)) ☐ Homeownership Programs. A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k)) Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements. A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA's partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA's partnerships with other entities, and activities subject to Section 3 of the Housing and Community Development Act

of 1968 (24 CFR Part 135) and under requirements for the Family Self-Sufficiency Program and others. Include the program's size (including required and actual size of the FSS program) and means of allocating assistance to households. (24 CFR §903.7(1)(i)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. (24

Significant Amendment/Modification. PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and

Substantial Deviation. PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

CFR §903.7(1)(iii)).

- B.2 New Activities. This section refers to new capital activities which is not applicable for HCV-Only PHAs.
- **B.3** Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.11(c)(3), 24 CFR §903.7(r)(1))
- B.4 Capital Improvements. This section refers to PHAs that receive funding from the Capital Fund Program (CFP) which is not applicable for HCV-Only PHAs
- **B.5 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements.

- C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)
- C.2 Certification by State of Local Officials. Form HUD-50077-SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.
- C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed. Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; or 24 CFR 5.160(a)(3) as applicable (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).
 - C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' ... PHA Plans (including any plans incorporated therein) Strategies and actions must affirmatively further fair housing" Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 6.02 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

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Exhibit B.1.b Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

The KHRA administrative team has asked for the approval of the Board to remove all preferences except those required by HUD (VAWA and Displaced) from the waiting list. The Board of Commissioners approved the posting of removal of preferences with the following resolution:

Resolution 2022-68 Removal of Preferences

Motion: Commissioner Calvert moved (seconded by Jennings) to approve posting for comment the removal of local waiting list preferences until a software solution is available to validate preferences during the online application process. Motion carried – unanimous.

After review, Yardi software consultants were unable to provide a software solution to validate preferences. Therefore, KHRA intends to post the removal of preferences for the required comment period, and, pending no significant objections, will remove Substandard/Homeless, Residency, and Elderly/Disabled/Veterans Preferences.

Current Admin Plan:

PHA Policy

The KHRA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding.

The KHRA will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the waiting list.

KHRA will select families from the waiting list based on the preference criteria shown below. In descending order, each preference criteria shall carry more weight than the cumulative total weight of all criteria below it on the list. All applicants are selected based on weighted preference along with date and time applied. If there are no weighted preferences to select from then KHRA will select by date and time of completed application.

The PHA uses the following local preference system:

1. <u>Involuntarily displaced families (ref. 4-III.G)</u>: (20 points)

Families who have been involuntarily displaced because of an act(s) of God/natural disaster/fire, flood, tornado etc., which occurred no more than six (6) months from the date of certification, and have not secured permanent replacement housing. These

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applicants will be required to provide the proper documentation to KHRA in order to qualify for this preference.

2. Victims of domestic violence: (20points)

The KHRA will offer a local preference to families that have been subjected to or victimized by a member of the family or household within the past 6 months. The KHRA will require evidence that the family has been displaced as a result of fleeing violence in the home. Families are also eligible for this preference if there is proof that the family is currently living in situation where they are being subjected to victimize by violence in the home.

3. Substandard/Homeless Preference (10 points)

- a. Preference available to applicants who, at time of application, meet the Housing and Urban Development (HUD) definition of literally homeless. KHRA will require documentation of homeless status in order to apply this preference to the applicant's case.
- b. Are currently residing in a sub-standard housing such as housing that lacks functioning plumbing, heating or electrical systems, and/or which is structurally unsound to the extent that the housing envelope does not adequately prevent incursion by precipitation, or is in imminent danger of collapse.

4. Residency Preference: (10 points)

Preference available to those applicants who live, work or have been hired to work in Sullivan or Hawkins County, regardless of how long the applicant has lived or worked in Sullivan or Hawkins County. The use of this residency preference will not be used for the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family. Applicants will be required to provide the proper documentation to KHRA in order to qualify for this preference. This can include a current driver's license, lease agreement, employer's statement or any other relevant document.

5. Elderly/Disabled/Veterans: (10 points)

- a. If an applicant is 62 years old or older and is applying for housing designed only for the elderly and the applicant qualifies for assistance under the Housing Choice Voucher Program, he/she would be moved to the top of the waiting list by date and time for the elderly housing.
- b. Proof of disability will be required at time of selection. HUD regulations prohibit admission preferences for specific types of disabilities.
- c. Veterans will need to provide their DD214 release from activity duty under honorable conditions.

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Exhibit B.1.b Rent Determination

The Agency Plan Handbook specifies that PHAs can set the Section 8 voucher payment standard (or maximum subsidy level) at a level from 90% to 110% of the Fair Market Rent. Kingsport Housing & Redevelopment Authority, with HUD guidance, made the discretionary choice to increase the Voucher Payment Standard to 120% of Fair Market Rent to better accommodate the inflating rental prices posed by the rental stock shortage within this region.

The KHRA Board of Commissioners voted to approve this increase in the below resolution:

Resolution 2022-47 120% FMR

Motion: Commissioner Calvert moved (seconded by Rodolphe) to approve and implement the new voucher payment standard at 120% of fair market rent as advised by HUD. Motion carried – unanimous.

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Exhibit B.3 KHRA Progress Report

This includes a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

1.) Performance Excellence:

KHRA is working toward achieving High Performer Status. Currently the PHA is rated as a Standard Performer (up from the 2021 classification of Substandard).

2.) Employee Organizational Update

The Authority continually employs hiring methods and selection recommendations to be made objectively with absolute impartiality, absent of bias, and in accordance with the principles of equal opportunity.

3.) Safety and Security

The Authority continues to work cooperatively with Kingsport Police Department, Kingsport Fire Department, and Tennessee Highway Patrol to ensure Disaster Preparedness and provide a safe and healthy environment for residents and employees. Additional security measures have been implemented with upgrades to security cameras within the developments. A total of 214 Verkada security cameras were placed across seven of KHRA's sites as well as the administrative building to increase safety measures for residents and staff.

4.) Fair Housing

KHRA has provided Fair Housing and Anti-Harrassment trainings on an annual basis to ensure compliance

5.) Supportive Services

KHRA has sought and marketed positions that include Title 3 hires and VISTA Americorps positions. The supportive services offered through KHRA including FSS, HOPWA, CoC, etc. have grown and now include additional supportive services in the form of the Financial Opportunity Center and the Digital Navigator Services.

6.) Leveraging Additional Funding

KHRA secured various forms of financing beginning in 2018 to complete the RAD conversion of 381 total units with funding from State and Federal Housing Trust Fund programs and 4% tax credits with an allocation for project based vouchers. RAD Closeout is ongoing as efforts to build back the demolished Lee site has yet to commence for lack of securing the necessary 9% tax credits for construction. Additionally, KHRA has secured grant funding from TDMHSAS in the form of the Creating Affordable Housing (CAH) grant and THDA's Creating Homes Initiative-2 (CHI-2) grants to rehab/build additional affordable housing for tenants who are suffering from mental illness and recovering from opioid/opioid derivative addiction. Furthermore, KHRA has been awarded the the National Housing Trust Fund (NHTF) 2022 grant with construction to be completed by 2025. The award will allow the Authority to build 12 one-bedroom units where all units will be set aside for extremely low-income individuals whose income does not exceed 30% of the area median income, to be reserved as housing for the elderly, which means individuals sixty-two (62) years of age or older.

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Exhibit B.5 KHRA Audit Narrative

Schedule of Findings and Questioned Costs For the Year Ended March 31, 2022:

Criteria: Financial Data Schedule (FDS) submission for unaudited financials is due within 2 months after the fiscal year end (24 CFR section 5.801). The most recent KHRA audit yielded a Federal Awards Finding within the Section 8 Housing Choice Voucher Program.

Condition: Management missed deadlines for its unaudited submissions.

Cause: Management was late in submitting its financial information to its fee accountant. This, in part, was caused by software changes that limited its ability to produce timely and reliable financial data.

Corrective Action Plan:

The Housing Authority has already began improvements to maintaining and reconciling the general ledger accounts on a consistent, monthly basis. The fee accountant will assist with reconciliations needed in order to meet the HUD reporting FDS deadlines through the REAC website.

Full Audit is attached as "Exhibit B.5 KHRA Audit"

Exhibit B.5 KHRA Audit



Financial Statements & Independent Auditors' Report

For the Year Ended March 31, 2022



Kingsport Housing and Redevelopment Authority

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For the Year Ended March 31, 2022

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Board of Commissioners Kingsport Housing and Redevelopment Authority Kingsport, TN

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, each major fund, and the aggregate discretely presented component units, and combining schedule of business-type activities of Kingsport Housing and Redevelopment Authority, as of and for the year ended March 31, 2022, and the related notes to financial statements, which collectively comprise Kingsport Housing and Redevelopment Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate discretely presented component units of Kingsport Housing and Redevelopment Authority, as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for Kingsport Housing and Redevelopment Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kingsport Housing and Redevelopment Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Kingsport Housing and Redevelopment Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kingsport Housing and Redevelopment Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness
 of the Kingsport Housing and Redevelopment Authority's internal control. Accordingly, no such opinion is
 expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kingsport Housing and Redevelopment Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion* and *Analysis* on pages i-vii be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kingsport Housing and Redevelopment Authority's basic financial statements. The schedule of expenditures of federal awards, statement and certification of actual costs, combining statement of net position – business activities, combining statement of revenues, expenses, and changes in net position – business activities, combining statement of cash flows – business activities, combining statement of net position – discretely presented component unit, and combining statement of revenues, expenses and changes in net position – discretely presented component unit are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of Kingsport Housing and Redevelopment Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kingsport Housing and Redevelopment Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kingsport Housing and Redevelopment Authority's internal control over financial reporting and compliance.

December 5, 2022

Smith Marine 6

KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY MANAGEMENT DISCUSSION & ANALYSIS FISCAL YEAR ENDED MARCH 31, 2022

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the Fiscal Year Ended March 31, 2022.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Kingsport Housing & Redevelopment Authority has made the transition to the Governmental Accounting Standards Board Statement No. 34 (GASB 34) in prior periods which require this executive narrative. The financial statements for 2022 have been reviewed by key management staff to assess the financial health of the Authority. The reader of this report should also understand that the interfund accounts, which balance between all funds, have been eliminated from the consolidated report and from this analysis. Financial highlights of this past year are as follows:

- During FY 2022, the Authority's grant funding decreased by \$1,087,782 or 8.59% from FY 2021.
- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$22,168,726 (net position) as opposed to \$21,625,985 for the prior fiscal year, an increase of \$542,741 or 2.51%.
- The Authority's cash and investments balance decreased by \$18,182 or 0.57% this year.
- Total revenues decreased by \$678,041 or 4.93%, while total expenses also decreased by \$1,115,590 or 8.29%.

REQUIRED FINANCIAL STATEMENTS:

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations, investing, and financing activities.

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FINANCIAL ANALYSIS OF THE AUTHORITY:

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table I.

Kingsport Housing & Redevelopment Authority Comparative Statement of Net Position Table I

| | _ | 2022 | _ | 2021 | | Total Change | % Change |
|----------------------------------|-----|------------|-----|------------|-----|--------------|----------|
| | | | | | | _ | |
| Current Assets | \$ | 3,380,771 | \$ | 4,030,978 | \$ | (650,207) | -16.13% |
| Capital Assets | | 8,080,367 | | 7,267,364 | | 813,003 | 11.19% |
| Noncurrent Assets | _ | 14,124,512 | | 14,588,336 | | (463,824) | -3.18% |
| Total Assets | \$_ | 25,585,650 | \$ | 25,886,678 | \$ | (301,028) | -1.16% |
| Current Liabilities | \$ | 1,535,562 | \$ | 1,746,343 | \$ | (210,781) | -12.07% |
| Noncurrent Liabilities | _ | 1,881,362 | · - | 2,514,350 | · - | (632,988) | -25.18% |
| Total Liabilities | _ | 3,416,924 | | 4,260,693 | | (843,769) | -19.80% |
| Net investment in capital assets | | 5,151,595 | | 4,759,804 | | 391,791 | 8.23% |
| Restricted | | 15,023,151 | | 15,470,886 | | (447,735) | -2.89% |
| Unrestricted | _ | 1,993,980 | | 1,395,295 | | 598,685 | 42.91% |
| Total Net Position | _ | 22,168,726 | | 21,625,985 | | 542,741 | 2.51% |
| Total Liabilities & Net Position | \$_ | 25,585,650 | \$ | 25,886,678 | \$ | (301,028) | -1.16% |

Total assets decreased by \$301,028 or 1.16%, total liabilities decreased by \$843,769 or 19.80%, and the overall net position increased by \$542,741 or 2.51%.

Current Assets decreased by \$650,207 or 16.13%. The primary decrease was in total receivables of \$636,636 or 86.09% due to decreases in amounts due from HUD, tenants, and other miscellaneous receivables. Cash and investments decreased by \$18,182 or 0.57%. This is illustrated further in the accompanying statement of cash flows. Capital Assets increased by \$813,003 or 11.19%, which was due to increases in land, buildings, and administrative furniture and equipment. Noncurrent assets increased by \$463,824 or 3.18%.

Current Liabilities decreased by \$210,781 or 12.07%. This was due primarily to a decrease in unearned revenue of \$703,061 or 99.24%, which consists primarily of CARES Act funds received in the HCV program the prior year. Noncurrent liabilities decreased by \$632,988 or 25.18% due to decreases in the noncurrent portion of long-term debt of \$670,610.

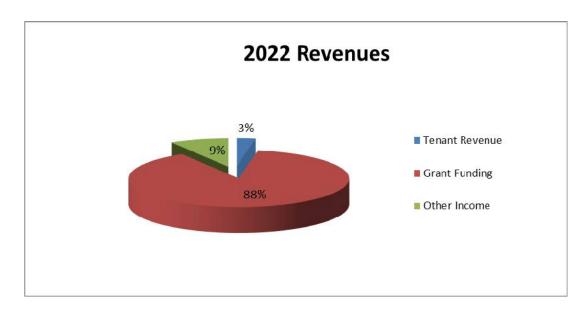
While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position breaks down our revenues and expenses further. Table II, which follows, provides a comparative statement of these changes:

Kingsport Housing & Redevelopment Authority
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Table II

| | _ | 2022 | _ | 2021 | Total Change | % Change |
|-----------------------------|-----|----------------------|-----|------------|------------------|----------|
| | _ | _ | | | | |
| Dwelling Rent, net | \$ | 358,070 \$ | \$ | 316,760 | \$ 41,310 | 13.04% |
| Government Grants | | 11,577,318 | | 12,665,100 | (1,087,782) | -8.59% |
| Interest Income | | 4,052 | | 12,490 | (8,438) | -67.56% |
| Other Income | _ | 1,130,410 | _ | 753,541 | 376,869 | 50.01% |
| | | | | | | |
| Total Revenue | _ | 13,069,850 | _ | 13,747,891 | (678,041) | -4.93% |
| | | | | | | |
| Administrative | | 2,133,286 | | 2,356,448 | (223,162) | -9.47% |
| Tenant Services | | 488,928 | | 654,202 | (165,274) | -25.26% |
| Utilities | | 129,276 | | 121,048 | 8,228 | 6.80% |
| Maintenance | | 495,208 | | 300,663 | 194,545 | 64.71% |
| Interest and Amortization | | 152,455 | | 107,757 | 44,698 | 41.48% |
| General | | 110,693 | | 279,224 | (168,531) | -60.36% |
| Housing Assistance Payments | | 8,645,437 | | 9,479,906 | (834,469) | -8.80% |
| Depreciation | _ | 178,126 | | 149,751 | 28,375 | 18.95% |
| | | | | | | |
| Total Expenses | _ | 12,333,409 | _ | 13,448,999 | (1,115,590) | -8.29% |
| | | | | | | |
| Changes in Net Position | | 736,441 | | 298,892 | 437,549 | 146.39% |
| Operating transfers | | (193,700) | | - | - | 100.00% |
| Equity transfers | | - | | (742,592) | - | 100.00% |
| Beginning Net Position | _ | 21,625,985 | _ | 22,069,685 | (443,700) | -2.01% |
| | | | | | | |
| Ending Net Position | \$_ | 22,168,726 \$ | ÷ _ | 21,625,985 | \$ 542,741 | 2.51% |

REVENUES:

In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 88% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other government sources. The Authority received revenue from tenants for dwelling rental charges and miscellaneous charges comprising 3% of total revenue. Other Revenue including Interest from Investments, Gain/(Loss) on sale of capital assets, management fees and other income comprise the remaining 9%. Compared to the Fiscal Year Ended March 31, 2021, Total Revenues decreased by \$678,041 or 4.93%.

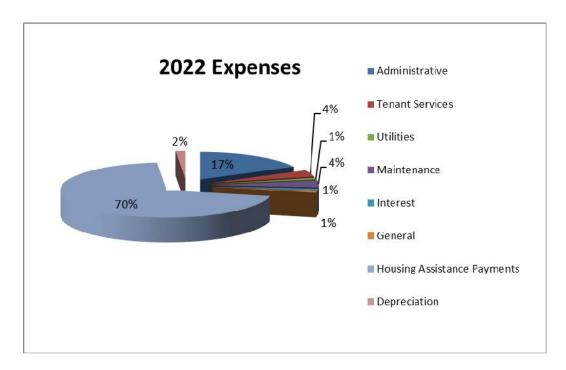


Tenant Revenue – Total tenant revenues, rents and other charges, less bad debt expense, increased by \$41,310 or 13.04%.

Program Grants/Subsidies – The Authority had a decrease of \$1,087,782 or 8.59% in government grants, due to CARES Act funds received and the timing of Capital Fund draws.

Interest and Other Income – Interest income decreased during the year by \$8,438 or 67.56%, while other income increased by \$376,869 or 50.01%. This increase was due to increases in fraud recovery and other income.

EXPENSES:



The Kingsport Housing and Redevelopment Authority experienced a decrease in Total Expenses for the current year of \$1,115,590 or 8.29%. The highlights of the expenses for the current year were as follows:

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2021, administrative costs decreased by \$223,162 or 9.47%.

Tenant Services — Tenant services costs include all costs incurred by the Authority to provide social services to the residents. Tenant services costs decreased by \$165,274 or 25.26% due to decreased CARES fund activity in the prior year.

Utilities – The total utilities expense for the Authority increased by \$8,228 or 6.80%.

Maintenance – Maintenance costs are all costs incurred by the Authority to maintain the Public Housing units available for occupancy, which are owned by the Authority, in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management, casualty losses, extraordinary maintenance, etc. Maintenance expenses increased by \$194,545 or 64.71% due to increased contract costs and materials. These expenses are expected to continue to increase in the coming year while we deal with record high inflation and supply chain issues.

General Expenses — General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, etc.), compensated absences, other general expenses, and PILOT. General expenses decreased by \$168,531 or 60.36% due mainly to a decrease in other bad debt written off in the prior year.

Interest and Amortization Expenses – Financial expenses include interest expense on notes payable and mortgages payable and bond amortization. During FY 2022, financial expense increased by \$44,698 or 41.48% due to additional debt acquired during the year.

Housing Assistance Program Payments – HAP payments consists of rental payments to owners of private property for which the housing authority has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. During the year, the HAP expense decreased by \$834,469 or 8.80% due to decreased utilization.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items are recorded as depreciation. Depreciation expense for the current year increased by \$28,375 or 18.95%.

CAPITAL ASSETS:

A statement of capital asset activity is shown below for 2021 and 2022.

