



BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING AGENDA

Tuesday, May 19, 2026 at 7:00 PM

City Hall, 415 Broad Street, Montgomery-Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding
Vice Mayor Darrell Duncan
Alderman Morris Baker
Alderman Betsy Cooper

Alderman Colette George
Alderman Gary Mayes
Alderman James Phillips

Leadership Team

Chris McCartt, City Manager
Michael Borders, Assistant City Manager
Bart Rowlett, City Attorney
Travis Bishop, City Recorder
Jerry DeBerry, Fire Chief
Adrienne Batara, Public Relations Director

Ryan McReynolds, Deputy City Manager
Jessica Harmon, Assistant City Manager
Tyra Copas, Human Resources Director
Jason Bellamy, Police Chief
Floyd Bailey, Chief Information Officer

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE TO THE FLAG

1. New Vision Youth

III. INVOCATION

IV. ROLL CALL

V. RECOGNITIONS AND PRESENTATIONS

- [1.](#) Recognition of Rep. Bud Hulse - Mayor Montgomery
2. Keep Kingsport Beautiful Beautification Awards - Sharon Hayes
- [3.](#) Proclamation: National Public Works Week - Alderman George

VI. COMMENT

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

VII. APPROVAL OF MINUTES

- [1.](#) May 4, 2026 - Work Session
- [2.](#) May 5, 2026 - Business Meeting
- [3.](#) May 11, 2026 - Budget Work Session
- [4.](#) May 14, 2026 - Budget Work Session

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

For items requiring a public hearing: When you come to the podium, please state your name and address, and sign the register that is provided. Comments of speaker must pertain to the item which is the subject of the public hearing. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes.

- [1.](#) Conduct a Public Hearing and Consideration of a Resolution to Approve the 2026-2027 Annual Action Plan for the Community Development Block Grant (AF-116-2026) (Michael Price)
- [2.](#) Consideration of a Budget Adjustment Ordinance for the General Fund and General Projects Special Revenue Fund and Water Projects Fund in FY26 (AF-150-2026) (Chris McCartt)
- [3.](#) Consideration of an Ordinance to Amend the FY 2026 School General Purpose Fund Budget and the General Project Fund Budget (AF147-2026) (David Frye)
- [4.](#) Consideration of an Ordinance to Amend the FY 2026 School Federal Projects Fund Budget (AF-148-2026) (David Frye)
- [5.](#) Consideration of an Ordinance to Amend the FY 2026 School Special Projects Fund Budget (AF-149-2026) (David Frye)

IX. BUSINESS MATTERS REQUIRING FINAL ADOPTION

- 1.** Consideration of an Ordinance to Amend Zoning of Tax Map 045D, Group K, Parcel 17.00, Located along Morison Avenue from the R-1B, Residential District to P-1, Professional Offices District (AF-123-2026) (Jessica McMurray)
- 2.** Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026 (AF-141-2026) (Chris McCartt)

X. OTHER BUSINESS

- 1.** Consideration of a Resolution Approving the Purchase of Textbooks and Textbook Materials by Kingsport City Schools and Authorizing the City Manager to Execute Purchase and Blanket Orders for the Same (AF-144-2026) (David Frye)
- 2.** Consideration of a Resolution Awarding a Contract to Pepsico for the Non-Alcoholic Beverage Pouring Rights and Advertising Partnership for Kingsport City Schools (AF-145-2026) (David Frye)
- 3.** Consideration of a Resolution Authorizing the Mayor to Execute Two Contracts Between the City of Kingsport and the Tennessee Department of Transportation for Maintenance Activities Performed on Designated State Highways and for Mowing and Litter on John B. Dennis and I-26 (AF-152-2026) (Ryan McReynolds)
- 4.** Consideration of a Resolution to Approve a Lease Agreement with The Industrial Development Board of The City of Kingsport and to Allow the Mayor to Sign All Documents Necessary and Proper as they Pertain to the Lease (AF-159-2026) (Chris McCartt)
- 5.** Consideration of a Resolution Awarding the Bid for Tire Recapping Services (AF-155-2026) (Ryan McReynolds)
- 6.** Consideration of a Resolution to Accept a Donation on behalf of Kingsport City Schools (AF-158-2026) (David Frye)
- 7.** Consideration of a Resolution to Amend Barge Design Solutions' Engineering Agreement for Year Two Water Quality Assessment of the South Fork Holston River (AF-157-2026) (Ryan McReynolds)
- 8.** Consideration of a Resolution Awarding the Bid for the Dobyns-Bennett High School Phase I Renovation Project to Construction Partners (AF-146-2026) (David Frye)

- [9.](#) Consideration of a Resolution to Enter into a New Contract with Transloc (AF-153-2026) (Timothy Land)
- [10.](#) Consideration of a Resolution Approving TDOT Contract Project No: 825307-S3-037 (FTA 031) to Allow Expenditure of Remaining Previously Awarded Funds for the KATS Transit Garage (AF-156-2026) (Candace Sherer)
- [11.](#) Consideration of a Resolution to Approve a Lease Agreement with VisitKingsport for Hunter Wright Stadium (AF-161-2026) (Michael T. Borders)
- [12.](#) Consideration of a Resolution to Award a Bid to Southern Watershapes, Inc. for Aquatic Center Renovations (AF-167-2026) (Michael T. Borders)
- [13.](#) Consideration of a Resolution Ratifying Private Chapter 49 of the 114th General Assembly to Amend Various Sections of the City Charter (AF-168-2026) (Bart Rowlett)
- [14.](#) Consideration to Appoint Gary Mayes to the Emergency Communications District / E-911 Board (AF-163-2026) (Chris McCartt)
- [15.](#) Consideration to Appoint Colette George to the NETWORKS Sullivan Partnership (AF-164-2026) (Chris McCartt)

XI. 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 Amending the State Industrial Access (SIA) Agreement with the Tennessee Department of Transportation (TDOT) Meadow Park Lane Project Amendment 2 (AF-154-2026) (Ryan McReynolds)
- [2.](#) Consideration of a Resolution Authorizing the Mayor to Approve the Renewal of the Current Agreement with the City of Bristol, TN, as the Lead Entity for the Northeast TN/Southwest VA HOME Consortium (AF-131-2026) Michael Price
- [3.](#) Consideration of a Resolution Authorizing the Mayor to Execute CDBG Subrecipient Agreements (AF-166-2026) (Michael Price)

- [4.](#) Consideration of a Resolution Authorizing the City of Kingsport's Application for and Acceptance of Funding through THDA's 2026 Emergency Solutions Grant (AF-132-2026) (Michael Price)
- [5.](#) Consideration of a Resolution to Enter into a Memorandum of Understanding with Frontier Health to Improve Coordination of Services for Individuals Experiencing Homelessness (AF-169-2026) (Chief Bellamy)
- [6.](#) Consideration to Appoint Tim Dean to the Kingsport Regional Planning Commission (AF-162-2026) (Jessica Harmon)
- [7.](#) Consideration to Appoint Bryan Clemons and Reappoint Dennis Phillips and Pat Breeding to the Kingsport Economic Development Board (AR-165-2026) (Chris McCartt)

XII. COMMUNICATIONS

1. City Manager
2. Mayor and Board Members

XIII. ADJOURN

City of Kingsport Commendation

Whereas, Charles Nolan “Bud” Hulsey announced his retirement after more than a decade of dedicated public service representing District 2 in the Tennessee House of Representatives from 2014 to 2026; and,

Whereas, before entering state government, Representative Hulsey served the people of Kingsport and Sullivan County by being a community leader, a volunteer, a business owner and a police lieutenant; and,

Whereas, over the years, Representative Hulsey served on a number of key committees in the Tennessee House of Representatives, including co-chairing the Joint Ways and Means Committee and chairing the Appropriations and Oversight Subcommittee; and,

Whereas, Representative Hulsey has earned the respect of colleagues on both sides of the political aisle for his common-sense values, his earnest passion for defending the freedoms of future generations and his standard of nonpartisan constituent service; and,

Whereas, his leadership has left a lasting impact on District 2 and the State of Tennessee, by championing fiscal responsibility, removing sales tax burdens on currency and securing a prestigious NASS Medallion Award for his work in protecting election integrity.

Now, therefore, I, Paul W. Montgomery, Mayor of the City of Kingsport, and on behalf of the Board of Mayor and Aldermen of the City of Kingsport, do hereby commend

Rep. Bud Hulsey

for his decades of loyal and steadfast service to the citizens of Kingsport and Sullivan County.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Kingsport, Tennessee to be affixed this the 19th day of May in the year of our Lord two thousand and twenty-six.

Paul W. Montgomery, Mayor

City of Kingsport

Proclamation

Whereas, public works infrastructure, facilities and services are of vital importance to the health, safety, economy and overall well-being of our community; and,

Whereas, such facilities and services could not be provided without the dedicated efforts of public works professionals, engineers, and administrators, representing all levels of government; and,

Whereas, these highly trained professionals are responsible for and must plan, design, construct, operate and maintain the public works facilities essential to serve our citizens; and,

Whereas, it is in the public interest for the citizens, civic leaders and children in Kingsport to learn and understand the importance of vital public works programs such as drinking water, sanitary and storm sewers, streets and highways, public buildings, and solid waste collection and disposal; and,

Whereas, the year 2026 marks the 66th annual National Public Works week sponsored by the American Public Works Association.

Now, Therefore, I, Paul W. Montgomery, Mayor of the City of Kingsport, and on behalf of the Board of Mayor and Aldermen of the City of Kingsport, do hereby proclaim May 17th through 23rd as

Public Works Week

in the City of Kingsport, Tennessee, and I call upon all citizens and civic leaders in this community to gain knowledge of, and maintain a progressive interest in, the public works needs and programs vital to our everyday lives; and to recognize the daily contributions which public works officials make to ensure our health, safety, comfort, and quality of life.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Kingsport, Tennessee, to be affixed this 19th day of May in the year of our Lord two thousand twenty-six.

Paul W. Montgomery, Mayor



BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, May 04, 2026 at 3:30 PM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

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

II. ROLL CALL by City Recorder Travis Bishop.

III. DISCUSSION ITEMS

1. Economic Development Update - Steven Bower

Mr. Bower, Economic Development Director, presented this item and provided details on the actions taken and the progress that has been made by Networks and KEDB. He also highlighted the partnership efforts of both organizations with the City. There was discussion throughout the presentation as he answered questions from the board.

Mr. Bower talked about retail and restaurant recruitment and the process involved in each of those efforts. He discussed the partnership and benefits utilizing The Retail Coach and he also pointed out the switch from Buxton to ESRI Business Analyst which provided the same data services at a reduced cost.

Mr. Bower provided further details on specific projects including the Dobyms-Taylor Warehouse, the Fort Henry Mall/IMAX theatre and Brickyard Village. He also listed other residential development projects that are in progress as well as opportunity zones.

BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, May 4, 2026, at 3:30 PM Kingsport City Hall, 415 Broad Street, Boardroom

2. Customer Information System Update - Floyd Bailey

Chief Information Officer Bailey provided details on the transfer of information from the legacy software to the new system, highlighting the recent developments that have been made since April 23rd after 18 months of implementation prep work. He noted there has been positive movement and progress over the past week. Some discussion ensued.

IV. REVIEW OF BUSINESS MEETING AGENDA

City staff gave a summary for each item on the April 21, 2026 proposed agenda. No items were discussed at greater length or received specific questions or concerns.

Alderman Baker asked about the future discussion regarding downtown parking. The City Manager replied it was scheduled for June 1st

V. ITEMS OF INTEREST

1. Projects Status Report

VI. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 5:40 p.m.

ANGELA MARSHALL
Deputy City Recorder

PAUL W. MONTGOMERY
Mayor



BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 05, 2026 at 7:00 PM

City Hall, 415 Broad Street, Montgomery-Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding
Vice Mayor Darrell Duncan
Alderman Morris Baker
Alderman Betsy Cooper

Alderman Colette George
Alderman Gary Mayes

City Administration

Ryan McReynolds, Deputy City Manager
Bart Rowlett, City Attorney

Travis Bishop, City Recorder
Angie Marshall, City Clerk/Deputy City Recorder

- I. **CALL TO ORDER** 7:00 pm by Mayor Montgomery.
- II. **PLEDGE OF ALLEGIANCE TO THE FLAG** led by Mayor Montgomery.
- III. **INVOCATION** led by Tyra Copas.
- IV. **ROLL CALL** by City Recorder Travis Bishop. Absent: Alderman James Phillips
- V. **RECOGNITIONS AND PRESENTATIONS**
 1. **ALS Awareness Month** (Vice Mayor Duncan)
 2. **National Drinking Water Week** (Alderman Mayes)
 3. **Employee Dependent Scholarship Recipients** (Tyra Copas)

VI. **COMMENT**

Mayor Montgomery invited citizens in attendance to speak. Walter Carnes commented on code violations regarding his property. There being no one else coming forward, the mayor then closed the public comment section.

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 5, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

VII. APPROVAL OF MINUTES

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

Passed: All present voting "aye."

1. **April 20, 2026 - Work Session**
2. **April 21, 2026 - Business Meeting**

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

1. **Conduct a Public Hearing and the Six-month Plan of Services Update for the Bancroft Chapel and Landfill Access Annexations (AF-83-2026) (Sam Cooper)**

PUBLIC HEARING: No one came forward.

2. **Conduct a Public Hearing and Consideration of an Ordinance to Amend Zoning of Tax Map 045D, Group K, Parcel 17.00, Located along Morison Avenue from the R-1B, Residential District to P-1, Professional Offices District (AF-123-2026) (Jessica McMurray)**

PUBLIC HEARING: No one came forward.

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

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG MORISON AVENUE FROM THE R-1B, RESIDENTIAL DISTRICT TO P-1, PROFESSIONAL OFFICES DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed: All present voting "aye."

3. **Consideration of a Budget Adjustment Ordinance in FY26 (AF-141-2026) (Chris McCartt)**

Motion made by Alderman Mayes, Seconded by Alderman Cooper.

AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET

Passed: All present voting "aye."

IX. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. **Consideration of an Ordinance Amending the FY 2026 Budgets by Appropriating General Obligation Public Improvement Bond Series 2026A Proceeds (AF-124-2026) (Chris McCartt)**

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 5, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

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

ORDINANCE NO. 7257 AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET

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

- 2. Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026 (AF-127-2026) (Chris McCartt)**

Motion made by Alderman George, Seconded by Alderman Cooper.

ORDINANCE NO. 7258 AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE AMENDING THE 2025-2026 FISCAL YEAR BUDGET

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

X. OTHER BUSINESS

- 1. Consideration of a Resolution Authorizing the City Manager to Execute a Blanket Order for Copy Paper from Tennessee State Contract 77326 (AF-134-2026) (Chris McCartt)**

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

RESOLUTION NO. 2026-234 A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A BLANKET ORDER FOR THE PURCHASE OF COPY PAPER TO AMERICAN PAPER AND TWINE UTILIZING TENNESSEE STATE CONTRACT NO. 77326 FOR USE BY VARIOUS CITY AND SCHOOL DEPARTMENTS

Passed: All present voting "aye."

- 2. Consideration of a Resolution Awarding the Bid for the Purchase of Asphalt for FY27 (AF-137-2026) (Ryan McReynolds)**

Motion made by Alderman Baker, Seconded by Alderman George.

RESOLUTION NO. 2026-235 A RESOLUTION AWARDED THE BIDS FOR THE PURCHASE OF ASPHALT TO BLACK OPS MATERIALS, FULLER ASPHALT MATERIALS, W-L CONSTRUCTION AND PAVING CO., INC. AND SUMMERS-TAYLOR, INC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

Passed: All present voting "aye."

- 3. Consideration of a Resolution Awarding the Bid for the Purchase of Concrete for FY27 (AF-138-2026) (Ryan McReynolds)**

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 5, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

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

RESOLUTION NO. 2026-236 A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF CONCRETE TO SUMMERS TAYLOR, INC. AND READY MIX USA, AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

Passed: All present voting "aye."

- 4. Consideration of a Resolution Awarding the Bid for the Purchase of Crushed Stone for FY27 (AF-139-2026) (Ryan McReynolds)**

Motion made by Alderman George, Seconded by Alderman Baker.

RESOLUTION NO. 2026-237 A RESOLUTION AWARDING THE BID FOR THE PURCHASE OF CRUSHED STONE TO VULCAN CONSTRUCTION MATERIALS, ICON ENVIRONMENTAL AND GLASS MACHINERY AND EXCAVATION, INC.; AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

Passed: All present voting "aye."

- 5. Consideration of a Resolution to Purchase Twelve (12) 2026 Ford Explorers and One (1) 2026 Transit Low Roof Van Utilizing the TN State Contract (AF-140-2026) (Ryan McReynolds)**

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

RESOLUTION NO. 2026-238 A RESOLUTION AUTHORIZING THE PURCHASE OF TWELVE 2026 FORD EXPLORERS AND ONE 2026 TRANSIT LOW ROOF VAN FROM LONNIE COBB FORD UTILIZING TENNESSEE STATE CONTRACT NO.: 88764; AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed: All present voting "aye."

- 6. Consideration of a Resolution Awarding the Bid for the Purchase of Contracted Truck Hauling for FY27 (AF-142-2026) (Ryan McReynolds)**

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

RESOLUTION NO. 2026-239 A RESOLUTION AWARDING THE BID FOR CONTRACTED TRUCK HAULING FOR FISCAL YEAR 2027 TO AMERICAN ENVIRONMENTAL LLC, QUEST ENTERPRISE, INC., GLASS MACHINERY AND EXCAVATION, INC., JTB CONSTRUCTION, AND ICON ENVIRONMENTAL, LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

Passed: All present voting "aye."

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 5, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

7. **Consideration of a Resolution Authorizing the City Manager to Purchase Two (2) 72-Passenger School Buses and One (1) 43-Passenger Special Education School Bus from Central States Bus Sales, Inc., Utilizing the Sourcewell Contract (AF-143-2026) (Ryan McReynolds)**

Motion made by Alderman Baker, Seconded by Alderman George.

RESOLUTION NO. 2026-240 A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER TO CENTRAL STATES BUS SALES, INC., FOR TWO 72-PASSENGER SCHOOL BUSES AND ONE 43-PASSENGER SCHOOL BUS THROUGH SOURCEWELL COOPERATIVE PURCHASE AGREEMENT NO. 063020-BBB

Passed: All present voting "aye."

8. **Consideration of a Resolution to Accept Fiscal Year 2024 Department of Homeland Security State and Local Cybersecurity Grant (AF-136-2026) (Floyd Bailey)**

Motion made by Alderman Mayes, Seconded by Alderman Cooper.

RESOLUTION NO. 2026-241 A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO ACCEPT A DEPARTMENT OF HOMELAND SECURITY STATE AND LOCAL CYBERSECURITY GRANT AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

Passed: All present voting "aye."

9. **Consideration of a Resolution Awarding the Bid for City Owned Surplus Real Property Located off Hawthorne Street, Tax Map 062G, Group C, Parcel 026.00 (AF-126-2026) (Travis Bishop)**

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

RESOLUTION NO. 2026-242 A RESOLUTION APPROVING THE SALE OF SURPLUS REAL PROPERTY LOCATED AT OFF HAWTHORNE STREET, AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT AND THIS RESOLUTION

Passed: All present voting "aye."

10. **Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with ParentSquare for a Communications and Engagement Platform for Kingsport City Schools (AF-133-2026) (David Frye)**

BOARD OF MAYOR AND ALDERMEN BUSINESS MEETING MINUTES

Tuesday, May 5, 2026 at 7:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

Motion made by Alderman Mayes, Seconded by Alderman Baker.

RESOLUTION NO. 2026-243 A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH PARENTSQUARE FOR A COMMUNICATIONS AND ENGAGEMENT PLATFORM FOR KINGSPORT CITY SCHOOLS

Passed: All present voting "aye."

XI. CONSENT AGENDA None.

XII. COMMUNICATIONS

1. City Manager

Mr. McCartt pointed out the city is in budget season with two work sessions scheduled for next week. The public hearing for the budget and the first reading is in June, and it will go into effect July 1st. He expressed his appreciation for all the time given by the board in May and the work that has been done by staff. Mr. McCartt also commented on the new utility billing process, noting the conversion has been going well. He thanked Floyd Bailey and his team and everyone making it happen, stating he has received positive feedback so far

2. Mayor and Board Members

Alderman Baker congratulated the scholarship recipients. He also acknowledged the effort to stay on top of technology. Alderman Mayes pointed out today is election day and hoped Kingsport had a good turnout and participation. He complimented staff for the transition in customer service, noting he had a positive experience. Alderman George also commented on the primary election today and thanked all the candidates who chose to put themselves out there, noting things have changed over the years regarding social media. Vice Mayor Duncan mentioned Keep Kingsport Beautiful has had two successful cleanups, and the next one is in Lynn Garden this Saturday. He noted it is also the opening of the Farmers Market. The Mayor commented on Marjo Reid's 50th anniversary working for the city. He also stated the band banquet Friday night was well attended. The mayor thanked all the families for supporting the scholarship recipients. Lastly, he invited everyone to the prayer breakfast on Thursday morning.

XIII. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 7:59 p.m.

ANGELA MARSHALL
Deputy City Recorder

PAUL W. MONTGOMERY
Mayor



BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Monday, May 11, 2026 at 2:00 PM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

I. CALL TO ORDER 2:07 pm by Mayor Paul Montgomery.

II. ROLL CALL by City Recorder Travis Bishop.

III. DISCUSSION ITEMS

1. FY27 General Fund

City Manager Chris McCartt gave a brief overview of the budget process and timeline as well as a summary of today's agenda.

City Recorder Travis Bishop provided details on the financial health of the city, starting with the most recent Bond Rating highlights from February and the Consumer Price Index. He provided further details regarding the fund balance. Mr. Bishop highlighted debt, roll off and revenues compared to expenditures historically in the general fund as well as forecasted figures. He commented on known budget pressures for the coming fiscal year.

Mr. McCartt then discussed the strategic plan and how it is reflected in the budget process. He listed the budget requests including personnel positions and other items. He did confirm the budget is balanced with no tax increase at \$114 million and the property tax rate for Sullivan County remains the same as last year. Hawkins County is in a reassessment year and will need to have a new tax rate certified. He discussed new technology that will impact future budgets including body worn cameras for the police department as well as the upcoming paving schedule. Mr. McCartt stressed the need to develop a 5-to-10-year capital improvement plan outside of the normal budget process to encourage long-term sustainability.

BOARD OF MAYOR AND ALDERMEN BUDGET WORK SESSION MINUTES

Monday, May 11, 2026, at 2:00 PM

Kingsport City Hall, 415 Broad Street, Boardroom

(Break from 3:41 to 3:51)

City Recorder Bishop gave an overall view of the financial health of the water and sewer funds. He pointed out the steps that have been taken over the past couple of years have increased the cash flow for these funds. He also talked about specific metrics regarding operating expenses and income. Mr. Bishop listed known pressures for the FY27 budget.

Deputy City Manager McReynolds then presented the budget for all the utilities. He provided details on the capital improvement projects for water, sewer and stormwater. He reviewed the current rate plan as well as the proposed rates for FY27 and the impact it will have on customers monthly bills.

IV. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 4:52 p.m.

ANGELA MARSHALL
Deputy City Recorder

PAUL W. MONTGOMERY
Mayor



BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

Thursday, May 14, 2026 at 10:00 AM

City Hall, 415 Broad Street, Montgomery - Watterson Boardroom

Board of Mayor and Aldermen

Mayor Paul W. Montgomery, Presiding

Vice Mayor Darrell Duncan

Alderman Morris Baker

Alderman Betsy Cooper

Alderman Colette George

Alderman Gary Mayes

Alderman James Phillips

I. CALL TO ORDER 10:00 am by Mayor Paul Montgomery.

II. ROLL CALL by City Recorder Travis Bishop.

III. DISCUSSION ITEMS

1. FY27 City Schools

David Frye, Chief Finance Officer, gave a presentation on this item and answered questions throughout. Regarding General Fund revenues, he discussed the required match through the Tennessee Investment in Student Achievement Funds, pointing out the increase and justification from the previous year for students as well as to improved teacher salaries. He also explained how the change in the poverty factor used for Title 1 funding resulted in the increase in TISA funds. He further commented on the reduction in money received from Sullivan County. Mr. Frye then presented details on the increases in expenditures, noting the majority is going to personnel costs. Technology and vehicle maintenance were also significant increases. He pointed out the Nutrition Fund is self-supporting and also mentioned the Federal Projects and Special Projects Fund. In summary, the total FY27 budget is estimated at \$121,020,963. There was some discussion as School Superintendent Dr. Chris Hampton answered further questions.

(Break from 11:18 to 11:26)

BOARD OF MAYOR AND ALDERMEN BUDGET WORK SESSION MINUTES

Thursday, May 14, 2026, at 10:00 AM

Kingsport City Hall, 415 Broad Street, Boardroom

Deputy City Manager Ryan McReynolds presented a history of the rate plan adjustment regarding the Utility Funds since being addressed by the State Comptroller in 2021. He pointed out the city presented to the Comptroller a multi-year plan to stabilize the rates which released Kingsport from oversight of the Tennessee Water and Wastewater Financing Board. The City Manager stated it is necessary to keep to the submitted schedule to get to the point where the rates will level out. There was considerable discussion.

Mr. McCartt and City Recorder Travis Bishop answered questions and clarified information from Monday's budget presentations.

IV. ADJOURN

Seeing no other business for consideration, Mayor Montgomery adjourned the meeting at 11:53 a.m.

ANGELA MARSHALL

Deputy City Recorder

PAUL W. MONTGOMERY

Mayor



AGENDA ACTION FORM

Consideration of a Resolution to Approve the 2026-2027 Annual Action Plan for the Community Development Block Grant

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

Action Form No.: AF-116-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Michael Price
Presentation By: Michael Price

Strategic Focus Area: 6. Strong & Vibrant Neighborhoods

Recommendation:

- Conduct Public Hearing
- Approve 2026-2027 Annual Action Plan Resolution

Executive Summary:

If approved, the 2026/2027 Annual Action Plan for Community Development Block Grant (CDBG) Funding will be submitted to the Department of Housing and Urban Development (HUD). In order to receive CDBG funds, the City of Kingsport must submit an Annual Action Plan that describes the strategies, objectives, projects, and activities for funding under the program. For Fiscal Year 2026/2027, the City of Kingsport must approve an Action Plan utilizing \$469,767.00 of CDBG funds to allocate in the 2026/2027 Program Year.

The Community Development Advisory Committee met on March 12, 2026, to hear an update and receive public comment on the Annual Action Plan. The plan represents the second year of the 5-year Consolidated Plan for Housing and Community Development (Con Plan) and provides funding for the various goals outlined in the 2025 Con Plan. The projects and funding recommendations address the priorities of the Con Plan. The projects and activities also comply with the CDBG program requirements outlined in Department of Housing and Urban Development (HUD) regulations. The 2026 Annual Action Plan will be submitted to HUD by June 01, 2026.

Funding is broken down into the following categories:

- Administration: \$93,953.40 (20%)
- Home Repair Program: \$185,348.55
- Community Enrichment: \$70,465.02 (15%)
- Code Enforcement: \$50,000
- HOPE VI Repayment: \$70,000

A notice was published in the paper on 4/14/26 extending a public comment period from 4/19/26 to 5/19/26 on the Annual Action Plan. No comments have been received.

Attachments:

1. Resolution
2. AAP Draft

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

Item VIII.1.

RESOLUTION NO. _____

A RESOLUTION APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2026 – 2027 ANNUAL ACTION PLAN, AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR FISCAL YEAR 2027, FROM THE UNITED STATES OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the city is eligible to receive Community Development Block Grant (CDBG) funding, for fiscal year 2027, through the U. S. Department of Housing and Urban Development; and

WHEREAS, in order to receive CDBG funding in the amount of \$469,767.00 the city is required to submit a 2026 – 2027 CDBG Annual Action Plan to the U. S. Department of Housing and Urban Development; and

WHEREAS, notice of the proposed Annual Action Plan was publicly advertised for a thirty-day public comment period ending May 19, 2026; and

WHEREAS, notice was also published advising of a public hearing which was held on April 14, 2026, prior to the adoption of this resolution; and

WHEREAS, no adverse comments pertaining to the plan have been received and it has been recommended the board adopt the Annual Action Plan.

Now therefore,

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

SECTION I. That the Community Development Block Grant 2026 – 2027 HUD Annual Action Plan, is hereby 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, all documents necessary and proper to apply for and receive Community Development Block Grant funding for fiscal year 2027, through the U. S. Department of Housing and Urban Development, to deliver the documents 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 documents and this resolution.

SECTION III. That the mayor is authorized to execute any and all documents 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 IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort and prosperity of the citizens of the city.

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Kingsport, Tennessee is a part of the Kingsport-Bristol-Bristol, Tennessee-Virginia Metropolitan Statistical Area and is a Department of Housing and Urban Development Community Development Block Grant Entitlement City. As such, Kingsport receives a formulated amount of funds annually. The CDBG program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. This year Kingsport will receive \$? in Community Development Block Grant (CDBG) funds.

The projected use of funds was developed to give maximum priority to activities that will carry out one of the national objectives as follows:

1. Benefit low- and moderate-income (LMI) families.
2. Aid in the prevention or elimination of slums or blight.
3. Other community development areas that demonstrate a particular urgent need or because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.

The City of Kingsport, Tennessee certifies that the following activities proposed for the coming year meet one of the three above-listed national objectives.

The City of Kingsport's Allocation is \$469,767.00

Breakdown is as follows:

Administration: \$93,953.40 (20%)

Single Family low-income home repair: \$185,348.55

Community Enrichment: \$70,465.05 (15%)

Code Enforcement: \$50,000.00

HOPE VI/Section 108 Repayment \$70,000.00

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Consolidated/Strategic Plan provides a guide to address the Cities' needs for five years using CDBG funds as well as other leveraged funds. The Action Plan is for a one-year period. Each project must meet three broad national objectives in at least one category. They are:

- Provide decent affordable housing
 - Create a suitable living environment
 - Create economic opportunities

Outcomes show how programs and activities benefit the community and the people it serves. The three measurable outcomes that will illustrate the benefits of each of this year's activities, as well as the five years covered in the Consolidated Plan, are:

- Improve Availability/Accessibility
 - Improve Affordability
 - Improve Sustainability

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

During the life of the most recent consolidated plan, the CD program has been successful in addressing the needs, goals, and objectives outlined in the plan. The program has developed adequate to good systems for working with local community agencies in delivering public services to low and moderate-income citizens, especially youth and senior populations. Steam lining of housing rehabilitation services has been effective in broadening outreach to underserved homeowners.

Administratively, HUD monitoring reviews and internal audits indicated good performance. The program has consistently met or exceeded performance requirements as defined by annual timeliness tests with sharpened understanding of IDIS draw down and reporting requirements, update accomplishment data has greatly improved. CDBG program staff is committed to continually evaluating and improving our systems, policy, and procedures to utilize CDBG funding, while being good stewards of federal funding.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Summary from citizen participation section of plan.

The City of Kingsport's Consolidated Plan and Annual action plans were developed through a collaborative process whereby the community identifies local critical needs and assists in establishing an Action Plan. Citizen participation is a critical part of the Consolidated and Action Plans, including developing, amending and reporting on program performance annually. The City solicits and encourages the participation of all citizens, including minorities, non-English speaking populations, and persons with disabilities.

A. Consultations with Other Community Institutions

In development of the Five-Year Consolidated Plan and the Second-Year Action Plan, the City consulted with other public and private for-profit and non-profit agencies that either provide or have direct impact on the broad range of housing, health, and social services used by Kingsport residents. These agencies provided knowledge regarding local unmet needs and ongoing critical needs. The Kingsport Board of Mayor and Aldermen has designated the Community Development Advisory Committee (CDAC) as the primary advisory body and as such, information on community needs and priorities are discussed at their meetings.

B. Public Hearings

There were several public meetings from the beginning stages of development of the Plan in order to gather information on community needs from citizens and local service providers until the completion of the plan. In compliance with the Citizen Participation Plan, a public meeting held at the Community Development Advisory Committee (CDAC) meeting in Kingsport on **September 11, 2025**, for both CDBG and HOME programs. Public hearings were held **February 12, 2026 & March 12, 2026**, at the Community Development Advisory Committee. Draft copies of the Action Plan were available for review at the Kingsport Public Library, Community Development Office and Kingsport City Hall. Public Hearing at City of Kingsport BMA **May 19, 2026**.

C. Written Comments

Based on public input and quantitative analysis, City staff prepared a draft Action Plan covering the CDBG Program. Notification of availability of the draft appeared in three local newspapers and on each city's website. The public was able to review the draft at the Kingsport Public Library, the local Housing Authority office and in Community Development office.

D. Action Plan and Public Hearings.

Public meetings held pertaining to the Second-Year Action Plan. Drafts of the Plan were available at the Community Development office, Kingsport Public Library, and Kingsport Housing and Redevelopment Authority. All written and verbal comments provided are considered in preparing the final Action Plan; however, it was impossible to fund every project or need. A summary of comments received and the City's responses to comments if received will be included in the final document. The Kingsport Board of Mayor and Alderman will consider these comments, the Community Development Advisory Committee recommendations, and staff recommendations in composing the final Plan.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

All comments are accepted. City staff has and will continue to consult with local agencies for input. Local agency consultation is a priority of the City and important for partnerships and funding resources to provide much needed public services in the community.

To date no comments were received.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments will be accepted. City staff have and will continue to consult with local agencies for input. Local agency consultation is a priority of the City and important for partnerships and funding resources to provide much needed public services in the community.

7. Summary

No comments were received to date.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	KINGSPORT	Planning & Community Development-City of Kingsport

Table 1 – Responsible Agencies

Narrative

The City of Kingsport’s, Department of Community Development, is responsible for the administration of Kingsport, Tennessee's CDBG funds. Kingsport is responsible for assisting in preparation the Consolidated Plan, Annual Action Plan, and the CAPER. They are also responsible for all IDIS input for CDBG. The City processes all CDBG payments, conducts monthly Community Development Advisory Committee meetings, and holds public hearings. Kingsport, Tennessee is ultimately responsible to the Knoxville HUD Field Office for properly administering the CDBG Program.

The Knoxville Field Office monitors the City of Kingsport, Tennessee regularly for both the CDBG Program. Kingsport has been receiving CDBG grant funds since 1988 with minimal problems throughout the years.

Kingsport's efforts to broaden public participation in the development of this Action Plan include:

- Holding meetings in ADA-accessible locations
- Providing copies of the Draft Plan at central locations, i.e., Kingsport Public Library, online at www.kingsporttn.gov and in the Planning & Community Development office.