Kingsport Housing & Redevelopment Authority Comparative Statement of Capital Assets Table III

| | _ | 2022 | 2021 | Total Change | % Change |
|---|-----|---------------------|---------------------|--------------------------------------|----------|
| Land | \$ | 5,508,735 \$ | 5,264,483 \$ | 244,252 | 4.64% |
| Buildings | | 4,870,960 | 4,296,686 | 574,274 | 13.37% |
| Equipment | | 355,732 | 189,616 | 166,116 | 87.61% |
| Construction in Progress | | 20,155 | 31,300 | (11,145) | -35.61% |
| Accumulated Depreciation | _ | (2,675,215) | (2,514,721) | (160,494) | 6.38% |
| Total Capital Assets | \$_ | 8,080,367 \$ | 7,267,364 \$ | 813,003 | 11.19% |
| Balance at April 1, 2021 Capital Asset purchases Depreciation expense | | | | \$ 7,267,364 991,129 (178,126) | |
| Balance at March 31, 2022 | | | | \$ 8,080,367 | |

DEBT ADMINISTRATION:

As of March 31, 2022, the Kingsport Housing & Redevelopment Authority had \$2,928,772 of debt outstanding, an increase of \$421,212 or 16.80%. The following is a summary in the changes of total debt obligations for the year ended March 31, 2022:

| Balance at the beginning of the period | \$ 2,507,560 |
|--|-----------------|
| Debt issued | 944,977 |
| Principal payments | (523,765) |
| Balance at March 31, 2022 | \$ 2,928,772 |

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:

The current inflation rate in the United States is the highest it has been in over forty years. This is causing prices to skyrocket and is making it more expensive for the Housing Authority to operate and may make it more difficult for tenants to pay their rent. There is no timeframe on when relief is expected from these historic price increases, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

CONCLUSIONS:

Overall, the Kingsport Housing & Redevelopment Authority is making the transition to the new financial environment. Its management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Kingsport, TN, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may write to the Kingsport Housing & Redevelopment Authority, Terry W. Cunningham, Executive Director, PO Box 44, Kingsport, TN 37662.

Statement of Net Position March 31, 2022

| | Primary Government | Discretely Presented Component Units |
|-----------------------------------|-----------------------|---|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | | |
| Unrestricted | \$ 1,909,518 | \$ 2,477,352 |
| Restricted | 1,075,531 | 2,518,779 |
| Subtotal | 2,985,049 | 4,996,131 |
| Certificates of Deposits | 200,000 | - |
| Accounts receivable, net | 102,891 | 131,376 |
| Prepaid expenses | 92,831 | 3,527 |
| Total Current Assets | 3,380,771 | 5,131,034 |
| Non-Current Assets | | |
| Capital assets, net | 8,080,367 | 45,921,578 |
| Notes receivable | 14,117,440 | - |
| Other assets, net | 7,072 | 254,267 |
| Total Non-Current Assets | 22,204,879 | 46,175,845 |
| TOTAL ASSETS | 25,585,650 | 51,306,879 |
| DEFERRED OUTFLOW OF RESOURCES | | <u> </u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 91,437 | 551,162 |
| Accrued liabilities | 48,845 | 1,062,077 |
| Deposits held in trust | 16,635 | 82,180 |
| Compensated absences, current | 26,460 | - |
| Unearned revenue | 5,356 | 1,405 |
| Debt - current | 1,241,060 | 1,599,540 |
| Other liabilities - current | 105,769 | - |
| Total Current Liabilities | 1,535,562 | 3,296,364 |
| Non-Current Liabilities | | |
| Compensated absences, non-current | 40,465 | - |
| Funds held in trust, non-current | 153,185 | - |
| Long-term debt, non-current | 1,687,712 | 37,557,427 |
| Total Other Liabilities | 1,881,362 | 37,557,427 |
| TOTAL LIABILITIES | 3,416,924 | 40,853,791 |
| DEFERRED INFLOW OF RESOURCES | | |
| NET POSITION | | |
| Net investment in capital assets | 5,151,595 | 6,764,611 |
| Restricted | 15,023,151 | 2,436,599 |
| Unrestricted | 1,993,980 | 1,251,878 |
| TOTAL NET POSITION | \$ 22,168,726 | \$ 10,453,088 |

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended March 31, 2022

| | Primary | Discretely Presented Component Units |
|--|---------------|---|
| Operating Revenues | | |
| Rental revenues, net | \$ 358,070 | \$ 3,691,283 |
| Government grants | 11,557,164 | - |
| Other income | 1,145,454 | 472,186 |
| Total Operating Revenues | 13,060,688 | 4,163,469 |
| Operating Expenses | | |
| Administration | 2,133,286 | 1,131,230 |
| Tenant services | 488,928 | - |
| Utilities | 129,276 | 794,234 |
| Maintenance and operations | 495,208 | 467,259 |
| Insurance expense | 100,675 | 264,177 |
| General expense | 10,018 | 26,680 |
| Housing Assistnce Payment | 8,645,437 | - |
| Depreciation and amortization | 178,126 | 1,724,156 |
| Total Operating Expenses | 12,180,954 | 4,407,736 |
| NET OPERATING INCOME (LOSS) | 879,734 | (244,267) |
| Non-Operating Revenues (Expenses) | | |
| Interest income | 4,052 | 397 |
| Gain (loss) from sale of assets | (15,044) | - |
| Interest expense | (152,455) | (1,149,724) |
| Total Non-Operating Revenues (Expenses) | (163,447) | (1,149,327) |
| INCOME (LOSS) BEFORE CAPITAL | | |
| CONTRIBUTIONS AND TRANSFERS | 716,287 | (1,393,594) |
| Capital Contributions and Transfers | | |
| Capital contributions | 20,154 | - |
| Operating transfers from (to) component unit | (193,700) | - |
| Total Capital Contributions and Transfers | (173,546) | - |
| CHANGE IN NET POSITION | 542,741 | (1,393,594) |
| BEGINNING NET POSITION | 21,625,985 | 11,846,682 |
| ENDING NET POSITION | \$ 22,168,726 | \$ 10,453,088 |

Statement of Cash Flows For the Year Ended March 31, 2022

| CASH FLOWS FROM OPERATING ACTIVITIES | |
|---|-----------------|
| Receipts from tenants and users | \$ 629,954 |
| Receipts from operating grants | 12,806,920 |
| Payments for goods and services | (2,907,234) |
| Payments to landlords (HAP) | (8,645,437) |
| Payments to or on behalf of employees for services | (1,459,299) |
| NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES | 424,904 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Capital asset purchases | (991,132) |
| Principal payments on capital debt | (690,604) |
| Proceeds from new loans | 944,977 |
| Capital contributions | 20,154 |
| Contribution to other entity | (193,700) |
| NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING | |
| ACTIVITIES | (910,305) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from investment activities | 467,219 |
| NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES | 467,219 |
| M2. 6.6.1.26.1.1.00.15.25 (662.27.21.11.125.11.10.11.11.125 | 407,213 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (18,182) |
| BEGINNING CASH AND CASH EQUIVALENTS | 3,003,231 |
| ENDING CASH AND CASH EQUIVALENTS | \$ 2,985,049 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | |
| Operating income (loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) | \$ 879,734 |
| by Operating Activities: | |
| Depreciation | 178,126 |
| Change in Assets and Liabilities | |
| (Increase) decrease in accounts receivable | 636,636 |
| (Increase) decrease in inventory and prepaid | (4,611) |
| Increase (decrease) in accounts payable | (660,648) |
| Increase (decrease) in accrued liabilities | 95,585 |
| Increase (decrease) in deposits held in trust/unearned revenue | (699,918) |
| Total Adjustments | (454,830) |
| Net Cash Provided (Used) by Operating Activities | \$ 424,904 |
| Interest Paid | \$ 63,168 |

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

Note 01 – Summary of Significant Accounting Policies *Introduction*

The financial statements of Kingsport Housing and Redevelopment Authority (the "Authority") have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority has previously implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments. Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Kingsport Housing and Redevelopment Authority is a special-purpose government engaged only in business-type activities and, therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138 and GASB 63. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of:
 - o Statement of Net Position
 - Statement of Revenues, Expenses & Changes in Net Position
 - Statement of Cash Flows
- Notes to Financial Statements
- Required supplemental information other than MD&A

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with the Authority to administer certain HUD funds.

A. Reporting Entity

GASB established criteria for determining the governmental reporting entity. Under provisions of this statement, Kingsport Housing and Redevelopment Authority is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

GASB Statement No. 61 establish criteria for determining which, if any, component units should be considered part of Kingsport Housing and Redevelopment Authority for financial reporting purposes. The basic criteria for including a potential component unit organization within the Authority's reporting entity includes whether:

- The organization is legally separate (can be sued in their own name)
- The Housing Authority holds the corporate powers of the organization
- The Housing Authority appoints a voting majority of the organization's board
- The Housing Authority is able to impose its will on the organization
- The organization has the potential to impose a financial burden/benefit on the Housing Authority
- There is a fiscal dependency by the organization on the Housing Authority

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

Based on the aforementioned criteria and relationship between Kingsport Housing and Redevelopment Authority and the City of Kingsport, the Authority has determined not to be a component unit of the City of Kingsport based on the follow:

Financial Accountability – The Authority is responsible for its debts, does not impose a financial burden on the City of Kingsport and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority – The Authority is governed by a five-member Board appointed by the Mayor and has governance responsibilities over all activities related to all housing activities within the City of Kingsport.

Imposition of Will – The City of Kingsport has no influence over the management, budget, or policies of the Authority. The Authority's Board has the responsibility to significantly influence the Authority's operations.

Based on the aforementioned criteria, and the control and relationship between Kingsport Housing and Redevelopment Authority and the component units, the Authority has determined that the following entities are considered component units of Kingsport Housing and Redevelopment Authority and are required to be blended within the Authority's financial statements:

<u>Greater Kingsport Alliance for Development, Inc. (GKAD)</u> - GKAD is a non-profit corporation chartered under the laws of the State of Tennessee. GKAD was organized for charitable and nonprofit purposes to include such things as acquiring, developing, rehabilitating, construction, and the transfer of property to provide quality housing to low and moderate-income persons. A separate audit report and tax return for March 31, 2022 is available from Kingsport Housing and Redevelopment Authority.

<u>Holston Terrace, Inc.</u> - Holston Terrace, Inc. is a non-profit corporation chartered under the laws of the State of Tennessee. Holston Terrace is a multifamily housing project with direct HUD funding. A separate audit report and tax return for March 31, 2022 is available from Kingsport Housing and Redevelopment Authority.

<u>Fresh Start, Inc.</u> - Fresh Start, Inc is a non-profit corporation chartered under the laws of the State of Tennessee. Tax return for March 31, 2022 is available from Kingsport Housing and Redevelopment Authority.

The following entities are considered component units of Kingsport Housing and Redevelopment Authority and based on the GASB Statement No. 61 established criteria, and the control and relationship between Kingsport Housing and Redevelopment Authority and the component units, the Authority has determined these component units are required to be discretely presented on the Authority's financial statements. The entities all reporting on a different year end then Kingsport Housing and Redevelopment Authority all discretely presented component units are reporting on the year end of December 31, 2021.

<u>Myrtle Street Redevelopment, LLC</u> - Myrtle Street Redevelopment, LLC is a limited liability corporation that qualifies for federal low-income housing tax credits and is organized for the purpose of engaging in the business of low-income housing, and in such other related business as agreed upon by the stakeholders. (Report issued under separate cover. It may be obtained at Kingsport Housing and Redevelopment Authority). The corporation operates a 381-unit facility. Financial information for the year ended December 31, 2021 is discretely presented in this report.

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

<u>Riverview Place, L.P.</u> - Riverview Place, L.P. is a limited partnership established for the purpose of acquiring, mortgaging, owning, developing, constructing, leasing, managing, maintaining, and operating low-income rental housing project (the Project). The Project consist of 38 project-based vouchers that were converted from the Rental Assistance Demonstration to project-based voucher units. (Report issued under separate cover. It may be obtained at Kingsport Housing and Redevelopment Authority). Financial information for the year ended December 31, 2021 is discretely presented in this report.

<u>Myrtle Street Management, LP.</u> - is a limited partnership established for the purpose of managing, maintaining, and operating low-income rental housing projects. No report issued. Financial information for the year ended December 31, 2021 is discretely presented in this report.

The main programs of the Authority are as follows:

Low Rent Public Housing Program - Under the Conventional Public Housing Program, Kingsport Housing and Redevelopment Authority operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides an operating subsidy to enable the Authority to provide the housing at a rent that is based upon 30% of household income.

Public Housing Capital Fund Programs - The primary funding source for the modernization, demolition and redevelopment of public housing is the Capital Fund Programs and Stimulus Grant Fund Programs.

Housing Choice Voucher Program - Designed to aid very low-income families in obtaining decent, safe, and sanitary rental housing. The Authority administers contracts with independent landlords that own property and rent that property to families that have applied for housing assistance through the Authority. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Central Office Cost Center - The Central Office Cost Center (COCC) is a business unit within the Authority that generates revenues from fees income and other business activities. The COCC consist of activities funded through these revenue sources.

Other programs administered by the Authority are designed to give assistance to residents in a manner which encourages independence and upward mobility.

B. Basic Financial Statements/Funds

All activities of Kingsport Housing and Redevelopment Authority are reported in proprietary fund types. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The Generally Accepted Accounting Principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is secured by the Authority's capital assets and by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

In the Statement of Net Position, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.
- b) Restricted net position Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- c) Unrestricted net position All other assets that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted net positions are available for use, generally it is the Authority's policy to use restricted resources first.

C. Accrual Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses me recognized when incurred.

D. Budgetary Data

Enterprise fund service delivery levels are determined by the extent of consumer demand. Because enterprise fund revenues and expenses fluctuate with changing service delivery levels, Generally Accepted Accounting Principles do not require the financial statements to include budgetary comparisons and, accordingly, these comparisons have not been included.

Budgets are prepared for regulatory purposes in accordance with Kingsport Housing and Redevelopment Authority's contract with HUD. The Authority prepares annual budgets for each program. Prior to the beginning of each budget year, the Authority's annual budget is approved by its governing body. Budgetary amendments require approval by the governing body. All budgetary appropriations lapse at the end of each year. Budgets for Capital Fund Programs are approved in the Authority's 5-year and annual plans.

E. Financial Statement Accounts

- 1.) Cash. The Authority defines cash to include Certificates of Deposit, Money Market funds, savings accounts, demand deposits, and other short-term securities with original maturities of three months or less; consequently, the cost, carrying value, and market value are equivalent.
- 2) Certificates of Deposits. The authority has two Certificates of Deposits with Citizens Bank that are greater than three months but not greater than one year, therefore they are measured at cost and are reported as a separate line on the financial statements.
- 3.) Accounts Receivable. Accounts receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against tenant revenues on the Statement of Revenues, Expenses, and Changes in Net Position. The amount of bad debt related to tenant receivables written off for the year ended March 31, 2022, was \$2,389.

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

- 4.) Restricted Cash. Restricted cash consists of cash set aside by HUD for the Housing Choice Voucher Program, cash that are held in trust, reserves, and escrows, as well as other cash that are restricted for specific purposes.
- 5.) Security Deposits. Security deposits consist of amounts held in trust with Kingsport Housing and Redevelopment Authority in order for tenants to secure apartment leases.
- 6.) Compensated Absences. Compensated absences are absences for which employees will be paid i.e., sick leave, vacation, and other approved leaves. The Authority's policy allows employees to accumulate unused sick leave up to 1,040 hours and vacation leave up to 240 hours. Sick leave is not paid upon termination, but only upon illness while employed.
- 7.) Accounts Payable Other Gov't. Due to other governments consists of amounts due local governments for payments in lieu of taxes (PILOT), if any.
- 8.) Unearned Revenue. Unearned revenues consist of rental payments made by tenants in advance of their due date, and rental supplements to be paid to owners of private dwellings during the first month of the next fiscal year.
- 9.) Deferred Inflows/Outflows of Resources. In accordance with GASB, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has no items that meet this criterion.
 - Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has no items that meet this criterion.
- 10.) Capital Assets. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

CategoryUseful Life (YR)Land improvements15-30 YearsBuildings and improvements15-30 YearsFurniture and equipment3-7 Years

- 11.) Long-Term Debt. Long-term liabilities expected to be financed from proprietary funds are accounted for in the proprietary fund. Expenditures related to such debt are also included in the proprietary fund.
- 12.) Revenues. All Kingsport Housing and Redevelopment Authority revenues are accrued. These revenues consist of user charges for rents, utilities, repairs, and other miscellaneous charges. Monies received from customers for security deposits are recorded as a liability upon receipt. Subsidies and grants, which finance current operations, are reported as operating revenues. Subsidies and grants, which finance capital operations, gain/loss on sale of fixed assets, and interest income/expense, are reported as non-operating revenues. Revenues for government-mandated and voluntary exchange transactions, are recorded when all applicable eligibility requirements, including time requirements, are met. Resources received before all eligibility requirements are met me reported as deferred inflows of resources.

Notes to Financial Statements For the Year Ended March 31, 2022

- 13.) Expenditures. Expenditures are recognized when the liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the years purchased.
- 14.) Depreciation. Depreciation expense of \$178,126 has been recognized during the year ended March 31, 2022.
- 15.) Income Taxes. Kingsport Housing and Redevelopment Authority is not subject to federal or state income taxes.
- 16.) Use of Estimates. The preparation of financial statements in conformity with Generally Accepted Accounting Principles as applied to governmental units require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- 17.) Interfund Eliminations. All interfund receivables and payables between program and blended component units have been eliminated in the financial statements. As have any inter-program or company revenues and expenses.
- 18.) Subsequent Events. Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through December 5, 2022, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.
- 19.) Leasing Activities. The Authority is the lessor of dwelling units to eligible residents. The rents under the leases are determined generally by the residents' income as adjusted for eligible deductions regulated by HUD, although the residents may opt for a flat rent. Leases may be cancelled at any time or renewed annually. The Authority may cancel the leases only for a cause. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within dwelling rent revenue.
- 20.) Governance. The following table lists the Board Members and their respective terms as of March 31, 2022:

| Name | Position | Term |
|-----------------|--------------|-------------------|
| Esther Rodolphe | Commissioner | March 31, 2024 |
| Larry Estepp | Board Chair | April 30, 2024 |
| Linda Calvert | Commissioner | February 28, 2025 |
| Tony Jennings | Commissioner | February 28, 2023 |
| Seth Jervis | Vice-Chair | February 28, 2022 |

In addition to the above Commissioners, the Administrator of the Authority is Terry Cunningham, who served as the Board Secretary and Executive Director.

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Notes to Financial Statements For the Year Ended March 31, 2022

Note 02 – Cash, Cash Equivalents, and Investments

As of March 31, 2022, Kingsport Housing and Redevelopment Authority categorized the following breakdown:

| Unrestricted | |
|----------------------------------|--------------|
| Checking and Money Market | \$ 1,909,518 |
| Subtotal | 1,909,518 |
| Restricted | |
| Security deposits - tenants | 16,635 |
| Family Self Sufficiency deposits | 153,185 |
| Housing Assistance Payments | 509,432 |
| Other restricted funds | 396,279 |
| Subtotal | 1,075,531 |
| Total Cash and Cash Equivalents | \$ 2,985,049 |
| | |
| Certificates of Deposits | \$ 200,000 |
| Total Certificates of Deposits | \$ 200,000 |
| | |

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. The State of Tennessee Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

All deposits of the Authority are with financial institutions meeting State and Federal deposit requirements.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rate, the Authority's typically limits its investment portfolio to maturities of 60-days or more. The Authority's policy to limit its exposure to declines in fair value of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of March 31, 2022, the Authority was not exposed to interest rate risk since they have minimal investments.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of March 31, 2022, the Authority was not exposed to credit risk.