Consolidated Plan Public Contact Information

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michaelprice@kingsporttn.gov

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AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

Coordination with federal and local agencies, along with non-profit and for-profit organizations providing services to the low- and very-low income in the community is essential for the effectiveness of the CDBG program. Consultation with the community and affected service providers is a fundamental component of the Consolidated Plan and Action Plan process. The City of Kingsport welcomes and encourages the participation of all of its citizens in the development of these plans and in the review of progress in implementing plan activities. The City utilizes a Community Development Advisory Committee. Low- and low-moderate income persons, persons with disabilities, minorities and non-English speaking persons are encouraged to participate in the planning process. Additionally, residents of public housing and other assisted housing are encouraged to voice their needs and their opinions on the participating jurisdictions' current and future direction. Other stakeholders consulted in this plan include community, faith based organizations, health care providers, KHRA, Appalachian Regional Coalition on Homelessness, City, and school system are encouraged to become involved in the planning process. The City provides translators for non-English speaking persons who request assistance at least 3 days prior to hearings or other meetings in the planning process. Persons who need auxiliary aids or other assistance to be able to fully participate may request assistance at least 3 days in advance of the hearing or meeting. Drafts of the plan have been placed in City Hall, KHRA and in local library branches. Notices of public meetings and hearings have been published in local newspapers.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

To ensure the participation of and coordination between public and private agencies, the City's staff is frequently involved in various activities with the agencies and regularly attends meetings that address community needs. Remaining in close contact with vital housing and service providers, either in person or by phone, gives staff and the agencies a better understanding of current and changing needs. The City of Kingsport works diligently to keep abreast of issues that exist or that may arise that affect our homeless, special needs, and/or low-income residents. Some of the agencies contacted include Kingsport Housing and Redevelopment Authority, local health departments, social/human service agencies, United Way, Salvation Army, ARCH, Legal Aid of East TN, various divisions of the Planning department, including Code Enforcement and Inspections. The City will continue consultation with the staff of the Tennessee Housing Development Agency as necessary.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Kingsport maintains close contact with the Appalachian Regional Coalition on Homelessness (ARCH). City staff attends regular CoC meetings. ARCH meetings regularly have speakers that are either service providers to the homeless, shelter providers, veterans and others who work with families in need. Workshops are periodically held to provide information on the most urgent and current needs of the homeless and to solicit input from local agencies and organizations that may be helpful to other shelter or service providers in better meeting the needs of this population. The City of Kingsport also hired a Social Worker in early 2020 and a street outreach liaison in 2024 to work within the City Police Department. The Social Worker works directly with the homeless population in providing much needed legal and social service referrals. Collaboration between the City of Kingsport Homeless Outreach Coordinator, the United Way's Homeless Liaison, the Kingsport City School's Homeless education program, ARCH and local shelters continue to improve opportunities for the chronically homeless and increase resources for persons at risk of homelessness.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Kingsport currently has three homeless service providers in its Continuum of Care the Salvation Army, Family Promise of Greater Kingsport, GKAD and Grace House. The Family Promise program offers shelter, meals, and supportive services to homeless families with minor children. The Family Promise shelter can accommodate up to 14 families. Family Promise is the only shelter in Kingsport that can accommodate two-parent families, families with teenaged boys and single fathers with teenage girls. GKAD serves low-moderate income families who are at-risk for homelessness or homeless, in partnership with the Kingsport Housing and Redevelopment Authority, GKAD provides services to keep individuals and families housed as well as assist in providing transitional housing and referral services as needed. The Salvation Army of Kingsport accommodates men, women, and families with overnight shelter as well as recently opening to provide day shelter and extend case management services to the public. Grace House provides a low barrier shelter and day center to help connect people with needed resources. Each agency is familiar with ARCH and collaborate their efforts to assist the homeless in our community.

The Tennessee Housing Development Agency provides state ESG funding to nonprofit organizations within the Consortium area.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	KINGSPORT HOUSING & REDEVELOPMENT AUTHORITY
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-homeless Services-Education Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Kingsport Housing and Redevelopment Authority will continue to provide safe and secure housing for low-income residents. Kingsport Housing uses the HCV program to assist residents into permanent housing. The Kingsport Housing and Redevelopment Authority and the City staff have regular meetings at which all areas of service and needs are discussed. Continuous improvements in services and outreach are discussed.

2	Agency/Group/Organization	ARCH
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy HOPWA Strategy Market Analysis Anti-poverty Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	ARCH was consulted regarding needs of the chronically homeless, homeless veterans and unaccompanied youth. ARCH has an office in Johnson City that serves the entire Consortium area. They are working with the VA Center, housing agencies, the VASH program, talking with housing agencies concerning persons returning from institutions and pursuing better and additional services for persons with mental disorders. City staff attend monthly meetings and other planning meetings with staff. ARCH staff provided direct comments and input on the Consolidated Plan.
3	Agency/Group/Organization	City of Kingsport
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Development office is part of the City's Planning staff. Other Planning staff have direct and daily input. The City manages flood plain, resources, emergency management.

4	Agency/Group/Organization	United Way of Greater Kingsport
	Agency/Group/Organization Type	Services - Housing Services-Children Services-homeless Services-Education Business Leaders Civic Leaders
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The United Way has undertaken two community initiatives, with a recently developed AVENEW program to assist individuals recovering from addiction and the Kingsport Homeless Coalition, which strategizes and develops a plan to end homelessness in the City of Kingsport. City of Kingsport is member and integral participant in United Way. Staffs regularly consult concerning community needs.
5	Agency/Group/Organization	Salvation Army of Kingsport
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless

What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Salvation Army of Kingsport is regularly consulted regarding the homeless population. Consultation often occurs daily as the City of Kingsport Social Worker for Homeless Outreach frequently refers individuals to Salvation Army program services. The Salvation Army because of partnership and consultation with City staff.

Identify any Agency Types not consulted and provide rationale for not consulting

The City of Kingsport is not aware of any agency that should have been consulted but was not.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	ARCH	Both were developed with housing and service needs of the homeless. ARCH has provided direct response for the Strategic Plan.

Table 3 - Other local / regional / federal planning efforts

Narrative

In developing the FY 2026 Annual Action Plan, the City of Kingsport coordinated with federal, state, and local agencies, as well as nonprofit and for-profit organizations that provide housing, supportive services, and community development activities benefiting low- and very-low income persons. This coordination is essential to the effective implementation of the Community Development Block Grant (CDBG) program.

The City utilized its Community Development Advisory Committee to solicit input and actively encouraged participation from low- and moderate-income residents, persons with disabilities, and residents of public and assisted housing. Consultation efforts included outreach to community and faith-based organizations, health care providers, the Kingsport Housing and Redevelopment Authority (KHRA), the Appalachian Regional Coalition on Homelessness, City departments, and the local school system.

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AP-12 Participation - 91.401, 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

The Citizens' Participation Plan that was developed for the City of Kingsport, Tennessee. There were several public meetings from the beginning stages of development of the Plan in order to gather information on community needs from citizens and local service providers. In compliance with the Citizen Participation Plan, a public meeting was held at a Community Development Advisory Committee (CDAC) meeting in Kingsport on September 11, 2025, for the CDBG program. A second public hearing was held on March 12, 2026. Draft copies of this Action Plan were made available to the public at the Kingsport Public Library, Kingsport City Hall, online, and at the Community Development Department. A final draft of the Annual Action Plan was presented to the BMA on May 19, 2026. A public comment period was held March 01-31, 2026. And April 19-May 19, 2026 prior to the BMA meeting.

All meetings were conducted in locations that were accessible to disabled persons and arrangements would be made for non-English speaking persons and for the hearing impaired.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Newspaper Ad	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Ad was ran on 8/15/2025, no responses received	None	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Public Meeting	Minorities Non-English Speaking - Specify other language: all Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	9/11/2025, no public in attendance	none	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Newspaper Ad	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Ran Ad on 1/30/2026	none	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
4	Public Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: all</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	Public meeting held on 2/12/2026	none	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
5	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Public meeting held on 3/12/2026	none	There were no comments received	

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
6	Newspaper Ad	Minorities Non-English Speaking - Specify other language: all Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	newspaper ad 6/20/2025	none	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
7	Public Hearing	Minorities Non-English Speaking - Specify other language: all Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	BMA meeting 5/19/2026	none	There were no comments received	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	CDBG WORKSHOP	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing POTENTIAL SUBGRANTEES	10 individuals were in attendance	programs mentioned are for LMI children feeding and back-to-school programs,homeless services, food for lmi children, family self-sufficiency, and transportation for lmi residents	all comments were accepted.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The following outlines the Federal resources (CDBG) anticipated by the City of Kingsport as an entitlement city.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	469,767.00	0.00	0.00	469,767.00	0.00	estimated 469,767.40 in annual award

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funds will leverage other funds which address some of the housing and non-housing priority needs identified. CDBG funds will leverage

local, private funds and volunteer efforts for the KAHR program which provides emergency repair for low income households. Public service agencies receive various supports from the City government and pursue and receive significant amounts of grant money from federal, state governments and private foundations.

Elimination of slum and blight through code enforcement, clearance and demolition.

To leverage funding for Safe, Decent, and Affordable Housing, the City of Kingsport will collaborate with local organizations such as Carpenters Helpers, Habitat for Humanity, FTAAAD, United Way, and Appalachian Service Project to offset housing repair costs using volunteer labor. CDBG program allocations are also leveraged through general funds dollars, partnerships with local service providers and in-kind contributions.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

KHRA, the public housing authority, owns a large tract of land where the former Robert E. Lee Apartments were housed. Due to the ongoing excessive cost to renovate this property the decision was made to demolish these units. One for one replacement housing (128 units) must be built on or around this site per HUD regulations. KHRA continues to explore funding opportunities for new construction. This remains a high priority for the city.

Discussion

The City anticipates continued qualification and certification as an entitlement city under the Community Development Block Grant (CDBG) program administered by the Department of Housing and Urban Development (HUD). The City annually plans for these funds and attempts to match them as closely as possible to perceived and voiced (public comment) needs. To every extent possible, the City allocates these funds with the maximum impact possible and attempts to leverage them as much as possible

The City of Kingsport, Tennessee is a part of the Kingsport-Bristol-Bristol, Tennessee-Virginia Metropolitan Statistical Area and is a Department of Housing and Urban Development Community Development Block Grant Entitlement City. As such, Kingsport receives a formulated amount of

funds annually. The CDBG program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. This year Kingsport expects to receive Community Development Block Grant (CDBG) funds.

The projected use of funds has been developed to give maximum priority to activities that will carry out one of the national objectives as follows:

1. Benefit low- and moderate-income (LMI) families.
2. Aid in the prevention or elimination of slums or blight.
3. Other community development areas which demonstrate a particular urgent need or because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.

The City of Kingsport, Tennessee certifies that the following activities proposed for the coming year meet one of the three above-listed national objectives.

DRAFT

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Decent, Safe, Affordable Housing Code	2020	2024	Affordable Housing	City-Wide	Decent, Safe and Affordable Housing	CDBG: \$50,000.00	Housing Code Enforcement/Foreclosed Property Care: 300 Household Housing Unit
2	Public Services	2015	2020	Non-Housing Community Development	City-Wide	Public Services	CDBG: \$70,465.00	Public service activities other than Low/Moderate Income Housing Benefit: 300 Persons Assisted
3	Decent, Safe and Affordable Housing	2020	2024	Affordable Housing	City-Wide	Decent, Safe and Affordable Housing	CDBG: \$185,348.00	Homeowner Housing Rehabilitated: 20 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Decent, Safe, Affordable Housing Code
	Goal Description	The CDBG program works with the City's office of Code Enforcement and local community based organizations in the identification of housing that poses nuisances to neighborhoods by being severely deteriorated, dilapidated and/or chronically vacant. CDBG funds are also allocated to Code Enforcement efforts, "city-wide", in order to maintain decent, safe and affordable housing in Kingsport.
2	Goal Name	Public Services
	Goal Description	The City of Kingsport will use Community Development Block Grant (CDBG) funds to support eligible public service activities that primarily benefit low- and moderate-income persons. CDBG-funded public services will address critical community needs by providing supportive services that enhance housing stability, access to essential resources, and overall quality of life. Eligible activities may include services for seniors, persons with disabilities, homeless and at-risk populations, and low-income families, and will be carried out by qualified nonprofit and public service providers. All public service activities will comply with HUD eligibility requirements, including the public service cap, and will be coordinated with other local, state, and federal resources to maximize community impact and advance the City's Consolidated Plan goals.
3	Goal Name	Decent, Safe and Affordable Housing
	Goal Description	The City of Kingsport's Kingsport Affordable Housing Rehabilitation (KAHR) Program uses Community Development Block Grant (CDBG) funds to assist low- and moderate-income owner-occupied households with necessary housing repairs that address health, safety, accessibility, and code deficiencies. The program focuses on preserving existing affordable housing by correcting substandard conditions, improving accessibility for persons with disabilities, and extending the useful life of eligible homes. Priority is given to households with the greatest need, including elderly and disabled homeowners, and all activities are carried out in compliance with HUD regulations and CDBG national objectives, supporting neighborhood stability and the availability of safe, decent, and affordable housing in Kingsport.

DRAFT

Annual Action Plan
2026

AP-35 Projects - 91.420, 91.220(d)

Introduction

This contains the listed projects that Kingsport wishes to fund:

CDBG Admin 20% \$185,348.55

KAHR Program \$185,348.55

Community Enrichment/Public Services 15% \$70,465.05

Code Enforcement: \$50,000.00

HOPE VI/Section 108: \$70,000.00

Total: \$469,767.00

#	Project Name
1	CDBG Admin
2	Hope VI/108 Loan
3	Code Enforcement
4	KAHR-Kingsport Alliance for Housing Revitalization
5	Community Enrichment/Public Services

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Home repair and rehabilitation remains a top priority as there are many homes that are in need of repairs to make them decent, safe, and sanitary.

The other funding is used for various community enrichment activities that benefit low and moderate income families.

Code Enforcement will aid in the elimination of slum and blight

AP-38 Project Summary
Project Summary Information

DRAFT

1	Project Name	CDBG Admin
	Target Area	City-Wide
	Goals Supported	Decent, Safe and Affordable Housing
	Needs Addressed	Decent, Safe and Affordable Housing
	Funding	CDBG: \$93,953.00
	Description	Admin expenses for CDBG program.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Project Admin
	Location Description	City Wide
	Planned Activities	CDBG Admin
2	Project Name	Hope VI/108 Loan
	Target Area	City-Wide
	Goals Supported	Decent, Safe and Affordable Housing
	Needs Addressed	Decent, Safe and Affordable Housing
	Funding	CDBG: \$70,000.00
	Description	Repayment of section 108 loan
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Repayment of Section 108 loan
	Location Description	city wide
	Planned Activities	Repayment of Section 108 loan
3	Project Name	Code Enforcement
	Target Area	City-Wide
	Goals Supported	Decent, Safe, Affordable Housing Code
	Needs Addressed	Decent, Safe and Affordable Housing
	Funding	CDBG: \$50,001.00
	Description	Code Enforcement to help eliminate slum and blight
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	300 homes
	Location Description	city wide in low income areas
	Planned Activities	Code Enforcement to help eliminate slum and blight
4	Project Name	KAHR-Kingsport Alliance for Housing Revitalization
	Target Area	City-Wide
	Goals Supported	Decent, Safe and Affordable Housing
	Needs Addressed	Decent, Safe and Affordable Housing
	Funding	CDBG: \$185,348.00
	Description	Emergency home repair program for LMI homeowners.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 20 low income families will receive emergency home repairs.
	Location Description	City Wide
	Planned Activities	Emergency home repairs for low income families.
	5	Project Name
Target Area		City-Wide
Goals Supported		Public Services
Needs Addressed		Public Services
Funding		CDBG: \$70,465.00
Description		Funding awarded through a competitive grant to agencies serving the LMI community in various activities meeting national objectives.
Target Date		6/30/2027
Estimate the number and type of families that will benefit from the proposed activities		1500 LMI families should benefit from the proposed activities.
Location Description		City Wide
Planned Activities		Projects will concentrate on food insecurity, youth and elderly opportunities, services for the homeless and urgent medical needs.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Most CDBG funds are not planned based on allocations to specific geographic areas within the City.

Housing rehabilitation funds are offered on a citywide basis, with a “first come-first served” priority.

The funds for community services are spread across the city. However, funds are awarded based on the strength of the program and its impacts and not prioritized based on geographic factors.

KHRA Learning Centers funding, while not restricted necessarily to any recognizable geographically delineated area, are utilized within public housing developments and the neighborhoods surrounding them. These developments are spread throughout the city.

All other activities are city-wide.

Geographic Distribution

Target Area	Percentage of Funds
City-Wide	100

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Housing needs and public services will be addressed citywide because of the nature of the projects themselves. They will serve income-eligible persons with the greatest need.

CDBG funds that assist with demolition and public facilities will prioritize allocating funding in the low-moderate income areas of the City.

Discussion

In years past, the City of Kingsport undertook its CDBG program in certain qualified target areas in the City. Several neighborhoods were transformed as a result. These include Highland, Old Kingsport, Rotherwood Heights, Gibsontown and other smaller areas. As funding has decreased over the years, it has become increasingly difficult to allocate funds in target areas with significant impact.

This has driven the City to offer funding to public service agencies and housing rehabilitation clients on a citywide basis.

The City of Kingsport along with Kingsport Housing and Redevelopment Authority has identified the

following Redevelopment Districts: Downtown, Stonegate, Crown Point, Kingsport Mall District, East Stone Commons, Riverwalk, and Lynn Garden.

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AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

Kingsport, Tennessee CDBG funds will be used to provide emergency repair/minor rehab 20 (20) single-family units.

The process for soliciting & funding applications is generally on a first come first served basis, unless the need is urgent. Homeowners who apply for this assistance do so voluntarily and with the understanding that they are not being displaced under HUD's Acquisition, Relocation, and Displacement Policy. They may be required to find alternative housing during the time period of the rehabilitation project. In some cases, a rehab project may not include the disturbance of lead paint surfaces; however, the City may still deem it in the best interests of the homeowner to find alternative housing with a family member or friend in order that the contractor may expedite the project. This program does not fund the expense of temporary housing for each family.

As a city, Kingsport has discovered there is a definite correlation between the rising cost of land, building materials and development costs as it relates to the lack of affordable housing in the Consortium area. All three of these factors have had a hand in driving up the cost of housing in the Consortium area putting it out of reach to the vast majority of low and moderate-income households. The Consortium members administer a number of ordinances and regulations that may in some ways be considered obstacles to affordable housing; however, each represents an integral part of administration for the greater good of the community.

The following regulations, codes, and policies were examined and determined necessary elements for city-wide planning for public safety and

welfare.

However, as noted each incorporates some degree of impediments to affordable housing:

1. Zoning Regulations
2. Subdivision Regulations
3. New Home Construction Codes
4. Unsafe building abatement codes
5. Property Taxes - City and County
6. Utility Board Restrictions
7. Southern Building Codes/BOCA
8. Code Enforcement
9. Unfunded Mandates
10. Poor Credit History
11. Inadequate Paying Jobs.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and

policies affecting the return on residential investment

Efforts to remove barriers to affordable housing include the following:

Continuation of the Fair Housing Program to assure that every citizen has equal access to housing opportunities. Fair Housing Resolutions will be adopted declaring April Fair Housing Month.

Land Use Controls - Planning Commissions will continue working to implement land-use controls that promote housing development in a safe, efficient manner that is harmonious with existing neighborhoods.

Zoning Ordinance - Board of Zoning Appeals shall monitor requests for zoning variances due to hardships imposed by specific zoning regulations to determine if existing regulations are unreasonable.

Building Codes - Continue to monitor the International Building Code and BOCA for changes in restrictions, which might be extraordinary and potentially unreasonable.

Infrastructure Requirements - The Planning and Engineering Departments will scrutinize the impact of infrastructure costs, along with utility fees and subdivision design requirements on the provision of affordable housing.

Discussion

The City of Kingsport has previously adopted a Fair Housing Ordinance that prohibits discrimination in housing practices and incorporates provisions of the Civil Rights Act of 1964, the Fair Housing Act of 1968, and the Fair Housing Amendments Act of 1988. The documents include protection for all citizens regardless of race, color, sex, religion, national origin, disability, or familial status.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section discusses other actions to be addressed by the Community Development office of the City of Kingsport.

The City Community Development Coordinator has developed a Community Development Advisory Committee (CDAC), which the members will be citizens representing the low and moderate income households.

Actions planned to address obstacles to meeting underserved needs

Actions Planned to address obstacles to meeting underserved needs:

- The City of Kingsport has previously adopted a Fair Housing Ordinance that prohibits discrimination in housing practices and incorporates provisions of the Civil Rights Act of 1964, the Fair Housing Act of 1968, and the Fair Housing Amendments Act of 1988. The documents include protection for all citizens regardless of race, color, sex, religion, national origin, disability, or familial status. The distribution of the “Fair Housing, It’s Your Right” occurs with contacts with CDBG and other program beneficiaries. Fair Housing complaints are received and attended by the Community Development office of the City. As inquiries and complaints are received, either they are reviewed and, as appropriate, forwarded to the Fair Housing office of HUD, the Tennessee Human Rights Commission, or to Legal Services of Upper East Tennessee office which provides fair housing advocacy and counseling. Community Development also provides the locally produced “About Renting” booklet that provides valuable information regarding fair housing rights and remedies. City Community Development staff participates with the Legal Services of Upper East Tennessee staff in providing fair housing training to the staff of the Kingsport Housing and Redevelopment Authority. KHRA staff is traditional points of contact with populations identified as particularly prone to fair housing concerns. The City will be attempting to strengthen and/or expand its cooperative relationship with local agencies. While previous outreach resulted in awareness of new programs and consideration of funding, Community Development hopes to continue development of a better-coordinated approach and build on this new relationship as a vehicle to raise awareness of minority needs in the community at large. Community Development staff has been working with City Planning staff to ensure inclusion of non-discrimination and Fair Housing rights language in various communications the City Planning Department staff produce and distribute to citizens during development proposals. Staff believes that development projects generate a heightened

awareness among affected citizenry and these would be excellent times to communicate discrimination and Fair Housing rights.

Actions planned to foster and maintain affordable housing

The City of Kingsport continues to offer rehabilitation and emergency repair to low and moderate income homeowners in the City on a citywide basis. The City believes this program not only provides decent, safer, and more accessible housing for those families and individuals in need, but overall help maintain an affordable housing stock for the city. The City of Kingsport will continue to work with our Kingsport Housing and Redevelopment Authority in providing affordable housing opportunities to low-moderate income citizens of Kingsport

Actions planned to reduce lead-based paint hazards

Housing rehabilitation programs and modernization of public housing units by the Kingsport Housing and Redevelopment Authority will continue to abate lead-based paint as it is encountered. Each unit rehabilitated by the City will be assessed for existing and potential lead-based paint hazards, which will be abated. All households receiving home repair assistance will receive "Lead Based Paint" information booklet. The number of units targeted for rehabilitation or emergency repair is 20.

Actions planned to reduce the number of poverty-level families

Employment opportunities are the key to reducing the number of households living in poverty. Many times a lack of education and/or skills training for many adults limit their employment potential. Improving the economy within the Consortium area is an essential element in the anti-poverty strategy. Kingsport's Economic Development Task Force, Bristol, Tennessee's Industrial Development Board, Bristol, Virginia's Economic Development Committee, and Johnson City's Economic Development Board all are working to increase opportunities for families living in poverty.

In June 2004, the Sullivan County Economic Development Partnership was formed. It is composed of the cities of Bluff City, Bristol, Kingsport and Sullivan County, Tennessee. The Partnership is a governmental entity that consolidates the economic development program for all of Sullivan County. This entity is charged to establish, coordinate and implement a comprehensive economic development agency whose purpose is to develop and implement an overall economic development strategic plan. The Partnership seeks to stimulate development in new manufacturing and services, existing businesses, retail destinations/venues, small business and startups and support hospitality and tourism.

Objectives used to meet this goal involve the use of federal funds for homeownership assistance, rehabilitation of housing, infrastructure improvement, utility tap fees and PSAs to educate the general public about fair housing choice. Efforts will be coordinated with the local Housing Authorities

Comprehensive Grant programs to provide rental units for low-income elderly, handicapped and families. Additionally, we will coordinate with local agencies using Tennessee ESG funds to increase the amount and quality of emergency shelter accommodations for the homeless.

Community Development staff will continue to work with the City of Kingsport Planning and Economic Development Departments to increase economic development and opportunity for low-moderate income citizens of Kingsport.

Actions planned to develop institutional structure

There are no proposals to change the existing Institutional Structure. The Kingsport Housing and Redevelopment Authority is not considered a “troubled” public housing agency and most of the other public and social service agencies in the Kingsport area are very well organized and strong. Actions to improve the structure will be taken, as they become apparent.

Actions planned to enhance coordination between public and private housing and social service agencies

The City has a tradition of supporting Public Service agencies with Federal and local funding. In 2026/2027, Community Development proposes to fund agencies, which perform Public Service functions, which serve low and moderate-income persons in the City. The maximum amount available for Public Service funding is 15% to be distributed to local non-profit agencies who apply for funding and meet funding criteria. Community Development will continue to support the United Way Homeless efforts by providing \$25,000 to for a homeless liaison, who provides direct service and referrals to those experiencing or at-risk for homelessness in the City of Kingsport. The Community Development office will solicit applications from public service organization in April 2026. The activities proposed by all agencies must meet basic eligibility criteria under CDBG regulations.

HOPE VI – For Program Year 2026, the City proposes to set aside \$70,000 for payment of annual installments for a Section 108 Loan in support of the HOPE VI Riverview/Sherwood/Hiwassee Improvement project. The City received approval for \$856,000 Section 108 Loan funds to provide support assistance in the Riverview and Sherwood/Hiwassee neighborhoods as part of the HOPE VI project. Section 108 requires that the local jurisdiction utilize its current and future CDBG funds as collateral for the loan. HUD has calculated that the City would need to set aside approximately \$70,000

CDBG funds per year for 20 years to support this proposal.

Discussion

While the City of Kingsport is a regional leader in economic development strategies, the Community Development Block Grant program is not regularly utilized for these efforts.

DRAFT

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The City of Kingsport remains committed to improving the lives of all citizens, particularly those who the CDBG program is designed to serve. The City of Kingsport anticipates spending approx. 80% or more on activities to address the needs of LMI persons in our city.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

Discussion

The City of Kingsport remains committed to improving the lives of all citizens, particularly those who the CDBG program is designed to serve.

Attachments

DRAFT

Citizen Participation Comments



Date: 05/19/2026

Name: Michael Price
Title: Community Planner
City of Kingsport
415 Broad Street
Kingsport, TN 37660

To date, no Public Comments have been received regarding the Annual Action Plan or the Consolidated Plan.

Kingsport City Hall
415 Broad Street | Kingsport, TN 37660-4265 | P: 423-229-9400
www.kingsporttn.gov



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Kingsport Times News	06/20/2025	06/20/2025	1	395.20	395.20
Affidavit	-	-	-	-	5.00
Box Charge	-	-	-	-	5.00
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Amount Due: 405.20

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NOTICE OF PUBLIC HEARING

NORTHEAST TENNESSEE-VIRGINIA HOME CONSORTIUM HUD
CONSOLIDATED FIVE YEAR ACTION PLAN
2025-2030 SUMMARY

Overview

The Northeast Tennessee/Virginia HOME Consortium consists of seven local government jurisdictions located in Northeast Tennessee and Southwest Virginia. The Consortium was formed and recognized by the US Department of Housing and Urban Development in 2003 and includes the participating jurisdictions of Johnson City, Kingsport, Bristol, Bluff City, Washington County, and Sullivan County in Tennessee and the independent City of Bristol, Virginia.

The consortium's coverage area is primarily urban in and between the Tri-Cities but also includes some rural areas in the outlying portions of the counties. As of 2022, the area's population was estimated at 524,885.

The five-year HUD Consolidated Plan Strategy seeks to identify housing, service, and economic development needs among the jurisdictions and then identify public and private resources and existing and potential community partners to help respond to those needs, particularly for low- and moderate-income and special needs citizens living in the Consortium Area.

Needs:

- New and redeveloped affordable housing including multi-family rental, single family for purchase, and special needs housing with supportive services for low and moderate-income and special needs citizens, including persons with physical, mental, and developmental disabilities, veterans, and persons re-entering communities from incarceration.
- Shelter and Support Services for homeless persons and persons at risk of becoming homeless.
- Increased employment opportunities for low and moderate-income persons and those with disabilities primarily through the creation or expansion of small business opportunities.
- Stabilization in low to moderate-income neighborhoods through infrastructure replacement, public facility installation, or expansion.

Resources:

- HUD Public Housing, CDBG, HOME, ESG, Housing Choice Vouchers, mortgage assistance, and We're Here Affordable Supportive Housing Vouchers.
- State Housing Trust Fund
- Rural Development Funds
- Federal Home Loan Bank Funding - Community Development Banks
- Private Lending Funding - CDFI and Community Development Tax Credits
- Low Income Tax Credits

Community Partners:

- Local Housing Authorities
- Community Service Agencies
- Appalachian Regional Coalition on Homelessness (ARCH)
- First Tennessee Development District
- Eastern Eight Community Development Corporation
- Fairview Housing
- Appalachian Service Project
- Holston Habitat for Humanity
- Horizon Community Development Corporation
- Washington County Economic Development Council
- NETWORKS Sullivan Partnership

Program Year 2025 Annual Action Plan and 5-Year Consolidated Plan

The City of Kingsport anticipates receiving funds through the CDBG Program for the Fiscal Year 2025-2026. The Annual Action Plan for 2025-2026 is outlined below.

Community Development Block Grant

K.A.R.	\$177,625.25
Community Enrichment	\$68,682.75
Code Enforcement/Demolition	\$50,000.00
Total	\$457,885.00

This Action Plan was formulated through the solicitation of requests submitted by public interest groups and agencies on the City Website under Community Development, considered by the Community Development Advisory after receiving public comment during a public hearing regularly scheduled meeting on Thursday, 24, 2025, at Room 226 of City Hall 415 Broad St, Kingsport, TN.

The public is invited to offer comments concerning the plan of funds during a 30-day comment period running June 2 July 20, 2025. Written or oral comments should be submitted to City of Kingsport Community Planning office at 415 Kingsport, TN, or by calling 423.224.2877.

City of Kingsport
 Angie Marshall, City Recorder
 P 11 6/20/25

ADMINISTRATIVE	\$41,577.00
HOPE IV - SW 114	\$71,000.00



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Underline No Charge	-	-	-	-	0.00
Affidavit	-	-	-	-	5.00
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08/12/2025	11694	ACCOUNT: Bill at Expiry

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NOTICE OF PUBLIC MEETING

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 Community Development Advisory Committee** will conduct a **Public Meeting** during its meeting on **September 11, 2025** to provide an opportunity for citizens to express views regarding the following:

1. 2026-2027 Annual Action Plan
2. 2024-2025 Consolidated Annual Performance and Evaluation Report (CAPER).

Activities addressed by the CORG program must meet at least one of three National Objectives:

1. Provide benefit to low and moderate income families
2. Aid in the prevention or elimination of slum and blight
3. Address community needs having a particular urgency because they pose a serious or immediate threat to the health and safety of the general public where no other financial resources are available

A draft of the 2025 CAPER Report for fiscal year 2024-2025 will be available on August 30, 2025 at City of Kingsport's Community Development Office located at 415 Broad Street, Kingsport. The draft will also be posted the City's Community Development website at <https://www.kingsporttn.gov/city-services/community-development/>.

Interested parties may comment on the 2025 CAPER Report and provide input in planning for the 2026-2027 Annual Action Plan. The CAPER has a minimum 15-day comment period running from August 31 - September 18, 2025. The 2026-2027 Annual Action Plan will have a 30-day comment period running from August 31 - September 30, 2025. All comment periods will begin Thursday August 31, 2025.

Public Meetings are held throughout the year and comments are welcome throughout the planning process. The public is invited to offer comments concerning the proposed use of funds. Written or oral comments should be submitted to Michael Price, Community Development Planner, City of Kingsport, 415 Broad Street, Kingsport, TN 37660 or (423)224-2877 or by emailing michaelprice@KingsportTN.gov.

If citizens would like to attend the meeting, located at 415 Broad Street, Room 226, Kingsport, TN, the conference room has a limited physical capacity 10. Once the conference room is full, the public is welcome to wait in the lobby until it is their turn to give their public comment.

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) 229-9401, ext. 5 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, Deputy City Recorder
PIT: 8/15/25



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Underline No Charge	-	-	-	-	0.00
Affidavit	-	-	-	-	5.00
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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 Kingsport Board of Mayor and Aldermen will conduct a Public Hearing to receive citizen input concerning the City's 2026 Annual Action Plan for Housing and Community Development. The 2026 Annual Action Plan describes proposed activities of the City's Community Development Program for the period of July 1, 2026 through June 30, 2027 utilizing Community Development Block Grant funds.

Activities addressed by the CDBG program must meet at least one of three National Objectives:

1. Provide benefit to low and moderate income families
2. Aid in the prevention or elimination of slum and blight
3. Address community needs having a particular urgency because they pose a serious or immediate threat to the health and safety of the general public where no other financial resources are available

A draft of the 2026 Annual Action Plan will be available on March 01, 2026 at City of Kingsport's Community Development Office located at: 415 Broad Street, Kingsport. The draft will also be posted the City's Community Development website at www.kingsporttn.gov.

Interested parties may comment on the 2026 Annual Action Plan for Kingsport, TN. The 2026 Annual Action Plan will have a 30-day comment period running from March 01 - March 31, 2026.

Public Meetings are held throughout the year and comments are welcome throughout the planning process. The public is invited to offer comments concerning the proposed use of funds. Written or oral comments should be submitted to Michael Price, Community Development Planner, City of Kingsport, 415 Broad Street, Kingsport, TN 37660 or (423)224-2877 or by emailing michaelprice@KingsportTN.gov.

If citizens would like to attend a CDAC meeting, located in Room 226 of City Hall, at 415 Broad Street, Kingsport. The Room has a limited physical capacity. Once the room is full, the public is welcome to wait in the lobby until it is their turn to give their public comment. Meeting dates are 2/12/2026 and 3/12/2026 from 1-2pm.

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) 229-9401, ext. 5 or by emailing ADACContact@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, Deputy City Recorder
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Box Charge	-	-	-	-	5.00

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NOTICE

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 Kingsport Board of Mayor and Aldermen will conduct a Public Hearing to receive citizen input concerning the City's 2026 Annual Action Plan for Housing and Community Development. The Plan outlines the proposed use of Community Development Block Grant (CDBG) funds for the program year beginning July 1, 2025 and ending June 30, 2027.

Activities addressed by the CDBG program must meet at least one of three National Objectives:

1. Provide benefit to low and moderate-income families
2. Aid in the prevention or elimination of slum and blight
3. Meet urgent community development needs posing a serious and immediate threat to public health or safety where other financial resources are not available

A draft of the 2026 Annual Action Plan will be available on April 19, 2026 at City of Kingsport's Community Development Office located at 415 Broad Street, Kingsport. The draft will also be posted on the City's Community Development website at www.kingsporttn.gov

Interested parties may comment on the 2026 Annual Action Plan for Kingsport, TN. The Plan will have a 30-day comment period running from April 19 to May 19, 2026.

Estimated Funding allocation is: \$469,767.00 based on 2025-2026 funding.

Admin: \$93,953.40 Housing Rehab \$185,348.55, Community Enrichment \$70,465.05, Code Enforcement \$50,000.00, HOPE VI Section 108 repayment \$70,000.00. Final funding amounts are subject to change based on HUD allocation.

Public Meetings are held throughout the year and comments are welcome throughout the planning process. The public is invited to offer comments concerning the proposed use of funds. Written or oral comments should be submitted to Michael Price, Community Development Planner, City of Kingsport, 415 Broad Street, Kingsport, TN 37660 or (423)224-2877 or by emailing michaelprice@KingsportTN.gov.

The Public Hearing will be held on: May 19, 2026, at 7:00 PM City Hall - Board of Mayor and Aldermen Meeting 415 Broad Street, Kingsport, TN

All interested parties are invited to attend and provide input. Due to limited seating capacity, accommodations will be made for public participation as space allows. All comments received by May 19 will be considered before submission of the plan to HUD. The City will consider all comments received in writing or orally at the public hearing before submission of the Annual Action Plan to HUD.

All City of Kingsport public meetings are conducted in accessible locations. If you require accommodations to participate in the meeting, these may be requested by calling

(423) 229-9401, ext. 5 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, Deputy City Recorder
PIT: 4/14/26



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026

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

Action Form No.: AF-150-2026
Work Session: May 18, 2026
First Reading: May 19, 2026
Final Adoption: June 2, 2026
Staff Work By: Wilson
Presentation By: McCartt

Strategic Focus Area: 1. Efficient & Responsive Government

Recommendation:

Approve the Budget Ordinance

Executive Summary:

If approved, the General Fund is being amended by accepting a \$5,000 grant from the First Tennessee Development District Apprenticeship program for Police Training. KEDB transfer is being increased in the amount of \$122,000 to payoff IDBK's Miracle Field Loan. Visit Kingsport has paid nearly half of the balance with the city paying the remainder.

The general projects fund be amended by transferring \$7,000 from the Building Demolition Project (NC2313) to the General Fund to pay for the purchase of 2024 Digital Codes, 2024 I Code Books and 2023 NEC Code Books.

The Water Projects Fund be amended by transferring \$138,161 from the Meter Replacements Project (WA2603) to the Hydrant Maintenance Project (WA2504). Close WA2603.

Attachments:

1. Budget Ordinance
2. Ordinance Summary

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

**AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE
AMENDING THE 2025-2026 FISCAL YEAR BUDGET**

WHEREAS, the City adopted the fiscal year 2025-2026 budget by passage of Ordinance Number 7208; and

WHEREAS, pursuant to the Tennessee state constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, pursuant to the Municipal Budget Law of 1982, as found in the *Tennessee Code Annotated*, section 6-56-209, the Mayor and Board of Mayor and Aldermen have the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund; and

WHEREAS, expenses and revenues are anticipated to vary from original budgeted amounts; and

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

SECTION I: Ordinance # 7208 is hereby amended increasing(decreasing) the fiscal year 2025-2026 budget as follows:

General Fund	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
110-0000-391.35-00 From GP Special Rev Fund	-	7,000	7,000
110-0000-332.69-10 FTDD Apprenticeship	15,000	20,000	5,000
Total	\$ 15,000	\$ 27,000	\$ 12,000
Expenses			
110-1005-405.80-65 KEDB GENERAL SHALE LEASE	135,000	257,000	122,000
110-2505-435.20-44 Literature/Subscriptions	3,759	10,759	7,000
110-3003-441.20-41 Registration Fees/Tuition	65,000	70,000	5,000
Total	\$ 68,759	\$ 80,759	\$ 134,000
Change in Fund Balance			\$ (122,000)

General Projects Special Rev Fund: 111 Building Demolition Project (NC2313)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Expenses			
111-0000-601.70-01 To General Fund	-	7,000	7,000
111-0000-601.20-22 Construction Contracts	1,697,578	1,690,578	(7,000)
Total	\$ 1,697,578	\$ 1,690,578	\$ -
Change in Fund Balance			\$ -

Water Projects Fund: 451 Hydrant Maint. Project (WA2504)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
451-0000-391.45-00 Operating Transfers	-	138,161	138,161
Total	\$ -	\$ 138,161	\$ 138,161
Expenses			
451-0000-605.20-55 Repairs and Maint.	-	138,161	138,161
Total	\$ -	\$ 138,161	\$ 138,161
Change in Fund Balance			\$ -

Water Projects Fund: 451 Meter Replacements Project (WA2603)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
451-0000-391.45-00 Operating Transfers	138,161	-	(138,161)
Total	\$ 138,161	\$ -	\$ (138,161)
Expenses			
451-0000-605.90-03 Improvements	138,161	-	(138,161)
Total	\$ 138,161	\$ -	\$ (138,161)
Change in Fund Balance			\$ -

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND BUDGET AND THE GENERAL PROJECTS FUND BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. The General Purpose School Fund will be amended by increasing the estimated revenue for Other State Education Revenue by \$894,141. The expenditure budget will be amended by increasing the appropriations for various salary, benefit, and supply account for the Summer Learning Program. There will be \$150,000 transferred from the Building Improvement account to the Fund Transfers account, with these funds transferred to the General Project Fund. There will also be various school transfers made. The General Project Fund budget will be amended by increasing the appropriation for the Dobyons-Bennett Renovations by \$150,000 from funds transferred from the General Purpose School fund. There will be other funds transferred from various projects to close some completed projects and adjust funding for various open projects. These funds will be transferred to the Dobyons-Bennett Renovation project and the Lynn Garden Elementary School project.

Fund 141: General Purpose School Fund

<u>Revenues:</u>	\$	\$	\$
141-0000-338-6590 Other State Ed Revenue	1,407,100	895,141	2,302,241
<i>Totals</i>	<u>1,407,100</u>	<u>895,141</u>	<u>2,302,241</u>

<u>Expenditures:</u>	\$	\$	\$
141-7150-711-0116 Reg Inst-Teacher Salaries	861,650	400,000	1,261,650
141-7150-711-0163 Reg Inst-Inst Assts	40,100	95,000	135,100
141-7150-711-0201 Reg Inst-Social Security	82,000	31,741	113,741
141-7150-711-0204 Reg Inst-State Retirement	100,300	41,000	141,300
141-7150-711-0212 Reg Inst-Medicare	19,200	7,300	26,500
141-7150-711-0217 Reg Inst-SRT	6,200	4,000	10,200
141-7150-711-0429 Reg Inst-Inst Supplies	0	10,000	10,000
141-7150-711-0499 Reg Inst-Other Supplies	0	10,000	10,000
141-7150-721-0116 Sped Inst-Teacher Salaries	4,900	57,000	61,900
141-7150-721-0163 Sped Inst-Inst Assts	0	10,000	10,000
141-7150-721-0201 Sped Inst-Social Security	3,300	4,200	7,500
141-7150-721-0204 Sped Inst-State Retirement	6,100	5,200	11,300
141-7150-721-0212 Sped Inst-Medicare	900	1,100	2,000
141-7150-721-0217 Sped Inst-SRT	300	700	1,000
141-7250-772-0131 Hlth Ser-Medical Personnel	188,100	25,000	213,100
141-7250-772-0201 Hlth Ser-Social Security	14,800	1,500	16,300
141-7250-772-0204 Hlth Ser-State Retirement	15,700	2,000	17,700
141-7250-772-0212 Hlth Ser-Medicare	3,400	400	3,800
141-7250-772-0217 Hlth Ser-SRT	1,300	300	1,600
141-7250-773-0123 Oth Std Sup-Guidance Per	0	24,000	24,000
141-7250-773-0201 Oth Std Sup-Social Security	23,800	1,500	25,300
141-7250-773-0204 Oth Std Sup-State Retirement	59,500	1,900	61,400
141-7250-773-0212 Oth Std Sup-Medicare	5,700	400	6,100

141-7250-773-0217 Oth Std Sup-SRT	1,900	300	2,200
141-7250-781-0105 Reg Inst Sup-Supervisor	508,000	53,000	561,000
141-7250-781-0201 Reg Inst Sup-Social Security	45,900	3,300	49,200
141-7250-781-0204 Reg Inst Sup-St. Retirement	56,100	4,300	60,400
141-7250-781-0212 Reg Inst Sup-Medicare	10,800	800	11,600
141-7250-781-0217 Reg Inst Sup-SRT	1,800	500	2,300
141-7250-801-0162 Prin Office-Clerical	0	12,000	12,000
141-7250-801-0201 Prin Office-Social Security	0	800	800
141-7250-801-0204 Prin Office-State Retirement	0	1,000	1,000
141-7250-801-0212 Prin Office-Medicare	0	200	200
141-7250-801-0217 Prin Office-SRT	0	200	200
141-7250-831-0105 Transportation-Supervisor	82,200	4,000	86,200
141-7250-831-0146 Transportation-Bus Drivers	729,400	50,000	779,400
141-7250-831-0162 Transportation-Clerical	53,000	5,000	58,000
141-7250-831-0201 Transportation-Social Sec	52,400	3,700	56,100
141-7250-831-0204 Transportation- St Retirement	106,700	4,300	111,000
141-7250-831-0212 Transportation-Medicare	12,300	900	13,200
141-7250-831-0217 Transportation-SRT	5,700	1,600	7,300
141-7250-831-0338 Transportation-Maint of Veh	935,000	15,000	950,000
141-7100-711-0429 D-B Instructional Supplies	112,039	(15,070)	96,969
141-7200-781-0432 D-B Library Books	17,298	(930)	16,368
141-7200-801-0355 D-B Principal Travel	6,500	(3,500)	3,000
141-7600-871-0790 D-B Non-Instructional Equip	48,503	19,500	68,003
141-7210-773-0599 Sevier Student Travel	8,000	(8,000)	0
141-7110-711-0722 Sevier Instructional Equip	15,158	1,000	16,158
141-7610-871-0790 Sevier Non-Instructional Equip	16,082	7,000	23,082
141-7120-711-0722 Jefferson Instructional Equip	9,527	(9,113)	414
141-7620-871-0790 Jefferson Non-Inst Equip	9,527	9,113	18,640
141-7135-711-0722 Lincoln Instructional Equip	4,192	(3,003)	1,189
141-7635-871-0790 Lincoln Non-Inst Equip	8,431	3,003	11,434
141-7235-781-0595 Lincoln Awards/Dues	2,084	(500)	1,584
141-7235-781-0457 Lincoln Staff Development	3,451	(2,000)	1,451
141-7235-801-0355 Lincoln Principal Travel	3,000	(1,529)	1,471
141-7135-711-0429 Lincoln Instructional Supplies	26,202	4,029	30,231
141-7116-711-0722 Roosevelt Inst Equip	2,857	(2,710)	147
141-7216-781-0599 Roosevelt Awards/Dues	3,566	2,710	6,276
141-7240-801-0355 Washington Prin Travel	3,000	(2,547)	453
141-7640-871-0790 Washington Non-Inst Equip	102,608	2,547	105,155
141-7254-781-0355 C & I Travel	11,500	(7,450)	4,050
141-7254-781-0457 C & I Staff Development	49,000	(2,400)	46,600
141-7250-773-0599 C & I Student Travel	13,456	(6,700)	6,756
141-7154-711-0449 C & I Textbooks	71,490	16,550	88,040
141-7250-785-0790 Technology Ther Equipment	1,191,110	(20,000)	1,171,110
141-7600-871-0790 D-B Non-Instructional Equip	68,003	(20,000)	48,003
141-7650-871-0790 Building Improvements	789,910	(180,000)	609,910
141-7650-871-0790 Other Equipment	155,390	(50,000)	105,390
141-7950-881,0590 Transfers to Other Funds	3,230,000	270,000	3,500,000
Totals	10,020,334	895,141	10,915,475

Fund 311: General Project Fund

Sullivan North Renovations (GP1733)

Revenues:	\$	\$	\$
311-0000-361-2250 Sullivan Co School	824,599	28,405	853,004
311-0000-369-9900 Miscellaneous Revenue	1,658,940	0	1,658,940
311-0000-391-0100 Transfers from General Fund	275,000	0	275,000
311-0000-391-2100 Transfers from School Fund	3,790,780	(117,295)	3,673,485
311.0000.391-2150 Sullivan County School	2,365,050	0	2,365,050
Total:	8,914,369	(88,890)	8,825,479

Expenditures:	\$	\$	\$
311-0000-601-2022 Construction Contracts	5,811,727	(81,002)	5,730,725
311-0000-601-2023 Architect Fees	1,050,000	(7,888)	1,042,112
311-0000-601-9003 Improvements	2,052,642	0	2,052,642
Total:	8,914,369	(88,890)	8,825,479

Dobyns-Bennett Renovations (GP2111)

Revenues:	\$	\$	\$
311-0000-368-1051 G.O. Bonds Series 2015A	25,000	0	25,000
311-0000-368-1054 G.O. Bonds Series 2016	193,621	0	193,621
311-0000-368-1056 G.O. Bonds Series 2018A	69,799	0	69,799
311-0000-368-1066 G.O. Bonds Series 2019	927,267	0	927,267
311-0000-368-1069 G.O. Bonds Series 2021	3,158,750	0	3,158,750
311-0000-368-1072 G.O. Bonds Series 2023	0	102,761	102,761
311-0000-368-2101 Premium from Bond Sale	625,765	0	625,765
311-0000-391-2100 Transfers from School Fund	441,870	270,000	711,870
Total:	5,442,072	372,761	5,814,833

Expenditures:	\$	\$	\$
311-0000-601-2022 Construction Contracts	4,924,170	525,987	5,444,657
311-0000-601-2023 Architect Fees	441,870	(231,870)	210,000
311-0000-601-4041 Bond Sale Expense	76,032	0	76,032
311-0000-901-9004 Equipment	0	78,644	78,644
Total:	5,442,072	372,761	5,814,833

School Capital Improvements GP2301

Revenues:	\$	\$	\$
311-0000-291-2100 Transfer from School Fund	1,288,942	(16,764)	1,272,178
Total:	1,288,942	(16,764)	1,272,178

Expenditures:	\$	\$	\$
311-0000-601-2022 Construction Contracts	1,223,942	(3,172)	1,220,770
311-0000-601-2023 Architect Fees	65,000	(13,592)	51,408
Total:	1,288,942	(16,764)	1,272,178

Schools HVAC Replacements GP2302

Revenues:

311-0000-391-2100 Transfer from School Fund	\$ 6,777,317	\$ (399,372)	\$ 6,377,945
Total:	6,777,317	(399,372)	6,377,945

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 6,513,817	\$ (402,715)	\$ 6,111,102
311-0000-601-2023 Architect Fees	263,500	3,343	266,843
Total:	6,777,317	(399,372)	6,377,945

D-B Dome Re-Roof and Renovations (GP2401)

Revenues:

311-0000-368-1069 G.O. Bonds Series 2021	\$ 2,364,250	\$ 0	\$ 2,364,250
311-0000-368-1072 G.O. Bonds Series 2023	20,679,857	(102,761)	20,582,596
311-0000-368-2101 Premium on Bond Sale	537,422	0	537,422
311-0000-391-2100 Transfer from School Fund	300,000	(300,000)	0
Total:	23,881,529	(402,761)	23,478,768

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 22,111,535	\$ (333,684)	\$ 21,783,351
311-0000-601-2023 Architect Fees	1,552,715	(69,077)	1,483,638
311-0000-601-4041 Bond Sale Expense	217,279	0	217,279
Total:	23,881,529	(402,761)	23,478,768

Robinson Gym Floors (GP2510)

Revenues:

311-0000-391-2100 Transfers from School Fund	\$ 158,800	\$ (31,800)	\$ 127,000
Total:	158,800	(31,800)	127,000

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 148,400	\$ (21,400)	\$ 127,000
311-0000-601-2023 Architect Fees	10,400	(10,400)	0
Total:	158,800	(31,800)	127,000

KCS Parking Lot Improvements GP2511

Revenues:

311-0000-391-2100 Transfers from School Fund	\$ 675,600	\$ (134,567)	\$ 541,033
Total:	675,600	(134,567)	541,033

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 611,800	\$ (126,156)	\$ 485,644
311-0000-601-2023 Architect Fees	63,800	(8,411)	55,389
Totals:	675,600	(134,567)	541,033

Washington HVAC Replacement (GP2512)

Revenues:

311-0000-368-1073 G.O. Bonds Series 2026A	\$ 2,129,730	\$ 0	\$ 2,129,730
311-0000-368-2101 Premium from Bond Sale	193,552	0	193,552
311-0000-391-2100 Transfer from School Fund	2,565,000	(2,495,000)	70,000
Totals:	4,888,282	(2,495,000)	2,393,282

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 4,420,000	\$ (2,300,000)	\$ 2,120,000
311-0000-601-2023 Architect Fees	445,000	(195,000)	250,000
311-0000-601-4041 Bond Sale Expense	23,282	0	23,282
Totals:	4,888,282	(2,495,000)	2,393,282

Lynn Garden Elementary School (GP2507)

Revenues:

311-0000-368-1073 G.O. Bonds Series 2026A	\$ 2,407,521	\$ 0	\$ 2,407,521
311-0000-368-2101 Premium from Bond Sale	218,798	0	218,798
311-0000-39102100 Transfer from School Fund	950,000	3,669,798	4,619,798
Totals:	3,576,319	3,669,798	7,246,117

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 600,000	\$ 3,669,798	\$ 4,269,798
311-0000-601-2023 Architect Fees	2,950,000	0	2,950,000
311-0000-601-4041 Bond Sale Expense	26,319	0	26,319
Totals:	3,576,319	3,669,798	7,246,117

Robinson Fire Alarm Replacement (GP2602)

Revenues:

311-0000-391-2100 Transfers from School Fund	\$ 400,000	\$ (175,000)	\$ 225,000
Total:	400,000	(175,000)	225,000

Expenditures:

311-0000-601-2022 Construction Contracts	\$ 350,000	\$ (164,576)	\$ 185,424
311-0000-601-2023 Architect Fees	50,000	(10,424)	39,576
Total:	400,000	(175,000)	225,000

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.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

May 12, 2026

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2025-2026
BUDGET AMENDMENT NUMBER SIX

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: SUMMER LEARNING GRANT

The State has allocated \$895,141 for Summer Learning Camps. The funds previously designated for transportation have been combined with the Summer Learning component to make one total grant this year. Also new for this year is that any unexpended funds may be carried forward for tutoring activities during the next school year. These funds are to be spent on personnel, supplies and materials, and transportation costs for our summer learning program.

It is recommended that the estimated revenue and Other State Education Funds be increased by \$895,141 and the appropriations for various salary and benefit, supplies and materials, and transportation accounts be increased by \$895,141.

ITEM TWO: DOBYNS-BENNETT RENOVATION PROJECT

It was planned to repair or replace the exterior stairs at Dobyns-Bennett that come from the old science pod to the rear alley way. The current concrete stairs are unsafe and have been taken out of service and must be repaired or replaced. Funding of \$150,000 has been earmarked within the current year CIP funds for this project. It has been decided to roll this project into the renovations that are being done at Dobyns-Bennett and it is necessary to transfer these funds from the General Purpose School Fund CIP budget to the General Project Fund project for the Renovations to Dobyns-Bennett.

In addition to the stair replacement, there are other alternates that we may consider at a later date. There have been Technology, D-B Non-Instructional Funds, FF&E, and CIP funds identified in the current General Purpose budget that can be moved to the Dobyns-Bennett Renovation project.

It is recommended to transfer \$20,000 from the Technology Other Equipment account, \$20,000 from the Dobyns-Bennett Non-Instructional account, \$50,000 from the FF&E account and \$180,000 from the Building Improvements account to the Fund Transfer account (\$270,000) and to transfer these funds to the Dobyns-Bennett Renovation project.

ITEM THREE: MISCELLANEOUS TRANSFERS

Dobyns-Bennett High School – Dobyns-Bennett has requested to transfer \$15,070 from their Instructional Supply account, \$930 from their Library Book account, and \$3,500 from their Principal travel account to their Non-Instructional Equipment account (\$19,500). This will fund replacement classroom furnishings.

Sevier Middle – Sevier Middle School has requested to transfer \$8,000 from their Student Travel account to their Instructional Equipment account (\$1,000) and to their Non-Instructional

Equipment account (\$7,000). This will fund the purchase of Boxlights and classroom furniture.

Jefferson Elementary – Jefferson Elementary School has requested to transfer \$9,113 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide funds to replace old office furniture.

Lincoln Elementary – Lincoln Elementary School has requested to transfer \$3,003 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide assistance in funding the purchase of new cafeteria tables. In addition, they have requested to transfer \$500 from their Printing account, \$1,529 from their Principal travel account, and \$2,000 from their Staff Development account to their Instructional Supply account (\$4,029). This will assist in purchasing additional instructional supplies and materials.

Roosevelt Elementary – Roosevelt Elementary School has requested to transfer \$2,710 from their Instructional Equipment account to their Awards and Dues account. This will provide funds for additional year-end student celebrations.

Washington Elementary – Washington Elementary School has requested to transfer \$2,257 from their Principal Travel account to their Non-Instructional Equipment account. This help fund security door hardware.

Curriculum & Instruction – The C & I department has requested to transfer \$7,450 from their Travel account, \$2,400 from their Staff Development account, and \$6,750 from their Student Travel account to their Textbook account (\$16,550).

FEDERAL PROJECTS FUND

(See Attached Schedule of Federal Projects)

The Federal Projects Fund budget was previously approved for a total of \$6,028,161.

There have been four additional grants received. The total of these new grants is \$203,185. These grants are:

1. IDEA, Systematic Change Preschool – \$72,185
2. Literacy Materials Implementation – \$100,000
3. Literacy Pre-K Teacher Stipends - \$21,000
4. Pre-School Development - \$10,000

Many of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$220,706.

It is recommended that the estimated revenue and the appropriations for the Federal Programs budget be decreased by a net amount of \$17,521. The revised Federal Projects budget will be \$6,010,640.

SCHOOL SPECIAL PROJECTS FUND

(See Attached Schedule of School Special Projects)

The School Special Projects Fund budget was previously approved for a total of \$1,158,720.

There have been four additional grants received. The total of these new grants is \$854,611. These grants are:

1. Advancing Mental Health – \$5,000
2. ETSU Gear Up – \$122,835
3. Patel Donation - \$500,000
4. Public School Security Grant - \$152,176
5. TN Tutoring Innovation Grant - \$74,600

Two of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$9,641.

It is recommended that the estimated revenue for and the appropriations for School Special Projects Fund be decreased by the net amount of \$9,641. The revised School Special Projects budget will be \$2,003,690.

GENERAL PROJECT FUND

There are several capital projects in the General Project Fund that need to be closed or have the funding revised. These projects have funds that need to be transferred to balance the revenues and expenditures or to accurately reflect the required funding. These funds are available to move back to the original funding source or to another capital project. It is recommended that these excess funds be moved to the projects for Dobyns-Bennet Renovations and the Lynn Garden Elementary School. Below is the list of the projects and the budgets, the actual or estimated expenditures, and the amount to be transferred from or to.

Transfers From:

Project	Budget	Expenditures	Balance
Sullivan North Renovations	8,942,774	8,825,479	117,295
School Capital Improvement Projects	1,288,942	1,272,178	16,764
School HVAC Replacements	6,777,317	6,377,945	399,372
D-B Dome Re-Roof and Renovations	23,881,529	23,478,768	402,761
Robinson Gym Floors	158,800	127,000	31,800
Parking Lot Improvements	675,600	541,033	134,567
Washington HVAC Replacement	4,888,282	2,393,282	2,495,000
Robinson Fire Alarm	400,000	225,000	175,000
Totals	<u>47,013,244</u>	<u>43,240,685</u>	<u>3,772,559</u>

Transfers To:

Project	Budget	Increase	Revised Budget
Dobyns-Bennett Renovations	5,442,072	252,761	5,694,840
Lynn Garden Elementary School	<u>3,576,319</u>	<u>3,669,798</u>	<u>7,246,117</u>
Totals	<u>42,124,962</u>	<u>3,922,559</u>	<u>12,940,957</u>

Sullivan North Renovations

This project was established several years ago, when this facility was going to be renovated for a middle school. Over the years there have been improvements made to this facility that have all been completed and this old project needs to be closed. When the work begins and funding is established for a new elementary school, a new project will be established. The expenses accounted for in this project include architect fees for the design of the middle school, the renovations to the gym area, the replacement of the roof over the gym and the CTE wing, and expenses associated with the frozen water pipes.

School Capital Improvements

This project accounted for several miscellaneous projects. Below is a list of the projects and the amounts of each project.

• Sevier Gym Floor Replacements	281,148
• DBE Life Safety Improvements	192,281
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• Dobyons-Bennett- Pridmore Seating	362,243

School HVAC Replacements

This project was for the replacements of the Johnson HVAC system and the Lincoln HVAC system and boiler. The Johnson project had a final cost of \$3,074,372 and the Lincoln project had a final cost of \$3,303,573.

Dobyons-Bennett Dome Re-Roof and Renovations

This project accounted for the structural repairs to the dome roof, as well as the replacement of the roof. Also included in the project was the replacement of the lighting, the replacement of the gym floor, the replacement of the fixed seating and the bleachers, the replacement of the boilers for the school, the replacement of the dome HVAC system, upgrades to the electrical system, renovations to the dome lobby and the activities office. There is a balance of \$402,761 remaining. \$102,761 are from 2023 bond funds and will be transferred to the Dobyons-Bennett Renovation project. \$300,000 are from the School Fund and will be transferred to the Lynn Garden Elementary School project.

Robinson Gym Floors

This project accounted for the replacement of the auxiliary gym floor and the re-finishing of the main gym floor.

Parking Lot Improvements

The project accounted for repairs of the Jackson parking lot and for the replacement and expansion of the Palmer Center parking lot. Also included in this project was fencing along the perimeter of the Palmer Center property.

Washington HVAC Replacement

This project is in progress and scheduled to be completed prior to teachers returning in July 2026. The City has issued \$2,300,000 of bonds and allocated these funds to this project. Funds that Kingsport City schools have allocated to this project will be transferred to the Lynn Garden Elementary project.

Robinson Fire Alarm Replacement

There has been \$400,000 allocated to this project. The current costs of this project is estimated to be \$225,000. The excess funds are being transferred to the Lynn Garden Elementary School project.

Dobyns-Bennett Renovations

Work that already occurred in this project includes pool renovations, band building partial HVAC replacement, purchase of the wrestling room mat, and engineering fees for the replacement of the cooling towers. With the transfer from the Dome Renovation project of \$102,761 and from the General Purpose School Fund of \$270,000, there will be \$3,422,052 available for the current renovation project.

Lynn Garden Elementary School

Currently, Kingsport City Schools has allocated \$950,000 to this project to fund phases I and II of the architect fees. Phase I was for the schematic design of the school and phase II is for the detail design and construction oversight of the demolition of the Lynn Garden Community Center and the site work associated with the new school. The City has issued \$2,600,000 in bond funds and has allocated these funds to the project. \$2,000,000 of these funds will cover phase III of the architect agreement. Phase III of this agreement is for the detailed design and construction oversight of the new elementary school. The additional \$600,000 and the transfer of \$3,669,798 from other projects will fund the estimated costs associated with the demolition and site work. It is scheduled for this work to bid out in mid-June and a contract to be awarded in August 2026.

KINGSPORT CITY SCHOOLS
 SCHEDULE OF FEDERAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	ORIGINAL BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Title I, Part A: Improving Academic Achievement/Disadvantaged	\$ 2,480,091	-	\$ 40,588	\$ 2,439,503
Title I, Part A: Neglected	8,206	14,699		22,905
Consolidated Administration	214,953	3,248		218,201
Title II, Part A: Teacher and Principal Training and Recruiting	576,445		41,516	534,929
Title III, Part A: English Language Acquisition	17,070	6,878		23,948
Title IV	184,501	548		185,049
Title IX McKinney-Vento	55,000	11,298		66,298
IDEA, Part-B: Special Education	1,925,130		148,848	1,776,282
IDEA, Pre-School: Special Education	60,851		1,860	58,991
IDEA Systemic Change Preschool		72,185		72,185
Literacy Materials Implementation		100,000		100,000
Literacy PreK Teacher Stipends		21,000		21,000
Preschool Development		10,000		10,000
Transition School To Work	334,621			334,621
Carl Perkins: Vocational	171,293		24,565	146,728
Total Federal Projects	\$ 6,028,161	\$ 239,856	\$ 257,377	\$ 6,010,640

KINGSPORT CITY SCHOOLS
 SCHEDULE OF SCHOOL SPECIAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Advancing Mental Health	\$ 0	\$ 5,000		\$ 5,000
ETSU Gear Up	0	122,835		122,835
Family Resource Center	10,000			10,000
Homeless Education Program	10,000			10,000
Melissa's HOPE Grant	25,000			25,000
Patel Donation		500,000		500,000
Public School Security Grant	0	152,176		152,176
State - Pre-School Grant	825,000	824		825,824
State - SPED Preschool Grant	235,000		10,465	224,535
TN Tutoring Innovation Grant	0	74,600		74,600
Truancy Intervention Grant	53,720			53,720
Total School Special Projects	\$ 1,158,720	\$ 855,435	\$ 10,465	\$ 2,003,690



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the FY 2026 School Federal Projects Fund Budget

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

Action Form No.: AF-148-2026 Final Adoption: June 2, 2026
Work Session: May 18, 2026 Staff Work By: David Frye
First Reading: May 19, 2026 Presentation By: David Frye

Strategic Focus Area: World-Class Education

Recommendation:

Approve the Ordinance

Executive Summary:

On May 12, 2026, the Board of Education approved an amendment to the FY 2025-2026 Schools' Federal Project Fund budget. This fund accounts for entitlement grants received from the federal government. The current budget is \$6,028,161, based on estimated amounts. There are four new grants, and the estimates are being adjusted to actual amounts. There is a net decrease in this budget for this fund of \$17,521. This makes the amended total \$6,010,640.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number Six– FY 2026

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

ORDINANCE NO. ****

AN ORDINANCE TO AMEND THE FY 2026 SCHOOL
FEDERAL GRANT PROJECTS FUND BUDGET; AND, TO
FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the FY 2026 School Federal Grant Projects Fund budget be amended by increasing/(decreasing) appropriations for Grant funds to the following Grant projects.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
ADMN26 Consolidated Administration	214,953	3,248	218,201
CPG026 Carl Perkins Grant	171,293	(24,565)	146,728
HE2601 Homeless Assistance Program	55,000	11,298	66,298
IPRE26 IDEA Systemic Change Preschool	0	72,185	72,185
LMIS26 Literacy Materials Implementation	0	100,000	100,000
LPT025 Literacy Pre-K Teacher Stipends	0	21,000	21,000
PDG026 Pre-School Development	0	10,000	10,000
PS2601 IDEA Pre-School	60,851	(1,860)	58,991
TSTW26 Transition School to Work Grant	269,621	0	269,621
T12601 Title I	2,480,091	(40,588)	2,439,503
T126N1 Title I Neglected	8,206	14,699	22,905
T22601 Title II	576,445	(41,516)	534,929
T32601 Title III	17,070	6,878	23,948
T42601 Title IV	184,501	548	185,049
T62601 IDEA Part-B	1,925,130	(148,848)	1,776,282
Transfers from General Purpose School Fund	65,000	0	65,000
Totals:	6,028,161	(17,521)	6,010,640
 <u>Expenditures:</u>	 \$	 \$	 \$
Instruction	2,406,518	512,998	2,919,516
Support Services	3,115,519	(563,393)	2,552,126
Non-Instructional Services	0	31,000	31,000
Capital Outlay	0	0	0
Other Charges (Fund Transfers)	506,124	1,874	507,998
Totals:	6,028,161	(17,521)	6,010,640

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.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNY B. ROWLETT, III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:

May 12, 2026

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2025-2026
BUDGET AMENDMENT NUMBER SIX

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: SUMMER LEARNING GRANT

The State has allocated \$895,141 for Summer Learning Camps. The funds previously designated for transportation have been combined with the Summer Learning component to make one total grant this year. Also new for this year is that any unexpended funds may be carried forward for tutoring activities during the next school year. These funds are to be spent on personnel, supplies and materials, and transportation costs for our summer learning program.

It is recommended that the estimated revenue and Other State Education Funds be increased by \$895,141 and the appropriations for various salary and benefit, supplies and materials, and transportation accounts be increased by \$895,141.

ITEM TWO: DOBYNS-BENNETT RENOVATION PROJECT

It was planned to repair or replace the exterior stairs at Dobyns-Bennett that come from the old science pod to the rear alley way. The current concrete stairs are unsafe and have been taken out of service and must be repaired or replaced. Funding of \$150,000 has been earmarked within the current year CIP funds for this project. It has been decided to roll this project into the renovations that are being done at Dobyns-Bennett and it is necessary to transfer these funds from the General Purpose School Fund CIP budget to the General Project Fund project for the Renovations to Dobyns-Bennett.

In addition to the stair replacement, there are other alternates that we may consider at a later date. There have been Technology, D-B Non-Instructional Funds, FF&E, and CIP funds identified in the current General Purpose budget that can be moved to the Dobyns-Bennett Renovation project.

It is recommended to transfer \$20,000 from the Technology Other Equipment account, \$20,000 from the Dobyns-Bennett Non-Instructional account, \$50,000 from the FF&E account and \$180,000 from the Building Improvements account to the Fund Transfer account (\$270,000) and to transfer these funds to the Dobyns-Bennett Renovation project.

ITEM THREE: MISCELLANEOUS TRANSFERS

Dobyns-Bennett High School – Dobyns-Bennett has requested to transfer \$15,070 from their Instructional Supply account, \$930 from their Library Book account, and \$3,500 from their Principal travel account to their Non-Instructional Equipment account (\$19,500). This will fund replacement classroom furnishings.

Sevier Middle – Sevier Middle School has requested to transfer \$8,000 from their Student Travel account to their Instructional Equipment account (\$1,000) and to their Non-Instructional

Equipment account (\$7,000). This will fund the purchase of Boxlights and classroom furniture.

Jefferson Elementary – Jefferson Elementary School has requested to transfer \$9,113 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide funds to replace old office furniture.

Lincoln Elementary – Lincoln Elementary School has requested to transfer \$3,003 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide assistance in funding the purchase of new cafeteria tables. In addition, they have requested to transfer \$500 from their Printing account, \$1,529 from their Principal travel account, and \$2,000 from their Staff Development account to their Instructional Supply account (\$4,029). This will assist in purchasing additional instructional supplies and materials.

Roosevelt Elementary – Roosevelt Elementary School has requested to transfer \$2,710 from their Instructional Equipment account to their Awards and Dues account. This will provide funds for additional year-end student celebrations.

Washington Elementary – Washington Elementary School has requested to transfer \$2,257 from their Principal Travel account to their Non-Instructional Equipment account. This help fund security door hardware.

Curriculum & Instruction – The C & I department has requested to transfer \$7,450 from their Travel account, \$2,400 from their Staff Development account, and \$6,750 from their Student Travel account to their Textbook account (\$16,550).

FEDERAL PROJECTS FUND

(See Attached Schedule of Federal Projects)

The Federal Projects Fund budget was previously approved for a total of \$6,028,161.

There have been four additional grants received. The total of these new grants is \$203,185. These grants are:

1. IDEA, Systematic Change Preschool – \$72,185
2. Literacy Materials Implementation – \$100,000
3. Literacy Pre-K Teacher Stipends - \$21,000
4. Pre-School Development - \$10,000

Many of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$220,706.

It is recommended that the estimated revenue and the appropriations for the Federal Programs budget be decreased by a net amount of \$17,521. The revised Federal Projects budget will be \$6,010,640.

SCHOOL SPEICAL PROJECTS FUND

(See Attached Schedule of School Special Projects)

The School Special Projects Fund budget was previously approved for a total of \$1,158,720.