Custodial Credit Risk - For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The Authority does have a deposit policy for custodial credit risk, which requires collateral to be held in the Authority's name by its agent or by the bank's trust department. As of March 31, 2022, none of the Authority's bank balance were exposed to custodial credit risk.

Concentration of Credit Risk - The Authority places no limit on the amount that it may invest in Certificates of Deposit. The Authority has no policy regarding credit risk.

Notes to Financial Statements For the Year Ended March 31, 2022

Note 03 - Accounts Receivable

Accounts receivable consisted of the following as of March 31, 2022:

| Tenant receivables | \$ 27,100 |
|---------------------------------|---------------|
| Allowance for doubtful accounts | (2,005) |
| Subtotal | 25,095 |
| HUD receivables | 180 |
| Other receivables | 77,616 |
| Net receivables | \$ 102,891 |

Note 04 - Capital Assets

The following is a summary of changes in the net capital assets during the year ended March 31, 2022:

| | Balance at | | | Balance at |
|--------------------------|--------------|------------|-------------|--------------|
| | 03/31/21 | Additions | Deletions | 03/31/22 |
| Nondepreciable | | | | |
| Land | \$ 5,264,483 | \$ 244,252 | \$ - | \$ 5,508,735 |
| Construction in process | 31,300 | 23,155 | (34,300) | 20,155 |
| Total nondepreciable | 5,295,783 | 267,407 | (34,300) | 5,528,890 |
| | | | | |
| Depreciable | | | | |
| Buildings | 4,296,686 | 627,363 | (53,089) | 4,870,960 |
| Furniture and equipment | 189,616 | 166,116 | | 355,732 |
| Total depreciable | 4,486,302 | 793,479 | (53,089) | 5,226,692 |
| | | | | |
| Accumulated depreciation | (2,514,721) | (178,126) | 17,632 | (2,675,215) |
| | | | | |
| Net depreciable | 1,971,581 | 615,353 | (35,457) | 2,551,477 |
| | | | | |
| Net capital assets | \$ 7,267,364 | \$ 882,760 | \$ (69,757) | \$ 8,080,367 |

Construction in progress is composed of expenditures related to renovation of certain buildings owned by the entity, said renovation to be fully financed by grants from HUD.

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Notes to Financial Statements For the Year Ended March 31, 2022

Note 05 - Related Party Notes Receivable

The notes receivable consists solely of amounts due from the discretely presented component units to the Authority. As of March 31, 2022, notes receivable was composed of the following:

| Related Party Loans to Discretely Presented Component Units | Totals |
|---|------------------|
| On December 28, 2018, the Authority entered into an agreement with Myrtle Street Redevelopment, LLC ("Maker") for the purchase of various apartment developments known as Tiffany Court, Holly Hills, Dogwood Terrace, Charlemont Apartments and Frank L. Cloud Apartments for \$8,400,000. The note receivable has an annual interest rate of 3.31%. The note receivable is payable on an annual basis out of Net Cash Flow of the Maker. All unpaid principal and interest of the note receivable shall be repaid in full upon December 28, 2058. There is no amounts considered to be current. | \$ 10,017,341 |
| On July 15, 2010, the Authority entered into an agreement with Riverview Place, L.P. To lend \$4,100,099 to the L.P. non-interest bearing loan. The repayment of the loan is based on cash flow of the L.P. with the unpaid principal due in 40 years. There is no amounts considered to be current. | 4,100,099 |
| Total related party notes receivable | \$ 14,117,440 |

Note 06 - Other Non-Current Liabilities

As of March 31, 2022, other non-current liabilities consisted of the following:

| | Ba | lance at | | | | | Ва | alance at |
|-------------------------------------|----|----------|----|----------|-----------|-----------|----|-----------|
| | 0 | 3/31/21 | A | dditions | Deletions | | | 3/31/22 |
| Funds held in trust | \$ | 78,006 | \$ | 128,801 | \$ | (53,622) | \$ | 153,185 |
| Compensated absences | | 78,022 | | 92,789 | | (130,346) | | 40,465 |
| Total other non-current liabilities | \$ | 156,028 | \$ | 221,590 | \$ | (183,968) | \$ | 193,650 |

Note 07 - Deferred Compensation Plan

The Authority provides pension benefits for all of its full-time employees through the Kingsport Housing Authority Pension Plan (the Plan). The Plan is a single employer defined contribution plan and is administered by the Authority. The Plan was established April 1, 1970, and is authorized and may be amended by the Authority's Board.

In a defined contribution plan, benefits depend solely on amount contributed to the plan, plus investment earnings. Employees are eligible to participate after six-month exclusionary period. The employee is not required to contribute, and the Authority contributes 11.49% of the employee's base salary each month. The Authority's contributions for each employee (and interested allocated to the employee's account) are vest 50% of the first year and increases 10% annually for each year of participation. An employee is fully vested after 5 years of participation. The Authority's total payroll in fiscal year ended March 31, 2022, was \$1,589,795.48. The Authority's contributions were calculated using the base salary amount of \$1,449,773.00. Contributions to the plan totaled \$163,039.38. All required remittances were made by the Authority during the fiscal year.

Other than the above-mentioned pension plans, the Authority does not participate in other Post-Employment Benefits.

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

Note 08 – Long-Term Debt

Long-term debt consisted of the following:

| | Balance 3/31/22 |
|--|--------------------|
| Note payable for a 4-unit apartment complex located at 101 Tennessee Street in Kingsport, TN was acquired in 2016. The direct borrowing has an interest rate of 4.50% fixed and a maturity date of five years. The loan is collateralized by the building. | \$ 88,887 |
| A direct borrowing with Citizens Bank bears interest at 3.85%, and is due in monthly installments of \$4,642, including principal and interest through January 2024. Secured by real property. | 600,000 |
| A direct borrowing with First Trust Bank bears interest at 4.50% and is due in monthly installments of \$823, including principal and interest and maturity of February 2023. Secured by real property. | 96,642 |
| A direct borrowing with Home Trust Bank bears interest at 5.49% and is due in monthly installments of \$447, including principal and interest and maturity of May 2028. Secured by real property. | 75,885 |
| A direct borrowing with Bank of TN bears interest at 5.50% and is due in monthly installments of \$356, including principal and interest and maturity of May 2028. Secured by real property. | |
| A direct borrowing with First Community Bank bears interest at 6.25%, is due in monthly installments of \$7,994, including principal and interest and maturity of April 2033. Secured by real property. | 764,708 |
| A direct borrowing with First Tennessee Development District bears interest at 0.00% and is forgiven after an Affordability period of ten years. Secured by real property. | 121,294 |
| Line of credit, a direct borrowing, with New Peoples Bank with a maximum amount of \$1,250,000 the loan comes due in full on March 31, 2021. Secured by real property. | 1,073,529 |
| Line of credit, a direct borrowing, with Bank of Tennessee Bank with a maximum amount of \$1,500,000 the loan comes due in full on March 31, 2021. Secured by real property. | 93,302 |
| | \$ 2,928,772 |

Notes to Financial Statements For the Year Ended March 31, 2022

| Beginning balance of financing arrangements March 31, 2021 New debt acquired Principal payments of financing arrangements | \$ 2,507,560 944,977 (523,765) |
|---|--------------------------------------|
| Ending balance of financing arrangements, March 31, 2022 | \$ 2,928,772 |

Maturities are as follows:

| March 31, | Principal | Interest | <u>Total</u> |
|-----------------------|--------------|------------|--------------|
| 2023 | \$ 1,241,060 | \$ 194,893 | \$ 1,556,871 |
| 2024 | 100,275 | 136,759 | 307,127 |
| 2025 | 116,855 | 141,123 | 330,060 |
| 2026 | 238,596 | 129,152 | 433,643 |
| 2027 | 125,216 | 116,674 | 301,335 |
| 2028 - 2032 | 698,510 | 373,826 | 1,261,374 |
| 2033 - 2037 | 389,945 | 73,878 | 500,762 |
| 2038 - 2041 | 18,315 | 302 | 18,768 |
| | 2,928,772 | 1,166,607 | 4,709,940 |
| Less: current portion | (1,241,060) | | |
| Debt - long-term | \$ 1,687,712 | | |

Note 09 - Net Position

The Authority has net position classified in Note 1 (B). The net positions are made up of the following:

| Capital assets, net of depreciation | \$ 8,080,367 |
|--|------------------|
| Debt related to capital assets | (2,928,772) |
| Net Investment in Capital Assets | \$ 5,151,595 |
| | |
| Restricted cash and Certificates of Deposits | \$ 1,075,531 |
| Notes receivable from RAD sale | 14,117,440 |
| Security deposit liability | (16,635) |
| FSS escrow liability | (153,185) |
| Restricted Net Position | \$ 15,023,151 |

Note 10 – Economic Dependency and Concentrations

The Public Housing Program and the Housing Choice Voucher Programs are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants. The Authority receives approximately 90% of revenues from HUD.

Note 11 - Commitments and Contingencies

COVID 19: On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the orders. Management is carefully monitoring the situation and evaluating its options during this time. It is possible that this matter may negatively impact the Authority, however, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

Legal: The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

Kingsport Housing and Redevelopment Authority

Notes to Financial Statements For the Year Ended March 31, 2022

Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of March 31, 2022.

Note 12 - Other Related Party Transactions

During the year Kingsport Housing and Redevelopment Authority earned fees in accordance with operating agreements, for services performed on behalf of its discrete component units. These services included management, administration, bookkeeping, and asset management. The total fees earned by the Authority for the year ended March 31, 2022, amounted to \$268,721.

The Authority also has related party notes receivable discussed in detail in Note 5.

Note 13 – Conduit Debt

The Authority has entered into an agreement with the City of Kingsport, Tennessee ("City") and Sullivan County, Tennessee ("County") to implement a redevelopment plan on their behalf. In connection with the redevelopment plan, the Authority has issued tax increment revenue bonds to facilitate the development of certain real estate properties deemed to be in the best interest of the general public. These bonds are special limited obligations of the Authority, payable solely from the property taxes generated from these developments. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, City, or County, and accordingly have not been reported in the accompanying financial statements.

Note 14 – Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disaster for which the Authority insures itself against loss by participation in a public entity risk pool. The Authority also insures itself against workers compensation claims through participation in a public entity risk pool. There have been no reductions in coverage from the prior year and settlement have not exceeded coverage in the past three years.

The Authority participates in the public entity risk pool managed by the Tennessee Housing Authority Risk Management Trust (THARMT) for its property and liability risk of loss coverage. The Authority, along with other participating entities, is responsible for paying annual premiums to the pool as determined by THARMT. THARMT administers the pooled resources to provide risk of loss protection for each participating municipality by purchasing commercial excess insurance.

The Authority participates in the public entity risk pool managed by the Tennessee Municipal League Risk Management Pool (TML) for its workers compensation risk of loss coverage. The Authority, along with other participating entities, is responsible for paying annual premiums to the pool las determined by TML. TML administers the pooled resources to provide risk of loss protection for each participating municipality by purchasing commercial excess insurance.

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Notes to Financial Statements For the Year Ended March 31, 2022

Note 15 - Condensed Financial Statements

As required by GASB the condensed financial statements with elimination, for additional information see the detail supplementary information schedules.

| Condensed Statement of Net Position | | Housing Authority | _ | tal Blended omponent Units | El | iminations | G | Primary overnment Totals |
|---|-------|----------------------|----|----------------------------------|----|------------|----|--------------------------------|
| Current assets | \$ | 3,687,348 | \$ | 358,935 | \$ | (665,512) | ς | 3,380,771 |
| Capital assets | Ψ | 5,376,915 | Υ | 2,703,452 | Ψ | - | Υ | 8,080,367 |
| Other assets | | 14,117,440 | | 7,072 | | - | | 14,124,512 |
| Total Assets | | 23,181,703 | | 3,069,459 | | (665,512) | | 25,585,650 |
| Deferred outflow of resources | | - | | - | | - | | - |
| Current liabilities | | 1,479,194 | | 721,880 | | (665,512) | | 1,535,562 |
| Noncurrent liabilities | | 271,249 | | 1,610,113 | | - | | 1,881,362 |
| Total Liabilities | | 1,750,443 | | 2,331,993 | | (665,512) | | 3,416,924 |
| Deferred inflow of resources | | - | | - | | - | | |
| Net investment in capital assets | | 4,214,499 | | 937,096 | | - | | 5,151,595 |
| Restricted net position | | 14,892,021 | | 131,130 | | - | | 15,023,151 |
| Unrestricted position | | 2,324,740 | | (327,305) | | (3,455) | | 1,993,980 |
| Net Position | \$ | 21,431,260 | \$ | 740,921 | \$ | (3,455) | \$ | 22,168,726 |
| Condensed Statement of Revenues, Expenses and Change in | n Net | t Position | | | | | | |
| Operating revenues | \$ | 11,734,769 | \$ | 1,768,530 | \$ | (442,611) | \$ | 13,060,688 |
| Depreciation expense | | (47,305) | | (130,821) | | - | | (178,126) |
| Other operating expenses | | (11,312,621) | | (1,132,818) | | 442,611 | | (12,002,828) |
| Operating Income (Loss) | | 374,843 | | 504,891 | | - | | 879,734 |
| Nonoperating revenues | | 3,828 | | (14,820) | | - | | (10,992) |
| Nonoperating expenses | _ | (63,168) | | (89,287) | | - | | (152,455) |
| Nonoperating Revenue (Expense) | | (59,340) | | (104,107) | | - | | (163,447) |
| Income (Loss) Before Transfers and Capital | | | | | | | | |
| Contributions | | 315,503 | | 400,784 | | - | | 716,287 |
| Transfers | | (193,700) | | - | | - | | (193,700) |
| Capital contributions Change in Net Position | _ | 20,154 141,957 | | 400,784 | | - | | 20,154 542,741 |
| Net position, beginning of year | | 21,289,303 | | 336,682 | | - | | 21,625,985 |
| Net position, end of year | \$ | 21,431,260 | \$ | | \$ | - | \$ | 22,168,726 |
| Condensed Statement of Cash Flows | | | | | | | | |
| Net cash flows provided/(used) by operation activities Net cash flows provided/(used) by capital and related | \$ | (248,168) | \$ | 673,072 | \$ | - | \$ | 424,904 |
| financing activities | | (395,647) | | (514,658) | | - | | (910,305) |
| Net cash flows provided/(used) by investing activities | | 466,995 | | 224 | | - | | 467,219 |
| Net increase/(decrease) in cash and cash equivalents | | (176,820) | | 158,638 | | - | | (18,182) |
| Cash, beginning of year | | 2,828,209 | | 175,022 | | - | | 3,003,231 |
| Cash, end of year | \$ | 2,651,389 | \$ | 333,660 | \$ | - | \$ | 2,985,049 |

Schedule of Expenditures of Federal Awards For the Year Ended March 31, 2022

| FEDERAL GRANTOR U.S. Department of HUD | Assistance Listing No. | ID/Contract | Ex | Federal penditures |
|---|--------------------------------------|-------------|----|---|
| Direct Programs Housing Choice Vouchers COVID-19 Housing Choice Vouchers Housing Voucher Cluster Total | 14.871 | | \$ | 8,421,256 706,401 9,127,657 |
| Public and Indian Housing COVID-19 Public and Indian Housing Subtotal | 14.850 | | | 96,990 119,184 216,174 |
| Public Housing Capital Fund PIH Family Self Sufficiency Program Housing Opportunity for Persons with AIDS Continuum of Care Program | 14.872 14.896 14.241 14.267 | | | 53,487 101,600 341,733 497,744 |
| Totals Direct Programs U.S. Department of HUD TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ | 10,338,395 |

NOTE 1: SCOPE OF PRESENTATION

The accompanying schedule presents the expenditures incurred (and related awards received) by the Housing Authority of Kingsport (Authority) that are reimbursable under federal programs of federal agencies providing financial assistance awards. For the purpose of this schedule, only the portion of the program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule. This schedule also only includes the amounts expended by the Authority, none of the amount expended, if any, by the blended or discretely presented component units have been included.

NOTE 2: BASIS OF ACCOUNTING

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 3: 10% DE MINIMIS INDIRECT COST RATE

The Authority has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

Kingsport Housing and Redevelopment Author

Statement and Certification of Actual Costs March 31, 2022

1. The Actual Costs of the Authority was as follows:

| Grant | Funds Approved | | Fu | unds Disbursed | F | unds Expended | Balance Unspent | | |
|----------------|----------------|---------|----|----------------|----|---------------|-----------------|---------|--|
| TN43P007501-20 | \$ | 649,838 | \$ | 535,065 | \$ | 535,065 | \$ | 114,773 | |

- 2. The distribution of costs as shown on the Financial Statement of Costs accompanying the Actual Cost Certificate submitted to HUD for approval, is in agreement with the Authority's records.
- 3. For the above completed grants, all costs have been paid and all related liabilities have been discharged through payment.