There have been four additional grants received. The total of these new grants is \$854,611. These grants are:

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Two of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$9,641.

It is recommended that the estimated revenue for and the appropriations for School Special Projects Fund be decreased by the net amount of \$9,641. The revised School Special Projects budget will be \$2,003,690.

GENERAL PROJECT FUND

There are several capital projects in the General Project Fund that need to be closed or have the funding revised. These projects have funds that need to be transferred to balance the revenues and expenditures or to accurately reflect the required funding. These funds are available to move back to the original funding source or to another capital project. It is recommended that these excess funds be moved to the projects for Dobyns-Bennet Renovations and the Lynn Garden Elementary School. Below is the list of the projects and the budgets, the actual or estimated expenditures, and the amount to be transferred from or to.

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Totals	<u>42,124,962</u>	<u>3,922,559</u>	<u>12,940,957</u>

Sullivan North Renovations

This project was established several years ago, when this facility was going to be renovated for a middle school. Over the years there have been improvements made to this facility that have all been completed and this old project needs to be closed. When the work begins and funding is established for a new elementary school, a new project will be established. The expenses accounted for in this project include architect fees for the design of the middle school, the renovations to the gym area, the replacement of the roof over the gym and the CTE wing, and expenses associated with the frozen water pipes.

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Lynn Garden Elementary School

Currently, Kingsport City Schools has allocated \$950,000 to this project to fund phases I and II of the architect fees. Phase I was for the schematic design of the school and phase II is for the detail design and construction oversight of the demolition of the Lynn Garden Community Center and the site work associated with the new school. The City has issued \$2,600,000 in bond funds and has allocated these funds to the project. \$2,000,000 of these funds will cover phase III of the architect agreement. Phase III of this agreement is for the detailed design and construction oversight of the new elementary school. The additional \$600,000 and the transfer of \$3,669,798 from other projects will fund the estimated costs associated with the demolition and site work. It is scheduled for this work to bid out in mid-June and a contract to be awarded in August 2026.

KINGSPORT CITY SCHOOLS
 SCHEDULE OF FEDERAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	ORIGINAL BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Title I, Part A: Improving Academic Achievement/Disadvantaged	\$ 2,480,091	\$ -	\$ 40,588	\$ 2,439,503
Title I, Part A: Neglected	8,206	14,699		22,905
Consolidated Administration	214,953	3,248		218,201
Title II, Part A: Teacher and Principal Training and Recruiting	576,445		41,516	534,929
Title III, Part A: English Language Acquisition	17,070	6,878		23,948
Title IV	184,501	548		185,049
Title IX McKinney-Vento	55,000	11,298		66,298
IDEA, Part-B: Special Education	1,925,130		148,848	1,776,282
IDEA, Pre-School: Special Education	60,851		1,860	58,991
IDEA Systemic Change Preschool		72,185		72,185
Literacy Materials Implementation		100,000		100,000
Literacy PreK Teacher Stipends		21,000		21,000
Preschool Development		10,000		10,000
Transition School To Work	334,621			334,621
Carl Perkins: Vocational	171,293		24,565	146,728
Total Federal Projects	\$ 6,028,161	\$ 239,856	\$ 257,377	\$ 6,010,640

KINGSPORT CITY SCHOOLS
 SCHEDULE OF SCHOOL SPECIAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Advancing Mental Health	\$ 0	\$ 5,000		\$ 5,000
ETSU Gear Up	0	122,835		122,835
Family Resource Center	10,000			10,000
Homeless Education Program	10,000			10,000
Melissa's HOPE Grant	25,000			25,000
Patel Donation		500,000		500,000
Public School Security Grant	0	152,176		152,176
State - Pre-School Grant	825,000	824		825,824
State - SPED Preschool Grant	235,000		10,465	224,535
TN Tutoring Innovation Grant	0	74,600		74,600
Truancy Intervention Grant	53,720			53,720
Total School Special Projects	\$ 1,158,720	\$ 855,435	\$ 10,465	\$ 2,003,690

ORDINANCE NO. ****

PRE-FILED
CITY RECORDER

AN ORDINANCE TO AMEND THE FY 2026 SCHOOL SPECIAL PROJECTS FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the FY 2026 School Special Projects Fund budget be amended by increasing/(decreasing) estimated revenues appropriations for grant funds to the following grant projects.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/(Decr)</u>	<u>New Budget</u>
<u>Revenues:</u>	\$	\$	\$
AMH026 Advancing mental Health	0	5,000	5,000
GU2601 ETSU Gear Up	0	122,835	122,835
FRCD26 Family Resource Center	10,000	0	10,000
HAG026 Homeless Assistance	10,000	0	10,000
HOPE26 Melisa’s Hope Grant	25,000	0	25,000
KTIP26 Kingsport Truancy Intervention	53,720	0	53,720
PATL26 Patel Donation	0	500,000	500,000
PK5126 Pre-K Expansion Grant System-Wide	685,000	824	685,824
PSS026 Public School Security Grant	0	152,176	152,176
SEP026 State Special Ed Pre-School Grant	235,000	(10,465)	224,535
TTI026 TN Tutoring Innovation Grant	0	74,600	74,600
Transfer from General School Fund	140,000	0	140,000
Totals:	1,158,720	844,970	2,003,690
<u>Expenditures:</u>	\$	\$	\$
Instruction	1,008,098	519,755	1,527,853
Support Services	145,622	325,215	470,837
Non-Instructional Services	0	0	0
Capital Outlay	5,000	0	5,000
Other	0	0	0
Totals:	1,158,720	844,970	2,003,690

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.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, City Attorney

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

May 12, 2026

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2025-2026
BUDGET AMENDMENT NUMBER SIX

GENERAL PURPOSE SCHOOL FUNDS

ITEM ONE: SUMMER LEARNING GRANT

The State has allocated \$895,141 for Summer Learning Camps. The funds previously designated for transportation have been combined with the Summer Learning component to make one total grant this year. Also new for this year is that any unexpended funds may be carried forward for tutoring activities during the next school year. These funds are to be spent on personnel, supplies and materials, and transportation costs for our summer learning program.

It is recommended that the estimated revenue and Other State Education Funds be increased by \$895,141 and the appropriations for various salary and benefit, supplies and materials, and transportation accounts be increased by \$895,141.

ITEM TWO: DOBYNS-BENNETT RENOVATION PROJECT

It was planned to repair or replace the exterior stairs at Dobyns-Bennett that come from the old science pod to the rear alley way. The current concrete stairs are unsafe and have been taken out of service and must be repaired or replaced. Funding of \$150,000 has been earmarked within the current year CIP funds for this project. It has been decided to roll this project into the renovations that are being done at Dobyns-Bennett and it is necessary to transfer these funds from the General Purpose School Fund CIP budget to the General Project Fund project for the Renovations to Dobyns-Bennett.

In addition to the stair replacement, there are other alternates that we may consider at a later date. There have been Technology, D-B Non-Instructional Funds, FF&E, and CIP funds identified in the current General Purpose budget that can be moved to the Dobyns-Bennett Renovation project.

It is recommended to transfer \$20,000 from the Technology Other Equipment account, \$20,000 from the Dobyns-Bennett Non-Instructional account, \$50,000 from the FF&E account and \$180,000 from the Building Improvements account to the Fund Transfer account (\$270,000) and to transfer these funds to the Dobyns-Bennett Renovation project.

ITEM THREE: MISCELLANEOUS TRANSFERS

Dobyns-Bennett High School – Dobyns-Bennett has requested to transfer \$15,070 from their Instructional Supply account, \$930 from their Library Book account, and \$3,500 from their Principal travel account to their Non-Instructional Equipment account (\$19,500). This will fund replacement classroom furnishings.

Sevier Middle – Sevier Middle School has requested to transfer \$8,000 from their Student Travel account to their Instructional Equipment account (\$1,000) and to their Non-Instructional

Equipment account (\$7,000). This will fund the purchase of Boxlights and classroom furniture.

Jefferson Elementary – Jefferson Elementary School has requested to transfer \$9,113 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide funds to replace old office furniture.

Lincoln Elementary – Lincoln Elementary School has requested to transfer \$3,003 from their Instructional Equipment account to their Non-Instructional Equipment account. This will provide assistance in funding the purchase of new cafeteria tables. In addition, they have requested to transfer \$500 from their Printing account, \$1,529 from their Principal travel account, and \$2,000 from their Staff Development account to their Instructional Supply account (\$4,029). This will assist in purchasing additional instructional supplies and materials.

Roosevelt Elementary – Roosevelt Elementary School has requested to transfer \$2,710 from their Instructional Equipment account to their Awards and Dues account. This will provide funds for additional year-end student celebrations.

Washington Elementary – Washington Elementary School has requested to transfer \$2,257 from their Principal Travel account to their Non-Instructional Equipment account. This help fund security door hardware.

Curriculum & Instruction – The C & I department has requested to transfer \$7,450 from their Travel account, \$2,400 from their Staff Development account, and \$6,750 from their Student Travel account to their Textbook account (\$16,550).

FEDERAL PROJECTS FUND

(See Attached Schedule of Federal Projects)

The Federal Projects Fund budget was previously approved for a total of \$6,028,161.

There have been four additional grants received. The total of these new grants is \$203,185. These grants are:

1. IDEA, Systematic Change Preschool – \$72,185
2. Literacy Materials Implementation – \$100,000
3. Literacy Pre-K Teacher Stipends - \$21,000
4. Pre-School Development - \$10,000

Many of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$220,706.

It is recommended that the estimated revenue and the appropriations for the Federal Programs budget be decreased by a net amount of \$17,521. The revised Federal Projects budget will be \$6,010,640.

SCHOOL SPEICAL PROJECTS FUND

(See Attached Schedule of School Special Projects)

The School Special Projects Fund budget was previously approved for a total of \$1,158,720.

There have been four additional grants received. The total of these new grants is \$854,611. These grants are:

1. Advancing Mental Health – \$5,000
2. ETSU Gear Up – \$122,835
3. Patel Donation - \$500,000
4. Public School Security Grant - \$152,176
5. TN Tutoring Innovation Grant - \$74,600

Two of the grants accounted for in this fund have also experienced changes in the amount of funding. These changes are the normal adjustment of estimated grant amounts to the actual amounts. The net result of these changes is a decrease of \$9,641.

It is recommended that the estimated revenue for and the appropriations for School Special Projects Fund be decreased by the net amount of \$9,641. The revised School Special Projects budget will be \$2,003,690.

GENERAL PROJECT FUND

There are several capital projects in the General Project Fund that need to be closed or have the funding revised. These projects have funds that need to be transferred to balance the revenues and expenditures or to accurately reflect the required funding. These funds are available to move back to the original funding source or to another capital project. It is recommended that these excess funds be moved to the projects for Dobyns-Bennet Renovations and the Lynn Garden Elementary School. Below is the list of the projects and the budgets, the actual or estimated expenditures, and the amount to be transferred from or to.

Transfers From:

Project	Budget	Expenditures	Balance
Sullivan North Renovations	8,942,774	8,825,479	117,295
School Capital Improvement Projects	1,288,942	1,272,178	16,764
School HVAC Replacements	6,777,317	6,377,945	399,372
D-B Dome Re-Roof and Renovations	23,881,529	23,478,768	402,761
Robinson Gym Floors	158,800	127,000	31,800
Parking Lot Improvements	675,600	541,033	134,567
Washington HVAC Replacement	4,888,282	2,393,282	2,495,000
Robinson Fire Alarm	400,000	225,000	175,000
Totals	<u>47,013,244</u>	<u>43,240,685</u>	<u>3,772,559</u>

Transfers To:

Project	Budget	Increase	Revised Budget
Dobyns-Bennett Renovations	5,442,072	252,761	5,694,840
Lynn Garden Elementary School	3,576,319	3,669,798	7,246,117
Totals	<u>42,124,962</u>	<u>3,922,559</u>	<u>12,940,957</u>

Sullivan North Renovations

This project was established several years ago, when this facility was going to be renovated for a middle school. Over the years there have been improvements made to this facility that have all been completed and this old project needs to be closed. When the work begins and funding is established for a new elementary school, a new project will be established. The expenses accounted for in this project include architect fees for the design of the middle school, the renovations to the gym area, the replacement of the roof over the gym and the CTE wing, and expenses associated with the frozen water pipes.

School Capital Improvements

This project accounted for several miscellaneous projects. Below is a list of the projects and the amounts of each project.

• Sevier Gym Floor Replacements	281,148
• DBE Life Safety Improvements	192,281
• Palmer Center Renovations	308,779
• Dobyys-Bennett UPS Upgrade	127,322
• Dobyys-Bennett- Pridmore Seating	362,243

School HVAC Replacements

This project was for the replacements of the Johnson HVAC system and the Lincoln HVAC system and boiler. The Johnson project had a final cost of \$3,074,372 and the Lincoln project had a final cost of \$3,303,573.

Dobyys-Bennett Dome Re-Roof and Renovations

This project accounted for the structural repairs to the dome roof, as well as the replacement of the roof. Also included in the project was the replacement of the lighting, the replacement of the gym floor, the replacement of the fixed seating and the bleachers, the replacement of the boilers for the school, the replacement of the dome HVAC system, upgrades to the electrical system, renovations to the dome lobby and the activities office. There is a balance of \$402,761 remaining. \$102,761 are from 2023 bond funds and will be transferred to the Dobyys-Bennett Renovation project. \$300,000 are from the School Fund and will be transferred to the Lynn Garden Elementary School project.

Robinson Gym Floors

This project accounted for the replacement of the auxiliary gym floor and the re-finishing of the main gym floor.

Parking Lot Improvements

The project accounted for repairs of the Jackson parking lot and for the replacement and expansion of the Palmer Center parking lot. Also included in this project was fencing along the perimeter of the Palmer Center property.

Washington HVAC Replacement

This project is in progress and scheduled to be completed prior to teachers returning in July 2026. The City has issued \$2,300,000 of bonds and allocated these funds to this project. Funds that Kingsport City schools have allocated to this project will be transferred to the Lynn Garden Elementary project.

Robinson Fire Alarm Replacement

There has been \$400,000 allocated to this project. The current costs of this project is estimated to be \$225,000. The excess funds are being transferred to the Lynn Garden Elementary School project.

Dobyns-Bennett Renovations

Work that already occurred in this project includes pool renovations, band building partial HVAC replacement, purchase of the wrestling room mat, and engineering fees for the replacement of the cooling towers. With the transfer from the Dome Renovation project of \$102,761 and from the General Purpose School Fund of \$270,000, there will be \$3,422,052 available for the current renovation project.

Lynn Garden Elementary School

Currently, Kingsport City Schools has allocated \$950,000 to this project to fund phases I and II of the architect fees. Phase I was for the schematic design of the school and phase II is for the detail design and construction oversight of the demolition of the Lynn Garden Community Center and the site work associated with the new school. The City has issued \$2,600,000 in bond funds and has allocated these funds to the project. \$2,000,000 of these funds will cover phase III of the architect agreement. Phase III of this agreement is for the detailed design and construction oversight of the new elementary school. The additional \$600,000 and the transfer of \$3,669,798 from other projects will fund the estimated costs associated with the demolition and site work. It is scheduled for this work to bid out in mid-June and a contract to be awarded in August 2026.

KINGSPORT CITY SCHOOLS
 SCHEDULE OF FEDERAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	ORIGINAL BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Title I, Part A: Improving Academic Achievement/Disadvantaged	\$ 2,480,091	-	\$ 40,588	\$ 2,439,503
Title I, Part A: Neglected	8,206	14,699		22,905
Consolidated Administration	214,953	3,248		218,201
Title II, Part A: Teacher and Principal Training and Recruiting	576,445		41,516	534,929
Title III, Part A: English Language Acquisition	17,070	6,878		23,948
Title IV	184,501	548		185,049
Title IX McKinney-Vento	55,000	11,298		66,298
IDEA, Part-B: Special Education	1,925,130		148,848	1,776,282
IDEA, Pre-School: Special Education	60,851		1,860	58,991
IDEA Systemic Change Preschool		72,185		72,185
Literacy Materials Implementation		100,000		100,000
Literacy PreK Teacher Stipends		21,000		21,000
Preschool Development		10,000		10,000
Transition School To Work	334,621			334,621
Carl Perkins: Vocational	171,293		24,565	146,728
Total Federal Projects	\$ 6,028,161	\$ 239,856	\$ 257,377	\$ 6,010,640

KINGSPORT CITY SCHOOLS
 SCHEDULE OF SCHOOL SPECIAL PROJECTS
 FISCAL YEAR 2025-2026

PROGRAM	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
Advancing Mental Health	\$ 0	\$ 5,000		\$ 5,000
ETSU Gear Up	0	122,835		122,835
Family Resource Center	10,000			10,000
Homeless Education Program	10,000			10,000
Melissa's HOPE Grant	25,000			25,000
Patel Donation		500,000		500,000
Public School Security Grant	0	152,176		152,176
State - Pre-School Grant	825,000	824		825,824
State - SPED Preschool Grant	235,000		10,465	224,535
TN Tutoring Innovation Grant	0	74,600		74,600
Truancy Intervention Grant	53,720			53,720
Total School Special Projects	\$ 1,158,720	\$ 855,435	\$ 10,465	\$ 2,003,690



AGENDA ACTION FORM

Consideration of an Ordinance to Amend Zoning of Tax Map 045D, Group K, Parcel 17.00, Located along Morison Avenue from the R-1B, Residential District to P-1, Professional Offices District

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

Action Form No.: AF-123-2026
Work Session: May 4, 2026
First Reading: May 5, 2026
Final Adoption: **May 19, 2026**
Staff Work By: Jessica McMurray
Presentation By: Jessica McMurray

Strategic Focus Area: 5. Thriving Local Economy

Recommendation:
Approve the Ordinance

Executive Summary:
If approved, this owner-initiated request would **rezone approximately .36 acres along Morison Avenue from the R-1B, Residential District to the P-1, Professional Offices District.**

During their April 2026 regular meeting, the Kingsport Regional Planning Commission **voted to send a positive recommendation** to the Board of Mayor and Aldermen by a vote of 8-0.

The proposed rezoning to P-1 is appropriate and compatible with surrounding properties; it aligns with adjacent P-1 districts and provides a suitable transition from nearby residential areas without negatively impacting neighboring uses.

Supporting documentation, including standards of review and potential uses within the P-1 zone, is provided in the supplementary information.

No opposition was received to this item.

The notice of public hearing was published on April 13, 2026.

Attachments:
1. Zoning Ordinance

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

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY LOCATED ALONG MORISON AVENUE FROM THE R-1B, RESIDENTIAL DISTRICT TO P-1, PROFESSIONAL OFFICES DISTRICT IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone a portion of property located along Morison Avenue from the R-1B, Residential District to P-1, Professional Offices District in the 11th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING AT A POINT, SAID POINT LOCATED AT THE NORTHWESTERLY INTERSECTION OF MORISON AVENUE AND FAIRMONT AVENUE. THENCE ALONG THE WESTERLY SIDELINE OF FAIRMONT AVENUE 110 FEET TO A POINT, SAID POINT A CORNER TO LOT 12, BLOCK 24, SEVIER TERRACE ADDITION (PLAT BOOK 5, PAGE 115). THENCE LEAVING SAID SIDELINE AT A RIGHT ANGLE (ALONG LOT 12) 150 FEET TO A POINT, SAID POINT A CORNER TO LOT 12 AND IN THE LINE OF LOT 10. THENCE WITH AN INTERIOR ANGLE TO THE RIGHT OF $67^{\circ} 45'$ (ALONG LOT 10) 137.78 FEET TO A POINT, SAID POINT A CORNER TO LOT 10 AND LOCATED ON THE NORTHWESTERLY SIDELINE OF MORISON AVENUE. THENCE ALONG SAID SIDELINE BY A CURVE TO THE RIGHT HAVING A RADIUS 278.84 FEET AND AN ARC LENGTH 100 FEET TO THE POINT OF BEGINNING, SAID PARCEL BEING KNOWN AS LOT 11, BLOCK 24, SEVIER TERRACE ADDITION.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

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.

PAUL W. MONTGOMERY
Mayor

ATTEST:

Item IX1.

ANGELA MARSHALL
Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III
City Attorney

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



AGENDA ACTION FORM

Consideration of a Budget Adjustment Ordinance for Various Funds in FY2026

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

Action Form No.: AF-141-2026
Work Session: May 4, 2026
First Reading: May 5, 2026
Final Adoption: **May 19, 2026**
Staff Work By: Wilson
Presentation By: McCartt

Strategic Focus Area: 1. Efficient & Responsive Government

Recommendation:

Approve the Budget Ordinance

Executive Summary:

If approved, the General Projects – Special Revenue Fund will be amended by transferring \$37,611 from the Former Tri-City Linen Demo Project (NC2315) to the Building Demolition Project (NC2313) for the purpose of 830 & 838 W. Industry Drive Storage Building Demolition.

The Urban Mass Transit Fund will be amended by accepting Tennessee Department of Transportation funds in the amount of \$20,000 and accepting \$20,000 local match from the General Fund in the amount of \$20,000 into the 5307 Operations/ Capital Project (FTA038).

The Storm Water Project Fund be amended by transferring \$20,884 from the Urban Forestry Initiative Project (ST2105), \$57,653 from the Main St. Storm Upgrades Project (ST2110), \$91,667 from the Stormwater Asset Mapping Project (ST2303), and \$11,749 from the Maintenance Facility Improvement Project (ST2401) and transferring \$181,953 to the Watauga St. Storm Upgrades Project (ST2601).

The Sewer Fund be amended by transferring \$456,000 to the Sewer Project Fund for the Sewer Extension for Bancroft Chapel Annexation project (SW2609).

Attachments:

- 1. Budget Ordinance

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

**AN ORDINANCE OF THE CITY OF KINGSPORT, TENNESSEE
AMENDING THE 2025-2026 FISCAL YEAR BUDGET**

WHEREAS, the City adopted the fiscal year 2025-2026 budget by passage of Ordinance No. 7208; and

WHEREAS, pursuant to the Tennessee state constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, pursuant to the Municipal Budget Law of 1982, as found in the *Tennessee Code Annotated*, section 6-56-209, the Mayor and Board of Mayor and Aldermen have the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund; and

WHEREAS, expenses and revenues are anticipated to vary from original budgeted amounts; and

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

SECTION I: Ordinance No. 7208 is hereby amended increasing(decreasing) the fiscal year 2025-2026 budget as follows:

General Projects Special Rev Fund: 111 Tri-City Linen Demo Project (NC2315)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
111-0000-391.01-00 From General Fund	300,000	262,389	(37,611)
Total	\$ 300,000	\$ 262,389	\$ (37,611)
Expenses			
111-0000-601.20-22 Construction Contracts	300,000	262,389	(37,611)
Total	\$ 300,000	\$ 262,389	\$ (37,611)
Change in Project Fund Balance			\$ -

General Projects Special Rev Fund: 111 Building Demolition (NC2313)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
111-0000-391.01-00 From General Fund	1,709,643	1,747,254	37,611
Total	\$ 1,709,643	\$ 1,747,254	\$ 37,611
Expenses			
111-0000-601.20-23 Arch/Eng/Landscaping Services	11,790	49,401	37,611
Total	\$ 11,790	\$ 49,401	\$ 37,611
Change in Project Fund Balance			\$ -

Mass Urban Transit Fund: 123 5307 Operations/ Capital Project (FTA038)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
123-0000-332.90-00 State Dept. of Transportation	-	20,000	20,000
123-0000-332.90-00 From General Fund	-	20,000	20,000
Total	\$ -	\$ 40,000	\$ 40,000
Expenses			
123-5901-602.20-56 Repair & Maint - Vehicles	-	40,000	40,000
Total	\$ -	\$ 40,000	\$ 40,000
Change in Project Fund Balance			\$ -

Stormwater Project Fund: 457 Urban Forestry Initiative (ST2105)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
457-0000-391.95-00 Storm Water Fund	24,761	3,877	(20,884)
Total	\$ 24,761	\$ 3,877	\$ (20,884)
Expenses			
457-0000-622.90-03 Improvements	24,761	3,877	(20,884)
Total	\$ 24,761	\$ 3,877	\$ (20,884)
Change in Project Fund Balance			\$ -

Item IX2.

Stormwater Project Fund: 457 Main St. Storm Upgrades (ST2110)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
457-0000-391.95-00 Storm Water Fund	488,500	430,847	(57,653)
Total	\$ 488,500	\$ 430,847	\$ (57,653)
Expenses			
457-0000-622.90-03 Improvements	578,465	520,812	(57,653)
Total	\$ 578,465	\$ 520,812	\$ (57,653)
Change in Project Fund Balance			\$ -

Stormwater Project Fund: 457 Stormwater Asset Mapping (ST2303)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
457-0000-391.95-00 Storm Water Fund	91,800	133	(91,667)
Total	\$ 91,800	\$ 133	\$ (91,667)
Expenses			
457-0000-622.20-20 Consulting	794,800	703,133	(91,667)
Total	\$ 794,800	\$ 703,133	\$ (91,667)
Change in Project Fund Balance			\$ -

Stormwater Project Fund: 457 Maintenance Facility Improvements (ST2401)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
457-0000-391.95-00 Storm Water Fund	95,873	84,124	(11,749)
Total	\$ 95,873	\$ 84,124	\$ (11,749)
Expenses			
457-0000-622.90-03 Improvements	80,373	68,624	(11,749)
Total	\$ 80,373	\$ 68,624	\$ (11,749)
Change in Project Fund Balance			\$ -

Item IX2.

Stormwater Project Fund: 457 Watauga St. Storm Upgrades (ST2601)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
457-0000-391.95-00 Storm Water Fund	-	181,953	181,953
Total	\$ -	\$ 181,953	\$ 181,953
Expenses			
457-0000-622.20-23 Architects/Landscaping	-	22,453	22,453
457-0000-622.90-03 Improvements	-	159,500	159,500
Total	\$ -	\$ 181,953	\$ 181,953
Change in Project Fund Balance			\$ -

Sewer Project Fund: 452 Sewer Ext. for Bancroft Chapel Annex (SW2609)	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Revenues			
452-0000-391.42-00 From Sewer Fund	-	456,000	456,000
Total	\$ -	\$ 456,000	\$ 456,000
Expenses			
452-0000-606.20-23 Engineering Fees		56,000	56,000
452-0000-606.90-03 Improvements	-	400,000	400,000
Total	\$ -	\$ 456,000	\$ 456,000
Change in Project Fund Balance			\$ -

Sewer Fund: 412	Original FY 2026 Budget	FY 2026 Estimated	Proposed Amendment
Appropriations:			
Expenses			
412-5010-501.70-44 To Sewer Project Fund	-	456,000	456,000
Total	\$ -	\$ 456,000	\$ 456,000
Change in Fund Balance			\$ (456,000)

Item IX2.

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

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING:

PASSED ON 2ND READING:



AGENDA ACTION FORM

Consideration of a Resolution Approving the Purchase of Textbooks and Textbook Materials by Kingsport City Schools and Authorizing the City Manager to Execute Purchase and Blanket Orders for the Same

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

Action Form No.: AF-144-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Staff
Presentation By: David Frye

Strategic Focus Area: World-Class Education

Recommendation:
Approve the Resolution

Executive Summary:
If approved, the City will purchase a three-year literacy program subscription for the elementary schools from Tennessee Book Company for a total price of \$277,200 and issue purchase and blanket orders for the same along with annual textbook freight costs and consumables.

Due to a gap caused by the conclusion of our prior literacy adoption subscription and delays in the statewide textbook adoption cycle, it is recommended that the Board of Education authorize the purchase of a three-year Houghton Mifflin Harcourt Into Reading® Literacy Program subscription for our elementary schools. Tennessee Book Company is the official State of Tennessee school book depository/distributor. The three-year subscription price from Tennessee Book Company is \$277,200, which reflects a total savings of \$58,540 if the subscription is purchased as an individual subscription per year.

A portion of the funds for the textbooks is currently available in the FY26 School General Purpose budget (\$87,800); therefore, purchase orders in an amount not to exceed \$87,800 need to be issued to Tennessee Book Company to encumber funds for a portion of the needed materials. A blanket order which shall not exceed \$275,000 will be issued for FY27 to acquire the remaining materials as well as cover annual freight costs for new textbooks and consumables.

- Attachments:**
1. Resolution
 2. Quotes

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

Item X1.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE PURCHASE OF A LITERACY PROGRAM SUBSCRIPTION FOR KINGSPORT CITY SCHOOLS AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS AND A BLANKET ORDER FOR THE SAME

WHEREAS, the Board of Education has approved the purchase of a three-year Houghton Mifflin Harcourt *Into Reading Literacy Program* subscription for use in elementary schools; and

WHEREAS, this subscription will be acquired through the Tennessee Book Company which is the official State of Tennessee school book depository/distributor; and

WHEREAS, the anticipated acquisition cost of the subscription is \$277,200; and

WHEREAS, in order to encumber remaining funds for curriculum materials in the FY2026 School General Purpose fund, it is recommended that purchase orders in an amount not to exceed \$87,800 be issued to Tennessee Book Company in FY2026 for a portion of the needed materials; and

WHEREAS, it is further recommended that the city manager be authorized to issue a blanket order for FY2027 in an amount not to exceed \$275,000 for the remainder of the subscription materials; and

WHEREAS, the Board of Education approved this purchase on May 12, 2026.

Now therefore,

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

SECTION I. That the city manager is authorized to issue purchase orders for FY2026 to Tennessee Book Company for the purchase of a literacy program subscription for grades K-5 in an amount not to exceed \$87,800.

SECTION II. That the city manager is authorized to issue a blanket order for FY2027 to Tennessee Book Company for the purchase of a literacy program subscription in an amount not to exceed \$275,000.00.

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 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Adams	\$40,579.80
Jackson	\$32,386.80
Jefferson	\$38,941.20
Johnson	\$40,579.80
Kennedy	\$22,073.20
Lincoln	\$36,242.80
Roosevelt	\$18,410.80
Washington	\$39,809.40
ASC	\$8,174.20
TOTAL	\$277,198.00

Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006496
Date	03/23/2026
Page	1

Ship-to: 9819
JOHN F. KENNEDY ELEMENTARY SCH
PRINCIPAL
1500 WOODLAND AVE.
KINGSPORT TN 37665

Bill-to: 134
KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	49	EA	91.80	EA	4498.20
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	48	EA	91.80	EA	4406.40
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	47	EA	91.80	EA	4314.60
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	37	EA	91.80	EA	3396.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	48	EA	91.80	EA	4406.40
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	21022.20	.00	.00	1051.00	22073.20

cturner@k12k.com

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TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006497
Date	03/23/2026
Page	1

Ship-to: 2082
ANDREW JOHNSON ELEM SCH.
PRINCIPAL
1001 ORMOND DRIVE
KINGSPORT TN 37664

Bill-to: 134
KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	73	EA	91.80	EA	6701.40
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	91	EA	91.80	EA	8353.80
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	87	EA	91.80	EA	7986.60
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	86	EA	91.80	EA	7894.80
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	84	EA	91.80	EA	7711.20
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	<i>Merchandise</i>	<i>Misc</i>	<i>Tax</i>	<i>Freight</i>	<i>Total</i>
<i>Kellie Dumas</i>	38647.80	.00	.00	1932.00	40579.80

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01-006497



Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006500
Date	03/23/2026
Page	1

Ship-to: 9850
ANDREW JACKSON ELEM SCHOOL
PRINCIPAL
600 JACKSON STREET
KINGSPORT TN 37660

Bill-to: 134
KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	68	EA	91.80	EA	6242.40
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	72	EA	91.80	EA	6609.60
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	62	EA	91.80	EA	5691.60
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	63	EA	91.80	EA	5783.40
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	71	EA	91.80	EA	6517.80
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	<i>Merchandise</i>	<i>Misc</i>	<i>Tax</i>	<i>Freight</i>	<i>Total</i>
<i>Kellie Dumas</i>	30844.80	.00	.00	1542.00	32386.80

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01-006500



Item X1.



TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006501
Date	03/23/2026
Page	1

Ship-to: 2727
JOHN ADAMS ELEMENTARY SCHOOL
MICHELLE MEADE, SECRETARY
2727 EDINBURGH CHANNEL ROAD
KINGSPORT, TN 37664

Bill-to: 134
KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660

Po #	Slsp	Terms	Whse	Freight	Ship Via
Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT

Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	89	EA	91.80	EA	8170.20
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	83	EA	91.80	EA	7619.40
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	90	EA	91.80	EA	8262.00
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	77	EA	91.80	EA	7068.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	82	EA	91.80	EA	7527.60
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	38647.80	.00	.00	1932.00	40579.80

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01-006501



Item X1.



TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006498
Date	03/23/2026
Page	1

Ship-to: 1498
**THOMAS JEFFERSON ELEM SCHOOL
PRINCIPAL
2216 WESTMORELAND
KINGSPORT TN 37664**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT

<i>Quoted By:</i> WEB	<i>Quoted To:</i> Cheryl Turner	<i>Effective:</i> 03/23/2026	<i>Expires:</i> 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	87	EA	91.80	EA	7986.60
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	68	EA	91.80	EA	6242.40
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	84	EA	91.80	EA	7711.20
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	77	EA	91.80	EA	7068.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	88	EA	91.80	EA	8078.40
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	37087.20	.00	.00	1854.00	38941.20

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01-006498



Item X1.



TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006498
Date	03/23/2026
Page	1

Ship-to: 1498
**THOMAS JEFFERSON ELEM SCHOOL
PRINCIPAL
2216 WESTMORELAND
KINGSPORT TN 37664**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	87	EA	91.80	EA	7986.60
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	68	EA	91.80	EA	6242.40
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	84	EA	91.80	EA	7711.20
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	77	EA	91.80	EA	7068.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	88	EA	91.80	EA	8078.40
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	37087.20	.00	.00	1854.00	38941.20

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01-006498



Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006498
Date	03/23/2026
Page	1

Ship-to: 1498
**THOMAS JEFFERSON ELEM SCHOOL
PRINCIPAL
2216 WESTMORELAND
KINGSPORT TN 37664**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	87	EA	91.80	EA	7986.60
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	68	EA	91.80	EA	6242.40
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	84	EA	91.80	EA	7711.20
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	77	EA	91.80	EA	7068.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	88	EA	91.80	EA	8078.40
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	37087.20	.00	.00	1854.00	38941.20

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Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006495
Date	03/23/2026
Page	1

Ship-to: 770
**LINCOLN ELEM SCHOOL
PRINCIPAL
1000 SUMMER STREET
KINGSPORT TN 37664**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT

Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	79	EA	91.80	EA	7252.20
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	70	EA	91.80	EA	6426.00
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	79	EA	91.80	EA	7252.20
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	77	EA	91.80	EA	7068.60
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	71	EA	91.80	EA	6517.80
Entered by: <-> 03/23/26							
GRATIS MATERIAL FROM PUBLISHER							

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	34516.80	.00	.00	1726.00	36242.80

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01-006495



Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006750
Date	04/06/2026
Page	1

Ship-to: 000
**KINGSPORT CITY SCHOOLS
CHERYL TURNER
400 CLINCHFIELD ST. STE-200
KINGSPORT TN 37660**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 04/06/2026	Expires: 08/04/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	10	EA	91.80	EA	918.00
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	10	EA	91.80	EA	918.00
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	13	EA	91.80	EA	1193.40
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	30	EA	91.80	EA	2754.00
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	21	EA	91.80	EA	1927.80
Entered by: <-> 04/06/26							
GRATIS MATERIAL FROM PUBLISHER							

QUOTE

	<i>Merchandise</i>	<i>Misc</i>	<i>Tax</i>	<i>Freight</i>	<i>Total</i>
<i>Kellie Dumas</i>	7711.20	.00	.00	463.00	8174.20

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01-006750



Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006494
Date	03/23/2026
Page	1

Ship-to: 6736
**T. ROOSEVELT ELEM SCHOOL
PRINCIPAL
1051 LAKE STREET
KINGSPORT TN 37660**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT

Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	35	EA	91.80	EA	3213.00
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	41	EA	91.80	EA	3763.80
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	31	EA	91.80	EA	2845.80
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	48	EA	91.80	EA	4406.40
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	36	EA	91.80	EA	3304.80
	Entered by: <-> 03/23/26						
	GRATIS MATERIAL FROM PUBLISHER						

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	17533.80	.00	.00	877.00	18410.80

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01-006494



Item X1.



TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006493
Date	03/23/2026
Page	1

Ship-to: 2178
**GEORGE WASHINGTON ELEM
PRINCIPAL
1100 BELLINGHAM DRIVE
KINGSPORT TN 37660**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 03/23/2026	Expires: 07/21/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	75	EA	91.80	EA	6885.00
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	82	EA	91.80	EA	7527.60
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	82	EA	91.80	EA	7527.60
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	80	EA	91.80	EA	7344.00
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	94	EA	91.80	EA	8629.20
Entered by: <-> 03/23/26							
GRATIS MATERIAL FROM PUBLISHER							

QUOTE

	Merchandise	Misc	Tax	Freight	Total
<i>Kellie Dumas</i>	37913.40	.00	.00	1896.00	39809.40

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01-006493



Item X1.

TENNESSEE BOOK COMPANY

QUOTE

1550 HEIL QUAKER BLVD. STE 100
P.O. BOX 3009
LA VERGNE, TN 37086
615-793-5040

Number	006750
Date	04/06/2026
Page	1

Ship-to: 000
**KINGSPORT CITY SCHOOLS
CHERYL TURNER
400 CLINCHFIELD ST. STE-200
KINGSPORT TN 37660**

Bill-to: 134
**KINGSPORT CITY SCHOOLS
ACCOUNTS PAYABLE OFFICE
415 BROAD ST
KINGSPORT TN 37660**

Po #	Slsp	Terms	Whse	Freight	Ship Via
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Quote	134	NET 30 DAYS	01	PREPAID	ID/LG AVERITT
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Quoted By: WEB	Quoted To: Cheryl Turner	Effective: 04/06/2026	Expires: 08/04/2026
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Item	Description	ISBN	Ordered	UM	Price	UM	Extension
T02213779	TN INTO READING G/1 RENEWAL HY	9798202213779	10	EA	91.80	EA	918.00
T02213809	TN INTO READING G/2 RENEWAL HY	9798202213809	10	EA	91.80	EA	918.00
T02213793	TN INTO READING G/3 RENEWAL HY	9798202213793	13	EA	91.80	EA	1193.40
T02213649	TN INTO READING G/4 RENEWAL HY	9798202213649	30	EA	91.80	EA	2754.00
T02213816	TN INTO READING G/5 RENEWAL HY	9798202213816	21	EA	91.80	EA	1927.80
Entered by: <-> 04/06/26							
GRATIS MATERIAL FROM PUBLISHER							

QUOTE

	<i>Merchandise</i>	<i>Misc</i>	<i>Tax</i>	<i>Freight</i>	<i>Total</i>
<i>Kellie Dumas</i>	7711.20	.00	.00	463.00	8174.20

cturner@k12k.com

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01-006750



Item X1.

RESOLUTION NO. _____

A RESOLUTION AWARDING THE CONTRACT FOR THE NON-ALCOHOLIC BEVERAGE POURING RIGHTS AND ADVERTISING PARTNERSHIP FOR KINGSPORT CITY SCHOOLS TO PEPSICO AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, a request for proposals for non-alcoholic beverage pouring rights was published on March 7, 2026; and

WHEREAS, a committee evaluated the proposals from two offerors based on information in the request; and

WHEREAS, upon review of the proposals, the board finds Pepsico is the most responsible compliant offeror meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a three year agreement with Pepsico for the non-alcoholic beverage pouring rights and advertising partnership for Kingsport City Schools; and

WHEREAS, the Board of Education approved these actions on May 12, 2026.

Now therefore,

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

SECTION I. That a contract for non-alcoholic beverage pouring rights and advertising partnership for Kingsport City Schools is awarded to Pepsico.

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 contract with Pepsico for the Non-Alcoholic Beverage Pouring Rights and Advertising Partnership for Kingsport City Schools and all documents necessary and proper, to deliver the contract and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

SECTION III. That the 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 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

BID OPENING
MINUTES
April 2, 2026
4:00 P.M.

Present: Brent Morelock, Procurement Manager; Sandra Sloan, Asst. Procurement Manager Schools

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

The Procurement Manager opened with the following bids:

RFP – Non-Alcoholic Beverage Pouring Rights and Advertising Partnership for Kingsport City Schools
Vendor:
Coca-Cola Consolidated
Pepsico

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



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute two Contracts Between the City of Kingsport and the Tennessee Department of Transportation for Maintenance Activities Performed on Designated State Highways and for Mowing and Litter on John B. Dennis and I-26

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

Action Form No.: AF-152-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Committee
Presentation By: Ryan McReynolds

Strategic Focus Area: Sustainable Infrastructure

Recommendation:
Approve the Resolution

Executive Summary:
If approved the City will enter into two agreements that are now biennial with the Tennessee Department of Transportation (TDOT) for the reimbursement of maintenance activities performed on state routes in City limits. Total maximum reimbursement over two years is \$698,049.54.

Formerly the City of Kingsport entered into annual agreements with the State for reimbursement of maintenance activities performed on state routes in the city limits. TDOT is moving the maintenance contracts to biennial renewals. Reimbursements are tracked on a monthly basis recovering costs for activities performed by Traffic Engineering, Street Maintenance and Right-of-Way Maintenance. The main agreement includes Stone Drive, Center Street, Fort Henry Drive, Lynn Garden Drive, Industry Drive, Wilcox Drive, Memorial Boulevard and limited portions of Rock Springs Road, Rock Springs Drive and Poplar Grove. Maintenance activities for this agreement include shoulder work, snow removal, spot patching, ditch work, crack sealing, painting and striping, sweeping, mowing and litter control. Reimbursement is limited to 12 litter control cycles and 6 mowing cycles annually with total roadway surface equaling 1,592,301 square yards. Roadway surface costs are reimbursed at \$0.17 per square yard, mowing acreage totals 201 at \$50 per acre, and litter control covers 150.72 miles at \$60 per mile. The limiting amount of the contract is \$579,568.74 for FY2027 and FY 2028.

A separate agreement covers mowing and litter control for John B. Dennis and a limited portion of I-26 between Rock Springs and Meadowview Parkway. This agreement includes 831 acres of mowing at \$50 per acre, and 294.84 miles of litter control at \$60 per mile for a limiting contract amount of \$118,480.80 for FY 2027 and FY2028.

Reimbursement is requested no more than monthly based on the terms of the contract. The reimbursement rates included in each agreement did not change from FY2026.

- Attachments:**
1. Resolution
2. TDOT Agreements

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

Item X3.

RESOLUTION NO. _____

A RESOLUTION APPROVING CONTRACTS WITH THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION FOR REIMBURSEMENT OF MAINTENANCE ACTIVITIES PERFORMED ON DESIGNATED STATE HIGHWAY ROUTES LOCATED WITHIN THE KINGSPORT CITY LIMITS AND LITTER CONTROL ON JOHN B. DENNIS HIGHWAY AND INTERSTATE 26; AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACTS AND ANY OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the city desires to enter into a contract for fiscal years 2027 and 2028 with the State of Tennessee Department of Transportation (TDOT) for reimbursement of maintenance activities performed on designated state highway routes located within the Kingsport city limits; and

WHEREAS, the routes included in the contract are Stone Drive, Center Street, Fort Henry Drive, Lynn Garden Drive, Industry Drive, Wilcox Drive, Memorial Boulevard, limited portions of Rock Springs Road, Rock Springs Drive, Poplar Grove, John B. Dennis Highway and a portion of I-26; and

WHEREAS, the maintenance activities include shoulder work, snow removal, spot patching, ditch work, crack sealing, painting and striping, sweeping, mowing and litter control; and

WHEREAS, the maximum amount of the maintenance contract is \$579,568.74 for fiscal years 2027 and 2028; and

WHEREAS, the contract for mowing and litter control for John B. Dennis and limited portion of Interstate 26 includes 831 acres of mowing and 294.84 miles of litter control for a total contract amount of \$118,480.80 for fiscal years 2027 and 2028.

Now therefore,

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

SECTION I. That a contract with the State of Tennessee Department of Transportation for reimbursement of maintenance activities performed on designated state highway routes located in the Kingsport city limits 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 contract with the State of Tennessee Department of Transportation for reimbursement of maintenance activities performed on designated state highway routes located in the Kingsport city limits and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

**CONTRACT
BETWEEN THE STATE OF TENNESSEE, DEPARTMENT OF TRANSPORTATION
AND THE CITY OF KINGSPORT**

This Contract, by and between the State of Tennessee, Department of Transportation, hereinafter

referred to as the "State" and the City of Kingsport, hereinafter referred to as the "Contractor," is for the provision of the routine maintenance of state routes, as further defined in the "SCOPE OF SERVICES."

Contractor Edison Registration ID # 0000001562

Contract #: CMA 2705

The Department is re-evaluating reimbursement rates to match actual costs for local agencies. If rates increase, the Department will work with the City to amend the contract and incorporate the new rates.

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. Tenn. Code Ann. § 54-5-201 provides that the State is authorized to enter into contracts with municipalities regarding the improvement and maintenance of streets over which traffic on state highways is routed.

A.3. Tenn. Code Ann. § 54-5-202 provides that streets constructed, reconstructed, improved and maintained by the State shall be of a width and type that the State deems proper, but the width so constructed, reconstructed, improved and maintained shall not be less than eighteen feet (18'); and, in the case of resurfacing and maintenance, from curb to curb where curbs exist, or the full width of the roadway where no curbs exist.

A.4. Tenn. Code Ann. § 54-5-203 provides that the State is authorized to enter into contracts with municipalities that are organized to care for streets to reimburse, subject to the approval of the State, for improvements and maintenance.

A.5. Tenn. Code Ann. § 54-16-106 provides that the highway authorities of the state, counties, cities, and town are authorized to enter into agreements with each other respecting the improvement and maintenance of controlled-access facilities, defined by Tenn. Code Ann. § 54-16-101 as a highway or street specially designed for through traffic, and over, from or to which owners or occupants of abutting land or other persons have no right or easement of access from abutting properties.

A.6. Tenn. Code Ann. § 54-5-139 provides that the State may enter into a contract with a qualified county to perform maintenance activities upon the rights-of-way of state highways located outside of municipalities and metropolitan governments; and, that the reimbursement shall be on an actual cost basis.

A.7. The State is hereby contracting with the Contractor for the improvements and maintenance specified in Attachment Either "Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities," attached and incorporated hereto as part of this Contract.

B. TERM OF CONTRACT:

This Contract shall be effective on July 1, 2026 ("Effective Date"), and extend for a period of twenty-four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed five hundred seventy-nine thousand five hundred sixty-eight dollars and seventy-four cents (\$579,568.74). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.

b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Either "Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities"	See Exhibit A
If included herein "Exhibit B" containing the maximum allowable labor and equipment rates.	See Exhibit B

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Brandon Worley
3213 North Roan Street
Johnson City, TN 37601

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)
 - (2) Invoice Date
 - (3) Contract Number (assigned by the State)
 - (4) Customer Account Name: Tennessee Department of Transportation
 - (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
 - (6) Contractor Name
 - (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
 - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
 - (9) Contractor Remittance Address
 - (10) Description of Delivered Service
 - (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period
- b. The Contractor understands and agrees that an invoice under this Contract shall:
- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and

b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form.

The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.8. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.9. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*

D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being a Tennessee governmental entity, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.

D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.

D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Brandon Worley

Maintenance Team Lead State of Tennessee Department of Transportation

3213 North Roan Street, Johnson City, TN 37601 brandon.worley@tn.gov

Telephone # 423-282-0651

FAX # 423-854-3510

The Contractor:

Michael Thompson Public Works Director

City of Kingsport 415 Board Street, Kingsport, TN 37660 michaelthompson@kingsporttn.gov

Telephone # 423-229-9470

FAX # 423-224-2756

All instructions, notices, consents, demands, or other communications shall be considered effectively

given upon receipt or recipient confirmation as may be required.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. MUTCD. In accordance with Tenn. Code Ann. 54-5-108, the Contractor shall conform to and act in accordance with the current edition of the Manual on Uniform Traffic Control Devices (MUTCD) as adopted by rules of the State. Particularly, the Contractor shall sign work-zones associated with this Contract in accordance with the aforesaid MUTCD.

E. 5. Maintenance. Nothing contained in this Contract shall change the maintenance obligations governed by the laws of the State of Tennessee, it being the intent of this Contract not to enlarge the present maintenance obligations of the State.

[Acknowledgements and Exhibits 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 contract 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 a contract with the Tennessee Department of Transportation for maintenance along John B. Dennis Highway and Interstate 26 consisting of mowing and litter removal, is approved.

SECTION V. 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 contract with the State of Tennessee Department of Transportation for mowing and litter removal along John B. Dennis Highway and Interstate 26 and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

**CONTRACT
BETWEEN THE STATE OF TENNESSEE, DEPARTMENT OF TRANSPORTATION
AND
THE CITY OF KINGSFORT**

This Contract, by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the "State" and City of Kingsport, hereinafter referred to as the "Contractor," is for the provision of a special agreement for (mowing, litter, sweeping), as further defined in the "SCOPE OF SERVICES."

Contractor Edison Registration ID # 0000001562

Contract #: CMA 2706

The Department is re-evaluating reimbursement rates to match actual costs for local agencies. If rates increase, the Department will work with the City to amend the contract and incorporate the new rates.

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. Tenn. Code Ann. § 54-5-201 provides that the State is authorized to enter into contracts with municipalities regarding the improvement and maintenance of streets over which traffic on state highways is routed.

A.3. Tenn. Code Ann. § 54-5-202 provides that streets constructed, reconstructed, improved and maintained by the State shall be of a width and type that the State deems proper, but the width so constructed, reconstructed, improved and maintained shall not be less than eighteen feet (18'); and,

in the case of resurfacing and maintenance, from curb to curb where curbs exist, or the full width of the roadway where no curbs exist.

A.4. Tenn. Code Ann. § 54-5-203 provides that the State is authorized to enter into contracts with municipalities that are organized to care for streets to reimburse, subject to the approval of the State, for improvements and maintenance.

A.5. Tenn. Code Ann. § 54-16-106 provides that the highway authorities of the state, counties, cities, and town are authorized to enter into agreements with each other respecting the improvement and maintenance of controlled-access facilities, defined by Tenn. Code Ann. § 54-16-101 as a highway or street specially designed for through traffic, and over, from or to which owners or occupants of abutting land or other persons have no right or easement of access from abutting properties.

A.6. Tenn. Code Ann. § 54-5-139 provides that the State may enter into a contract with a qualified county to perform maintenance activities upon the rights-of-way of state highways located outside of municipalities and metropolitan governments; and, that the reimbursement shall be on an actual cost basis.

A.7. The State is hereby contracting with the Contractor for the improvements and maintenance specified in Attachment Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities, attached and incorporated hereto as part of this Contract.

B. TERM OF CONTRACT:

This Contract shall be effective on July 1, 2026 ("Effective Date"), and extend for a period of twenty-four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one hundred eighteen thousand four hundred eighty dollars and eighty cents (\$118,480.80). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.

b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities	See Exhibit A

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Brandon Worley
3213 North Roan Street
Johnson City, TN 37601

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)
- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Tennessee Department of Transportation
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period
 - b. The Contractor understands and agrees that an invoice under this Contract shall:
 - (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and

b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. Termination for Convenience. The State may terminate this Contract without cause for any

reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.8. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.9. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*

D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being a Tennessee governmental entity, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization

of the General Assembly.

D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.

D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.

D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Brandon Worley

Maintenance Team Lead State of Tennessee Department of Transportation

3213 North Roan Street, Johnson City, TN 37601 brandon.worley@tn.gov

Telephone # 423-282-0651

FAX # 423-854-3510

The Contractor:

Michael Thompson Public Works Director

City of Kingsport 415 Board Street, Kingsport, TN 37660 michaelthompson@kingsporttn.gov

Telephone # 423-229-9470

FAX # 423-224-2756

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. MUTCD. In accordance with Tenn. Code Ann. 54-5-108, the Contractor shall conform to and act in accordance with the current edition of the Manual on Uniform Traffic Control Devices (MUTCD) as adopted by rules of the State. Particularly, the Contractor shall sign work-zones associated with this Contract in accordance with the aforesaid MUTCD.

E.5. Maintenance. Nothing contained in this Contract shall change the maintenance obligations governed by the laws of the State of Tennessee, it being the intent of this Contract not to enlarge the present maintenance obligations of the State.

[Acknowledgements and Exhibits Deleted for Inclusion in this Resolution]

SECTION VI. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the contract 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 VII. 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 VIII. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
THE CITY OF KINGSPORT**

This Contract, by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the "State" and the City of Kingsport, hereinafter referred to as the "Contractor," is for the provision of the routine maintenance of state routes, as further defined in the "SCOPE OF SERVICES."

Contractor Edison Registration ID # 0000001562
Contract #: CMA 2705

The Department is re-evaluating reimbursement rates to match actual costs for local agencies. If rates increase, the Department will work with the City to amend the contract and incorporate the new rates.

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Tenn. Code Ann. § 54-5-201 provides that the State is authorized to enter into contracts with municipalities regarding the improvement and maintenance of streets over which traffic on state highways is routed.
- A.3. Tenn. Code Ann. § 54-5-202 provides that streets constructed, reconstructed, improved and maintained by the State shall be of a width and type that the State deems proper, but the width so constructed, reconstructed, improved and maintained shall not be less than eighteen feet (18'); and, in the case of resurfacing and maintenance, from curb to curb where curbs exist, or the full width of the roadway where no curbs exist.
- A.4. Tenn. Code Ann. § 54-5-203 provides that the State is authorized to enter into contracts with municipalities that are organized to care for streets to reimburse, subject to the approval of the State, for improvements and maintenance.
- A.5. Tenn. Code Ann. § 54-16-106 provides that the highway authorities of the state, counties, cities, and town are authorized to enter into agreements with each other respecting the improvement and maintenance of controlled-access facilities, defined by Tenn. Code Ann. § 54-16-101 as a highway or street specially designed for through traffic, and over, from or to which owners or occupants of abutting land or other persons have no right or easement of access from abutting properties.
- A.6. Tenn. Code Ann. § 54-5-139 provides that the State may enter into a contract with a qualified county to perform maintenance activities upon the rights-of-way of state highways located outside of municipalities and metropolitan governments; and, that the reimbursement shall be on an actual cost basis.
- A.7. The State is hereby contracting with the Contractor for the improvements and maintenance specified in Attachment Either "Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities," attached and incorporated hereto as part of this Contract.

B. TERM OF CONTRACT:

This Contract shall be effective on July 1, 2026 ("Effective Date"), and extend for a period of twenty-four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed five hundred seventy-nine thousand five hundred sixty-eight dollars and seventy-four cents (\$579,568.74). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor’s compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Either “Exhibit A” titled “Guidelines Covering Maintenance of State Highways through Municipalities”	See Exhibit A
If included herein “Exhibit B” containing the maximum allowable labor and equipment rates.	See Exhibit B

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Brandon Worley
3213 North Roan Street
Johnson City, TN 37601

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)

Item X3.

- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Tennessee Department of Transportation
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:

- i. Service or Milestone Description (including name & title as applicable) of each service invoiced
- ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
- iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
- iv. Amount Due by Service
- v. Total Amount Due for the invoice period

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the

Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
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reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

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- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being a Tennessee governmental entity, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Brandon Worley
Maintenance Team Lead
State of Tennessee Department of Transportation
3213 North Roan Street, Johnson City, TN 37601
brandon.worley@tn.gov
Telephone # 423-282-0651
FAX # 423-854-3510

The Contractor:

Michael Thompson
Public Works Director
City of Kingsport
415 Board Street, Kingsport, TN 37660
michaelthompson@kingsporttn.gov
Telephone # 423-229-9470
FAX # 423-224-2756

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. MUTCD. In accordance with Tenn. Code Ann. 54-5-108, the Contractor shall conform to and act in accordance with the current edition of the Manual on Uniform Traffic Control Devices (MUTCD)

as adopted by rules of the State. Particularly, the Contractor shall sign work-zones associated with this Contract in accordance with the aforesaid MUTCD.

- E. 5. Maintenance. Nothing contained in this Contract shall change the maintenance obligations governed by the laws of the State of Tennessee, it being the intent of this Contract not to enlarge the present maintenance obligations of the State.

IN WITNESS WHEREOF,

THE CITY OF KINGSPORT:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

APPROVED AS TO FORM AND LEGALITY

CONTRACTOR ATTORNEY SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR ATTORNEY SIGNATORY (above)

STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION:

WILL REID, COMMISSIONER

DATE

APPROVED AS TO FORM AND LEGALITY

LESLIE SOUTH, GENERAL COUNSEL

DATE

GUIDELINES COVERING MAINTENANCE
OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following items, where applicable, are eligible for reimbursement by the State to the Contractor under the Standard Maintenance Agreement:

Activity	Maintenance Work Type	Unit Of Measure
401	Manual Spot Patching	Tons
402	Crack Repair	Pounds
404	Mechanical Continuous Patching	Tons
405	Milling	Square Yards
406	Surface Replacement	Tons
411	Concrete Pavement Repair	Cubic Yards
412	Concrete Joint Repair	Linear Feet
425	Grading Unpaved Surface (Shoulder)**	Linear Miles
427	Patching Unpaved Surface (Shoulder)**	Tons
435	Machine Mowing**	Acres
438	Debris Removal**	Man Hours
441	Litter Removal**	Roadway Miles
446	Mechanical Sweeping and Street Flushing	Miles
447	Manual Roadway Sweeping	Man Hours
460	Plowing Snow	Lane Miles
461	De-icing Salt and/or Sand for Snow & Ice Removal	Tons
463	Anti-icing (Salt Brine)	Gallons
470	Pavement Markings	Line Miles
471	Specialty Markings	Each

** Work must be inside the area eligible for reimbursements as detailed in "CITY MAINTENANCE ROADWAY TYPICAL SECTIONS".

The following items are the responsibility of the Contractor and are not eligible for reimbursement by the State:

1. Mowing right-of-way back of curbs or beyond edge of paved surface on roadway segments which are not access controlled.
2. Litter from right-of-way back of curbs or beyond edge of paved surface on roadway segments which are not access controlled.
3. Storm drainage
4. Traffic control signs and signals and any other traffic control or monitoring devices.
5. Street lighting
6. Street name signs
7. Tree removal and vegetation control on right-of-way back of curbs or beyond edge of paved surface on roadway segments which are not access controlled.
8. Sidewalks

NOTE:

1. Major resurfacing when generally required will be performed by the State as a construction project, in accordance with a program developed after consultation with the Contractor.
2. The State will furnish and maintain route markers through municipalities.

Item X3.

ROADWAY SURFACE INVENTORY FOR THE MAINTENANCE OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following Table itemizes the current **total roadway surface area to be maintained in a 12-Month period** to the nearest whole square yard. For a 24-Month contract, the following quantities will be doubled. Routes listed below shall be routinely maintained, swept, or flushed by the Contractor under the terms of this contract. The State agrees to reimburse said Contractor in the amount actually expended for street maintenance, excluding machine mowing and litter removal, not to exceed the calculated maximum reimbursement below.

Approved Maximum Reimbursement Per Square Yard:	\$ 0.17
Total Roadway Surface Area (YD^2):	1592301
Calculated Maximum Annual Reimbursement (Roadway Surface):	\$ 270,691.17
Total Maximum Reimbursement (Roadway Surface):	\$ 541,382.34

Roadway Surface Inventory Worksheet												
Route	Street Name	Action	Crossing Boundry Description	Rdwy. Profile Type	Access Contro	Beg Log Mile	End Log Mile	Roadway Length(ft.)	Roadway Width(ft.)	Median Width(ft.)	Median Area (yd.^2)	Reimbursibl e Area (yd.^2)
SR001	West Stone Drive	BEGIN	Kaywood Avenue	1G	No	39.84	40.9	5596.8	102	16	5210.00	58220.40
SR001	West Stone Drive	CHANGE	Netherland Inn Rd	1G	No	40.9	41.3	2112	97	22	2976	19786.67
SR001	West Stone Drive	CHANGE	Hawkins/Sullivan County Line	1G	No	0	1.33	7022.4	98	20	9823	66643.13
SR001	West Stone Drive	CHANGE	Afton Street	1F	No	1.33	1.65	1689.6	86	16	2667	13478.07
SR001	East Stone Drive	CHANGE	End of I-26 Ramp	1D	No	1.97	7.42	28776	102	11	2020	324108.00
SR001	East Stone Drive	CHANGE	Beechnut Drive	1G	No	6.46	8.44	10454.4	99	27	11992	103006.40
SR001	East Stone Drive	END	Ollis Bowers Hill	1G	No	8.44	11.56	16473.6	98	30	51678	127701.20
SR036	Kingsport Highway	BEGIN	Regency Drive	1C	No	2.271	2.703	2280.96	24	0	0	6082.56
SR036	Kingsport Highway	CHANGE	I-81 Ramps	1C	No	2.703	3	1568.16	75	20	344	12724.00
SR036	Kingsport Highway	CHANGE	Colonial Heights	1C	No	3	4.37	7233.6	70	18	2080	54181.33
SR036	Fort Henry Drive	CHANGE	Overhead CSX Railroad	1G	No	4.37	5.36	5227.2	74	32	6902	36077.20
SR036	Fort Henry Drive	CHANGE	Kerridge Street	1D	No	5.36	6.47	5860.8	76	9	500	48991.20
SR036	Fort Henry Drive	CHANGE	SR 93	1D	No	6.47	7.819	7122.72	65	13	1294	50147.87
SR036	Fort Henry Drive	CHANGE	Indian Ct	1F	No	7.819	8.38	2962.08	66	19	4227	17494.92
SR036	West Center Street	CHANGE	Prospect Drive	1D	No	8.38	10.54	11404.8	60	0	0	76032.00
SR036	West Center Street	END	90 Degree Right Turn	1D	No	10.54	13.56	15945.6	44	9	1157	76799.27
SR093	Sullivan Gardens	BEGIN	Sullivan Gardens Drive	1D	No	4.48	5.01	2798.4	82	0	0	25496.53
SR093	Sullivan Gardens	CHANGE	Galemont Drive	1D	No	5.01	6.2	6283.2	65	21	1330	44048.67
SR093	John B. Dennis	CHANGE	End Crossover	1D	No	6.2	7.15	5016	98	22	5082	49536.67
SR093	John B. Dennis	END	Brookside Drive	1G	No	11.92	13.71	9451.2	98	16	13958	88955.07
SR126	South Wilcox Drive	BEGIN	SR 93	1F	No	0	0.445	2349.6	67	11	2284	15207.47
SR126	South Wilcox Drive	SHIFT	90 Degree Right Turn	1D	No	0.445	1.006	2962.08	78	0	0	25671.36
SR126	South Wilcox Drive	CHANGE	Haga Road	1D	No	1.006	1.23	1182.72	62	0	0	8147.63
SR126	South Wilcox Drive	CHANGE	Ward Place	1D	No	1.23	1.9	3537.6	78	0	0	30659.20
SR126	South Wilcox Drive	CHANGE	Overhead CSX Railroad	1D	No	1.9	2.18	1478.4	75	0	0	12320.00
SR126	South Wilcox Drive	CHANGE	Industry Drive	1F	No	2.18	2.52	1795.2	66	0	0	13164.80
SR126	North Wilcox Drive	CHANGE	Lincoln Street	1F	No	2.52	3.11	3115.2	44	21	4848	10381.87
SR126	Memorial Blvd	CHANGE	East Center Street	1F	No	3.11	3.32	1108.8	88	13	938	9903.60
SR126	Memorial Blvd	CHANGE	Kenmore Drive	1F	No	3.32	4.41	5755.2	60	15	3375	34993.00
SR126	Memorial Blvd	CHANGE	Light at End of Control Access	1A	No	4.41	4.55	739.2	85	26	678	6303.33
SR126	Memorial Blvd	CHANGE	Stratford Road	1A	No	4.55	4.895	1821.6	38	12	226	7465.20
SR126	Memorial Blvd	END	Old Stage Rd.	1A	No	4.895	5.81	4831.2	36	0	0	19324.80
SR346	West Carter Valley Rd	BEGIN	Mcconnell Rd	1A	No	0.7	1.92	6441.6	22	0	0	15746.13
SR347	Poplar Grove Rd.	BEGIN	Oak Forest Pl	1A	No	8.5	10.62	11193.6	20	0	0	24874.67
SR355	Industrial Drive	BEGIN	SR 126	1B	No	0	2.1	11088	36	0	0	44352.00
SR355	Industrial Drive	CHANGE	Ft. Robinson Drive	1C	No	2.1	2.35	1320	60	11	1002	7798.00
SR355	Industrial Drive	END	Lynn Gardern Drive	1C	No	2.35	2.58	1214.4	48	0	0	6476.80
Total Length (mi.):								41.139	Total Roadway Surface:		1592301	

Item X3.

INVENTORY OF ELIGIBLE MACHINE MOWING FOR THE MAINTENANCE
OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following Table itemizes the eligible **mowing area in acres to be maintained in a 12-Month period**. For a 24-Month contract, the following quantities will be doubled. All eligible mowing areas shall be maintained by the Contractor under the terms of this contract. The State agrees to reimburse said Contractor in the amount actually expended for machine mowing, not to exceed the number of cycles and the price per acre as detailed below.

	Approved Mowing Reimbursement Per Acre:	\$ 50.00	
	Calculated Maximum Annual Reimbursement (Mowing):	\$ 10,050.00	
	Total Maximum Reimbursement (Mowing):	\$ 20,100.00	

Mowing Inventory Worksheet								
Route Number	Roadway Type	Begin Termini (LM)	End Termini(LM)	Median Area (acres)	Controlled Access Area (acres)	Segment Total Area (acres)	Number of Mowing Cycles	Contract Segment Total Area (acres)
SR001	1G	39.88	41.36	1.755		1.755	6	10.53
SR001	1G	6.83	11.48	13.172		13.172	6	79.032
SR036	1G	4.3 / 7.75	5.36 / 8.38	3.01		3.01	6	18.06
SR093	1G	6.08	7.16	1.995		1.995	6	11.97
SR093	1G	11.9	13.8	10.9		10.9	6	65.4
SR126	1F	0 / 2.9	0.26 / 4.47	2.55		2.55	6	15.3
SR355	1F	2.05	2.21	0.08		0.08	6	0.48
Total Contract Area (acres):								201

CITY MAINTENANCE ROADWAY TYPICAL SECTIONS

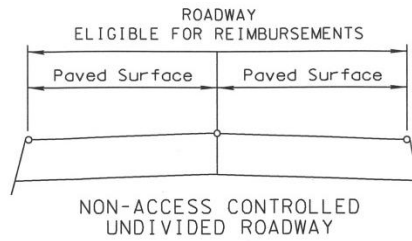


FIGURE 1A

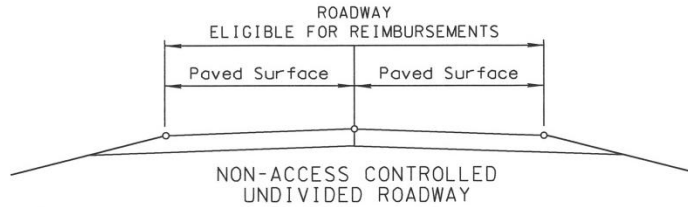


FIGURE 1B

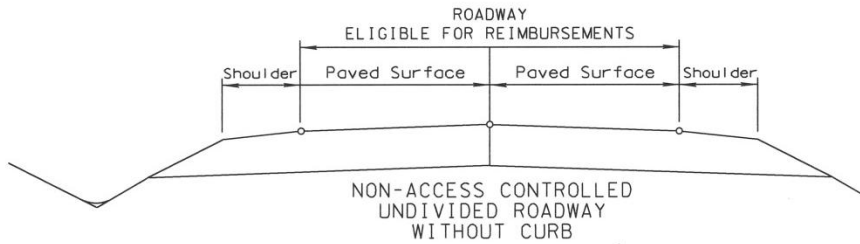


FIGURE 1C

NOTE: IN FIGURES 1A, 1B, AND 1C FOR NON-CONTROLLED ROUTES THE PAVED SURFACE WILL INCLUDE PAVED SHOULDERS.