Combining Statement of Net Position - Business Activities March 31, 2022

| | | Ble | nded Component | | | |
|--|----------------------|------------------------|-------------------|------------------|----------------|-----------------|
| | | • | • | _ | Primary | |
| | Housing | | | | | Government |
| ASSETS | Authority | Holston Terrace | GKAD | Fresh Start, Inc | Eliminations | Total |
| Current Assets | | | | | | |
| Cash and cash equivalents | | | | | | |
| Unrestricted | \$ 1,723,623 | \$ 51,944 | \$ 78,952 | \$ 54,999 | \$ - | \$ 1,909,518 |
| Restricted | 927,766 | 127,524 | 20,241 | | | 1,075,531 |
| Subtotal | 2,651,389 | 179,468 | 99,193 | 54,999 | - | 2,985,049 |
| Certificates of Deposits | 200,000 | - | - | - | - | 200,000 |
| Accounts receivable, net | 77,616 | 18,349 | 6,926 | - | - | 102,891 |
| Prepaid expenses | 92,831 | - | - | - | - | 92,831 |
| Interfund due from | 665,512 | | | | (665,512) | - |
| Total Current Assets | 3,687,348 | 197,817 | 106,119 | 54,999 | (665,512) | 3,380,771 |
| Non-Current Assets | | | | | | |
| Capital assets, net | 5,376,915 | 383,601 | 2,319,851 | - | - | 8,080,367 |
| Notes receivable | 14,117,440 | · - | - | - | - | 14,117,440 |
| Other assets, net | · · · · · | 7,072 | - | - | - | 7,072 |
| Total Non-Current Assets | 19,494,355 | 390,673 | 2,319,851 | - | - | 22,204,879 |
| TOTAL ASSETS | 23,181,703 | 588,490 | 2,425,970 | 54,999 | (665,512) | 25,585,650 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | - |
| LIABILITIES | | | | | | |
| LIABILITIES | | | | | | |
| Current Liabilities | 04 024 | | 11.6 | | | 04.427 |
| Accounts payable | 91,021 | - 2.402 | 416 | - | - | 91,437 |
| Accrued liabilities | 32,042 | 3,483 | 13,320 | - | - | 48,845 |
| Deposits held in trust | | 10,501 | 6,134 | - | - | 16,635 |
| Compensated absences, current Unearned revenue | 25,644 | 408 | 408 4,006 | - | - | 26,460 5,356 |
| Debt - current | 1 001 553 | 1,350 | , | - | - | |
| Other liabilities - current | 1,081,553 | 49,359 | 110,148 | - | - | 1,241,060 |
| Interfund due to | 85,627 163,307 | - 181,949 | 20,142 261,802 | - 58,454 | - (665 513) | 105,769 |
| Total Current Liabilities | 163,307 1,479,194 | 247,050 | 416,376 | 58.454 | (665,512) | 1,535,562 |
| Total current Liabilities | 1,479,194 | 247,050 | 410,376 | 58,454 | (665,512) | 1,535,502 |
| Non-Current Liabilities | | | | | | |
| Compensated absences, non-current | 37,201 | 1,632 | 1,632 | - | - | 40,465 |
| Funds held in trust, non-current | 153,185 | - | - | - | - | 153,185 |
| Long-term debt, non-current | 80,863 | 715,349 | 891,500 | | | 1,687,712 |
| Total Non-Current Liabilities | 271,249 | 716,981 | 893,132 | | | 1,881,362 |
| TOTAL LIABILITIES | 1,750,443 | 964,031 | 1,309,508 | 58,454 | (665,512) | 3,416,924 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | - |
| Net Position | | | | | | |
| Net investment in capital assets | 4,214,499 | (381,107) | 1,318,203 | - | - | 5,151,595 |
| Restricted | 14,892,021 | 117,023 | 14,107 | - | - | 15,023,151 |
| Unrestricted | 2,324,740 | (111,457) | (215,848) | (3,455) | | 1,993,980 |
| TOTAL NET POSITION | \$ 21,431,260 | \$ (375,541) | \$ 1,116,462 | \$ (3,455) | \$ - | \$ 22,168,726 |

Kingsport Housing and Redevelopment Auth

Combining Statement of Revenues, Expenses,

& Changes in Net Position - Business Activities

For the Year Ended March 31, 2022

| | | Ble | nded Component | | | |
|--|---------------|-----------------|----------------|------------------|--------------|---------------|
| | | | | | _ | Primary |
| | Housing | | | | | Government |
| | Authority | Holston Terrace | GKAD | Fresh Start, Inc | Eliminations | Total |
| Operating Revenues | | | | | | |
| Rental revenues, net | \$ 12,233 | \$ 150,885 | \$ 194,952 | \$ - | \$ - | \$ 358,070 |
| Government grants | 10,318,241 | 159,713 | 1,079,210 | - | - | 11,557,164 |
| Other income | 1,404,295 | 4,511 | 179,259 | | (442,611) | 1,145,454 |
| Total Operating Revenues | 11,734,769 | 315,109 | 1,453,421 | | (442,611) | 13,060,688 |
| Operating Expenses | | | | | | |
| Administration | 2,357,703 | 78,655 | 139,539 | - | (442,611) | 2,133,286 |
| Tenant services | 2,752 | - | 486,176 | - | - | 488,928 |
| Utilities | 30,369 | 65,524 | 33,383 | - | - | 129,276 |
| Maintenance and operations | 180,310 | 48,035 | 266,742 | 121 | - | 495,208 |
| Insurance expense | 96,050 | 2,956 | 1,669 | - | - | 100,675 |
| General expense | - | 2,846 | 7,172 | - | - | 10,018 |
| Housing Assistance Payment | 8,645,437 | - | - | - | - | 8,645,437 |
| Depreciation and amortization | 47,305 | 48,137 | 82,684 | - | - | 178,126 |
| Total Operating Expenses | 11,359,926 | 246,153 | 1,017,365 | 121 | (442,611) | 12,180,954 |
| OPERATING INCOME (LOSS) | 374,843 | 68,956 | 436,056 | (121) | | 879,734 |
| Non-Operating Revenues (Expenses) | | | | | | |
| Interest income | 3,828 | 208 | 16 | - | - | 4,052 |
| Gain (loss) from sale of assets | - | - | (15,044) | - | - | (15,044) |
| Interest expense | (63,168) | (48,787) | (40,500) | - | - | (152,455) |
| Total Non-Operating Revenues (Expenses) | (59,340) | (48,579) | (55,528) | - | - | (163,447) |
| INCOME (LOSS) BEFORE CAPITAL | | | | | | |
| CONTRIBUTIONS AND TRANSFERS | 315,503 | 20,377 | 380,528 | (121) | | 716,287 |
| Capital Contributions and Transfers | | | | | | |
| Capital contributions | 20,154 | - | - | - | - | 20,154 |
| Operating transfers from (to) component unit | (193,700) | - | - | - | - | (193,700) |
| Total Capital Contributions and Transfers | (173,546) | - | _ | | | (173,546) |
| CHANGE IN NET POSITION | 141,957 | 20,377 | 380,528 | (121) | - | 542,741 |
| BEGINNING NET POSITION | 21,289,303 | (395,918) | 735,934 | (3,334) | _ | 21,625,985 |
| ENDING NET POSITION | \$ 21,431,260 | \$ (375,541) | \$ 1,116,462 | \$ (3,455) | \$ - | \$ 22,168,726 |

Kingsport Housing and Redevelopment Autho

Combining Statement of Cash Flows - Business Activities

For the Year Ended March 31, 2022

| | Blended Component Units | | | | | | | | | | | |
|--|-------------------------|-----|----------|--------------------|----|-------------------|-----|---------------|------|-------------|----|-------------|
| | | | | | | | | | | | | Primary |
| | Housing | | | _ | | | _ | | | | Go | vernment |
| CASU EL CIAC ED CAA ODED ATIALO A CTILUTUS | Authority | | Holst | on Terrace | | GKAD | Fre | sh Start, Inc | Elii | minations | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | ć 24 <i>6</i> | 00 | | 454 420 | | 442.627 | | | | | | 620.054 |
| Receipts from tenants and users | \$ 34,8 | | \$ | 151,429 | \$ | 443,627 | \$ | - | \$ | - | \$ | 629,954 |
| Receipts from operating grants | 11,567,9 | | | 159,713 | | 1,079,210 | | - | | - | | 12,806,920 |
| Payments to suppliers | (1,808,1 | | | (85,151) | | (1,013,904) | | - | | - | | (2,907,234) |
| Payments to landlords (HAP) | (8,645,4 | | | - | | - | | - | | - | | (8,645,437) |
| Payments to or on behalf of employees for services | (1,397,4 | 47) | | (45,704) | | (16,148) | | - | | | | (1,459,299) |
| NET CASH FLOW PROVIDED (USED) BY OPERATING | | | | | | | | | | | | |
| ACTIVITIES | (248,1 | 68) | | 180,287 | | 492,785 | | - | | | | 424,904 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING | | | | | | | | | | | | |
| ACTIVITIES | | | | | | | | | | | | |
| Capital asset purchases | (403,7 | 49) | | (14,564) | | (572,819) | | - | | - | | (991,132) |
| Principal payments on capital debt | (70,0 | 27) | | (95,925) | | (524,652) | | - | | - | | (690,604) |
| Proceeds from new loans | 251,6 | | | - | | 693,302 | | - | | - | | 944,977 |
| Capital contributions | 20,1 | 54 | | - | | ´- | | - | | - | | 20,154 |
| Contribution to other entity | (193,7 | | | - | | - | | - | | - | | (193,700) |
| NET CASH FLOW PROVIDED (USED) BY CAPITAL AND | | | | | | | | | | | | |
| RELATED FINANCING ACTIVITIES | (205.0 | 47\ | | (110,489) | | (404,169) | | | | | | (010 205) |
| RELATED FINANCING ACTIVITIES | (395,6 | 4/) | | (110,469) | | (404,169) | | | | | | (910,305) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Proceeds from investment activities | 466,9 | 95 | | 208 | | 16 | | - | | - | | 467,219 |
| NET CASH FLOW PROVIDED (USED) BY INVESTING | | | | | | | | | | | | |
| ACTIVITIES | 466,9 | 95 | | 208 | | 16 | | _ | | _ | | 467,219 |
| | | | | | | | | | | | | , |
| NET INCREASE (DECREASE) IN CASH | (176,8 | , | | 70,006 | | 88,632 | | - | | - | | (18,182) |
| BEGINNING CASH | 2,828,2 | _ | <u> </u> | 109,462 | _ | 10,561 | _ | 54,999 | _ | | ć | 3,003,231 |
| ENDING CASH | \$ 2,651,3 | 89 | \$ | 179,468 | \$ | 99,193 | \$ | 54,999 | \$ | | \$ | 2,985,049 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO | | | | | | | | | | | | |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | | | | | | | |
| Operating income (loss) | \$ 374,8 | 12 | Ś | 68,956 | Ś | 436,056 | Ś | (121) | Ś | | Ś | 879,734 |
| Non-Cash Adjustments: | \$ 374,0 | 43 | ٦ | 00,930 | Ą | 430,030 | Ą | (121) | ٦ | | Ą | 6/3,/34 |
| Depreciation | 47,3 | ΛE | | 48,137 | | 82,684 | | | | | | 178,126 |
| Change in Asset and Liabilities | 47,3 | 03 | | 40,137 | | 62,064 | | - | | - | | 176,120 |
| Accounts receivable | 574,3 | 10 | | (4,829) | | 67,146 | | | | | | 636,636 |
| Inventory and prepaid expenses | (6,0 | | | (4,829) 978 | | 500 | | - | | - | | (4,611) |
| Accounts payable | (645,4 | , | | 61,376 | | (76,653) | | 121 | | - | | (660,648) |
| Accrued liabilities | 113,1 | , | | 3,241 | | (20,795) | | 121 | | - | | 95,585 |
| Tenant security deposits/unearned revenue | (706,1 | | | 3,241 2,428 | | (20,795) 3,847 | | - | | - | | (699,918) |
| Total Adjustments | (623,0 | | | | | 56,729 | | - 121 | | - | | (454,830) |
| Net Cash Provided (Used) by Operating Activities | \$ (248,1 | _ | \$ | 111,331 180,287 | \$ | 492,785 | \$ | - 121 | \$ | | \$ | 424,904 |
| iver cash Frovided (Osed) by Operating Activities | , (۷40) د | uoj | ې | 100,207 | ې | 472,703 | ې | | Ą | | ې | 424,304 |

Kingsport Housing and Redevelopment Authori

Combining Statement of Net Position - Discretely Presented Component Unit March 31, 2022

| Current Assets | ASSETS | Riverview Place, LP | | Myrtle St Management LLC | Myrtle St Redevelopment LLC | DPCU Total |
|---|---------------------------------------|------------------------|-----------|-----------------------------|-----------------------------------|----------------|
| Ministricted | | | | | | |
| Restricted 195,378 | Cash and cash equivalents | | | | | |
| Subtolat | Unrestricted | \$ | 31,541 | \$ 463 | \$ 2,445,348 | \$ 2,477,352 |
| Certificates of Deposits | Restricted | | | | | 2,518,779 |
| Accounts receivable, net 12,507 - 118,869 131,376 Prepaid expenses 3,527 - - 3,527 Interfund due from - - - - - 5,131,034 Non-Current Assets Capital assets, net 5,946,467 - 39,975,111 45,921,578 Notes receivable - < | | | 226,919 | 463 | 4,768,749 | 4,996,131 |
| Prepaid expenses Interfund due from 3,527 100 | | | - | - | - | - |
| Total Current Assets 242,953 463 4,887,618 5,131,034 Non-Current Assets 242,953 463 4,887,618 5,131,034 Non-Current Assets 5,946,467 - 39,975,111 45,921,578 Notes receivable | | | , | - | 118,869 | |
| Total Current Assets 242,953 463 4,887,618 5,131,034 Non-Current Assets 5,946,467 - 39,975,111 45,921,578 Notes receivable - </td <td>· · ·</td> <td></td> <td>3,527</td> <td>-</td> <td>-</td> <td>3,527</td> | · · · | | 3,527 | - | - | 3,527 |
| Non-Current Assets Capital assets, net S,946,467 - 39,975,111 45,921,578 Notes receivable - 294,665 254,267 Total Non-Current Assets 6,40,398 - 294,665 254,267 Total Non-Current Assets 5,906,069 - 40,269,776 46,175,845 TOTAL ASSETS 6,149,022 463 45,157,394 51,306,879 TOTAL ASSETS C,149,022 463 45,157,394 51,306,879 TOTAL ASSETS C,149,022 463 45,157,394 51,306,879 TOTAL Liabilities C,149,022 C,149 C,149 | | | 242.052 | 462 | 4 997 619 | - F 121 024 |
| Capital assets, net | Total Current Assets | | 242,955 | 403 | 4,007,010 | 5,151,054 |
| Notes receivable | Non-Current Assets | | | | | |
| Other assets, net (40,398) - 294,665 254,267 Total Non-Current Assets 5,906,069 - 40,269,776 46,178,845 TOTAL ASSETS 6,149,022 463 45,157,394 51,306,879 LIABILITIES Current Liabilities Accounts payable 128,910 2,793 419,459 551,162 Accrued liabilities 7,924 - 1,054,153 1,062,077 Deposits held in trust 6,780 - 75,400 82,180 Compensated absences, current - - - - Unearned revenue 1,200 - 205 1,405 Debt - current - - - - Other liabilities - current - - - - Total Current Liabilities 144,814 2,793 3,148,757 3,296,364 Non-Current Liabilities Compensated absences, non-current - - - - Funds held in trust, non-current <t< td=""><td>Capital assets, net</td><td></td><td>5,946,467</td><td>-</td><td>39,975,111</td><td>45,921,578</td></t<> | Capital assets, net | | 5,946,467 | - | 39,975,111 | 45,921,578 |
| Total Non-Current Assets 5,906,069 - 40,269,776 46,175,845 TOTAL ASSETS 6,149,022 463 45,157,394 51,306,879 DEFERRED OUTFLOWS OF RESOURCES - - - - Current Liabilities - - - - Accounts payable 128,910 2,793 419,459 551,162 Accounts payable 7,924 - 1,054,153 1,062,077 Deposits held in trust 6,780 - 75,400 82,180 Compensated absences, current - <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> | | | - | - | - | - |
| TOTAL ASSETS 6,149,022 463 45,157,394 51,306,879 DEFERRED OUTFLOWS OF RESOURCES - <t< td=""><td>· · · · · · · · · · · · · · · · · · ·</td><td></td><td></td><td></td><td></td><td></td></t<> | · · · · · · · · · · · · · · · · · · · | | | | | |
| DEFERRED OUTFLOWS OF RESOURCES | Total Non-Current Assets | | 5,906,069 | | 40,269,776 | 46,175,845 |
| Current Liabilities | TOTAL ASSETS | | 6,149,022 | 463 | 45,157,394 | 51,306,879 |
| Current Liabilities 128,910 2,793 419,459 551,162 Accounts payable 128,910 2,793 419,459 551,162 Accound liabilities 7,924 - 1,054,153 1,062,077 Deposits held in trust 6,780 - 75,400 82,002 Compensated absences, current - - - - - Unearned revenue 1,200 - 205 1,405 Debt - current - - 1,599,540 1,599,540 Other liabilities - current - - - - - Other liabilities - current - | DEFERRED OUTFLOWS OF RESOURCES | | - | | | - |
| Accounts payable 128,910 2,793 419,459 551,162 Accrued liabilities 7,924 - 1,054,153 1,062,077 Deposits held in trust 6,780 - 75,400 82,180 Compensated absences, current - - - - Compensated absences, current - - 205 1,405 Debt - current - - 1,599,540 1,599,540 Other liabilities - current - - - - - Other liabilities - current liabilities - - - - - - Total Current Liabilities 144,814 2,793 3,148,757 3,296,364 Non-Current Liabilities Compensated absences, non-current - - - - - Long-term debt, non-current - - - - - - Total Non-Current Liabilities 4,100,098 - 33,457,329 37,557,427 TOTAL LIABILITIES 4,244,9 | LIABILITIES | | | | | |
| Accrued liabilities 7,924 - 1,054,153 1,062,077 Deposits held in trust 6,780 - 75,400 82,180 Compensated absences, current - - - - - Unearned revenue 1,200 - 205 1,405 Debt - current - - 1,599,540 1,599,540 Other liabilities - current - - - - Other liabilities - current liabilities - - - - - Non-Current Liabilities - | Current Liabilities | | | | | |
| Deposits held in trust 6,780 - 75,400 82,180 Compensated absences, current - </td <td>Accounts payable</td> <td></td> <td>128,910</td> <td>2,793</td> <td>419,459</td> <td>551,162</td> | Accounts payable | | 128,910 | 2,793 | 419,459 | 551,162 |
| Compensated absences, current - | Accrued liabilities | | , | - | 1,054,153 | 1,062,077 |
| Unearned revenue 1,200 - 205 1,405 Debt - current - - 1,599,540 1,599,540 Other liabilities - current - - - - Interfund due to - - - - Total Current Liabilities 144,814 2,793 3,148,757 3,296,364 Non-Current Liabilities - - - - - Compensated absences, non-current - | • | | 6,780 | - | • | 82,180 |
| Debt - current - - 1,599,540 1,599,540 Other liabilities - current - - - - Interfund due to - - - - Total Current Liabilities 144,814 2,793 3,148,757 3,296,364 Non-Current Liabilities - - - - - Compensated absences, non-current - - - - - - Funds held in trust, non-current - | · · · · · · · · · · · · · · · · · · · | | - | - | | - |
| Other liabilities - current -< | | | 1,200 | - | | * |
| Interfund due to | | | - | - | | 1,599,540 |
| Total Current Liabilities 144,814 2,793 3,148,757 3,296,364 Non-Current Liabilities Compensated absences, non-current Compensated absences, non-current - | | | | - | | |
| Non-Current Liabilities Compensated absences, non-current - | | - | 144.814 | 2.793 | | 3.296.364 |
| Compensated absences, non-current - | | | | | | 3,233,53 |
| Funds held in trust, non-current - < | | | | | | |
| Long-term debt, non-current 4,100,098 - 33,457,329 37,557,427 Total Non-Current Liabilities 4,100,098 - 33,457,329 37,557,427 TOTAL LIABILITIES 4,244,912 2,793 36,606,086 40,853,791 DEFERRED INFLOWS OF RESOURCES - - - - Net Position Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | | | | - | - | |
| Total Non-Current Liabilities 4,100,098 - 33,457,329 37,557,427 TOTAL LIABILITIES 4,244,912 2,793 36,606,086 40,853,791 DEFERRED INFLOWS OF RESOURCES - - - - - Net Position Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | · · · · · · · · · · · · · · · · · · · | | 4.100.098 | _ | 33,457,329 | 37.557.427 |
| DEFERRED INFLOWS OF RESOURCES - - - - Net Position Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | • | | | | | |
| Net Position Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | TOTAL LIABILITIES | | | 2,793 | | |
| Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | DEFERRED INFLOWS OF RESOURCES | | - | - | - | - |
| Net investment in capital assets 1,846,369 - 4,918,242 6,764,611 | | | - | | | |
| | | | 1 9/6 360 | | 1 018 212 | 6 764 611 |
| | · | | | - | | |
| Unrestricted (130,857) (2,330) 1,385,065 1,251,878 | | | | (2,330) | | |
| TOTAL NET POSITION \$ 1,904,110 \$ (2,330) \$ 8,551,308 \$ 10,453,088 | | \$ | | | | |