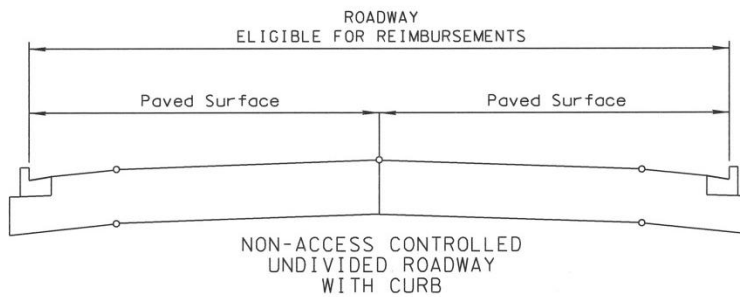


FIGURE 1D

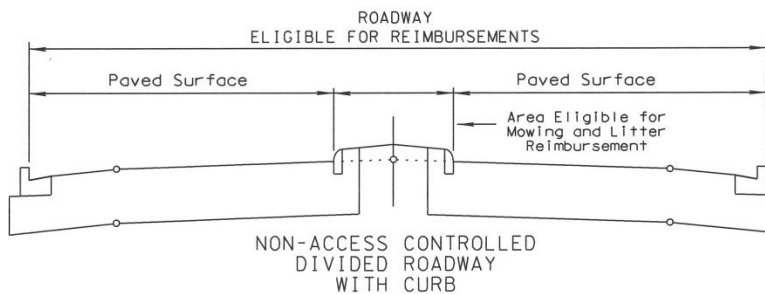
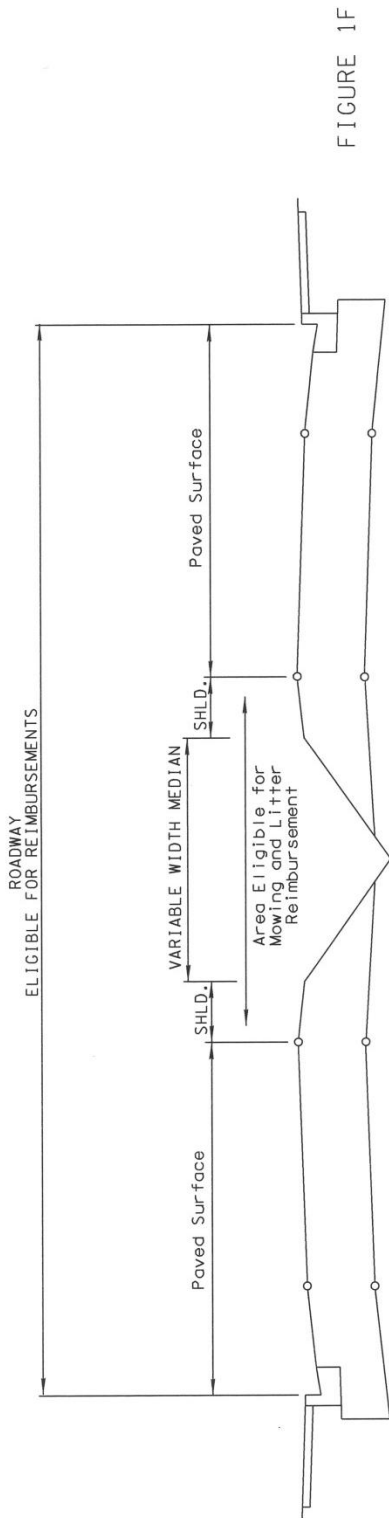
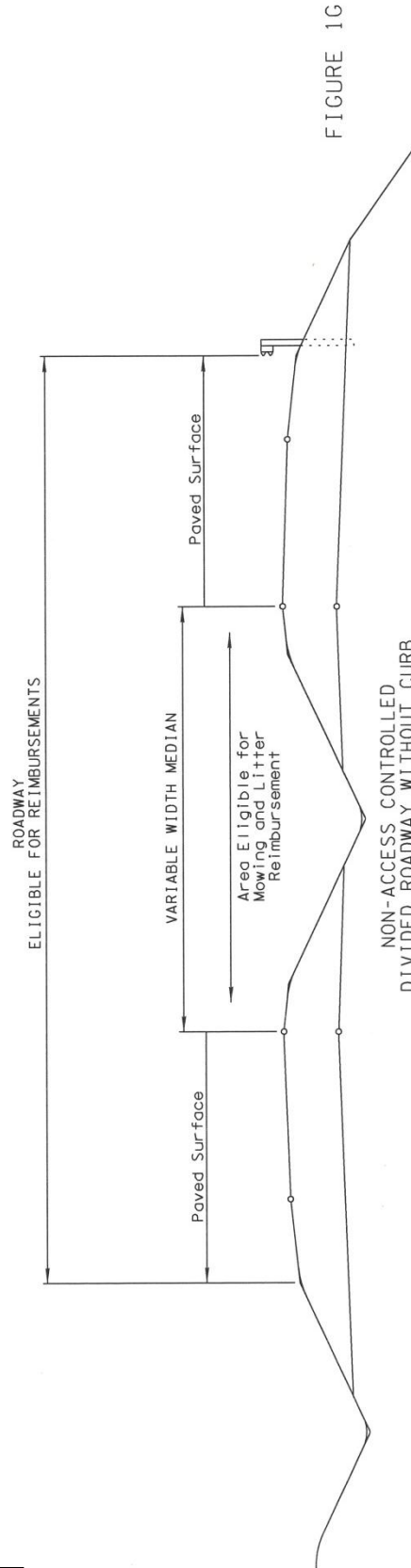


FIGURE 1E

CITY MAINTENANCE
ROADWAY TYPICAL SECTIONS



NON-ACCESS CONTROLLED
DIVIDED ROADWAY WITH CURB



NON-ACCESS CONTROLLED
DIVIDED ROADWAY WITHOUT CURB

NOTE:
IF FIGURES 1F AND 1G FOR NON-ACCESS CONTROLLED ROUTES
THE PAVED SURFACE WILL INCLUDE PAVED SHOULDERS.

CITY MAINTENANCE
ROADWAY TYPICAL SECTIONS

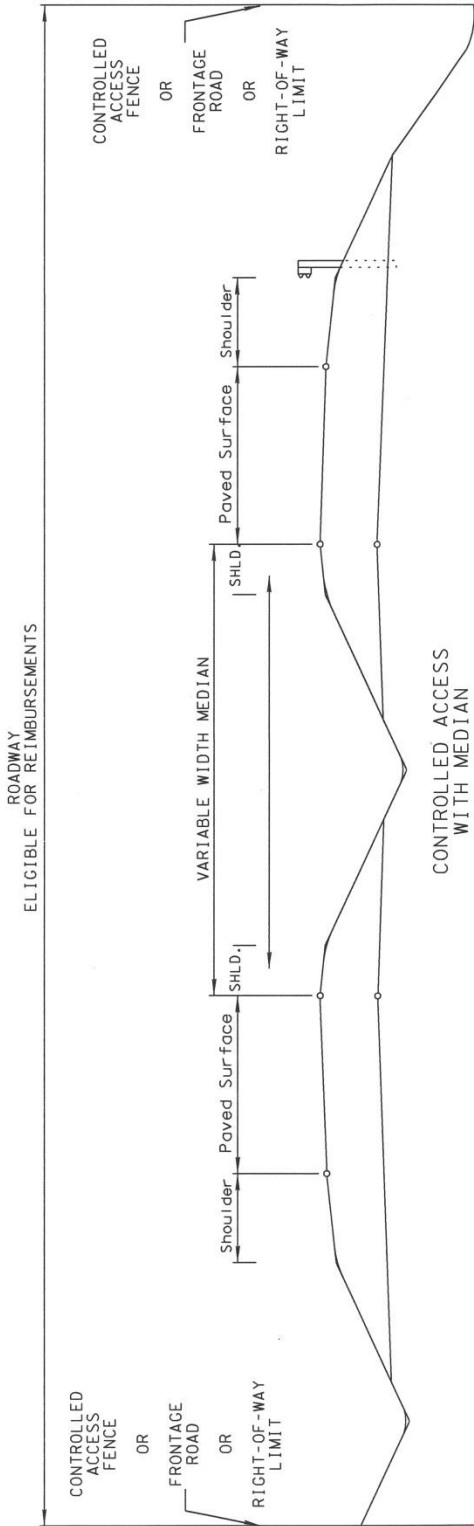


FIGURE 2A

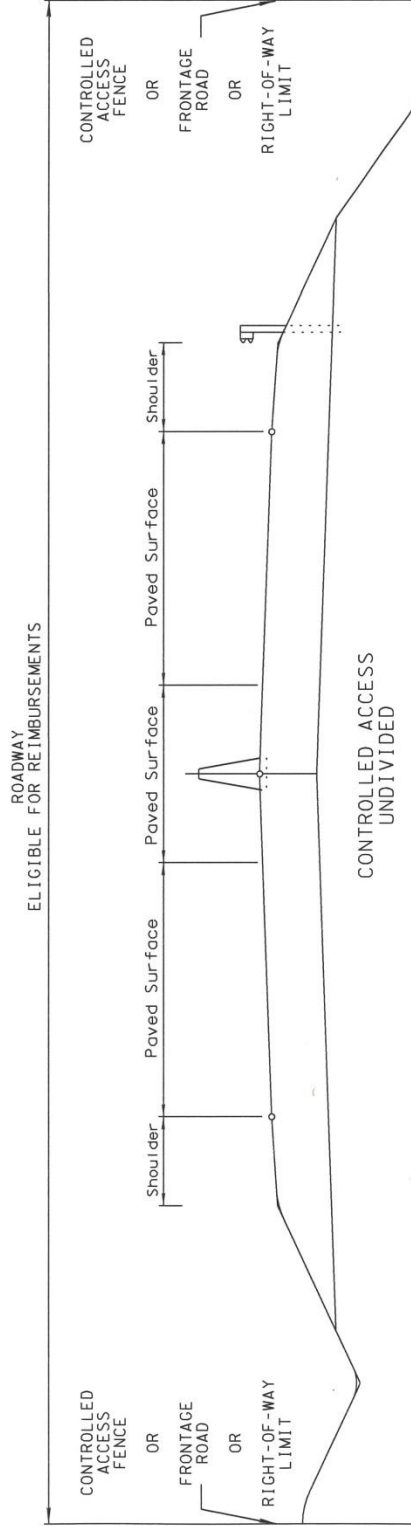


FIGURE 2B

"EXHIBIT B"
MAXIMUM ALLOWABLE EQUIPMENT RATES
2026-2028 FISCAL YEAR

ITEM NO.	DESCRIPTION OF EQUIPMENT	RATE	UNIT
1	SEDAN, POLICE OR FULL SIZE	\$18.00	HR
2	TRUCK, PICKUP	\$20.00	HR
3	TRUCK, ¾ TO 1 TON LIGHT DUTY	\$24.00	HR
4	TRUCK, ¾ TO 1 TON 4X4	\$24.00	HR
5	TRUCK, UTILITY/SERVICE BODY	\$28.00	HR
6	TRUCK, DUMP UP TO 15,000 GVWR	\$70.00	HR
7	TRUCK, DUMP OVER 15,000 UP TO 20,000 GVWR	\$80.00	HR
8	TRUCK, DUMP OVER 20,000 UP TO 40,000 GVWR	\$100.00	HR
9	TRUCK, DUMP TANDEM AXLE OVER 40,000 GVWR	\$120.00	HR
10	TRUCK, STAKE OR FLATBED UP TO 10,000 GVWR	\$30.00	HR
11	TRUCK, STAKE OR FLATBED OVER 10,000 UP TO 20,000 GVWR	\$45.00	HR
12	TRUCK, STAKE OR FLATBED OVER 20,000	\$65.00	HR
13	TRUCK, FLATBED OVER 32,500 GVWR	\$85.00	HR
14	TRUCK, TRACTOR SINGLE AXLE	\$70.00	HR
15	TRUCK, TRACTOR TANDEM AXLE	\$85.00	HR
16	TRUCK, SEWER/CULVERT/CATCH BASIN/ CLEANER (VAC-ALL)	\$165.00	HR
17	SWEEPER, TRUCK MOUNTED	\$200.00	HR
18	SWEEPER, SELF-PROPELLED	\$110.00	HR
19	TRUCK, CRANE	\$65.00	HR
20	TRUCK, EXCAVATOR	\$190.00	HR
21	TRUCK, REFUSE COLLECTION	\$85.00	HR
22	TRACTOR, W/SWEEPER	\$66.00	HR
23	TRACTOR, W/DITCHER	\$125.00	HR
24	TRACTOR, WHEEL	\$100.00	HR
25	CHIPPER, BRUSH	\$70.00	HR
26	TRAILER, TILT	\$9.00	HR
27	TRAILER, PLATFORM OR GENERAL	\$29.00	HR
28	TRAILER, LOW BOY TANDEM	\$21.00	HR
29	JOINT & CRACK SEALING MACHINE	\$55.00	HR
30	ASPHALT RECLAIMER/RECYCLER MACHINE	\$76.00	HR
31	PAVER, ASPHALT SELF-PROPELLED	\$150.00	HR
32	DISTRIBUTOR, ASPHALT, PULL TYPE	\$51.00	HR
33	CHIP SPREADER MACHINE	\$110.00	HR
34	EXCAVATOR, TRACK TYPE (TRACKHOE)	\$165.00	HR
35	DRAGLINES AND CRANES	\$188.00	HR
36	TRACTOR, CRAWLER (DOZER)	\$165.00	HR
37	MOTOR GRADER	\$110.00	HR
38	BACKHOE	\$75.00	HR

"EXHIBIT B"
MAXIMUM ALLOWABLE EQUIPMENT RATES
2026-2028 FISCAL YEAR

ITEM NO.	DESCRIPTION OF EQUIPMENT	RATE	UNIT
40	LOADER, FT END RUBBER TIRED (ARTICULATED) OVER 1 UP TO 1.5 CY	\$110.00	HR
41	LOADER, FT END RUBBER TIRED (ARTICULATED) OVER 1.5 CU. YD.	\$110.00	HR
42	LOADER, FRONT END TRACK TYPE	\$110.00	HR
43	LOADER, SKID-STEER	\$100.00	HR
44	PROFILER, MILLING MACHINE	\$500.00	HR
45	ROLLER, WALK BEHIND	\$8.00	HR
46	ROLLER, STEEL WHEEL, 1 TO 5 TONS	\$100.00	HR
47	ROLLER, STEEL WHEEL, OVER 5 TONS	\$170.00	HR
48	GENERATOR, PORTABLE	\$52.00	HR
49	AIR COMPRESSOR, PORTABLE OR PULL TYPE	\$64.00	HR
50	WELDER, PORTABLE OR PULL TYPE	\$10.00	HR
51	CONCRETE MIXER, PORTABLE OR PULL TYPE	\$60.00	HR
52	CURBING MACHINE	\$140.00	HR
53	PAINT MACHINE, WALK BEHIND	\$70.00	HR
54	PAINT MACHINE, TRUCK MOUNTED (LARGE)	\$175.00	HR
55	THERMOPLASTIC MARKING MACHINE, WALK BEHIND	\$40.00	HR
56	TRAFFIC LINE REMOVER (WATER BLASTER)	\$100.00	HR
57	ARROW BOARD, TRAILER OR TRUCK MOUNTED	\$5.00	HR
58	MESSAGE SIGN, TRAILER MOUNTED	\$5.00	HR
59	LIGHT TOWER, TRAILER MOUNTED	\$30.00	HR
60	TRUCK MOUNTED ATTENUATOR	\$10.00	HR

Equipment reimbursement is based on TDOT and Rental Rate Blue Book rates, using FHWA-approved methods. If equipment is not listed or matched, other industry-standard rates, such as the FEMA Schedule or Department-approved rates, may be used.

"EXHIBIT B"

**CITY OF KINGSPORT
MAXIMUM ALLOWABLE LABOR RATES**

(To be supplied by the City at this time)

Beginning July 1, 2026 and ending June 30, 2028

Job Title Classification	Low Rate	High Rate

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
THE CITY OF KINGSPORT**

This Contract, by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the 'State" and City of Kingsport, hereinafter referred to as the "Contractor," is for the provision of a special agreement for (mowing, litter, sweeping), as further defined in the "SCOPE OF SERVICES."

Contractor Edison Registration ID # 0000001562
Contract #: CMA 2706

The Department is re-evaluating reimbursement rates to match actual costs for local agencies. If rates increase, the Department will work with the City to amend the contract and incorporate the new rates.

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Tenn. Code Ann. § 54-5-201 provides that the State is authorized to enter into contracts with municipalities regarding the improvement and maintenance of streets over which traffic on state highways is routed.
- A.3. Tenn. Code Ann. § 54-5-202 provides that streets constructed, reconstructed, improved and maintained by the State shall be of a width and type that the State deems proper, but the width so constructed, reconstructed, improved and maintained shall not be less than eighteen feet (18'); and, in the case of resurfacing and maintenance, from curb to curb where curbs exist, or the full width of the roadway where no curbs exist.
- A.4. Tenn. Code Ann. § 54-5-203 provides that the State is authorized to enter into contracts with municipalities that are organized to care for streets to reimburse, subject to the approval of the State, for improvements and maintenance.
- A.5. Tenn. Code Ann. § 54-16-106 provides that the highway authorities of the state, counties, cities, and town are authorized to enter into agreements with each other respecting the improvement and maintenance of controlled-access facilities, defined by Tenn. Code Ann. § 54-16-101 as a highway or street specially designed for through traffic, and over, from or to which owners or occupants of abutting land or other persons have no right or easement of access from abutting properties.
- A.6. Tenn. Code Ann. § 54-5-139 provides that the State may enter into a contract with a qualified county to perform maintenance activities upon the rights-of-way of state highways located outside of municipalities and metropolitan governments; and, that the reimbursement shall be on an actual cost basis.
- A.7. The State is hereby contracting with the Contractor for the improvements and maintenance specified in Attachment Exhibit A" titled "Guidelines Covering Maintenance of State Highways through Municipalities, attached and incorporated hereto as part of this Contract.

B. TERM OF CONTRACT:

This Contract shall be effective on July 1, 2026 ("Effective Date"), and extend for a period of twenty-four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one hundred eighteen thousand four hundred eighty dollars and eighty cents (\$118,480.80). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor’s compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Exhibit A” titled “Guidelines Covering Maintenance of State Highways through Municipalities	See Exhibit A

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Brandon Worley
3213 North Roan Street
Johnson City, TN 37601

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
 - (1) Invoice Number (assigned by the Contractor)
 - (2) Invoice Date
 - (3) Contract Number (assigned by the State)

- (4) Customer Account Name: Tennessee Department of Transportation
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:

- i. Service or Milestone Description (including name & title as applicable) of each service invoiced
- ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
- iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
- iv. Amount Due by Service
- v. Total Amount Due for the invoice period

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
- b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed

representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.9. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being a Tennessee governmental entity, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Brandon Worley
Maintenance Team Lead
State of Tennessee Department of Transportation
3213 North Roan Street, Johnson City, TN 37601
brandon.worley@tn.gov
Telephone # 423-282-0651
FAX # 423-854-3510

The Contractor:

Michael Thompson
Public Works Director
City of Kingsport
415 Board Street, Kingsport, TN 37660
michaelthompson@kingsporttn.gov
Telephone # 423-229-9470
FAX # 423-224-2756

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. MUTCD. In accordance with Tenn. Code Ann. 54-5-108, the Contractor shall conform to and act in accordance with the current edition of the Manual on Uniform Traffic Control Devices (MUTCD)

as adopted by rules of the State. Particularly, the Contractor shall sign work-zones associated with this Contract in accordance with the aforesaid MUTCD.

- E. 5. Maintenance. Nothing contained in this Contract shall change the maintenance obligations governed by the laws of the State of Tennessee, it being the intent of this Contract not to enlarge the present maintenance obligations of the State.

IN WITNESS WHEREOF,

THE CITY OF KINGSPORT:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

APPROVED AS TO FORM AND LEGALITY

CONTRACTOR ATTORNEY SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR ATTORNEY SIGNATORY (above)

STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION:

WILL REID, COMMISSIONER

DATE

APPROVED AS TO FORM AND LEGALITY

LESLIE SOUTH, GENERAL COUNSEL

DATE

“EXHIBIT A”
 GUIDELINES COVERING MAINTENANCE
 OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following items where applicable are eligible for reimbursement by the State to the Contractor under the Special Maintenance Agreement:

Activity	Maintenance Work Type	Unit Of Measure
435	Machine Mowing**	Acres
441	Litter Removal**	Roadway Miles
446	Mechanical Sweeping and Street Flushing	Miles

** Work must be inside the area eligible for reimbursements as detailed in "CITY MAINTENANCE ROADWAY TYPICAL SECTIONS".

Machine Mowing work shall consist of cutting or trimming vegetation primarily consisting of, but not limited to, grasses and invasive weeds on State rights-of-way as detailed below to provide a consistent and aesthetically pleasing standing vegetation height as directed by the State.

Litter Removal Work shall consist of removal of litter from the entire highway rights-of-way where accessible (fence to fence where applicable), including shoulders and excluding the travel lanes on interstate and state routes as detailed below.

Mechanical Sweeping and Street Flushing work shall consist of removing dirt and debris accumulated on the roadway along curbs, gutters, median barriers, bridge curbs and gore areas, and ramps at interchanges by mechanical sweeping or other approved means, as detailed below.

INVENTORY OF ELIGIBLE MACHINE MOWING FOR THE MAINTENANCE
OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following Table itemizes the eligible **mowing area in acres to be maintained in a 12-Month period**. For a 24-Month contract, the following quantities will be doubled. All eligible mowing areas shall be maintained by the Contractor under the terms of this contract. The State agrees to reimburse said Contractor in the amount actually expended for machine mowing, not to exceed the number of cycles and the price per acre as detailed below.

	Approved Mowing Reimbursement Per Acre:	\$ 50.00			
	Calculated Maximum Annual Reimbursement (Mowing):	\$41,550.00			
	Total Maximum Reimbursement (Mowing):	\$83,100.00			

Mowing Inventory Worksheet								
Route Number	Roadway Type	Begin Termini (LM)	End Termini(LM)	Median Area (acres)	Controlled Access Area (acres)	Segment Total Area (acres)	Number of Mowing Cycles	Contract Segment Total Area (acres)
I-26	2A	3.1	6.55		86.2	86.2	6	517.2
SR93	2A	7.16	11.9		52.27	52.27	6	313.62
Total Contract Area (acres):								831

INVENTORY OF ELIGIBLE LITTER REMOVAL FOR THE MAINTENANCE
OF STATE HIGHWAYS THROUGH MUNICIPALITIES

The following Table itemizes the eligible **length of litter removal in linear miles to be maintained in a 12-Month period** to the nearest whole square yard. For a 24-Month contract, the following quantities will be doubled. The Contractor shall maintain all eligible linear miles under the terms of this contract. The State agrees to reimburse said Contractor in the amount actually expended for litter removal, not to exceed the number of cycles and the price per linear mile as detailed below.

		Approved Litter Reimbursement Per Mile:	\$ 60.00						
		Calculated Maximum Annual Reimbursement (Litter):	\$ 17,690.40						
		Total Maximum Reimbursement (Litter):	\$ 35,380.80						

Litter Inventory Worksheet											
Route Number	Roadway Type	Beginning Termini (LM)	Ending Termini (LM)	Segment Length (mi.)	Litter Pass Miles Per Segment	Segment Total Litter (mi.)	Price per Litter Mile	Number of Litter Cycles	Contract Segment Total Litter (mi.)	Contract Segment Total Litter (\$)	
I-26	2A	3.1	6.55	3.45	3	10.35	\$ 60.00	12	124.2	7452	
SR93	2A	7.16	11.9	4.74	3	14.22	\$ 60.00	12	170.64	10238.4	
Total Contract Litter (mi.):									294.84	\$17,690.40	

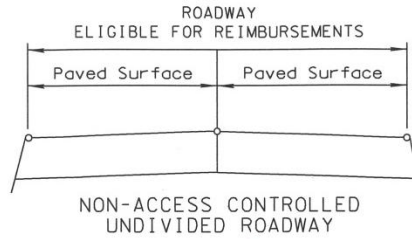


FIGURE 1A

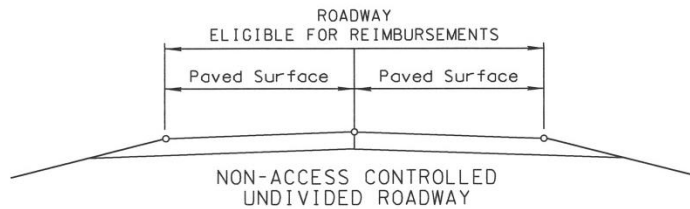


FIGURE 1B

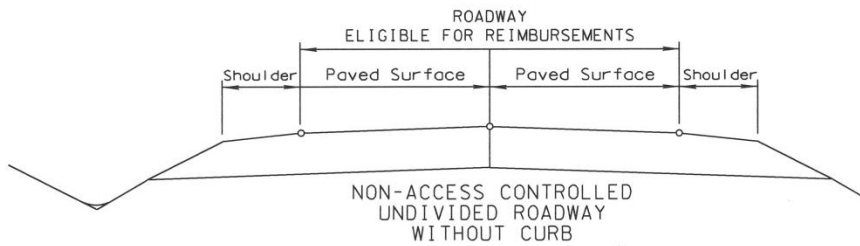


FIGURE 1C

NOTE: IN FIGURES 1A, 1B, AND 1C FOR NON-CONTROLLED ROUTES THE PAVED SURFACE WILL INCLUDE PAVED SHOULDERS.

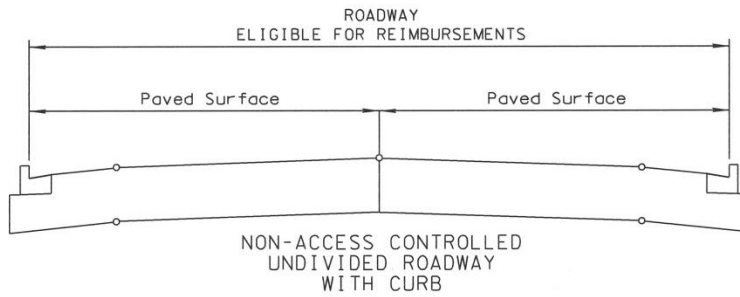


FIGURE 1D

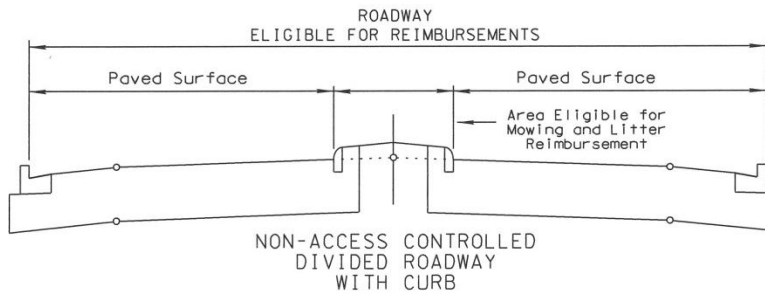
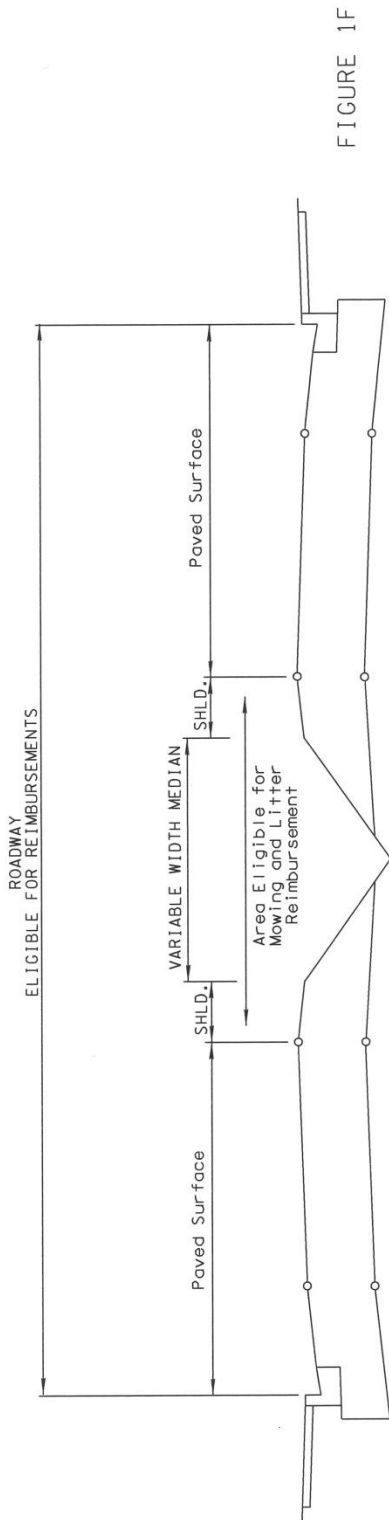


FIGURE 1E

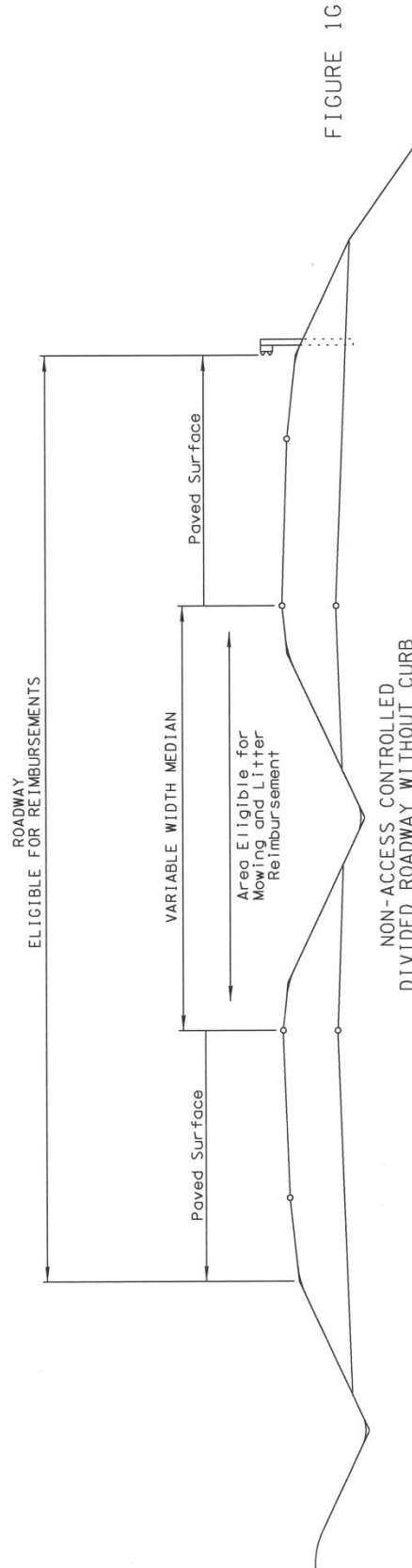
CITY MAINTENANCE

Item X3.

ROADWAY TYPICAL SECTIONS



NON-ACCESS CONTROLLED DIVIDED ROADWAY WITH CURB



NON-ACCESS CONTROLLED DIVIDED ROADWAY WITHOUT CURB

NOTE:
IF FIGURES 1F AND 1G FOR NON-ACCESS CONTROLLED ROUTES
THE PAVED SURFACE WILL INCLUDE PAVED SHOULDERS.

CITY MAINTENANCE
ROADWAY TYPICAL SECTIONS

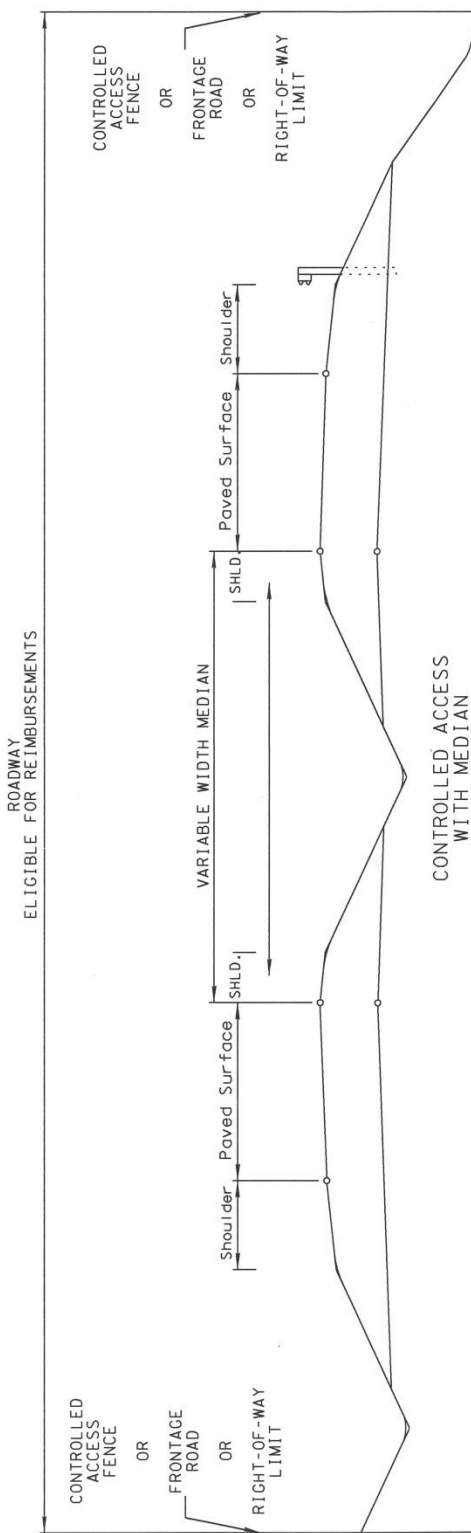


FIGURE 2A

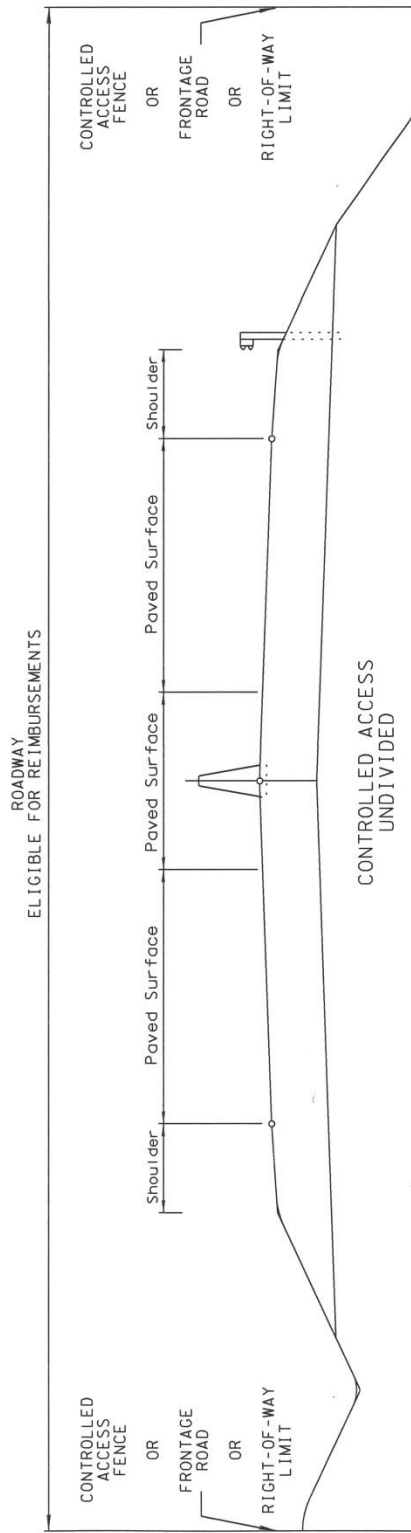


FIGURE 2B



AGENDA ACTION FORM

Consideration of a Resolution to Approve a Lease Agreement with The Industrial Development Board of The City of Kingsport and to Allow the Mayor to Sign All Documents Necessary and Proper as they Pertain to the Lease

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

Action Form No.: AF-159-2026
Work Session: May 18, 2026
First Reading: N/A

Final Adoption: May 19, 2026
Staff Work By: Steven Bower
Presentation By: Chris McCartt

Strategic Focus Area: 5. Thriving Local Economy

Recommendation:
Approve the Resolution

Executive Summary:
If approved The Industrial Development Board of the City of Kingsport will lease suites 1,2, and 4 at 117 W Sevier Avenue, known as the Kingsport Dental Clinic, from the City of Kingsport.

The lease term shall be two (2) years, with two (2) additional one (1) year renewal options. The Industrial Development Board of the City of Kingsport voted to approve the lease on May 12th, 2026.

The Kingsport Board of Mayor and Aldermen approved the transfer of all property, leasehold improvements, and lease assignments at their March 18th, 2025 meeting.

Additionally, this resolution authorizes the Mayor to sign all documents necessary and proper to sign the lease agreement.

Attachments:

- 1. Resolution
- 2. Lease Agreement
- 3. Building Floorplan

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT FOR 117 WEST SEVIER AVENUE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, pursuant to Resolution No. 2025-184 the city acquired the real property located at 117 West Sevier Street which is the site of the Kingsport Dental Clinic; and

WHEREAS, in order to expand the operations of the clinic additional renovations to the premises are necessary, including but not necessarily limited to suites 1, 2, and 4; and

WHEREAS, the Industrial Development Board of the City of Kingsport (KEDB) at its May 12, 2026 meeting authorized the lease of said space for the purpose of making the necessary improvements for industrial or economic development purposes and which will benefit the public welfare, health and safety of the citizens of Kingsport; and

WHEREAS, in order to further the aims of the clinic and further the objectives thereof it is hereby deemed appropriate and for the benefit of the public to enter into a lease agreement with KEDB, effectively donating the space in order to secure the necessary improvements for a term of two years, with the option to extend the lease term for two additional one year terms.

Now therefore,

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

SECTION I. That a lease agreement for suites 1, 2, and 4 at 117 West Sevier Avenue with KEDB 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 lease agreement with KEDB for suites 1, 2, and 4 within 117 West Sevier Avenue, to deliver the lease 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:

LEASE

This lease entered into the date of the acknowledgement of CITY by and between the City of Kingsport, a Tennessee municipal corporation, (herein CITY) and the Industrial Development Board of the City of Kingsport, Tennessee, (herein KEDB).

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and mutual covenants of the parties contained herein the parties agree as follows:

SECTION 1. PREMISES. CITY, as a donation to KEDB, does hereby lease to KEDB and KEDB does hereby lease and take from CITY the following property (the "Premises") and all improvements located thereon:

Insert description of property

Item X4.

SECTION 2. LEASE TERM. The term of this Lease shall begin on June 1, 2026, and shall terminate two years thereafter on May 31, 2028, unless sooner terminated by KEDB, if it no longer has a use for the property. This lease may be renewed for two (2) additional one year terms by KEDB upon written notice to the city manager of city.

SECTION 3. RENT. This lease is a donation from CITY to KEDB, so no rent is due CITY. If rent is required by law, it shall be One Dollar (\$1.00) per year.

SECTION 4. TERMINATION FOR CONVENIENCE. This lease may be terminated by either party upon delivery of written notice to be given at least 60 days before the effective date of termination. Such termination shall not be deemed a breach of contract by either party. Upon such termination, neither party shall have any right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

SECTION 5. USE OF PREMISES. KEDB shall use the Premises only for a lawful purpose and for no other purpose or use. KEDB agrees not to use the Premises in any way that may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, regulation, ordinance or bylaw.

SECTION 6. UTILITIES. During the term of this Lease, the KEDB shall be solely responsible for the payment of any and all utilities of the Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. KEDB shall also be solely responsible for the payment of any and all water bills, sewer bills and garbage collection costs concerning the Premises.

SECTION 7. CLEAN AND SANITARY CONDITION. During the term of the Lease, KEDB shall keep and maintain the Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by KEDB in facilities specifically for garbage collection. KEDB shall further comply with all local ordinances and regulations imposed by CITY relating to maintaining the Premises in a clean and sanitary condition and collection of garbage and similar debris.

SECTION 8. MAINTENANCE. It shall be KEDB'S sole responsibility to keep and maintain the entire Premises, and every part thereof, in good condition and repair at all times during the term of the Lease. KEDB shall maintain the Premises in compliance with the laws of the state of Tennessee and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction. KEDB shall comply with all requirements of law, ordinance and otherwise, affecting the Premises. KEDB shall, upon the expiration or termination of this Lease, surrender the Premises in good condition, broom clean, reasonable wear and tear excepted.

SECTION 9. COMPLIANCE WITH APPLICABLE LAWS. Throughout the term of this Lease, KEDB shall comply with all present and future laws, statutes, codes, ordinances, rules and regulations of the federal government, state of Tennessee, or City of Kingsport, restrictive covenants and all orders, decrees and like actions of any court of competent jurisdiction which may be applicable to the Premises.

SECTION 10. ALTERATIONS. KEDB shall have the right, at its sole expense, from time to time, to make such alterations and changes to the Premises as KEDB shall deem expedient or necessary for its purposes. KEDB agrees to pay promptly when due the entire cost of any work done by it upon the Premises so that the Premises at all times shall be free of liens for labor and materials. KEDB further agrees that in doing such work that it shall employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner. KEDB agrees that it shall procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable.

SECTION 11. TAXES. KEDB, in addition to the rent provided herein, shall pay any and all real estate taxes, assessments, and other governmental levies and charges, general and special, ordinary or extraordinary, unforeseen or foreseen, of any kind which are assessed against or imposed in respect of the Premises.

SECTION 12. CONDITION OF PREMISES. KEDB has examined the Premises and accepts the same in its present state and condition without any representations or warranties, express or implied, in fact or in law, by CITY as to the nature, condition or usability thereof, or as to the use or uses to which the Premises may be put.

SECTION 13. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the Premises, be substantially damaged by fire or other casualty, or be taken by eminent domain, CITY may elect to terminate this Lease. When such fire, casualty or taking renders the Premises substantially unsuitable for its intended use, a proportionate abatement of rent shall be made, and KEDB may elect to terminate this Lease if: (a) CITY fails to give written notice within 30 days after said fire, casualty or taking of its intention to restore the Premises; or (b) CITY fails to restore the Premises to a condition substantially suitable for its intended use within 90 days after said fire,

casualty or taking. Notwithstanding the foregoing, in the event of damage by fire or other casualty resulting from the carelessness, negligence, or intentional or other of improper conduct of KEDB, its agents, employees, contractors or others acting on its behalf, KEDB shall have the full liability and responsibility for repairing and/or rebuilding from such casualty loss and for other damages and losses caused thereby. CITY reserves all rights for damages or injury to the Premises for any taking by eminent domain, except for damage to KEDB's property or equipment.

SECTION 14. FIRE INSURANCE. KEDB shall not permit any use of the Premises which shall adversely affect or make voidable any insurance on the property of which the Premises are a part, or on the contents of said property, or which shall be contrary to any law, regulation or recommendation made by the state fire prevention agency, local fire department, CITY's insurer or any similar entity.

SECTION 15. ASSIGNMENT OR SUBLEASE. KEDB may assign this Lease, or sublet the Premises, in whole or in part, with the prior written consent of CITY.

SECTION 16. CITY ACCESS. CITY, its agents and designates, may examine and inspect the Premises at reasonable times.

SECTION 17. LIABILITY. KEDB shall, and does hereby, assume all risk of loss or injury to the property or person of all persons at any time coming upon the Premises during the term of this Lease. KEDB shall be solely responsible, as between CITY and KEDB, for deaths or personal injuries to all persons and damage to any property, including damage by fire or other casualty, occurring in or on the Premises and arising out of the use, control, condition or occupancy of the Premises by KEDB, except for death, personal injuries or property damage directly resulting from the sole negligence of CITY. To the extent permitted by Tennessee law KEDB agrees to indemnify and hold harmless CITY from any and all liability, including but not limited to costs, expenses, damages, causes of action, claims, judgments and attorney's fees caused by or in any way arising out of any of the aforesaid matters.

SECTION 18. INSURANCE. KEDB shall, during the entire term of this Lease, keep in full force and effect at its own expense the following insurance:

(a) Comprehensive General Liability Coverage. At all times during the Term of this Lease, KEDB shall maintain in full force and effect policies of contractual and comprehensive general liability insurance, including public liability and broad form property damage, for not less than \$1,000,000 for each occurrence involving bodily injury (including death), and \$500,000 for each occurrence involving damage to property. Such policy or policies shall name CITY as an additional insured thereunder. All of such insurance shall insure the performance by KEDB of its indemnity agreement as to liability for injury to or death of persons and injury or damage to property. All of such insurance shall be primary and noncontributing with any insurance which may be carried by CITY and shall contain a provision that KEDB, named or not named as an insured, shall nevertheless be entitled to recover under said policy for any loss, injury or damage to CITY, its agents and employees or the property of such persons, by reason of the negligence of KEDB. Such policy shall expressly provide that such policy shall not be canceled or altered without thirty (30) days prior written notice to CITY. CITY shall be named as an additional insured on all such policies.

(b) Fire and Casualty Insurance. At all times during the term of this Lease, KEDB shall maintain, at its cost and expense, broad form all-risk casualty insurance (with appropriate endorsements for risks or perils ordinarily included in a Lessee's policy) insuring the improvements on the Premises. CITY shall be named as an additional insured in all such policies. The policies shall permit the insurance proceeds collected upon all such policies of insurance to be used to restore the improvements on the Premises so damaged or destroyed. KEDB further agrees that each such policy of insurance, and all other policies of insurance on the Premises, including, without in any way limiting the generality of the foregoing, workmen's compensation, general liability and business interruption insurance which shall be obtained by KEDB, whether required by the provisions of this Lease or not, shall be made expressly subject to the provisions of this Section 18, and shall provide (to the extent such a waiver can be obtained) that KEDB's insurers thereunder waive any right of subrogation against CITY. All such policies shall provide that the same may not be canceled or altered without thirty (30) days prior written notice to the CITY. The said "full insurable value" shall be determined at the time the fire and extended coverage insurance is initially taken out.

(c) Certificates of Insurance. As of the commencement of this Lease KEDB shall provide CITY with a certificate of insurance for each policy required under this Lease showing that the coverage required hereunder are in force with premiums paid and that such policies are non-cancellable and may not be materially modified except upon thirty (30) days prior notice to CITY (or, if such thirty (30) day period of notice is not obtainable on a commercially reasonable basis, upon such notice as is commercially reasonable).

(d) All insurance provided for in this Section 18, and all renewals thereof, shall be issued by responsible insurance companies authorized to do business in the State of Tennessee. If any insurer

which has issued a policy of insurance required pursuant to this Lease becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding, KEDB shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meet the requirements of this Lease.

(e) KEDB's Release. KEDB hereby releases CITY from any and all liability and responsibility to anyone claiming any loss or damage to property arising from a risk insured against under the insurance required to be carried by KEDB. To the extent obtainable, KEDB's insurance policies shall include appropriate clauses waiving all rights of subrogation against CITY to KEDB, with respect to losses payable under such policies.

(f) Use of Proceeds. Any Casualty Insurance Proceeds paid under any insurance policy of the character described in Section 18(b) shall be used to pay for the cost to restore the Improvements so damaged or destroyed.

(g) Blanket Insurance. Nothing in this Section 18 shall prevent KEDB from taking out insurance of the kind and in the amounts provided for under Sections 18(a) and 18(b) under a blanket insurance policy or policies which can cover other improvements on the Premises.

SECTION 19. DEFAULT. In the event that (a) any assignment for the benefit of creditors, trust mortgage, receivership or other insolvency proceeding shall be made or instituted with respect to KEDB or KEDB's property or (b) KEDB shall default in the observance or performance of any of KEDB's covenants, agreements or obligations hereunder and such default shall not be corrected within 10 days after written notice thereof, then CITY shall have the right thereafter, while such default continues and without demand or further notice, to re-enter and take possession of the Premises, to declare the term of this Lease ended, and/or to remove KEDB's effects, without being guilty of trespass or conversion, and without prejudice to any remedies which might be otherwise used for arrears of rent or other default or breach of the Lease. In addition to the foregoing, if after default, an attorney (including any attorney of the Office of the City Attorney of CITY) is employed or directed to enforce the obligations evidenced by this Lease or to assist either CITY in connection with its exercise of any right, power, privilege, or remedy referred to herein, the parties hereby agree that the KEDB shall pay promptly all costs incurred by CITY with respect to collection or enforcement including reasonable attorney's fees and court costs.

SECTION 20. WASTE OR NUISANCE. KEDB shall not commit or suffer to be committed any waste upon the Premises, and KEDB shall not use or permit the use of any medium that might constitute a nuisance.

SECTION 21. OCCUPANCY. If KEDB continues to occupy, control or encumber all or any part of the Premises after the termination of this Lease without the written permission of CITY, KEDB shall be liable to CITY for any and all loss, damages or expenses incurred by CITY, and all terms of this Lease shall continue to apply.

SECTION 22. FIRE PREVENTION. KEDB agrees to use reasonable precaution against fire, to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment and exit signs, and to complete any other modifications within the Premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local fire department, insurer of CITY or any similar entity.

SECTION 23. RESPONSIBILITY. CITY shall not be liable to KEDB or anyone for, nor shall KEDB's obligations under this Lease be reduced because of, loss or damage caused in any way by the use, leakage, seepage, flooding or escape of water or sewage in any form or from any source, by the interruption or cessation of any service rendered customarily to the Premises or building or agreed to by the terms of this Lease, by any accident, the making of repairs, alterations or improvements, labor difficulties, weather conditions, mechanical breakdowns, trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained, by any change in any utility or service provider, or by any cause beyond immediate control of CITY.

SECTION 24. SURRENDER. On or before the termination of this Lease, KEDB shall peacefully and quietly surrender the Premises to CITY, including fixtures. Movable trade furniture, trade fixtures, and equipment shall remain the property of KEDB, or sublease, and may be removed at any time during the Lease Term or upon termination of this Lease. Removal of such items shall be accomplished within a reasonable amount of time upon termination of this Lease. KEDB shall deliver to CITY actual and exclusive possession of the Premises and all keys and locks thereto. KEDB shall deliver the Premises fully sanitized from any chemicals or other contaminants, broom clean, and in at least the same condition as it was at the commencement of the Lease, or as it was modified during said term, reasonable wear and tear only excepted, and KEDB shall be deemed to be encumbering the Premises until it delivers the Premises to CITY in the condition required under this Lease. In no case shall the Premises be deemed surrendered to CITY until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to CITY.

SECTION 25. NOTICE BY KEDB. KEDB shall give immediate notice to CITY in case of fire or accidents in the Premises or in the building of which the Premises are a part or of defects therein or in any fixtures or equipment.

SECTION 26. SUCCESSORS. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties, except that CITY shall only be liable for obligations occurring while the owner of the Premises.

SECTION 27. GENERAL. The following shall apply to this Lease:

- (a) The invalidity or unenforceability of any clause or provision of this Lease shall not affect or render invalid or unenforceable any other clause or provision hereof;
- (b) Any action or proceeding arising out of the subject matter of this Lease shall be brought by KEDB within one year after the cause of action has occurred and only in a state court in Kingsport, Tennessee;
- (c) This Lease is made and delivered in the state of Tennessee, and shall be interpreted, construed, and enforced in accordance with the laws thereof and all legal proceedings relating to the subject matter of this Lease shall be maintained in the state courts for Kingsport, Sullivan County, Tennessee, and the parties agree that jurisdiction and venue for any such legal proceeding shall lie exclusively with such courts;
- (d) This Lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, statements and negotiations relating in any way to the subject matter herein. This Lease may not be extended or amended except by written agreement signed by both parties, or as otherwise provided herein, and no other subsequent oral or written representation shall have any effect hereon;
- (e) Notwithstanding any other statements herein, CITY makes no warranty, express or implied, concerning the suitability of the Premises for KEDB's intended use;
- (f) Neither the submission of this Lease or any amendment hereof shall constitute a reservation of or option for the Premises, or an offer to lease, it being expressly understood and agreed that neither this Lease nor any amendment shall bind either party in any manner whatsoever unless and until it has been executed by both parties;
- (g) The headings and captioned in this Lease are for convenience only and shall not be considered part of the terms hereof; and
- (h) KEDB shall conform to all rules and regulations now or hereafter made by CITY for parking, for the care, use or alteration of the building, its facilities and approaches, and for the administration of this Lease, and shall not permit any employee or visitor to violate this or any other covenant or obligation of KEDB; and
- (k) CITY and KEDB hereby waive any and all rights to a jury trial in any proceeding in any way arising out of the subject matter of this Lease.

SECTION 28. WAIVERS, ETC. No consent or waiver, express or implied, by CITY to or of any breach of any covenant, condition or duty of KEDB shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If KEDB is several persons, corporations, or other legal entities, or a partnership, or some combination thereof, KEDB's obligations are joint and several. Unless repugnant to the context, "CITY" and "KEDB" mean the person or persons, natural or corporate, named above as CITY and as KEDB respectively, and their respective heirs, executors, administrators, successors and assigns.

SECTION 29. TIME. Time is of the essence in this Lease.

SECTION 30. SURVIVAL OF TERMS. Wherever in this Lease either KEDB or CITY shall have agreed or promised to perform certain acts or otherwise where the context of this Lease would require such performance to occur after the termination or expiration of the Lease, then those agreements and covenants shall survive the termination or expiration of the Lease and continue to bind KEDB and CITY.

[Acknowledgements Excluded for Inclusion in 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 and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

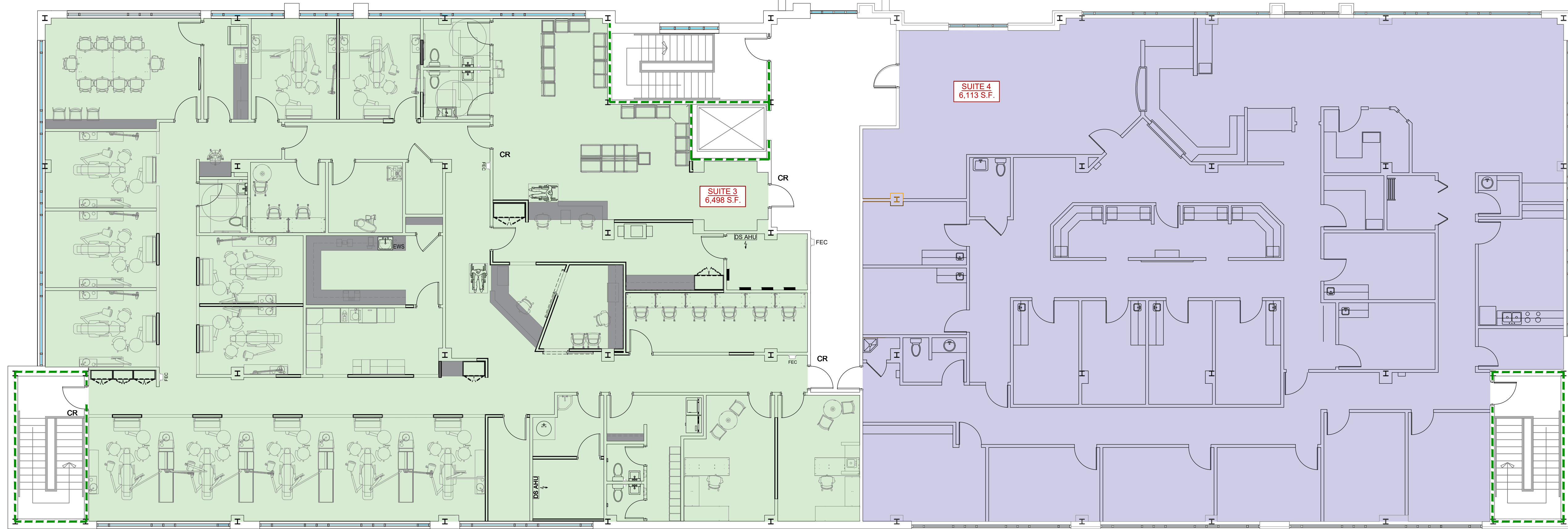
ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

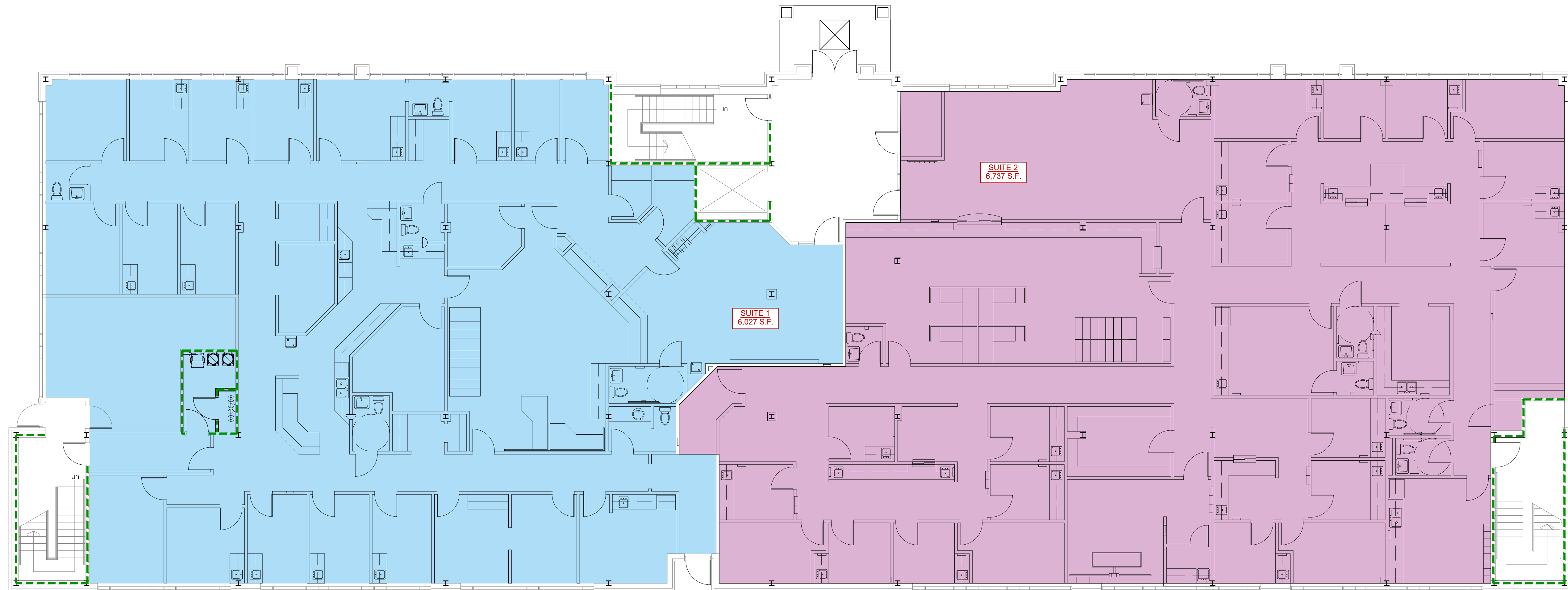
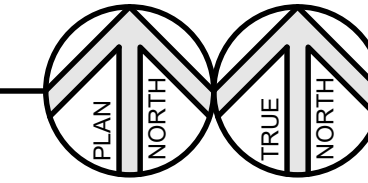
plotted: 5/11/2026 3:31:12 PM file: XREF_CURRENT_FLOORPLAN_KINGSPORT_DENTAL_SCHOOL_PH2.DWG



TOTAL FLOOR
13,980 S.F.

SECOND FLOOR PLAN

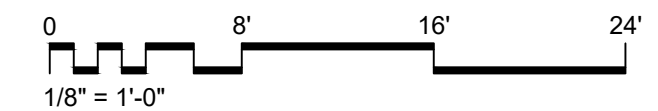
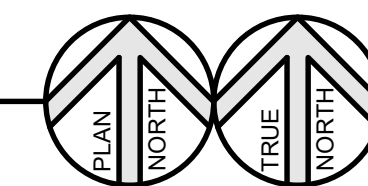
SCALE: 1/8" = 1'-0"



TOTAL FLOOR
13,980 S.F.

FIRST FLOOR PLAN

SCALE: 1/8" = 1'-0"



**KINGSPORT DENTAL CLINIC
OF THE APPALACHIAN HIGHLANDS**

Sevier Center Medical Office Building
117 West Sevier Avenue, Kingsport, Tennessee 37660

**Cain
Rash
West**
Architects

130 Regional Park Dr.
Kingsport, TN 37660
Phn (423) 349-7760
Fax (423) 349-7413
www.grcinc.com

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no.	date	rev.	description

FOR
REFERENCE
ONLY

NOT FOR
CONSTRUCTION

issued	11 MAY 2026
checked	KH
drawn	SS
project no.	202541

EXISTING SUITE
SQUARE
FOOTAGE

A-00



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for Tire Recapping Services

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

Action Form No.: AF-155-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Committee
Presentation By: R. McReynolds

Strategic Focus Area: 2. Sustainable Infrastructure

Recommendation:
Approve the Resolution

Executive Summary:
If approved, this resolution authorizes awarding the bid for tire recapping services to Southern Tire Mart in the estimated annual cost of \$57,166.00.

Bids were opened on April 22, 2026 for tire recapping services for use by Fleet Maintenance for FY27 on an as needed basis. The advertisement for the Invitation to Bid was published in the Kingsport Times News on April 4, 2026 and placed on our website for 18 calendar days. Southern Tire Mart submitted the lowest responsive and responsible bid, resulting in an estimated cost savings of approximately 4.5% to 14% compared to the previously awarded contract.

Funding is identified in various department accounts.

- Attachments:**
1. Resolution
 2. Bid Opening Minutes
 3. Recommendation Memo

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

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR TIRE RECAPPING SERVICES TO SOUTHERN TIRE MART AND AUTHORIZING THE CITY MANAGER TO EXECUTE PURCHASE ORDERS FOR THE SAME

WHEREAS, bids were opened on April 22, 2026, for tire recapping services for use by the Fleet Maintenance Department; and

WHEREAS, upon review of the bids, the board finds Southern Tire Mart is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to award the bid for tire recapping services to Southern Tire Mart at an estimated annual cost of \$57,166.00; and

WHEREAS, funding is available various department accounts.

Now therefore,

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

SECTION I. That the award of bid to Southern Tire Mart for tire recapping services for use on an as needed basis by the Fleet Maintenance department, 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 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

BID OPENING MINUTES

APRIL 21, 2026

4:00 P.M.

Present: Brent Morelock, Procurement Manager; Nikisha Eichmann, Asst. Procurement Manager

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

The Procurement Manager opened with the following bids:

RECAPPING TIRE SERVICE				
Vendor:	Tire Cap Cold MS – 11R22.5 – Gripper 22/32"	Tire Recap Mud and Snow – 255/70R22.5 – Gripper 22/32"	Tire Recap Mud & Snow – 12R22.5 – XDUS Refuse Tread 32/32"	Tire Recap Mud & Snow – 11R22.5 – XDUS Refuse Tread 32/32"
Best One Tire	\$111.00	\$95.00	\$175.00	\$170.00
Free Service Tire	\$145.00	\$125.00	\$225.00	\$210.00
Southern Tire Mart	\$105.00	\$93.00	\$163.00	\$162.00
Snider Fleet Solutions	\$166.00 White out used.	\$135.00	\$236.00	\$222.00

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



FLEET MAINTENANCE DEPARTMENT
City of Kingsport, Tennessee

To: Nikisha Eichmann, Assistant Procurement Manager
From: Steve Leonard, Fleet Manager
Date: May 4, 2026
Re: Recapping Tire Service Purchase Recommendation

Following the evaluation of bids received for tire recapping services, it is recommended that the contract be awarded to Southern Tire Mart.

The recommended vendor submitted the lowest responsive and responsible bid. Based on the pricing provided, this award is expected to result in cost savings of approximately 4.5% to 14%, depending on tire size, compared to the previously awarded contract rates. The City uses recapped tires on refuse and dump trucks to help save money due to the off road use these units are in daily. In addition to offering the most competitive pricing, the vendor meets all required specifications and has demonstrated the capability to provide the services as outlined in the solicitation.

Should you have any questions on this recommendation, please do not hesitate to contact me.

Thank you.



AGENDA ACTION FORM

Consideration of a Resolution to Accept a Donation on behalf of Kingsport City Schools

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

Action Form No.: AF-158-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Staff
Presentation By: David Frye

Strategic Focus Area: World-Class Education

Recommendation:
Approve the Resolution

Executive Summary:
If approved, Kingsport City Schools will be receiving a donation from the Kingsport City Schools Education Foundation, Inc. of \$500,000. This monetary donation is from Bharti and Natu Patel.

Kingsport City Schools will use the \$500,000 donation over five years to strengthen teacher development, support, and resources. Funds will expand professional learning opportunities, provide stipends for highly effective teachers who mentor new educators, and offer teacher-driven grants for instructional materials and technology. The district will also upgrade science and STEM tools and set aside funds for enrichment, recognition, and school-support initiatives. Overall, the very generous donation/investment will build teacher capacity, enhance classroom resources, and improve student learning across the district. It will strengthen teaching capacity, update and improve educator resources, and ultimately improve student learning and enrichment across the district.

The Board of Education approved a motion to accept a donation of \$500,000 from the Kingsport City Schools Education Foundation, Inc.

Attachments:
Resolution

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

RESOLUTION NO. _____

A RESOLUTION TO ACCEPT A MONETARY DONATION
ON BEHALF OF KINGSPORT CITY SCHOOLS

WHEREAS, the Kingsport City Schools Education Foundation, Inc., is donating \$500,000 to Kingsport City Schools; and

WHEREAS, this monetary donation is from Bharti and Natu Patel; and

WHEREAS, the donation will strengthen teaching capacity, update and improve educator resources, and ultimately improve student learning and enrichment across the district; and

WHEREAS, the Board of Education approved these actions on May 12, 2026.

Now therefore,

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

SECTION I. That the \$500,000 donation from Kingsport City Schools Education Foundation, Inc. is accepted.

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution to Amend the Engineering Agreement with Barge Design Solutions for Year Two Water Quality Assessment of the South Fork Holston River

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

Action Form No.: AF-157-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Niki Ensor
Presentation By: Ryan McReynolds

Strategic Focus Area: Efficient and Responsive Government

Recommendation:

Approve the Resolution

Executive Summary:

Approval of the resolution amends the Barge Design Agreement in the amount of \$602,965.00 for year two of a three-year study of the South Fork Holston River (SFHR).

In response to the South Fork Holston River (SFHR) being placed on the 303(d) list of impaired waterways and in preparation for the next NPDES permit cycle, it is in Kingsport's best interest to develop a thorough understanding and assessment of the quality of the SFHR. Beginning in 2016, TDEC listed the SFHR as impaired due to nutrients attributed to municipal point sources. Due to the limited number of data points and the manner of data collection, the City of Kingsport continues to disagree with the validity of the data used for this decision and has unsuccessfully requested TDEC to remove the listing since the original listing. Therefore, given the financial impact on our ratepayers of the possible inclusion of nutrient reduction in the next permit, we recommend developing a clear and transparent assessment of the SFHR.

On June 3, 2025, the Board approved an amendment with Barge Design Solutions, Inc. for Year 1b to provide the City with a chemical and biological water quality assessment of the SFHR from the Fort Patrick Henry Dam downstream to approximately 0.75 river miles below the confluence of the SFHR. Barge has engaged Dynamic Solutions to model the water quality and sediment data to develop a water quality model for the South Fork Holston River over the course of the three-year study.

While this is a multi-year project, we are only requesting approval to fund Year 2 at this time. The cost of this amendment is \$602,965, bringing the total contract cost to \$1,204,790. Year 3 will require future board approval. Funding is available in the sewer operating budget.

Attachments:

- 1. Resolution
- 2. Barge Proposal

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

Item X7.

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AMENDMENT TO THE
ENGINEERING AGREEMENT WITH BARGE DESIGN
SOLUTIONS FOR WATER QUALITY ASSESSMENT OF THE
SOUTH FORK OF THE HOLSTON RIVER AND AUTHORIZING
THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, in June, 2024 (Res. No. 2024-272) the board approved an Engineering Agreement with Barge Design Solutions, Inc. (Barge) for a three year/phase project to provide the city with an assessment of the South Fork Holston River (SFHR) from the Fort Patrick Henry Dam downstream to approximately 0.75 river miles below the confluence of the SFHR and Reedy Creek, which assessment occurred at 13 sampling locations along the SFHR and various tributaries, Phase 1A; and

WHEREAS, in June, 2025, (Res. No. 2025-252) the board approved an amendment to the agreement with Barge for Phase 1B of the scope of work in the amount of \$301,855.00 to provide the City with a chemical and biological water quality assessment of the SFHR from the Fort Patrick Henry Dam downstream to approximately 0.75 river miles below the confluence of the SFHR; and

WHEREAS, staff recommends entering into another amendment for the funding for Year 2 of the project, to model the water quality and sediment data to develop a water quality model for the South Fork Holston River over the course of the three-year study, in the amount of \$602,965.00, bringing the total contract cost to \$1,204,790.00; and

WHEREAS, funding is available in the sewer operating budget.

Now therefore,

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

SECTION I. That the Amendment to the agreement with Barge Design Solutions for funding for Year 2 of the project, to model the water quality and sediment data to develop a water quality model for the South Fork Holston River over the course of the three-year study, in the amount of \$602,965.00, 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 to the agreement with Barge Design Solutions for funding for Year 2 of the project, to model the water quality and sediment data to develop a water quality model for the South Fork Holston River over the course of the three-year study, 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.

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

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

May 8, 2026

Ms. Niki Ensor
City of Kingsport
415 Broad Street
Kingsport, Tennessee 37660

RE: South Fork Holston River Assessment - Year 2

Dear Ms. Ensor:

On behalf of Barge Design Solutions, Inc. (Barge), I am pleased to submit the scope and fee proposal (Attachment A) for the project named above.

This proposal was prepared based on my understanding of the project description. If we have not fully addressed your project requirements, or if you have other questions regarding the proposal, please advise us immediately by calling (423) 723-8450.

Sincerely,

Barge Design Solutions, Inc.



Nelson Elam, CSL
Vice President

c: Mr. Nick Carmean, Barge Design Solutions
Mr. Chris Provost, Barge Design Solutions

Enclosures

The scope of work is presented in the following elements:

- I. Project Description
- II. Scope of Services
- III. Assumptions and Exclusions
- IV. Deliverables
- V. Compensation

I. Project Description

Barge Design Solutions, Inc. (Barge) proposes to continue to provide the City of Kingsport with an assessment of the South Fork Holston River from the Fort Patrick Henry Dam downstream to approximately 0.75 river miles below the confluence of the South Fork Holston River and Reedy Creek. The assessment will continue to occur at 14 sampling locations along the South Fork Holston River and various tributaries. The approximate sampling locations are provided in Attachment C. This proposal provides an estimated fee for the services described below.

II. Scope of Services

A. Macroinvertebrate Sampling

Barge will continue to conduct the macroinvertebrate survey in accordance with the Environmental Protection Agency (EPA) Rapid Bioassessment Protocols for Use in Streams and Wadeable Rivers: Periphyton, Benthic Macroinvertebrates, and Fish, Second Edition (RBP; Barbour et al., 1999), and the Tennessee Department of Environment and Conservation (TDEC) Quality System Standard Operating Procedures (QSSOP) for Macroinvertebrate Stream Surveys, Revised December 28, 2021. Qualified biologists will conduct the biological stream sampling, utilizing the SQSH Method described in Protocol G of the QSSOP. The samples will be collected using the Semi-quantitative Riffle Kick (SQKICK) or modified method. During sample collection, Barge will also measure water temperature, dissolved oxygen, pH, and conductivity. A Stream Survey Field Sheet will be completed for each sampling occasion at each sampling location.

The preserved composite samples will be sent to the Aquatic Resource Center (ARC) located in Nashville, Tennessee for sorting and identification. The lab will reduce the samples to a 200 +/- 20 percent organisms subsample by using a gridded pick subsampler and collecting the organisms from Macroinvertebrate Samples in EPA's RBP. ARC will identify all organisms to the lowest practicable level and provide numeric value organism biometrics and a Tennessee Macroinvertebrate (TMI) score.

A habitat assessment will be performed at each of the biological sampling stations following Protocol D-1 of the TDEC QSSOP for Macroinvertebrate Stream Surveys. The

High Gradient Habitat Assessment Field Sheet found in Appendix B of the TDEC QSSOP will be used in conjunction with the riffle kick collections.