Kingsport Housing and Redevelopment Authority
Combining Statement of Revenues, Expenses,
& Changes in Net Position - Discretely Present
For the Year Ended March 31, 2022

| | Riverview Place, LP | | Myrtle St Management LLC | Re | Myrtle St Redevelopment LLC | | DPCU Total | |
|---|------------------------|-------------|--------------------------------|----------|-----------------------------------|----|--------------|--|
| Operating Revenues | | | | | | | | |
| Rental revenues, net | \$ | 263,752 | \$ - | \$ | 3,427,531 | \$ | 3,691,283 | |
| Government grants | · | , <u>-</u> | · - | · | - | · | · · · · · | |
| Other income | | 2,448 | 24 | | 469,714 | | 472,186 | |
| Total Operating Revenues | | 266,200 | 24 | | 3,897,245 | | 4,163,469 | |
| Operating Expenses | | | | | | | | |
| Administration | | 90,285 | 327 | | 1,040,618 | | 1,131,230 | |
| Tenant services | | - | - | | - | | - | |
| Utilities | | 110,527 | - | | 683,707 | | 794,234 | |
| Maintenance and operations | | 57,858 | - | | 409,401 | | 467,259 | |
| Insurance expense | | 11,758 | - | | 252,419 | | 264,177 | |
| General expense | | 7,630 | - | | 19,050 | | 26,680 | |
| Housing Assistance Payment | | - | - | | - | | - | |
| Depreciation and amortization | | 228,826 | | _ | 1,495,330 | | 1,724,156 | |
| Total Operating Expenses | | 506,884 | 327 | | 3,900,525 | | 4,407,736 | |
| OPERATING INCOME (LOSS) | | (240,684) | (303 | <u> </u> | (3,280) | | (244,267) | |
| Non-Operating Revenues (Expenses) | | | | | | | | |
| Interest income | | 144 | 6 | | 247 | | 397 | |
| Gain (loss) from sale of assets | | - | - | | - | | - | |
| Interest expense | | - | | _ | (1,149,724) | | (1,149,724) | |
| Total Non-Operating Revenues (Expenses) | | 144 | 6 | | (1,149,477) | | (1,149,327) | |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | | (240,540) | (297 | , | (1,152,757) | | (1,393,594) | |
| | | (2 :0)3 :0) | (23) | <u> </u> | (1)132),31) | | (2)000)00 .) | |
| Capital Contributions and Transfers Capital contributions | | - | - | | - | | _ | |
| Operating transfers from (to) component unit | | - | - | | - | | - | |
| Total Capital Contributions and Transfers | | - | - | | - | | - | |
| CHANGE IN NET POSITION | | (240,540) | (297 |) | (1,152,757) | | (1,393,594) | |
| BEGINNING NET POSITION | | 2,144,650 | (2,033 | | 9,704,065 | | 11,846,682 | |
| ENDING NET POSITION | \$ | 1,904,110 | \$ (2,330 | \$ | 8,551,308 | \$ | 10,453,088 | |



Smith Marion & Co. · Certified Public Accountants

Franklin Office • 4068 Rural Plains Circle, Suite 180 • Franklin, TN 37064 • (615) 309-8959

Board of Commissioners Kingsport Housing and Redevelopment Authority Kingsport, TN

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of the Kingsport Housing and Redevelopment Authority (the Authority) as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2022. Our report includes a reference to other auditors who audited the financial statement of the discretely presented component units, as described in our report on Kingsport Housing and Redevelopment Authority's financial statements. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kingsport Housing and Redevelopment Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exit that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kingsport Housing and Redevelopment Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 5, 2022

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Franklin Office • 4068 Rural Plains Circle, Suite 180 • Franklin, TN 37064 • (615) 309-8959

Board of Supervisors Kingsport Housing and Redevelopment Authority Kingsport, TN

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited Kingsport Housing and Redevelopment Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Kingsport Housing and Redevelopment Authority's major federal programs for the year ended March 31, 2022. Kingsport Housing and Redevelopment Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kingsport Housing and Redevelopment Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kingsport Housing and Redevelopment Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kingsport Housing and Redevelopment Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kingsport Housing and Redevelopment Authority's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kingsport Housing and Redevelopment Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kingsport Housing and Redevelopment Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and
 perform audit procedures responsive to those risks. Such procedures include examining, on a test basis,
 evidence regarding Kingsport Housing and Redevelopment Authority's compliance with the compliance
 requirements referred to above and performing such other procedures as we considered necessary in the
 circumstances.
- Obtain an understanding of Kingsport Housing and Redevelopment Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kingsport Housing and Redevelopment Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be significant deficiencies.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith Marine 6
December 5, 2022

Kingsport Housing and Redevelopment Author

Schedule of Findings and Questioned Costs For the Year Ended March 31, 2022

Yes

Section I

Summary of Auditors' Results

| | · | |
|--|--|---------------|
| Financial Statements | 5 | |
| Type of auditors' rep | ort issued | Unmodified |
| Internal controls ove | r financial reporting: | |
| Material weak | ness(es) identified | No |
| Significant def | iciency(ies) identified | None Reported |
| Noncompliance mate | erial to financial statements noted | No |
| Federal Awards | | |
| Internal control over | major federal programs | |
| Material weakness(es) identified | | No |
| Significant deficiency(ies) identified | | Yes |
| Type of auditors' rep | ort issued on compliance for major federal programs | Unmodified |
| Any audit findings dis | sclosed that are required to be reported in accordance with 2 CFR 200.516(a) | No |
| Identification of majo | or federal programs: | |
| CFDA Number(s) | Name of Federal Program or Cluster | |
| 14.871 | Section 8 Housing Choice Vouchers | |
| | | |
| Dollar threshold used | t to distinguish between type A and type B programs: | \$ 750,000 |
| | | |

Section II

Auditee qualified as a low-risk auditee

Financial Statement Findings

No findings

Kingsport Housing and Redevelopment Author

Schedule of Findings and Questioned Costs For the Year Ended March 31, 2022

Section III

Federal Awards Findings

US Department of Housing and Urban Development

Direct Award Significant Deficiency

Program Name Section 8 Housing Choice Vouchers

CFDA Number **14.871**

2022-001 Reporting

Criteria Financial Data Schedule (FDS) submission for unaudited financials are due within 2 months after

the fiscal year end (24 CFR section 5.801).

Condition Management missed deadlines for its unaudited submissions.

Context Upon review of the unaudited FDS submission, we noted that the date of the submission was

passed the due date.

Cause Management was late in submitting its financial information to its fee accountant. This in part was

caused by software changes that limited its ability to produce timely and reliable financial data.

Effect The Authority is not in compliance with HUD reporting requirements.

Recommendations The Authority needs to improve its internal controls over financial reporting by submitting its

financial data on a timely basis.

Management Views We agree with this finding and have outlined our plan of action in our corrective action plan.

Kingsport Housing and Redevelopment Author

Summary Schedule of Prior Year Findings For the Year Ended March 31, 2022

Financial Statement Findings

| Prior Year Findings Number | Findings Title | Status/Current Year Finding Number |
|-------------------------------|---------------------------------------|---------------------------------------|
| Number | rinuings ruc | Finding Number |
| N/A | There were no prior findings reported | N/A |

Federal Award Findings and Questioned Costs

| Prior Year Findings | | Status/Current Year |
|---------------------|---|---------------------|
| Number | Findings Title | Finding Number |
| | | |
| 2021-001 | Housing Quality Standards Inspections & HQS Enforcement | Resolved |

CORRECTIVE ACTION PLAN

Finding 2022-001 - Financial Data Schedule (FDS) Reporting - Significant Deficiency - CFDA #14.871

Corrective Action Plan:

The Housing Authority has already began improvements to maintaining and reconciling the general ledger accounts on a consistent monthly basis. The fee accountant will assist with reconciliations needed in order to meet the HUD reporting FDS deadlines through the REAC website.

Person Responsible:

Bytha Kilgore, Director of Finance (423) 378-2936

Anticipated Completion Date:

June 15, 2023

kingsporthousing.org ★ Telephone (423) 245-0135 ★ Fax (423) 392-2530 ★ TTY/TDD (423) 246-2273 (Contact Concern)



Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan

(All PHAs)

U. S Department of Housing and Urban Development

Office of Public and Indian Housing

Item XI3.

OMB No. 2577-0226 **Expires 3/31/2024**

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan

| I, | Patrick W. Shull | , the | Mayor of Kingsport |
|--------------------------------|---|-------------------------------------|--|
| | Official's Name | | Official's Title |
| | | | 21-2025 and/or Annual PHA Plan for fisca ment Authority is consistent with the |
| | lated Plan or State Consolidate Choice or Assessment of Fair | _ | the Analysis of Impediments (AI) to Fair as applicable to the |
| | | City of Kingspo | o <u>rt</u> |
| | | Local Jurisdiction N | |
| pursuant | to 24 CFR Part 91 and 24 CFF | R §§ 903.7(o)(3) | and 903.15. |
| | a description of how the PHA Insolidated Plan. | Plan's contents a | re consistent with the Consolidated Plan or |
| housing, opportun KHRA's | the development of suitable livities, and the improvement of t | ving environmen he effectiveness | vide for the development of decent ts, the expansion of economic of programs. This is consistent with unities and help Tennesseans build |
| | that all the information stated herein, as well as any claims and statements. Conviction may result in crin | | accompaniment herewith, is true and accurate. Warning: HUD will (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802) |
| Name of Autho | orized Official: | Title: | |
| Patrick W. Shu | all | Mayor | of Kingsport |
| Signature: | | Date: | |

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure consistency with the consolidated plan or state consolidated plan.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

U.S. Department of Housing and Urban Developm

Certifications of Compliance with PHA Plan and Related Regulations (Standard, Troubled, HCV-Only, and High Performer PHAs)

Office of Public and Indian Housing
OMB No. 2577-0226
Expires 3/31/2024

PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations including PHA Plan Elements that Have Changed

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the _____ 5-Year and/or _\overline{\topic}_Annual PHA Plan, hereinafter referred to as" the Plan", of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning April 1, 2023, in connection with the submission of the Plan and implementation thereof:

- 1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
- 2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments (AI) to Fair Housing Choice, or Assessment of Fair Housing (AFH) when applicable, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
- 3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
- 4. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
- 5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
- 6. The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d—4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and other applicable civil rights requirements and that it will affirmatively further fair housing in the administration of the program. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with the Fair Housing Act, title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, title II of the Americans with Disabilities Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of the program.
- 7. The PHA will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR § 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR § 903.7(o)(3). The PHA will fulfill the requirements at 24 CFR § 903.7(o) and 24 CFR § 903.15(d). Until such time as the PHA is required to submit an AFH, the PHA will fulfill the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions.
- 8. For PHA Plans that include a policy for site-based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);

- The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the develowhich to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
- Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
- The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing; and
- The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(o)(1).
- 9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- 10. In accordance with 24 CFR § 5.105(a)(2), HUD's Equal Access Rule, the PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- 11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- 12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- 13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- 14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
- 16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 17. The PHA will keep records in accordance with 2 CFR 200.333 and facilitate an effective audit to determine compliance with program requirements.
- 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
- 19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
- 20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
- 21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
- 22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

| Kingsport Housing & Redevelopment Authority | TN006 | |
|---|--------------------|--|
| PHA Name | PHA Number/HA Code | |
| | | |
| 5-Year PHA Plan for Fiscal Years 20 20 | | |

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** H prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Item XI3.

| Name of Executive Director | | Name Board Chairman | |
|----------------------------|------|---------------------|------|
| Terry W. Cunningham | | Seth Jervis | |
| | | | |
| Signature | Date | Signature | Date |

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

To Transform and Empower Communities

Exhibit D.1 PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- Violence Against Women Reauthorization Act of 2013 (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

PHA Policy

No state or local nondiscrimination laws or ordinances apply.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes")

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

PHA Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

To Transform and Empower Communities

Providing Information to Families and Owners

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

- Upon receipt of a housing discrimination complaint, the PHA is required to:
- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

PHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The PHA will attempt to remedy discrimination complaints made against the PHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

To Transform and Empower Communities

Exhibit D.1 PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

PHA Policy

The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

"If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number of designated staff will be provided to process requests for accommodation.

The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

To Transform and Empower Communities

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the PHA, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

Types of Reasonable Accommodations

When needed, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff

To Transform and Empower Communities

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

PHA Policy

The PHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

To Transform and Empower Communities

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the PHA will dispose of it. In place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

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2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

PHA Policy

After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days.

If the PHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), the PHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If the PHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the PHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.

To Transform and Empower Communities

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

PHA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

To Transform and Empower Communities

2-II.G. PHYSICAL ACCESSIBILITY

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, the PHA will include a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

To Transform and Empower Communities

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA's informal review process and their right to request an informal review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family's assistance is terminated, the notice of termination must inform them of the PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, the PHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation.

To Transform and Empower Communities

Exhibit D.1 PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The PHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the PHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

2-III.B. ORAL INTERPRETATION

The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.

PHA Policy

The PHA will utilize a language line for telephone interpreter services.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

PHA Policy

In order to comply with written-translation obligations, the PHA will take the following steps:

The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

To Transform and Empower Communities

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the PHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the PHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the PHA's Housing Choice Voucher program and services.

PHA Policy

If it is determined that the PHA serves very few LEP persons, and the PHA has very limited resources, the PHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the PHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.



AGENDA ACTION FORM

Approve Change Order to Merrell Bros., Inc to Complete Digester Cleaning

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF- 11-2023 Final Adoption: January 17, 2023

Work Session: January 17, 2023 Staff Work By: Niki Ensor

First Reading: January 17, 2023 Presentation By: Ryan McReynolds

Recommendation:

Approve Resolution

Executive Summary:

The wastewater treatment plant utilizes two 75' digester holding tanks to manage solids produced during the treatment process prior to dewatering by the centrifuges. A buildup of grit and debris in the tanks are beginning to cause blockages in the dewatering building resulting in shutdowns for line cleanings. This project is necessary to maintain compliance and improve operations and maintenance of the wastewater treatment plant solids process.

On June 21st, the BMA awarded the digester cleaning contract to low bidder Merrell Bros., Inc. The bid was based on dewatering 610,000 gallons of solids from the two digesters. Once contractor was able to enter the digesters is was determined they contained 933,883 gallons of solids. This change order will allow for Merrell Bros. to complete the digester cleaning. A budget ordinance is included in AF 12-2023 to transfer funds to the appropriate project account.

Original Contract: \$393,285.00 Change Order: \$312.140.92 Revised Contract: \$705,425.92

Attachments:

- 1. Resolution
- 3. Change Order
- 4. Project Pictures

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| Cooper | _ | _ | |
| Duncan | | | _ |
| George | | _ | _ |
| Montgomery | | | _ |
| Olterman | _ | _ | _ |
| Phillips | _ | _ | _ |
| Shull | | | |

| RESOLUTION NO. | |
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A RESOLUTION APPROVING CHANGE ORDER NUMBER TO THE CONTRACT WITH MERRELL BROS. INC., TO COMPLETE THE DIGESTER CLEANING AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE CHANGE ORDER

WHEREAS, on June 21, 2022, (Resolution No. 2022-273) the city entered into a contract with Merrell Bros., Inc., for the digester cleaning at the wastewater treatment plant with the original contract sum of \$393,285.00, based on dewatering 610,000 gallons of solids from two digesters; and

WHEREAS, since then, it has been determined that the digesters contained 933,833 gallons of solids, creating the need for the change order for the additional amount; and

WHEREAS staff requests approval of a change order in the amount of \$312,140.92, making the total of the contract \$705,140.92.

Now therefore,

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

SECTION I. That a change order to the contract with Merrell Bros., Inc., for the digester cleaning at the wastewater treatment plant, by an increase in the amount of \$312,140.92, is approved.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the city attorney, the change order and all documents necessary and proper to effectuate the change order to the contract with Merrell Bros., Inc., for the digester cleaning at the wastewater treatment plant.

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

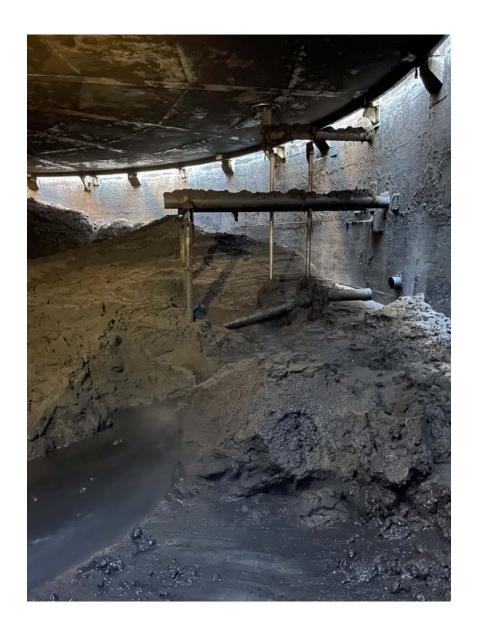
ADOPTED this the 17th day of January, 2023.

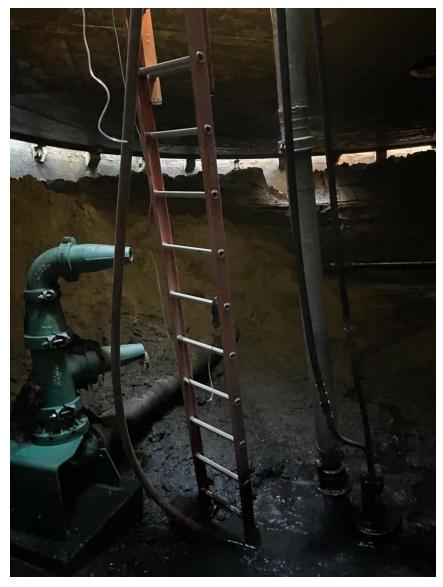
| ATTEST: | PATRICK W. SHULL, MAYOR |
|-----------------------------------|-------------------------|
| ANGELA MARSHALL, DEPUTY CITY RECO | ORDER |
| APPROVED AS TO F | ORM: |
| PODNEY B. POWLET | T III CITY ATTORNEY |



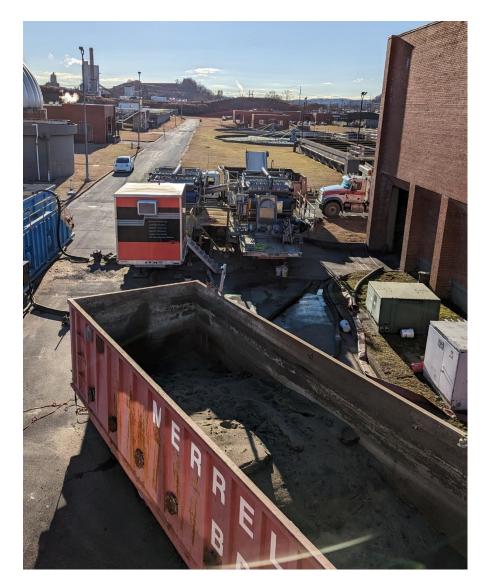
Change Order No. <u>001</u>

| Date of Issuance: 01.05.2023 | Effective Date: | | |
|--|--|--|--|
| Owner: City of Kingsport | Owner's Contract No.: | | |
| Contractor: Merrell Bros., Inc. | Contractor's Project No.: Kingsport | | |
| Engineer: CDM Smith | Engineer's Project No.: 33430-261690 | | |
| Project: Anaerobic Digester Cleaning | Contract Name: | | |
| The Contract is modified as follows upon execution of th | is Change Order: | | |
| Description: | | | |
| Change order for the removal of additional volume from | the Primary and Secondary Digesters. | | |
| Attachments: [List documents supporting change] | | | |
| CHANGE IN CONTRACT PRICE | CHANGE IN CONTRACT TIMES | | |
| | [note changes in Milestones if applicable] | | |
| Original Contract Price: | Original Contract Times: | | |
| * *** *** *** | Substantial Completion: 180 days | | |
| \$ 393,285.00 | Ready for Final Payment: 180 days | | |
| | days or dates | | |
| [Increase] [Decrease] from previously approved Change | [Increase] [Decrease] from previously approved Change | | |
| Orders No to No: | Orders No to No: Substantial Completion: _0 days | | |
| \$ 0.00 | Ready for Final Payment: 0 days | | |
| - | days | | |
| Contract Price prior to this Change Order: | Contract Times prior to this Change Order: | | |
| 1 000 007 00 | Substantial Completion: 180 days | | |
| \$ 393,285.00 | Ready for Final Payment: 180 days | | |
| [Increase] [Decrease] of this Change | days or dates | | |
| [increase] [Decrease] or this change | [Increase] [Decrease] of this Change Order: | | |
| Order: \$ 312,140.92 | Substantial Completion: <u>30 days</u> Ready for Final Payment: <u>30 days</u> | | |
| - | days or dates | | |
| Contract Price incorporating this Change Order: | Contract Times with all approved Change Orders: | | |
| | Substantial Completion: 210 days | | |
| \$ 705,425.92 | Ready for Final Payment: 210 days | | |
| | days or dates | | |
| RECOMMENDED: ACC | EPTED: ACCEPTED: By: Dustin Smith Date: 2023.01.06 10:38:38-05:00* | | |
| 02.000 | uthorized Signature) Contractor (Authorized Signature) | | |
| Title: Project Manager Title | Title Chief Business Development Office | | |
| Data Data | Date <u>01.05.2023</u> | | |
| Approved by Funding Agency (if | | | |
| applicable) | | | |
| D | Date: | | |
| By: | | | |
| THE | | | |











AGENDA ACTION FORM

Approval of an Amendment to the City of Kingsport Redevelopment Plan Authorizing Additional TIF Financing for the Stonegate Plaza Redevelopment District

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

Action Form No.: AF-07-2023 Final Adoption: January 17, 2023

Work Session: January 17, 2023 Staff Work By: John Rose First Reading: N/A Presentation By: John Rose

Recommendation:

Approve the Amendment of the Stonegate Redevelopment District

Executive Summary:

The Amendment of the Stonegate Redevelopment District is necessary to provide assistance to the Westgate development, located in the district. During the sitework process a large storm pipe was discovered outside of the right of way. This pipe needed to be abandoned and a new line installed. The new line was installed in the right of way and is currently in operation. This line will provide proper access for future repair and maintenance and has allowed for the construction of three (3) additional houses in Westgate. The assistance requested is an additional \$375,000, bringing the total TIF indebtedness to \$1,575,000.

The amendment was approved by the Kingsport Housing and Redevelopment Authority at their January 9, 2023 Board Meeting.

Attachments:

- 1. Resolution
- Amendment
- 3. Southgate Redevelopment District
- 4. Location of new Storm line

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| Cooper | | | |
| Duncan | | | |
| George | | _ | |
| Montgomery | | | |
| Olterman | | _ | |
| Phillips | _ | _ | _ |
| Shull | | | |

RESOLUTION NO.

A RESOLUTION APPROVING AN AMENDMENT TO THE CITY OF KINGSPORT REDEVELOPMENT PLAN AUTHORIZING ADDITIONAL TIF FINANCING AND EXTENDING THE TERM OF THE STONEGATE PLAZA REDEVELOPMENT DISTRICT

WHEREAS, in 2002 the Kingsport Housing & Redevelopment Authority ("KHRA") Board of Commissioners approved the Redevelopment Plan for Identified Districts and Study Areas for the City of Kingsport, Tennessee (the "Redevelopment Plan") as part of the redevelopment process in support of the Stonegate Plaza Redevelopment District which was subsequently approved by the City of Kingsport, Tennessee (the "City") and Sullivan County, Tennessee (the "County"); and

WHEREAS, subsequently a Tax Increment Financing Amendment to the Stonegate Plaza Redevelopment Plan was approved by KHRA, the City by Resolution No 2021-099 and the County by Resolution No. 2020-11-101 authorizing Tax Increment Financing for an amount up to \$1,200,000 and for up to a 15 year increment period in order to incentivize Landstar Partners, LLC ("Developer") to perform the utility/site work and cause the construction of approximately 90 new single-family homes and townhomes to be known as West Gate (the "Redevelopment Project"); and

WHEREAS, as a result of unanticipated costs related to the relocation of a previously unknown storm water line, the Developer has requested an increase in the amount of the TIF Financing from \$1,200,000 to \$1,575,000; and

WHEREAS, in order to increase the TIF Financing amount the TIF Amendment must be amended to reduce the hold back percentage from thirty five percent to zero percent; and

WHEREAS, a public hearing was held by KHRA on January 9, 2023, as required under T.C.A. § 13-20-201, et. seq. seeking public input on the proposed amendment to the TIF Amendment for the Stonegate Plaza Redevelopment Plan to reduce the hold back percentage from thirty five percent to zero percent and authorize the issuance of additional TIF Financing (the "Amendment"); and

WHEREAS, it is in the best interests of all parties including the City and County to amend the Redevelopment Plan to reduce the hold back percentage from thirty five percent to zero percent so that up to an additional \$375,000.00 in funds can be borrowed by KHRA in order to address the increased expenses of the Redevelopment Project.

Now therefore,

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

SECTION I. The Amendment to City of Kingsport's existing Tax Increment Financing Amendment to the Redevelopment Plan for the Stonegate Plaza Redevelopment District, a copy of which is attached as Exhibit A hereto and the findings contained therein are hereby approved and adopted by the City of Kingsport.

Item XI5.

SECTION II. The City of Kingsport recommends the adoption of said plan and amendment to the Sullivan County Commission.

SECTION III. That KHRA is hereby authorized and empowered to implement the *Tax Increment Financing Amendment to the Redevelopment Plan for the Stonegate Plaza Redevelopment District* on behalf of the City of Kingsport.

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 17th day of January, 2023.

| ATTEST: | PATRICK W. SHULL, MAYOR |
|----------------------------------|-------------------------|
| | |
| ANGELA MARSHALL, DEPUTY CITY REC | CORDER |
| APPROVED AS TO | FORM: |
| | |
| RODNEY B. ROWL | ETT III CITY ATTORNEY |

STONEGATE PLAZA REDEVELOPMENT DISTRICT WEST GATE PROJECT TAX INCREMENT FINANCING AMENDMENT AS AMENDED JANUARY 2023

Tax-increment financing ("TIF") is a redevelopment tool to be administered by housing and redevelopment authorities codified at <u>Tenn. Code Ann.</u> §§13-20-204 and 205, et. seq. The purpose of TIF is to provide an economic stimulus for blighted property in need of redevelopment. Upon adoption of this Amendment, TIF may be utilized to finance eligible redevelopment costs for a single family residential redevelopment project known as West Gate ("West Gate") to be located within the existing Stonegate Plaza Redevelopment District subject to the provisions of this Amendment. The TIF shall be administered as follows:

A. District History.

The Stonegate Plaza Redevelopment District was designated as a Redevelopment District by Kingsport Housing and Redevelopment Authority ("KHRA") in 2002. The Redevelopment District originally contained the former Stonegate Plaza which was a shopping center which primarily consisted of a Wal-Mart retail store along with other small businesses as tenants. Wal-Mart had vacated the property prior to 2002 and that portion of the shopping center has remained vacant since that time. The Stonegate Plaza Redevelopment District also includes an approximately 55 additional tax parcels which are primarily residential in nature. Redevelopment of the vacant shopping center area is critical to complete the transformation of the entire Redevelopment District. The Stonegate Plaza Redevelopment District is shown on the map attached as Exhibit One ("Redevelopment District"). The West Gate Project Area of the Stonegate Plaza Redevelopment District is shown on the map attached as Exhibit Two ("Project Area").

The Redevelopment District currently experiences one of the highest crime rates in the City. The asphalt area remaining on the property is dilapidated and constitutes a deleterious land use which negatively impacts the safety and welfare of the neighboring areas. Delay of the redevelopment of this site will continue to have a blighting influence on the adjacent residential areas. The use of TIF will allow the redevelopment of a site which has remained almost entirely unused in the past 20 years. The existing blight within the Project Area would be eliminated by implementation of the proposed Redevelopment Project. The presence of approximately 90 new single family homes and townhomes would boost the area schools and increase economic activity in and around the Redevelopment District. Redevelopment of this area via the proposed Project would also help alleviate the shortage of market rate entry level single family homes in the Kingsport and Sullivan County markets. Available residential ownership options are critical to assist area businesses in recruiting new employees to the area who will both work and live in Kingsport and Sullivan County.

Based on the foregoing circumstances and conditions, the Board of Commissioners of KHRA has determined that the District is blighted as defined by TCA 13-20-201 et seq. The District experiences the following conditions:

- 1. Long-term vacant and underutilized property.
- Deleterious land use.
- 3. Blighting effect of the continued vacancy and deterioration of the property and impact to the surrounding properties including increased crime in the Redevelopment District

It is recommended that the project be redeveloped, rehabilitated and/or renovated in order to correct such blighted and deteriorated conditions.

B. <u>District Zoning and Land Use</u>.

The redevelopment of the District shall comply with the Zoning Ordinances and building codes as well as other applicable rules, laws, ordinances, codes and regulations of the City. KHRA shall also review the Plan and any redevelopment projects within the District with appropriate City agencies and officials to ensure that the Plan and the proposed redevelopment activities conform with local objectives relating to appropriate land uses, improved traffic flow, public transportation, public utilities, recreation and community facilities and other public improvements and needs. For a more complete description of the requirements and restrictions of the Zoning Ordinances of the City, reference should be made to the Ordinances themselves. This property be zoned R-3 by the City of Kingsport.

The City and KHRA will cooperate in the planning and construction of improvements to the streets, roadways, sidewalks, curbs and gutters, parking systems, lighting, landscaping and traffic signalization and control.

C. Estimated Cost of the Project.

The total estimated costs of all the proposed improvements to be made by Landstar Partners, LLC (the "Developer") for West Gate is \$4,246,888. The proposed improvements by the Developer include removal of the existing asphalt, grading, installations and relocation of storm water and utilities, construction of roads, installation of landscaping, lighting and other related amenities (the "Redevelopment Project"). Developer will then sell the residential lots to a home builder who will construct approximately 76 single family homes and 14 townhomes. The single family residences will be between 1800 and 2800 square feet and contain at least 3 bedrooms and 2 baths. The townhomes will be of similar size and have similar amenities. The purchase price for the residences and townhomes is currently estimated based on current construction costs to be between \$215,000 and \$265,000. The total project investment by the developer and home builder is estimated to be in excess of \$18,000,000.00.

In addition, KHRA will be paid an annual administration fee equal to five percent of the total annual tax increment revenue received by KHRA. The Project will be located upon the following three current tax parcels: Sullivan County Tax Map 045C, Control Map 045C, Group C, Parcel 041.20 and Sullivan County Tax Map 045D, Control Map 045C, Group D, Parcels

023.20 and 023.00 which are the only three tax parcel within the Project Area. The TIF shall be limited to eligible expenditures for the Redevelopment Project within the Project Area.

D. Sources of Revenue to Finance the Cost of the Project.

The primary sources of revenue to pay for the Redevelopment Project are proceeds in the amount of \$ 2,310,240.00 from a permanent loan to the Developer, Developer investment of \$ 316,160 and tax increment based debt (to be issued by the KHRA in the form of bonds, notes, or other indebtedness) in a combined total amount not to exceed \$ 1,575,000, but in no event in an amount to exceed the estimated amount of debt that can be amortized over the 15 year increment periods which are hereby authorized by City of Kingsport (the "City") and Sullivan County, Tennessee (the "County"). Current projections suggest that the tax increment from the proposed improvements within the Project Area will be sufficient to retire this amount of indebtedness within a fifteen year amortization period for both the City and the County.

The total current property tax assessment for the Project Area is \$561,320. This results in annual property tax payments to the City in the amount of \$ \$11,587 and annual property tax payments to the County in the amount of \$ 14,425. The Redevelopment Project would result in a total estimated assessed value for property within the Project Area of \$4,714,525 (based on a \$18,858,102 tax appraised value). Based on current tax rates, this would result in total estimated annual city taxes of \$93,819 and total estimated annual county taxes of \$113,440. Because Sullivan County has dedicated \$0.22 of its \$ 2.4062 tax rate for repayment of indebtedness and the City of Kingsport has dedicated \$0.33 of its \$ 1.99 tax rate for repayment of indebtedness, that portion of the increment, pursuant to Tenn. Code Ann. §§13-20-205 and 9-23-103, shall not be allocated as provided in Paragraph G below but shall be collected and paid to the respective taxing agency as all other property taxes are collected and Thus, the estimated total available increment from Sullivan County taxes after the statutory debt service set aside is \$ 90,797. The estimated total available increment from City of Kingsport taxes after statutory debt service set aside is \$ 68,943. The combined new tax revenue above the current base as a result of this Project would be \$13,705 to the County and \$9,137 for the City. A detailed calculation of these estimated projections is attached hereto as Exhibit Three. The redevelopment of the Project Area will not occur to the degree proposed without the use of tax-increment financing.

E. Amount and the Final Maturity of Bonded or other Indebtedness to be Incurred.

The amortization period for any indebtedness backed by the tax-increment revenue generated within the Project Area shall be no more than fifteen years from the date of issuance of the debt. In any event, the final maturity date of all indebtedness issued pursuant to this Amendment shall be on or before May 15, 2038. Upon retirement of all bonds, loans, or other indebtedness incurred and payable from tax-increment funds, or at such time as monies on deposit in the tax-increment fund or funds are sufficient for such purpose, all property taxes resulting from the incremental development of the project shall be retained by the appropriate taxing agency for disbursement according to law.

F. <u>Impact of the Tax-Increment Financing Provisions Upon Taxing Agencies</u>.

The total assessment of the City of Kingsport's real property tax base for the 2019 tax year is approximately \$1,878,156,270. The total assessment of Sullivan County's real property tax base for the 2019 tax year is approximately \$3,847,748,820. The current assessment of the Project Area represents 0.0002% of the City of Kingsport's property tax base and 0.000145% of the Sullivan County property tax base. The estimated assessment of the Proposed Improvements would represent 0.0025% of the current City of Kingsport tax base and 0.00122% of the current Sullivan County tax base. Based on these small percentages, the City and the County (the two taxing agencies affected by this Redevelopment Project) will not be substantially impacted financially by this tax-increment financing provision.

The development of the Redevelopment Project will result in additional residents and economic activity within the Redevelopment District. It is estimated approximately 180 total jobs could be created during the construction phase of the Redevelopment Project with at total economic impact of \$ 12,350,000 which results in significant local taxes and other revenue for local governments. In addition, the long term impact includes the addition of residents to our communities which results in significant additional local taxes and other revenue for local governments. While all these numbers rely on certain assumptions and projections, the end result of the Redevelopment Project is that a need for entry level home ownership has been met and the City and County will receive a substantial economic boost.

G. Division of Property Taxes.

Upon approval of this Amendment, the taxes levied and collected over the Project Area shall be collected by the appropriate taxing authorities in the same manner as provided by law, except that said taxes shall be divided as follows:

- 1. The portion of the taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property within the Project Area as of the 2020 tax year (which is the year of approval of this TIF amendment) ("Base Assessment"), shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which taxes of the Project Area are less than the Base Assessment and the Dedicated Taxes, there shall be allocated and paid to those respective taxing agencies only those taxes actually imposed and collected; and provided further, that, in any year or years in which the Base Assessment would be diminished solely due to a rate reduction under Title 67, Chapter 5, Part 17, of the Tennessee Code, the Base Assessment shall nevertheless be established at the amount originally determined.
- 2. Subject to the restraints herein and applicable law, one hundred percent (100%) of all the taxes levied in each year in excess of the Base Assessment and Dedicated Taxes shall be allocated to and, when collected, shall be paid into a special fund or funds of

KHRA to pay the administration fee and to pay the principal of and interest on any bonds, loans or other indebtedness incurred or to be incurred by KHRA to finance or refinance, in whole or in part, eligible redevelopment expenses of the Redevelopment Project contemplated by the Redevelopment Plan, and such other expenses as may be allowed by law.

3. Upon retirement of all bonds, loans or other indebtedness incurred by KHRA and payable from such special fund or funds, or at such time as monies on deposit in such special fund or funds are sufficient for such purpose, all taxes levied each year in excess of the Base Assessment and Dedicated Taxes shall, when collected, be paid to the respective taxing agency as taxes levied by such taxing agencies on all other property are paid, and KHRA shall give notice to all affected taxing agencies of such retirement. Excess taxes beyond amounts necessary to fund or reserve for eligible expenditures may be applied to principal and interest of debt incurred to finance such eligible expenditures or shall revert to the taxing agency general fund. In any event, the division of property taxes required by this document shall not continue for any tax year beyond 2037.

H. <u>Property Tax Assessments and Collection</u>.

- 1. The appropriate assessor shall, in each year during the period in which taxes are to be allocated to KHRA pursuant to Paragraph G, compute and certify the net amount, if any, by which the current assessed value of all taxable property located within the Project Area which is subject to taxation by the particular taxing agency exceeds the base assessment. The net amount of any such increase is referred to in this subdivision as the incremental value for that particular year.
- 2. In any year in which there exists a tax increment to be allocated to KHRA, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the assessor shall extend the aggregate tax rate of such taxes against the Base Assessment and the incremental value and shall apply the taxes collected there from as provided herein.
- 3. If in any year property comprising a portion of the Project Area shall be removed from the tax rolls of a taxing agency, the Base Assessment for the Project Area shall be reduced by the amount of the Base Assessment allocable to the property so removed for each subsequent year in which taxes are to be allocated to a particular authority pursuant to the above provisions.

I. Documentation for Assessor's Office.

Upon approval of this Amendment, KHRA shall transmit to the assessor of property and the chief financial officer for each taxing agency affected, a copy of the description of all land within the Project Area (including tax parcel numbers), the date or dates of the approval of the redevelopment plan or amendment thereto, a copy of the resolution approving the redevelopment plan or approving an Amendment thereto, a map or plat indicating the boundaries of such property and the Base Assessment with respect to the Project Area, and taxes shall thereafter, when collected, be allocated and paid in the manner provided herein.

J. Excluded Taxes.

Notwithstanding anything to the contrary in this section, taxes levied upon property subject to tax-increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee (herein "Dedicated Taxes"), shall not be subject to allocation as provided in Paragraph G but shall be levied against the property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

K. Interpretation.

This tax-increment financing amendment is being proposed pursuant to *Tenn. Code Ann.* § 13-20-201, et. seq. and *Tenn. Code Ann.* § 9-23-101, et. seq. and all relevant provisions are hereby incorporated herein by reference. All provisions of this Amendment shall be construed in a manner consistent with said Code sections.

L. Conditions of Tax Increment.

KHRA shall enter into a redevelopment agreement with Developer which requires Developer to pursue and complete the Redevelopment Project in a diligent manner, and in accordance with plans and specifications approved by KHRA including provisions that obligate the Developer to construct or cause the construction of the residences and townhomes as set forth in this plan. The redevelopment agreement to be entered into between KHRA and Developer shall contain such terms as KHRA believes reasonably necessary to accomplish this purpose.

EXHIBIT ONE MAP OF STONEGATE PLAZA REDVELOPMENT DISTRICT

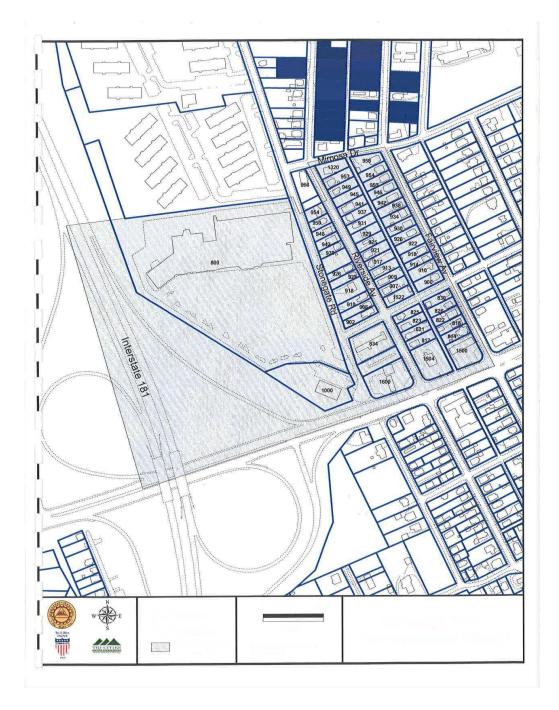


EXHIBIT TWO

MAP OF STONEGATE PLAZA REDVELOPMENT DISTRICT WEST GATE PROJECT AREA



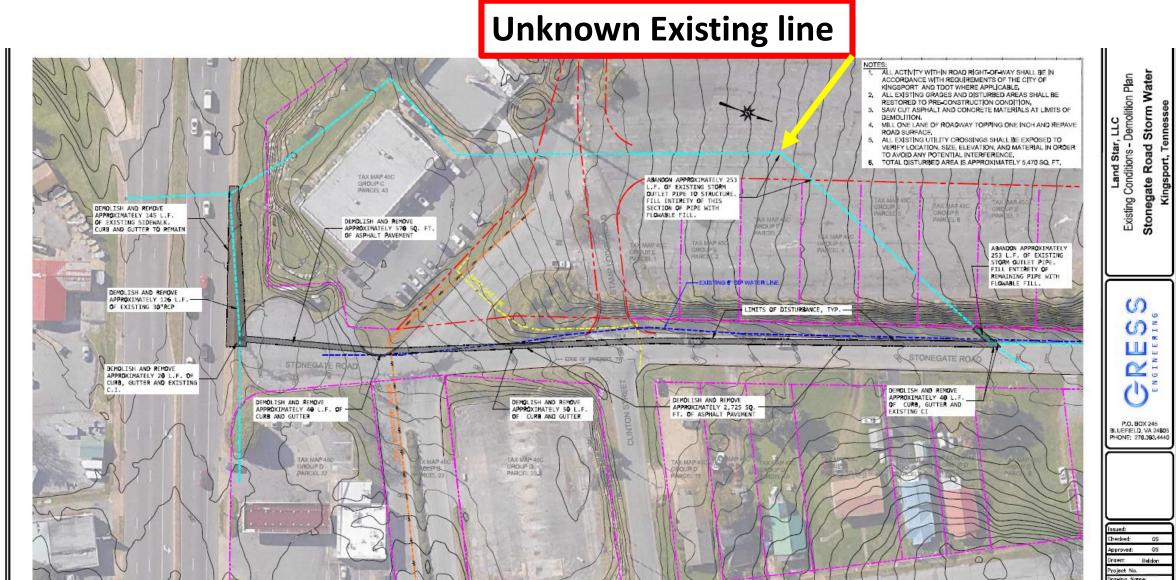
EXHIBIT THREE

TIF ESTIMATE WEST GATE PROJECT AREA STONEGATE PLAZA REDEVELOPMENT DISTRICT

| Total Original Assessed Base Value | \$561,320.00 |
|--|----------------|
| County Tax Rate | 2.4062 |
| City Tax Rate | 1.99 |
| Total New Assessed Value | \$4,714,525.00 |
| County Debt Service Rate | .22 |
| City Debt Service Rate | .33 |
| Total County Taxes | \$113,440.90 |
| Base County Taxes | \$13,506.48 |
| County Increment | \$99,934.42 |
| County Debt Service Set Aside | \$9,137.05 |
| Available County Increment after Debt Service | \$90,797.37 |
| County Increment after 0% Holdback | \$90,797.37 |
| County Increment after Admin Fee | \$86,257.50 |
| Total City Taxes | \$93,819.05 |
| Base City Taxes | \$11,170.27 |
| Proposed City Increment | \$82,648.78 |
| City Debt Service Set Aside | \$13,705.58 |
| Available City Increment after Debt Service | \$68,943.20 |
| City Increment after 0% Holdback | \$68,943.20 |
| City Increment after Admin Fee | \$65,496.04 |
| Total City and County Increment available for Debt Service | \$151,753.54 |

West Gate – Storm Rework





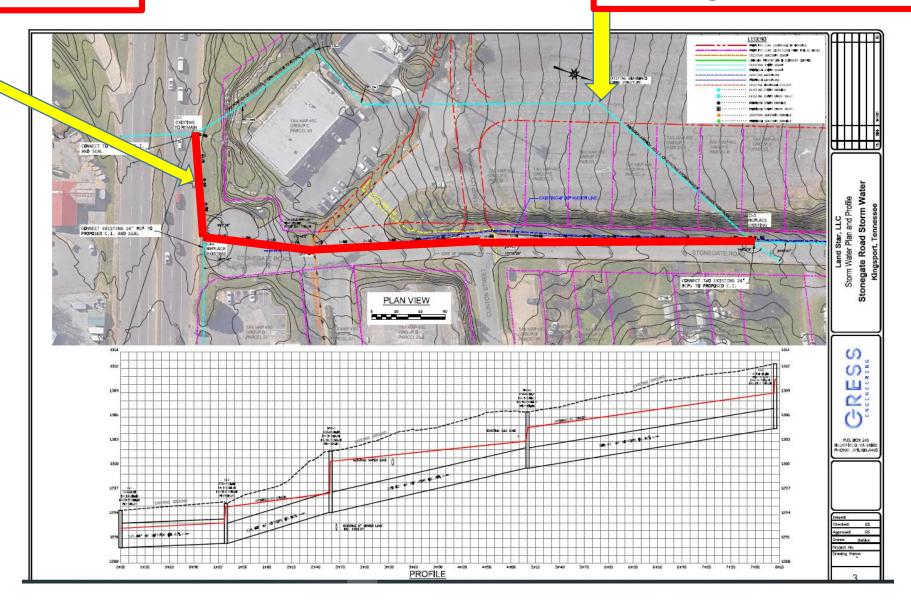
PLAN VIEW

West Gate – Storm Rework



Route of New Line

Existing line to be Abandoned







AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for the Rental of a Caterpillar PM312 Cold Planer Roadway Milling Machine from Stowers Machinery and Authorizing the City Manager to Execute a Rental Agreement for the Same

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

Action Form No.: AF-2-2023 Final Adoption: January 17, 2022

Work Session: January 17, 2022 Staff Work By: Committee

First Reading: N/A Presentation By: Ryan McReynolds

Recommendation:

Approve the Resolution

Executive Summary:

Bids were opened on December 8, 2022 for rental of equipment that will be used to assist City crews as they pave select roadways during calendar year 2023. The equipment consist of a large milling machine that removes the existing asphalt wearing surface before placing the new surface.

Rental of this equipment is necessary as the city doesn't currently own a large milling machine. Additionally, based on the city's paving schedule coordinating with a contractor for the use of a milling machine would be inefficient and the topography of the area to be paved in Spring of 2023 isn't conducive to simply overlaying the existing roadways. The milling machine is essential in keeping the normal day-to-day operations going while City crews pave.

It is more cost effective and efficient for city personnel to perform certain paving tasks with leased equipment, therefore it is recommended to award the equipment rental to Stowers Machinery for seven months in the amount of \$130,500 for in-house City paving efforts.

Funding is available and identified in NC2300.

Funding course engrapriete and funds are evailable.

Attachments:

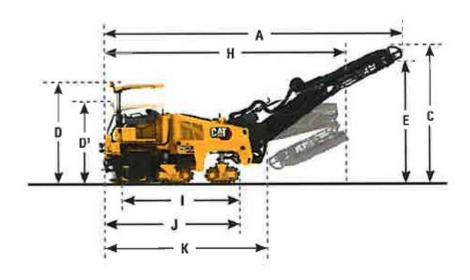
- 1. Resolution
- Agreement
 Bid Opening Minutes
- 4 Pictures

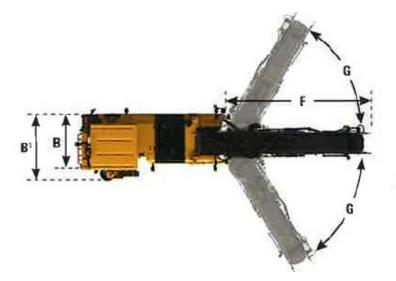
| | Υ | N | 0 |
|------------|---|---|---|
| Cooper | | | |
| Duncan | _ | | _ |
| George | | | |
| Montgomery | | | |
| Olterman | | | |
| Phillips | | | |
| Shull | | | |
| | | | |



Cat® PM312

Cold Planer





| RESOLUTION NO | Ο. |
|----------------------|----|
|----------------------|----|

A RESOLUTION AWARDING THE BID FOR THE RENTAL OF A CATERPILLAR PM312 COLD PLANER ROADWAY MILLING MACHINE TO STOWERS MACHINERY CORPORATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE A RENTAL AGREEMENT FOR THE SAME

WHEREAS, bids were opened on December 8, 2022, for rental of equipment that would be used to assist city crews as they pave select roadways during calendar year 2023; and

WHEREAS, the equipment, a Caterpillar PM312 Cold Planer which is a large milling machine, removes the existing asphalt wearing surface before placing the new asphalt surface; and

WHEREAS, rental of this equipment is necessary as the city does not own a large milling machine, based on the city's paving scheduling coordinating with a contractor for the use of a milling machine would be inefficient, the topography of the area to be paved in Spring of 2023 is not conducive to simply overlaying the existing roadways, and the rental of this milling machine is essential to enable the city to maintain its normal day-to-day operations while City crews pave; and

WHEREAS, staff recommends awarding the bid of a Caterpillar PM312 Cold Planer to Stowers Machinery Corporation for an amount not to exceed \$130,500.00 for seven (7) months; and

WHEREAS, funding is available and identified in NC2300.

Now therefore,

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

SECTION I. That the bid for the rental of 1 (one) Caterpillar PM312 Cold Planer from Stowers Machinery Corporation, for a seven month rental for the amount not to exceed \$130,500.00 is approved, and the city manager is authorized to execute a Rental Agreement for same.

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

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

ADOPTED this the 17th day of January, 2023.

| | PATRICK W. SHULL, MAYOR | |
|---------|-------------------------|--|
| ATTEST: | | |

Item XII1.

ANGELA MARSHALL, DEPUTY CITY RECORDER APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

STOWERS MACHINERY CORPORATION

www.stowerscat.com

Item XII1. West Knoxville 865-218-8800 Chattanooga 423-698-6943 **Kingsport** 423-323-0400 Crossville 931-484-4040

> Sevierville 865-595-3750

RENTAL AGREEMENT

Agreement #: T97936

CITY OF KINGSPORT 415 BROAD ST KINGSPORT TN

37660

SHIPPED TO

CITY OF KINGSPORT PUBLIC WORKS DEPARTMENT 609 W INDUSTRY DRIVE KINGSPORT TN 37660

Agreement Date: 12/20/2022 Customer #: 427645 Customer PO #: REQUESTED

CUSTOMER CONTACT: TIM ELSEA PHONE.

ITEM OTY RENTAL RATE PERI OD IDNO: NJX00242 MODEL: PM312 1.0 18, 500. 00 4 WEEK SERIAL NUMBER: ONJX00242 .00 WEEK PIN: *CATOOPM3TNJX00242* . 00 DAY DESC: COLD PLANER

TIME OUT: 10:14 DATE OUT: 12/20/22 EXPECTED RETURN DATE: 12/30/22

METER OUT:

MI SCELLANEOUS CHARGES

CUSTOMER PICKUP AND RETURN . 00 EQUIPMENT DELIVERY BY STOWERS 500.00 EQUIPMENT PICKUP BY STOWERS 500.00

Customer must call the office to obtain a call-off confirmation number to terminate the rental.

Customer is responsible for all rented items until they are returned to Stowers.

A clean-up fee of \$100/hour will be charged for returned equipment that requires clean-up.

Customer is responsible for ensuring that all persons who will operate rented equipment have had proper operator and safety training, and are familiar with applicable regeneration systems.

This agreement and the rental hereunder are subject to the terms and conditions of the Stowers Machinery Corporation Master Account Agreement, which Customer acknowledges has been received, read, and understood, or which is available for inspection, review, and copying at any Stowers Machinery Corporation office or online at www.stowerscat.com. Such terms and conditions are incorporated herein by reference. Customer agrees that the items listed herein shall only be used at the Job Site described above. Customer accepts the Equipment in its current condition without any warranties, and Customer accepts all risk of loss or damage during the rental period, regardless of cause. Customer shall return the Equipment in its current condition. Terms are Net 30 days for all rental, parts, and service items, and all other items are due upon receipt of the invoice. Customer shall pay service charges on any delinquent account at the rate of 1.5% per month, together with all costs of collection, including attorneys' fees. Jurisdiction and venue of any legal action hereunder may be in Knox County, Tennessee.

Customer DECLINES Stowers Machinery's Fire, Theft, and Vandalism Waiver upon furnishing proof of insurance pursuant to the Master Account Agreement. Otherwise, the FTV Waiver is accepted.

INITIALS

WAIVER

IMPORTANT AGREEMENT NOTICES

| | CITY OF KINGSPORT |
|-------------|--|
| 핑 | |
| ACCEPT ANCE | AUTHORIZED SIGNATURE |
| ACC | PRINTED NAME |
| | THE THE STATE OF T |
| | DATE |

AGREEMENT TERMS AND CONDITIONS

Item XII1.

MINUTES BID OPENING December 8, 2022 4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Assistant Procurement Manager

The Bid Opening was held in Conference Room 436, 4th Floor, City Hall

The Procurement Manager opened with the following bids:

| 2023 Equipment Rental for Paving Operations | | |
|---|--------------|--|
| Vendor: | Total Cost: | |
| Power Equipment Company | \$161,900.00 | |
| Stowers Machinery Corp. | \$130,500.00 | |

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

Item XII2.



AGENDA ACTION FORM

<u>Consideration of a Resolution to Enter into an Agreement with the Tennessee Main Street</u> Program

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

Action Form No.: AF-1-2023 Final Adoption: January 17, 2023

Work Session: January 17, 2023 Staff Work By: Committee
First Reading: N/A Presentation By: Chris McCartt

Recommendation:

Approve the Resolution.

Executive Summary:

The City of Kingsport is a long-standing member of the Tennessee Main Street Program. Through this membership the city, and the downtown businesses, enjoy a variety of benefits such as training and promotional activities, technical assistance, use of the Tennessee Main Street Program name and logo, economic development opportunities, and the opportunity to seek annual accreditation from the National Main Street Center.

Approval of this resolution will authorize the Mayor to sign a letter of agreement for program policies and services through the Tennessee Main Street Program.

Attachments: 1. Resolution

Funding source appropriate and funds are available:

| The money required for such contract, agreement, obligation, or expenditure is in the treasury or safely assured to be forthcoming and available in time to comply with or meet such contract, agreement, obligation or expenditure: | Cooper Duncan George Montgomery |
|--|--|
|--|--|

| Cooper | | |
|------------|------|--|
| Duncan | | |
| George | | |
| Montgomery | | |
| Olterman | | |
| Phillips | | |
| Shull | | |

| RESOLUTION NO. | |
|----------------|--|
|----------------|--|

A RESOLUTION APPROVING AN AGREEMENT WITH THE TENNESSEE MAIN STREET PROGRAM, A PROGRAM OF THE TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND A COORDINATING PARTNER OF THE NATIONAL MAIN STREET CENTER 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 a long standing member of the Tennessee Main Street Program; and

WHEREAS, this membership affords the city and downtown businesses a variety of benefits which include training and promotional activities, technical assistance, use of the Tennessee Main Street Program name and logo, economic development opportunities and the opportunity to seek annual accreditation from the National Main Street Center; and

WHEREAS, in order for the city to continue its enjoyment of these benefits a Letter of Agreement must be entered into with the Tennessee Main Street Program, for program policies and services.

Now therefore,

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

SECTION I. That a Letter of Agreement with the Tennessee Main Street Program 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 Letter of Agreement with the Tennessee Main Street Program and all other documents necessary and proper, and to 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, said agreement being as follows:

LETTER OF AGREEMENT

This letter of agreement is entered into by the Tennessee Main Street Program, a program of the Tennessee Department of Economic and Community Development and coordinating partner of the National Main Street Center, and the community/local organization listed below.

This letter of agreement confirms the participation of the local community and the local Main Street AmericaTMorganization as a designated Tennessee Main Street program and participant in the National Main Street network. This designation allows the local program to participate in the training and promotional activities of the Tennessee Main Street Program, to use its name, logo and signage, to receive technical assistance and resources, to apply for Downtown Improvement grants, and to seek annual accreditation from the National Main Street Center.

The Tennessee Main Street program, represented by the state coordinator and representatives of the Tennessee Department of Economic and Community Development (ECD), will provide services to the following organization:

| Local Main Street Organization Downtown | n Kingsport Associa | ition | |
|---|---------------------|----------------|--|
| Address 400 Clinchfield Street, STE 100 | - | | |
| City Kingsport | _, Tennessee | Zip Code 37660 | |

| Organization/ primary contact email address | |
|---|-------------------------------|
| Telephone <u>423-392-8822</u> FAX | Website downtownkingsport.org |
| Non-profit status_ 501c3 | FEIN Number |
| Manager/Director Robin Cleary | |
| Hire date <u>11/2019</u> | |
| Board of Directors: | |
| President Billy Robinson | Term expires July 2023 |
| Vice President Dory Creech | Term expires July 2025 |
| Secretary Jud Teague | Term expires N/A |
| Treasurer Lynn James | Term expires July 2023 |

Policies and Procedures

The local Main Street AmericaTM organization (as named in this agreement) shall comply with the following policies and procedures set forth by the Tennessee Main Street Program:

A. Submission of an Annual Report to the Tennessee Main Street Program based on the **National Main Street Center's Standards of Performance for Recognition**. The annual report determines program designation by the State of Tennessee who will use the report to recommend national accreditation for the program to the National Main Street Center. This report shall be submitted by the local organization upon request and reviewed by the Tennessee Main Street Program staff. It should clearly demonstrate:

- 1. Broad-Based Community Commitment to Revitalization
- 2. Inclusive Leadership and Organizational Capacity
- 3. Diversified Funding and Sustainable Program Operations
- 4. Strategy-Driven Programming
- 5. Preservation-Based Economic Development
- Demonstrated Impact and Results
- B. Provision of professional staff (manager/director) for the local Main Street AmericaTM organization. This may be full-time or part-time, depending on community size and resources, though full-time is recommended. In the event the local Main Street AmericaTM organization manager/director position is vacated during the term of this agreement, the local program agrees to fill the position within a reasonable amount of time and with a person meeting the qualifications for professional staff. The Tennessee Main Street Program reserves the right to suspend or cancel designation if the position is vacated for more than six (6) months. Upon filling the position, the local program will be required to send the new Main Street AmericaTM manager/director to new manager training offered in conjunction with the quarterly managers' meetings.
- C. Agree to send a representative (manager/director or board member) to attend a minimum of three quarterly managers' meetings or approved conferences (Tennessee ECD Governor's Conference or National Main Street Conference) during the calendar year. At least one of the three required meetings should be a quarterly managers' meeting.
- E. Acknowledgement of Tennessee Main Street Program assistance in projects when applicable and in an appropriate method (publications, media, etc.).

Program Services

The Tennessee Main Street Program provides many services to assist designated communities. This ranges from working with newly designated programs on developing core competencies to helping mature programs maintain focus and effectiveness. The Tennessee Main Street program agrees to provide the following services to the designated local Main StreetTM organization:A. Training opportunities to further understanding of the Four-Point ApproachTM to downtown revitalization and management, including critical tools such as design and economic strategies, market-driven promotions and organizational functions.

- B. Guidance and resources for the manager/director and board president. This may include telephone and email consultation, access to the Tennessee Main Street reference library and files, select publications and regular communication of important materials.
- C. Recognition as a nationally accredited Main Street America[™] community in press releases and on the http://www.tn.gov/ecd website and invitation to apply for Downtown Improvement Grants, TN Placemakers Grants, Historic Preservation Grants and other programs as funding becomes available.
- D. Comprehensive review of the Annual Designation Report, collecting and publishing the annual reinvestment statistics to illustrate the economic impact of all designated Tennessee Main Street programs (and communicate those results to the National Main Street Center), and provide recommendations for program improvement as needed.

- E. Make on-site visits as needed to monitor local programs and provide technical assistance to the staff, committees and board members. The Tennessee Main Street Program Director will visit each designated community at least every other calendar year.
- F. Promote the local, state and national Main Street AmericaTM programs through public presentations, community meetings and partnership development in order to serve as a statewide resource for downtown revitalization and management strategies.

Logo and Signage Usage

The Tennessee Main Street logo (illustrated on the left) and signage is for use by programs and communities that have received designation from the Tennessee Main Street Program and Tennessee Department of Economic and Community Development.

The National Main Street Center owns the trademark for the Phrase "Main Street America" as it applies to the revitalization of traditional and historic commercial districts. The NMSC allows state and local coordinating programs involved in the revitalization of these commercial districts based upon the National Main Street Center's "Four Point Approach" to use the name "Main Street" to describe their programs.

If a program and community are no longer designated by the Tennessee Main Street program, all usage of the Tennessee Main Street name, logo and signage are prohibited. References to Tennessee Main Street (website, street signage, etc.) must be removed from public viewing and use.

Termination

Should the local Main Street AmericaTM organization be unwilling or unable to meet the terms of this agreement, the Tennessee Main Street Program may no longer grant state level designation. Under those circumstances, the Tennessee Main Street Program Director will send a written report identifying the issues and providing guidance on how to proceed within a specified period of time. If the local Main Street AmericaTM program fails to make the recommended corrections, the Letter of Agreement with the local program will be terminated and the program will lose Tennessee Main Street Program designation. After the local Main Street Program Letter of Agreement is terminated, the community must reapply through the new program application process.

Signatures

I (we), the undersigned, on behalf of our community and local Main StreetTM organization, have read and agreed to the Letter of Agreement with the Tennessee Main Street Program and acknowledge that the above organization is an active participant in the Tennessee Main Street Program and meets all criteria of designation and understand that if the organization is no longer designated, usage of the name and logo must cease and community signage must be returned to the Tennessee Department of Economic and Community Development.

[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 boards finds the actions authorized by this resolution are in the public interest and for a public purpose and will promote the health, comfort and prosperity of the citizens of the City.

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

| ADOPTED this the 17 th day | of January, 2023. | |
|---------------------------------------|-------------------------|---|
| | PATRICK W. SHULL, MAYOR | _ |
| ATTEST: | | |
| ANGELA MARSHALL DEPUTY C | ITY RECORDER | |

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| APPROVED AS TO FORM: |
|---------------------------------------|
| RODNEY B. ROWLETT, III, CITY ATTORNEY |



AGENDA ACTION FORM

A Resolution to Ratify the Mayors Signature and Authorizing the Mayor to Sign a Release for Property Damage for National General and Its Insured Carl L. Newman

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF- 6-2023 Final Adoption: January 17, 2023 Work Session: January 17, 2023 Staff Work By: K. Hodgson First Reading: N/A Presentation By: B. Rowlett

Recommendation:

Approve the resolution.

Executive Summary:

On January 6, 2022, Mr. Carl L. Newman ran a red light on West Sullivan Street, and hit a patrol car. Mr. Newman was cited for Failure to Yield.

The damages to the patrol car were \$21,387.98.

Mr. Newman is insured by National General Insurance Company, and has offered a settlement amount of \$13,593.87, which was accepted. The insured's property damage policy limit is \$15,000, which is the state minimum, and the city received 91% of that limit. The deadline for the claim was January 6, 2023, and the Mayor executed the Release on Friday, January 4, 2023.

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

Attachments:

1. Resolution

| | <u>Y</u> | Ν | 0 |
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| Cooper | | | |
| Duncan | | | |
| George | | | |
| Montgomery | | _ | |
| Olterman | | _ | _ |
| Phillips | | | _ |
| Shull | | | |

RESOLUTION NO. ____

A RESOLUTION TO RATIFY THE MAYOR'S SIGNATURE APPROVING A RELEASE FOR PROPERTY DAMAGE WITH NATIONAL GENERAL INSURANCE COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RELEASE

WHEREAS, on January 6, 2022, Mr. Carl L. Newman ran a red light on West Sullivan Street, and hit a patrol car, and did damages in the amount of \$21,387.98; and

WHEREAS, National General Insurance Company, the insurer for Mr. Carl Newman has offered the amount of \$13,593.87, without admitting liability to settle the claim; and

WHEREAS, the claim deadline was January 6, 2023, and the Mayor executed the Release on January 4, 2023.

Now therefore,

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

SECTION I. That the Release for Property Damage for Carl Newman, in the amount of \$13,593.87 from National General Insurance Company on a doubtful and disputed claim for damage to a city patrol car which occurred on January 6, 2022, on West Sullivan Street, executed and returned to National General Insurance Company on January 4, 2023, for release of a claim is ratified and approved, including the execution of the same by Mayor Patrick W. Shull.

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, a the Release for Property Damage for Carl Newman, in the amount of \$13,593.87 from National General Insurance Company for damage to a city patrol car which occurred on January 6, 2022, on West Sullivan Street, 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 release and this resolution, said agreement being as follows:

${\sf RELEASE} \ {\sf FOR} \ {\sf PROPERTY} \ {\sf DAMAGE} \ {\sf ONLY}$ KNOW ALL MEN BY THESE PRESENT

That The City of Kingsport as Subrogee of Luke Lawson, for Thirteen Thousand Five Hundred Ninety Three Dollars and Eighty Seven Cents , (\$13,593.87) to the undersigned in hand paid. receipt whereof is hereby acknowledged, do/does hereby and for my/our/its heirs, executors, administrators, successors and assigns release ,acquit and forever discharge CARL NEWMAN his, her, their, or its agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expenses and compensation whatsoever, which the undersigned now has/have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen PROPERTY DAMAGE and the consequences thereof resulting or to result from the accident, casualty or event which occurred on or about 01/06/2022 at or Kingsport TN.

It is understood and agreed that this settlement is the compromise of a doubtful and disputed claim, and that the payment made is not to be construed as an admission of liability on the part of the party or parties hereby released, and that said releases deny liability therefor and intend merely to avoid litigation and buy their peace.

The undersigned hereby declare(s) and represent(s) that in making this Release it is understood and agreed, that the undersigned rely(ies) wholly upon the undersigned's judgment, belief and knowledge of the nature, extent, affect and duration of said damages and liability therefor and is made without reliance upon any statement or representation of the party or parties hereby released or their representatives.

The undersigned further declare(s) and represent(s) that no promise, inducement or agreement not herein expressed has been made to undersigned, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

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 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 17th day of January, 2023.

| ATTEST: | PATRICK W. SHULL, MAYOR |
|----------------------------------|-------------------------|
| ANGELA MARSHALL, DEPUTY CITY REC | CORDER |
| APPROVED AS TO I | FORM: |
| RODNEY B. ROWLE | TT, III, CITY ATTORNEY |



January 4, 2023

Claim Number: 220020754

RELEASE FOR PROPERTY DAMAGE ONLY

KNOW ALL MEN BY THESE PRESENT

That The City of Kingsport as Subrogee of Luke Lawson, for Thirteen Thousand Five Hundred Ninety Three Dollars and Eighty Seven Cents, (\$13,593.87) to the undersigned in hand paid. receipt whereof is hereby acknowledged, do/does hereby and for my/our/its heirs, executors, administrators, successors and assigns release ,acquit and forever discharge CARL NEWMAN his, her, their, or its agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expenses and compensation whatsoever, which the undersigned now has/have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen PROPERTY DAMAGE and the consequences thereof resulting or to result from the accident, casualty or event which occurred on or about 01/06/2022 at or Kingsport TN.

It is understood and agreed that this settlement is the compromise of a doubtful and disputed claim, and that the payment made is not to be construed as an admission of liability on the part of the party or parties hereby released, and that said releases deny liability therefor and intend merely to avoid litigation and buy their peace.

The undersigned hereby declare(s) and represent(s) that in making this Release it is understood and agreed, that the undersigned rely(ies) wholly upon the undersigned's judgment, belief and knowledge of the nature, extent, affect and duration of said damages and liability therefor and is made without reliance upon any statement or representation of the party or parties hereby released or their representatives.

The undersigned further declare(s) and represent(s) that no promise, inducement or agreement not herein expressed has been made to undersigned, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

Item XII3.

ALABAMA - "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof."

ALASKA - " A person who knowingly and with intent to inure, defraud or deceive an insurance company files a claim containing, false, incomplete, or misleading information may be prosecuted under state law."

ARIZONA - "For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

ARKANSAS, HAWAII, LOUISIANA, TEXAS - "Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison."

CALIFORNIA - "For your protection California law requires the following to appear on this form or other explanatory words of similar meaning. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in a state prison."

COLORADO - "It is unlawful to knowingly provide false, incomplete, or misleading fast or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines. denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies."

DC, MAINE, TENNESSEE, VIRGINIA- "Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant."

DELAWARE, IDAHO, INDIANA, OKLAHOMA - "Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony."

FLORIDA - "Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree."

KENTUCKY - "Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime."

MARYLAND - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

MINNESOTA - "A person who files a claim with intent to defraud or help commit a fraud against an insurer is guilty of a crime."

NEVADA. NEW JERSEY. NEW MEXICO - "Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties."

NEW HAMPSHIRE - "Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in R.S.A 638.20."

NEW YORK - "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the Department of Motor Vehicles or an insurance company commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation."

OHIO – "Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, sapplication or files a claim containing a false or deceptive statement is guilty of insurance fraud."

Item XII3.

PENNSYLVANIA – "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

RHODE ISLAND – "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

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When returning the requested items, please include this page in order to expedite the handling of your claim.

Thanks!

Claim #: 2795284

Document Type Description: 90480 Route to: Vassar Cates

Item XII4.



AGENDA ACTION FORM

A Resolution Authorizing the Mayor to Sign a Property Damage Release for Root Insurance Company and Its Insured Zachary Cornely

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

Action Form No.: AF-5-2023 Final Adoption: January 17, 2023 Work Session: January 17,2023 Staff Work By: K. Hodgson First Reading: n/a Presentation By: B. Rowlett

Recommendation:

Approve the Resolution.

Executive Summary:

On September 5, 2022, Zachary Cornely had a motor vehicle accident during which he hit a fire hydrant on Orebank road in Kingsport and caused damage to city property.

Zachary Cornely is insured by Root Insurance Company, which has offered to settle the claim without admitting fault for the replacement cost of \$7,686.26. As part of the settlement city will need to execute a property damage release.

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

Attachments:

1. Resolution

| | <u>Y</u> | Ν | 0 |
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| Cooper | | | |
| Duncan | _ | _ | _ |
| George | | | |
| Montgomery | | _ | _ |
| Olterman | | | _ |
| Phillips | | _ | _ |
| Shull | | | |

RESOLUTION NO. _____

A RESOLUTION APPROVING A PROPERTY DAMAGE RELEASE WITH ROOT INSURANCE COMPANY AND AUTHORIZING THE MAYOR TO EXECUTE THE RELEASE AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RELEASE

WHEREAS, on September 5, 2022, Mr. Zachary Cornely had a motor vehicle accident on Orebank Road in Kingsport and as a result of which he damaged a city fire hydrant; and

WHEREAS, Root Insurance Company, the insurer for Mr. Cornely, has offered to settle claim without admitting liability in the amount of \$7,676.26.

Now therefore.

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

SECTION I. That the Property Damage Release for Zachary Cornely, in the amount of \$7,676.26, with Root Insurance Company for damage to a city fire hydrant which occurred on September 5, 2022, on Orebank Road, 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, a Property Damage Release for Zachary Cornely, in the amount of \$7,676.26, with Root 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 reading as follows:

Claim Number: GP6J3VTN

Property Damage Release

For the sole consideration of Seven Thousand Six Hundred Seventy-Six 26/100 Dollars (\$7676.26), the receipt and sufficiency of which are hereby acknowledged, the undersigned Mayor Patrick W. Shull, on behalf of the City

of Kingsport ("Releasor") does hereby release and forever discharge Zachary Cornely ("Releasee"), Root Insurance, its officers, employees, principals, shareholders, subsidiaries, affiliates, parent companies, executors, administrators, agents, attorneys, successors, insurers and assigns, from any and all actions, claims, demands, causes of action or suits, including but not limited to claims and suits any and all known and unknown property damage and the consequences thereof resulting or in any way connected with the accident occurring on or about September 5, 2022 (date of accident) at or near Kingsport, Tennessee (location of accident).

This Release shall be binding upon the Releasor and Releasee, as well as their respective heirs, administrators, personal representatives, executors, successors, and assigns.

This Release constitutes the entire agreement between the parties. The terms of this Release are contractual and supersede any and all prior oral or written agreements or understandings between the parties concerning the subject matter of this Release.

Absent a written document agreed upon and signed by both parties, this Release may not be altered, amended, or modified.

This Release shall not in any way be construed as an admission of liability or responsibility on the part of the Releasee with respect to the Releasor or any other person, at any time, for any purpose. This Release will be construed in accordance with and governed by the laws of Tennessee. It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for

Item XII4.

the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

Signature:

[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 17th day of January, 2023.

| ATTEST: | PATRICK W. SHULL, MAYOR |
|---------------------------------|--------------------------|
| ANGELA MARSHALL, DEPUTY CITY RI | <u></u> |
| APPROVED AS TO | |
| RODNEY B. ROW | LETT, III, CITY ATTORNEY |



Claim Number: GP6J3VTN

Property Damage Release

For the sole consideration of Seven Thousand Six Hundred Seventy-Six 26/100 Dollars (\$7676.26), the receipt and sufficiency of which are hereby acknowledged, the undersigned Mayor Patrick W. Shull, on behalf of the City of Kingsport ("Releasor") does hereby release and forever discharge Zachary Cornely ("Releasee"), Root Insurance, its officers, employees, principals, shareholders, subsidiaries, affiliates, parent companies, executors, administrators, agents, attorneys, successors, insurers and assigns, from any and all actions, claims, demands, causes of action or suits, including but not limited to claims and suits any and all known and unknown property damage and the consequences thereof resulting or in any way connected with the accident occurring on or about September 5, 2022 (date of accident) at or near Kingsport, Tennessee (location of accident).

This Release shall be binding upon the Releasor and Releasee, as well as their respective heirs, administrators, personal representatives, executors, successors, and assigns.

This Release constitutes the entire agreement between the parties. The terms of this Release are contractual and supersede any and all prior oral or written agreements or understandings between the parties concerning the subject matter of this Release.

Absent a written document agreed upon and signed by both parties, this Release may not be altered, amended, or modified.

This Release shall not in any way be construed as an admission of liability or responsibility on the part of the Releasee with respect to the Releasor or any other person, at any time, for any purpose.

This Release will be construed in accordance with and governed by the laws of

Tennessee. It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

| Signature: | |
|------------------------------|--------------------------|
| In witness whereof,,_day of, | · |
| RELEASOR | PRINTED NAME OF RELEASOR |
| WITNESS | PRINTED NAME OF WITNESS |



AGENDA ACTION FORM

Acceptance of FY2022 Annual Comprehensive Financial Report

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-13-2023 Final Adoption: January 17, 2023

Work Session: January 17, 2023 Staff Work By: Lisa Winkle First Reading: January 17, 2023 Presentation By: Lisa Winkle

Recommendation:

Accept the Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022.

Executive Summary:

Presented for your consideration is the FY2022 Annual Comprehensive Financial Report (ACFR). The report contains management's transmittal letter to the Board of Mayor and Alderman, the Management's Discussion and Analysis (MD&A) letter that summarizes significant financial changes and overview of the City's financial condition at June 30, 2022, the auditor's opinion letter, audited financial statements, statistical tables and compliance reports.

The audit for June 30, 2022 was conducted by Brown Edwards & Company, LLP. Members of the audit team will be at the BMA Work Session to answer any questions.

There was a meeting of the Audit Committee on December 28, 2022 to discuss the 2022 ACFR and the results of the audit with the audit team. The Audit Committee members present were Vice-Mayor Collette George, Alderman Darrell Duncan, and Alderman Tommy Olterman. They approved and accepted the FY2022 ACFR. The ACFR was filed with the State of Tennessee Comptroller's Office on December 31, 2022 by Brown Edwards. The ACFR was also filed with GFOA on December 31, 2022 by Finance.

It should be noted that the auditor's report expresses an unmodified opinion on the financial statements. There were no material weakness findings or no significant deficiency findings listed in the report.

Attachments:

FY 2022 Annual Comprehensive Financial Report https://bit.ly/3VWo0UB

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| Cooper | | | |
| Duncan | _ | _ | |
| George | | | |
| <i>N</i> ontgomery | | _ | |
| Olterman | | _ | |
| Phillips | | | |
| Shull | | | |



AGENDA ACTION FORM

<u>Approve the Community Foundation of Middle Tennessee "Serving Tennessee Seniors"</u> Grant

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager

Action Form No.: AF-4-2023 Final Adoption: January 17, 2023 Work Session: January 17, 2023 Staff Work By: Shirley Buchanan First Reading: N/A Presentation By: Michael Borders

Recommendation:

Approve the Resolution.

Executive Summary:

In 2016, the **Kingsport Senior Center** was a recipient of a Serving Tennessee Seniors grant from The Community Foundation of Middle Tennessee. The Community Foundation was given a \$250,000 gift from the Chancery Court. The Foundation matched that gift allowing for \$500,000 in grants to organizations serving seniors in Tennessee. Each of the grants were for up to \$5,000. The Kingsport Senior Center was asked to apply. The Kingsport Senior Center has been awarded a \$5,000 grant to be used in replacement of exercise equipment. The Center plans to use these funds to help replace an 8 year old treadmill at the main site. The new treadmill will have an interactive screen that will allow members to select one of 288 different hikes from different hiking areas around the world. One week they could pick a hike in the Grand Canyon and the next from the Great Smoky Mountains and beyond. This grant was by invitation only and the Kingsport Senior Center was pleased to be asked and awarded these funds.

There are no matching funds required for the grant.

Attachments:

1. Resolution

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| Cooper | _ | | |
| Duncan | | _ | |
| George | | | _ |
| Montgomery | | _ | |
| Olterman | | | |
| Phillips | | | |
| Shull | | | |

| RESOLUTION NO. | |
|----------------|--|
|----------------|--|

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A "SERVING TENNESSEE SENIORS" GRANT FROM THE COMMUNITY FOUNDATION OF MIDDLE TENNESSEE

WHEREAS, the city, through the Kingsport Senior Center, was asked to apply for a "Serving Tennessee Seniors" grant through the Community Foundation of Middle Tennessee, which will provide funds to be used to replace exercise equipment; and

WHEREAS, the maximum amount of the grant award is \$5,000.00, and the grant requires no match.

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for and receive grant funds from the Serving Tennessee Seniors" grant through the Community Foundation of Middle Tennessee in the amount of \$5,000.00.

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

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

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

ADOPTED this the 17th day of January, 2023.

| ATTEST: | PATRICK W. SHULL, MAYOR | |
|---------------------------|--------------------------------|--|
| ANGELA MARSHALL, DEPUTY (| CITY RECORDER | |
| APPROVE | D AS TO FORM: | |
| RODNEY B | B. ROWLETT, III, CITY ATTORNEY | |