Barge assumes macroinvertebrates will be collected at nine sampling locations, twice per year for three years. It is possible macroinvertebrate sampling may be suspended at some or all locations following consistent TMI scores over multiple sampling occasions, but this determination must be made in consultation with TDEC prior to cessation of macroinvertebrate sampling. All data will be compiled and submitted to the Client prior to submitting to TDEC.

B. Water Quality Sampling

Surface water quality samples will be collected at each of the 14 proposed sampling locations to facilitate total maximum daily load (TMDL) modeling. Barge will conduct water quality sampling in accordance with the TDEC QSSOP for Chemical and Bacteriological Sampling of Surface Water. Qualified biologists will conduct the water quality sampling. Constituents to be tested include the following: total nitrogen, NH₃, NO₃, total phosphorus, PO₄, selenium, per- and polyfluoroalkyl substances (PFAS), total suspended solids, chlorophyll *a*, and *Escherichia coli*. During sample collection, Barge will also measure water temperature, dissolved oxygen, pH, and specific conductivity.

For *E. coli*, a Water Parameter Report will be completed for each sampling occasion at each sampling location. Additionally, *E. coli* sampling will be conducted as a stand-alone event given the short hold time of six hours for samples collected.

All water quality constituents will be sampled monthly at 14 sampling locations for three years. Water quality samples will be delivered to Waypoint Analytical in Johnson City, TN, within the recommended holding times per sample. All data will be compiled and submitted to the Client prior to submitting to TDEC.

C. Water Quality Modeling

Barge continues to engage Dynamic Solutions to model the water quality and sediment data to develop a water quality model for the South Fork Holston River over the course of the three-year study. This task includes watershed development and calibration based on available DEM data and HUC12 subbasins in the watershed. From this a hydrological and water quality model will be developed and tested. Once developed, the model will be calibrated using data provided by Barge. Additionally, up to four scenarios for nutrient and *E. coli* reduction will be analyzed with the model. A TMDL report will be developed based on the models and will document load allocation for each TMDL. Dynamic Solutions will also provide flow and stage gage installation services. Flow data is needed for the model.

D. Meetings, Communication, Reporting, and Project Management

Barge will facilitate communication with TDEC and other regulatory agencies. This task also includes monthly update reports for the City. Barge will provide annual sampling reports to the Client as well. Annual reports will summarize all data collected during the previous year and will include all raw data received from subconsultants.

III. Assumptions and Exclusions

- A. Barge will provide the above-noted services based upon a given set of assumptions. These assumptions are as follows:
1. The above approach will generally be accepted by regulating authorities without significant changes requested. Significant changes may result in modification of the scope and associated fee.
 2. Water quality modeling will be performed by Dynamic Solutions.
 3. Barge will have access to the sampling locations, as required.
 4. Sampling events will not be disrupted by conditions outside of Barge's control, such as unexpected/excessive dam releases, dangerous weather conditions, etc.
- B. The following excluded services can be provided as an additional service with the fee and detailed scope to be negotiated at the time of request:
1. Jurisdictional water(s) verification by agency(ies).
 2. 404 and 401 permitting applications.
 3. Mitigation plan for permittee responsible mitigation.
 4. Listed protected species presence/absence surveys.
 5. Desktop and/or Phase 1 Cultural Resource Survey.
 6. NEPA studies and/or NEPA documents.
 7. Floodway modeling/studies.
 8. Environmental sampling/testing other than that described within this Scope of Work.

IV. Deliverables

- A. All macroinvertebrate and water quality data – Excel, PDF
- B. Annual sampling reports – PDF
- C. TMDL Report – PDF

V. Compensation

The estimated maximum fees for the Scope of Work described above are included in the table below.

Year 2 Fee Summary Table

Items	Fee Type	Estimated Fee Amount
Macroinvertebrate Survey Laboratory Costs	Direct	\$19,750
Water Quality Sampling	T&M	\$133,063
Water Quality Sampling Direct Expenses	Direct	\$23,550
Water Quality Sampling Laboratory Costs	Direct	\$59,202
E. coli Sampling	T&M	\$101,900
E. coli Sampling Direct Expenses	Direct	\$31,400
E. coli Sampling Laboratory Costs	Direct	\$20,600
Water Quality Modeling Subconsultant	Direct	\$204,450
Annual Reports	T&M	\$9,050
TOTAL	Est. Max. Fee	\$602,965

ATTACHMENT B

**Schedule of
Standard Charges**

HOURLY-RATE BASIS

Hourly Rates for Environmental:

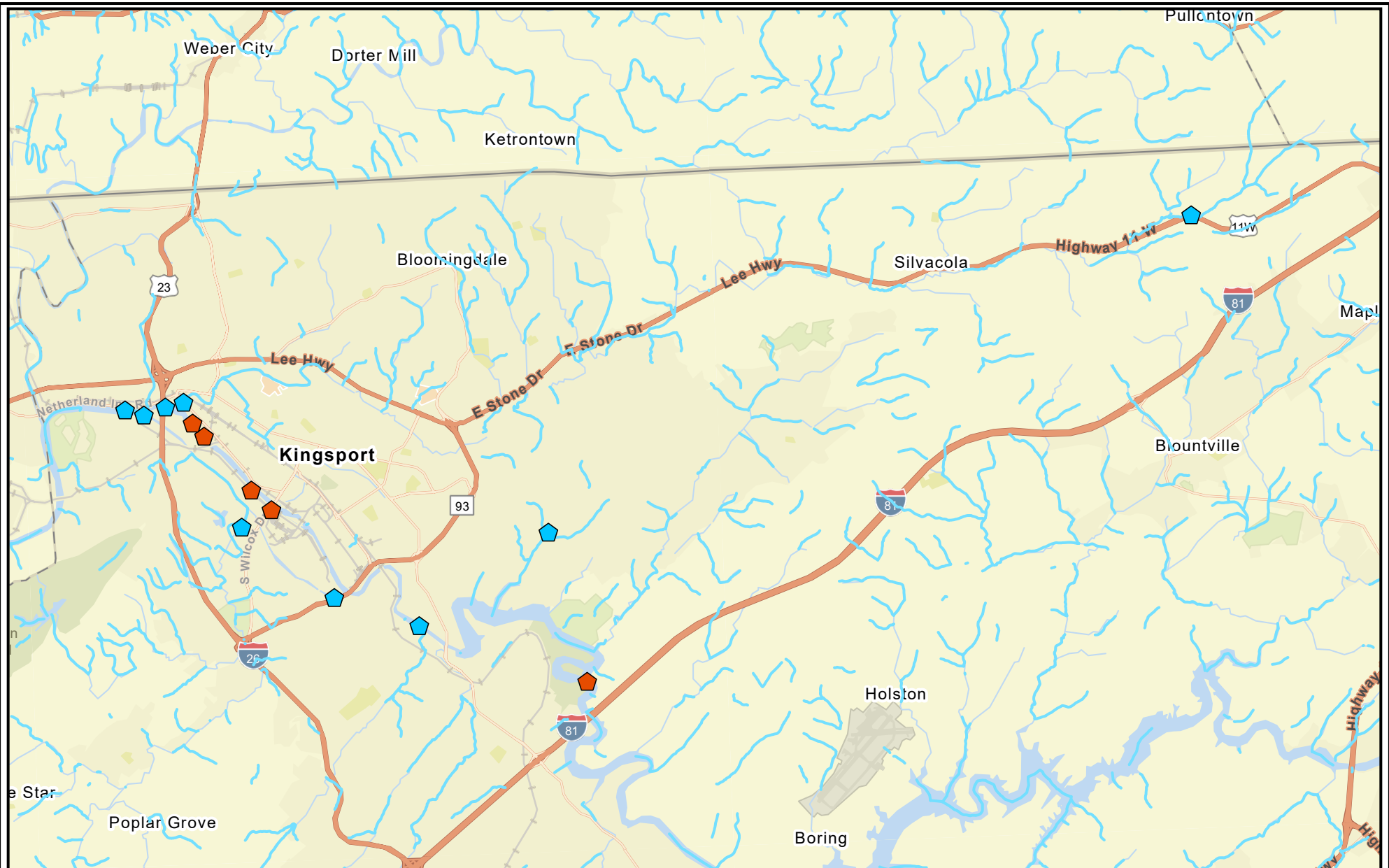
Client Service Leader/Principal.....	\$280-\$310
Project Manager	\$220-\$255
Resource Manager	\$170-\$185
Scientist III	\$135-\$150
Scientist II	\$110-\$135
Scientist I	\$95-\$109
Administration.....	\$120-\$130

Onsite services are billed portal to portal.

Expenses which are properly chargeable to the work will be invoiced as follows:

- a. Travel by company or private vehicle at the IRS approved standard mileage rate.
- b. In-house printing, reproduction, and photography charges at commercial rates.
- c. Travel and living expenses for all personnel when required to be away from headquarters in connection with the work at cost.
- d. Sub contractor effort will be directly billed to the client.

Invoices will be issued on a monthly basis.



Monitoring Stations

- ▣ WQ and TMI
- ▣ WQ Only
- Streams/Rivers

Item X7.

1 inch = 10,000 feet

2,800 5,600 11,200 16,800

Feet

N

Basemap: ESRI NAIP Imagery
Source Data: TDEC DWR

PROJECT: City of Kingsport South Fork Holston River Assessment Kingsport, Sullivan/Hawkins County, Tennessee	
TITLE: PROPOSED SAMPLING DESIGN	
PROJ NO: 3791901	FIGURE 1
DATE: May 2026	
 <small>615 3rd Avenue South, Suite 700 Nashville, TN 37210</small>	



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for the Dobyms-Bennett High School Phase I Renovation Project to Construction Partners

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

Action Form No.: AF-146-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Staff
Presentation By: David Frye

Strategic Focus Area: World-Class Education

Recommendation:

Approve the Resolution

Executive Summary:

Approval of the accompanying resolution awards the bid for the Dobyms-Bennett High School Phase I Renovation Project to Construction Partners in the amount of \$2,901,801 and establishes a 6% contingency of \$174,108 for the project.

Thompson & Litton reviewed the bids and recommended awarding the bid to the lowest compliant bidder, Construction Partners, in the amount of at a construction cost of \$2,901,801 which includes \$2,840,000 for the base bid work (finish work – flooring, painting, etc.), Alternate 3, which is all demolition and new work associated with the removal of the existing porcelain drinking fountains \$13,000; Alternate 5, which is all demolition and new work associated with the replacement of the existing directional signage \$30,000; Alternate No. 6, which is the removal and replacement of the room signage in the old Science Pod and replacement to match the existing \$4,000 and Alternate 7, to provide one (1) coat of paint to the walls and soffits not in the base bid, \$14,801. The original bid for Alternate 6 was \$10,000 and after further discussions with the contractor, the contractor reduced the original bid to \$4,000.

The total cost of this project will be \$3,265,144, which includes the construction costs, \$2,901,801, architect fee, \$193,475, and 6% contingency, \$174,108. Funding will be from the Dobyms-Bennett Renovation project GP2111.

The Board of Education approved a motion to enter into an agreement with Construction Partners in the amount of \$2,901,801 and authorizing a 6% contingency of \$174,108.

Attachments:

- 1. Resolution
- 2. Bid Tab

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

Item X8.

RESOLUTION NO. _____

A RESOLUTION AWARDING THE BID FOR THE DOBYNS-BENNETT HIGH SCHOOL PHASE I RENOVATION PROJECT TO CONSTRUCTION PARTNERS AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT AND THIS RESOLUTION

WHEREAS, bids for the Dobyms-Bennett High School Phase I Renovation Project were opened on May 8, 2026; and

WHEREAS, upon review of the bids, the board finds Construction Partners is the lowest, most responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into an agreement for the Dobyms-Bennett High School Phase I Renovation Project with Construction Partners at an estimated construction cost of \$2,901,801.00; and

WHEREAS, a 6% contingency fund will be established in the amount of \$174,108; and

WHEREAS, the Board of Education approved this action on May 12, 2026; and

WHEREAS, funding will be available in GP2111.

Now therefore,

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

SECTION I. That the base bid with accepted construction costs, alternate 3, alternate 5, alternate 6, and alternate 7 for the Dobyms-Bennett High School Phase I Renovation Project at an estimated cost of \$2,901,801.00, is awarded to Construction Partners.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, an agreement with Construction Partners., for the Dobyms-Bennett High School Phase I Renovation Project, to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution.

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement 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 public.

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

CITY OF KINGSPORT - BID OPENING MINUTES

DATE: May 8, 2026

TIME: 4:00 P.M.

**415 Broad Street
Kingsport, TN 37660
Phone: (423) 229-9400**

PROJECT/ITEM: Dobyys-Bennett High School Renovations Phase I

ATTENDING: Brent Morelock, Procurement Manager; Sandra Sloan, Assistant Procurement Manager, Schools; Andy True, Assistant Superintendent, Schools; David Frye, CFO, Schools; Brian Tate, DBHS Principal; Brian Alderson, Architect, Thompson & Litton

Vendor	Base Bid	Alternate No. 1 - All demolition and new work associated with the construction in the old Admin. area	Alternate No. 2 - All demolition and new work associated with the construction at the existing building connector (fire shutter replacement)	Alternate No. 3 - All demolition and new work associated with the removal of the existing porcelain drinking fountains	Alternate No. 4 - All demolition and new work associated with the replacement of the existing wall clocks in the facility	Alternate No. 5 - All demolition and new work associated with the replacement of the existing directional signage	Alternate No. 6 - The removal and replacement of the room signage in the old Science Pod and replacement to match the existing	Alternate No. 7 - Provide one (1) coat of paint to the walls and soffits not in the base bid. (This includes the Base Bid work only. All painting work in the Alternate #1 and #2 areas to be included with the Alternate.)	Alternate No. 8 - Replace the base bid casework laminate countertops with solid surface	Alternate No. 9A - Add the IT wiring to the new classrooms and associated spaces on the second-floor East wing (E202, E203, E204, E205, E208, E209, E212, E213, E214, E220, and E221)	Alternate No. 9B - Add the IT wiring to areas outside of the classrooms noted in Alternate 9A on the second-floor East wing
Mavin Construction LLC	\$3,120,000	\$295,000	\$280,000	\$64,000	\$92,000	\$29,000	\$5,000	\$29,000	\$30,000	\$135,000	\$117,000
Construction Partners	\$2,840,000	\$236,000	\$160,000	\$13,000	\$160,000	\$30,000	\$10,000	\$26,000	\$45,000	\$106,000	\$87,000
Preston Construction Company	\$3,017,000	\$250,000	\$162,000	\$29,000	\$83,500	\$46,000	\$12,000	\$25,000	\$9,000	\$100,000	\$82,000
JE Green Company	\$2,896,000	\$213,000	\$149,000	\$10,000	\$50,000	\$27,000	\$4,000	\$44,000	\$29,000	\$83,000	\$71,000
GRC Construction Services Inc	\$3,160,000	\$229,703	\$189,000	\$23,688	\$64,000	\$30,847	no bid	\$23,976	\$29,000	\$86,000	\$71,200

Item X8.

SECTION 01 0100 - SUMMARY OF WORK

PART 1 – GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, apply to this Section.

1.2 WORK COVERED BY CONTRACT DOCUMENTS

- A. Project Identification: Project consists of select finish renovations to approximately 125,250 square feet along with other renovations.
 - 1. Project Location: 1 Tribe Way, Kingsport, Tennessee 37664.
 - 2. Owner: Kingsport City Schools.
 - 3. Architect Identification: The Contract Documents, dated April 9, 2026 have been prepared by Thompson & Litton, Inc., 2315 Silverdale Drive, Johnson City, Tennessee 37601.

1.3 CONTRACTS

- A. Project will be constructed under a single general construction contract.

1.4 USE OF PREMISES/STAGING OF CONSTRUCTION

- A. General: The Contractor shall have use of the project area for construction operations as noted on the drawings.

1.5 SUBSTANTIAL COMPLETION

- A. Please see the Bid Form for the proposed completion date.

PART 2 - PRODUCTS - (NOT USED)

PART 3 - EXECUTED - (NOT USED)

END OF SECTION



AGENDA ACTION FORM

Consideration of a Resolution to Enter into a New Contract with Transloc)

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

Action Form No.: AF-153-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Timothy Land
Presentation By: Timothy Land

Strategic Focus Area: 6. Strong & Vibrant Neighborhoods

Recommendation:

Approve the Resolution

Executive Summary:

Transloc provides Kingsport Area Transit Service (KATS) with transit technology (real-time bus tracker, automatic passenger counters, on-time performance metrics, etc.). KATS' original contract with Transloc expired with the maximum number of renewals exhausted, resulting in request to enter into a new contract to continue transit bus-route operations. The contract will automatically renew year to year until either party terminates the agreement. Total cost for one year: \$23,934.06. Funding will come from FTA 038 (Federal: 50%, State: 25%, Local: 25%).

Attachments:

1. Resolution
2. Contract

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH TRANSLOC, INC., AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the Kingsport Area Transit Service (KATS) has used TransLoc, Inc. software as the real-time bus tracker, automatic passenger counters, on-time performance metrics, and other services, and the contract has expired; and

WHEREAS, staff recommends entering into a new agreement with TransLoc, Inc for the continued use of the software at the annual estimated cost of \$23,934.06; and

WHEREAS, funding is available in FTA 038 (Federal: 50%, State: 25%, Local: 25%).

Now therefore,

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

SECTION I. That the agreement with TransLoc, Inc., is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Agreement with TransLoc, Inc., to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below:

TECHNOLOGY LICENSE AND SERVICE AGREEMENT

This Technology License and Service Agreement (this "**Agreement**") is dated as of the last signature to this Agreement (the "**Effective Date**") and is entered into by and between TransLoc Inc., a Delaware corporation, with its principal place of business located at 5000 Centregreen Way, Suite 500, Cary, NC 27513 ("**Company**"), and City of Kingsport, Tennessee, located at 900 East Main Street, Kingsport, Tennessee 37664 ("**Customer**").

RECITALS:

- A. Customer wishes to access Company's Service in accordance with the terms of this Agreement, and
- B. Company wishes to make the Service and Equipment available to Customer on the terms and conditions described in this Agreement.
- C. Customer operates the transportation and shuttle bus management services at Kingsport Area Transit Service, located at 900 East Main Street, Kingsport, Tennessee 37664 pursuant to an underlying agreement (the "**Underlying Agreement**") with Kingsport Area Transit (the "**Authority**").
- D. Upon the execution of this Agreement, the Agreement between Company and the Authority, executed on April 19, 2021, is terminated.

NOW THEREFORE:

In consideration of the premises and mutual covenants and agreements herein contained, as well as additional consideration, the sufficiency of which is acknowledged, Company and Customer agree as follows:

1. Definitions.

- 1.1. "**Affiliates**" means an entity that owns, is owned by, or is under common ownership with a party, in each case where ownership is direct and is greater than 50%.
- 1.2. "**Confidential Information**" means any non-public information or data whether in written, electronic, or other tangible form, or provided orally or visually, that is disclosed by or on behalf of one party (a "**Disclosing Party**") to the other party (a "**Receiving Party**"), whether owned by the

Disclosing Party or a third party, pursuant to this Agreement. Confidential Information of Customer includes, but is not limited to, Customer's financial and business information. Confidential Information of Company includes, but is not limited to, the terms of this Agreement; the structure, organization, design, algorithms, methods, templates, data models, data structures, flow charts, logic flow, and screen displays associated with the Software and the Service; the Documentation; and Company's pricing, sales, proposals, implementation, and training materials, and procedures. Confidential Information does not include information that: (a) is or becomes publicly known or available without breach of this Agreement; (b) is received by a Receiving Party from a third party without breach of any obligation of confidentiality; or (c) was previously known by the Receiving Party as shown by its written records.

1.3. "**Day(s)**" means calendar day(s), unless otherwise specified.

1.4. "**De-Identified Data**" means data that has been modified to remove or obscure personal identifiers such that the data cannot reasonably be used to identify an individual User or Customer.

1.5. "**Documentation**" means any instructional and user manuals relating to the Service, which may be amended from time to time by Company.

1.6. "**Equipment**" means tracking hardware, antennas, cabling, wiring and other electronic components provided by Company and installed by authorized Company personnel on Customer's Vehicle Fleet, to allow the functioning, delivery, or maintenance of the Software.

1.7. "**Fees**" means the Subscription Fee, the cost of any Equipment, and any additional fees charged to Customer for professional services or pursuant to the terms of this Agreement.

1.8. "**Initial Term**" means a period of one (1) year from the Effective Date.

1.9. "**Project Manager**" means an employee of Customer, designated to be responsible for and aware of Customer's (and if applicable, any third party brought in by Customer's) business and systems information and needs. Project Manager will be the lead point of contact for all matters involving Customer and Company.

1.10. "**Service**" means Company's Software and any services and deliverables identified in Exhibits A and B, or a Work Order, as applicable.

1.11. "**Service Data**" means any data, information, content, documents, or electronic files provided to or collected by Company from either Customer or its Users during the course of their use of any component of the Service.

1.12. "**Software**" means (1) Company's proprietary vehicle tracking and passenger information Service provided through proprietary software made available in combination with Equipment for use in the management, location, and inventory of Customer's transportation resource; (2) any of Company's proprietary software, solutions, or technologies identified in Exhibits A and B of the Agreement, including but not limited to white label applications; and (3) Third Party Software identified in Exhibits A or B of the Agreement or otherwise provided as part of the Software or Service.

1.13. "**Subscription Fee**" means those fees charged by Company in connection with Software licenses, renewals, and maintenance.

1.14. "**Term**" means the Initial Term plus any Renewal.

1.15. "**Third Party Software**" any licensed software products, as further outlined in Exhibit A or B, that are provided by Company under this Agreement but, which are the property of another business that is not directly a party to this Agreement, and subject to separate terms and conditions.

1.16. "**Users**" means the actual and prospective passengers on Customer's transit system.

1.17. "**Vehicle Fleet**" means the multi-passenger vehicles comprising Customer's transit system, on which the Equipment is installed in accordance with this Agreement.

1.18. "**Work Order**" means that document by which the parties may agree to the purchase and delivery of certain Equipment and/or professional services (e.g. hardware purchase, delivery, and install, training, etc.).

2. Software, Service, and Equipment.

2.1. Subscription. Subject to payment of the Fees and the remaining terms and conditions of this Agreement (including, without limitation, the use requirements, restrictions, and limitations described in Section 6.1), Company hereby grants to Customer a limited, revocable, non-exclusive, and non-transferable right to access and use the Software and the Documentation during the Term at the physical location of Customer as stated herein. Company will make the Documentation available to Customer in electronic form.

2.2. Implementation and Training.

2.2.1. System Information Sheet. Customer will complete the System Information Sheet no later than thirty (30) calendar days following receipt of the System Information Sheet from Company, which includes stops, routes, blocks, vehicle information, and other relevant information needed to create Customer's Service.

2.2.2. Pre-Installation Requirement Form. Customer will complete, if applicable, the Pre-Installation Requirement Form no later than fourteen (14) calendar days following receipt of the Pre-Installation Requirement Form from Company.

2.2.3. Project Management. Within five (5) calendar days of the Effective Date of the Agreement, Customer shall provide a Project Manager that Company will work with through to project completion. Company will also provide a project manager who will coordinate resources internally.

2.2.4. Additional Materials and Documents. Company and Customer will cooperate to ensure that all applicable forms and documents necessary for implementation of the Service are completed within a reasonable timeframe.

2.2.5. Definition of Service Area. Customer shall provide Company with the physical bounds of their intended Service area upon request from Company. This information can be provided either in a series of latitude and longitudes that correspond to the vertices of a contiguous shape, a radius (in miles or kilometers) from a single latitude and longitude, or a list of all the roadways and intersections that form the outer-edges of the service area.

2.2.6. Customer Delays. In the event Company incurs delays, additional costs, or labor as a result of any act or omission of Customer, including but not limited to Customer's failure to provide information, data, or access to Customer's facilities or personnel, Customer agrees that Company may, upon prior written notice to Customer, add reasonable charges to the amounts invoiced to Customer and adjust any implementation schedule provided to Customer.

2.2.7. Vehicle Fleet administrators will receive standard instructional materials and training to use the Service as set out by Company.

2.3. Software, Support and Maintenance.

2.3.1. Base Level Support. Company will provide email and telephone support for the Software to assist Customer personnel in using the Service and in reporting suspected deviations from the Service and the associated Documentation ("**Errors**"). Support will be provided from 7:00 a.m. to 7:00 p.m. Eastern Time, Monday through Friday, excluding regular business holidays. Only in the event of an emergency, Company will provide twenty-four (24) hours a day, seven (7) days a week telephone assistance.

2.3.2. Maintenance. Company will use reasonable efforts to correct suspected Errors when such Errors are reported to Company. Company does not warrant that all Service Errors will be corrected.

2.3.3. TransLoc Architect. Notwithstanding the foregoing, Base Level Support for TransLoc Architect ("**Architect**") that is not obtained in conjunction with TransLoc's Fixed Route Service, will consist of up to four (4) support tickets per year beginning as of the Effective Date. Every support ticket submitted for Architect in excess of the Base Level Support noted in this Section 2.3.3. will be charged to Customer at a fee of one hundred fifty dollars (\$150) per ticket.

2.4. Equipment. Company will make available for Customer to purchase certain hardware Equipment as part of the solution for integration with Company's Software. In the event that Customer elects to return any Equipment for any reason other than the Equipment being defective, Company may charge Customer an additional restocking fee to be invoiced upon receipt of the Equipment. Returned Equipment must be in good working condition and include all original components and packaging and failure to do so may result in additional charges or refusal of return.

2.5. Software Upgrades. Company will provide upgrades to Software ("**Upgrades**") that Company generally makes available to its other licensees for no additional charge. Customer acknowledges that Upgrades include only point releases that improve or maintain the stability of the Service and do not include major releases that add new functionality, which may be available for an additional fee. In the case where Company provides new features to Customer at no charge, the continued availability, performance, or usefulness of such features are not guaranteed or warranted by Company and such new features may be revoked at any time. Customer acknowledges that some newly integrated features in future releases of the Company Software may require the purchase of the appropriate hardware upon which the features depend.

If Company is no longer providing one or more Services, or in the event that a Service goes end-of-life, Company may replace the Service with a functional equivalent in accordance with the terms of this Agreement; provided, that any such functional equivalent shall have substantially similar features and functions as the Service it is replacing and shall reasonably meet or exceed the specifications and other requirements prescribed by this Agreement for the Service, and upon such replacement in accordance with this Section, such replacement Service shall be considered a Service for the purposes of this Agreement. To the extent necessary, Company and Customer shall amend any applicable statement of work to reflect such replacement of Service.

2.6. Route & Map Updates. Company will add the existing stops, schedules, or routes during the initial implementation with information provided by Customer. After the initial Implementation, to ensure that updates are implemented within the requested effective date, Company request that updates be submitted two (2) weeks in advance of the desired effective date.

2.7. Modification of Customer's Physical Location. If Customer expands or modifies its physical location, Customer may be required to purchase additional hardware and/or Software licenses and/or services to enable the Service to function properly in the expanded, additional, or modified physical location. Such purchases shall be agreed to in writing by executing additional amendments.

2.8. Professional Services. Customer and Company may modify Exhibit B or enter into one or more statement of works or Work Orders subject to this Agreement, which may incorporate one or more service descriptions for the provision of professional services at specified Fees. Company will perform the professional services, subject to the fulfillment of any responsibilities and payments due from Customer, as stated in the applicable exhibit, statement of work, and/or Work Order.

3. Fees and Payment.

3.1. Subscription Fees. The rates for the Service are identified in Exhibit A. The Subscription Fees, subject to Section 3.4 below, will commence on the Effective Date, and will continue for the Term. Subscription Fees are paid annually in advance, upon the Effective Date and each anniversary thereafter.

3.2. Cost of Equipment. The cost of Equipment is identified in Exhibit A.

3.3. Payment, Taxes and Procedures. Company will invoice Customer for Fees. Customer shall pay Company in accordance with payment terms set forth below:

3.3.1. Fees are payable in U.S. dollars only and are due no later than thirty (30) days after the invoice date. Fees are nonrefundable.

3.3.2. Payments shall be delivered to the address indicated on the invoice, unless otherwise instructed by Company.

3.3.3. Late payments shall be subject to interest at the monthly rate of one percent (1%), or the maximum amount allowed by applicable law, if lower. Interest on late payments will be calculated from the date when payment becomes overdue until the date payment is received by Company.

3.3.4. Customer shall pay Company's costs of collecting amounts past due under this Agreement, including reasonable attorneys' fees.

3.3.5. Prices do not include applicable state and local sales, use and other taxes. Customer is responsible for such taxes or shall provide proof of tax exemption.

3.3.6. Customer must provide written notice of any disputed invoice and/or Fees owed to Company within ten (10) days of receipt of such invoice.

3.4. Fee Increase. Company shall, upon each anniversary of the Effective Date during the Term, increase Fees by six percent (6%). Company may increase Fees by greater than six percent (6%) subject to the requirement that it provide Customer with at least thirty (30) days written notice.

3.5. Suspension of Services. If any undisputed Fees are not received by the Company by the applicable due date, the Company may, without limiting its other rights and remedies, suspend provision of any or all of the Service until such amounts are paid in full. The Company shall provide written notice of non-payment prior to suspension. Suspension of Service shall not relieve the Customer of its obligation to pay all Fees due under this Agreement, and the Company shall not be liable for any damages, losses, or liabilities arising from such suspension. If Company suspends the Service for non-payment, Customer may be charged a fee for reinstatement of the Service by Company based on the additional effort required to complete the reinstatement.

4. Term and Termination.

4.1. Term. This Agreement begins on the Effective Date and will remain in effect for the Initial Term. The Agreement will automatically renew for additional successive one (1) year periods (each a "Renewal") unless either party provides written notice to the other party at least one hundred twenty (120) days before the end of the Term. Company acknowledges that the Customer is a governmental entity, and the validity of the Agreement is based upon the availability of public funding under its authority. In the event the applicable elected body does not appropriate funds to Customer for any fiscal year covered by the term of the Agreement for the services to be provided, the Agreement shall be terminated, upon thirty (30) days written notice, on the last day of the fiscal year for which funds were appropriated or monies made available for such purposes without liability to Customer. Such termination shall not be a breach of the Agreement, and any unused payment made to the Company shall be promptly returned to Customer. Company shall be entitled to receive and Customer shall pay applicable fees for the Service and charges incurred for any work performed as of the effective termination date.

4.2. Termination for Breach. Either party may terminate this Agreement if the other party materially breaches any of the terms and conditions of this Agreement and it is not cured:

4.2.1. Within ten (10) days after written notice if the breach relates to payment of Fees; or

4.2.2. Within thirty (30) days after written notice for any other breach.

4.3. Effect of Termination or Expiration.

4.3.1. Upon termination or expiration of this Agreement for any reason, (i) the Customer's license and right to access and use the Service automatically terminates, and (ii) the Customer's right to

receive, view and/or access the Service Data automatically terminates. Termination of this Agreement does not relieve Customer of its obligation to pay any Fees or other monies due to Company.

4.3.2. Should this Agreement be terminated before the end of the Term, for any reason other than Company breach, Customer must pay all current, outstanding, and remaining Fees for the remainder of the Term. Fees are due no later than thirty (30) days from the effective date of termination of the Agreement.

4.4. Survival. The terms provided in Sections 4.3, 4.5, 5, 6, 7, 8, and 9 of this Agreement survive any termination or expiration of this Agreement.

4.5. Excess Use Fees. In the event that Customer's use of the Service exceeds any defined limits or quantities set out in an applicable Exhibit or Work Order ("**Excess Use**"), Customer will be required to pay additional Fees for all such Excess Use at the rates set out in the Exhibit or Work Order or, if no such rates are specified, at Company's then-current standard rates, promptly upon receipt of notice from Company.

4.6. Service Decommissions. Customer may not decrease their Service subscription count during the Term. Upon not less than one hundred twenty (120) days before the end of the Term, Customer must provide written notice to Company should Customer require fewer Service subscriptions or other reductions during the Renewal. For avoidance of doubt, Customer may at any time during the Term, pursuant to an amendment to this Agreement, purchase additional Service subscriptions.

5. Warranties and Disclaimer of Company.

5.1. Equipment Base Warranty. Company's Equipment may be subject to standard warranty coverage or optional extended warranty coverage, as further detailed in the Company's applicable warranty Documentation upon Customer's acceptance. The scope, duration, and terms of such coverage shall be governed exclusively by the warranty Documentation provided by Company at the time of sale or delivery of the applicable Equipment. No additional warranties, express or implied, shall apply unless expressly set out in such Documentation.

5.2. Third-Party Warranty. In the event any third-party Equipment is provided to Customer hereunder, either as part of the Services or as necessary or incidental to Company's provision of Services (including hosting services), Company shall pass through to Customer any and all representations, warranties and covenants from such third-party providers, in addition to any representations, warranties and covenants provided by Company in this Agreement. Such warranties may be voided as the result of Customer's negligence, willful misconduct, or if caused by an action under Section 5.5.

5.3. Professional Services Warranty. Company represents and warrants that the professional services will be performed in a workmanlike manner consistent with industry standards.

5.4. Exclusive Remedy. Customer's exclusive remedy for breach of related warranties in this Sections 5 shall be that Company will use commercially reasonable efforts in endeavoring to resolve and cure any such breach.

5.5. Warranty Limitations. Company is not responsible for failure of the Service to conform to the Documentation or to provide accurate information with respect to the location, time, status, availability or existence of Customer's Vehicle Fleet if the Equipment is (i) damaged, blocked, modified, disassembled, vandalized, destroyed, or interfered with; (ii) subjected to extreme temperatures, flooding, over-voltage, electrical surges, misapplication of electrical power, or caustic chemicals; (iii) improperly installed or maintained by Customer or any third party; or (iv) used for a purpose other than as intended by Company, including but not limited to use in a configuration not recommended by Company.

5.6. Additional Fees. Company requires that installation or re-installation of all Equipment be performed by Company or a third-party expressly authorized by Company. In the event Company has to repair, modify, or replace any component of the Equipment due to Customer's improper installation, additional fees shall incur.

5.7. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES ARISING FROM TRADE USAGE OR COURSE OF DEALING. IN ADDITION, THE SERVICE DEPENDS UPON DATA BEING TRANSMITTED OVER THE INTERNET, CUSTOMER'S NETWORK, GPS SATELLITES, AND THIRD-PARTY CARRIER NETWORKS, AND AS COMPANY HAS NO CONTROL OVER THE FUNCTIONING OF THE INTERNET, THE SERVICE IS OFFERED ON AN "AS-AVAILABLE" BASIS. COMPANY DOES NOT WARRANT THAT THE SERVICE WILL OPERATE UNINTERRUPTED OR ERROR-FREE.

5.8. Excluded Parties. Company represents that it has no knowledge that any prospective business partner, employee, subcontractor, or supplier is included in the General Services

Administration's (GSA's) List of Parties Excluded from Federal Procurement and Non-Procurement Programs.

5.9. Lobbying Disclosure Act. Company represents that it has no knowledge that any prospective business partner, employee, subcontractor, or supplier is in violation of the Lobbying Disclosure Act of 1995.

5.10. Non-Discrimination. Company represents that it does not discriminate against any employee or applicant for employment because of race, religion, creed, national origin, age, gender, marital status, citizenship, disability, sexual orientation, veteran's status, or membership in any other protected group.

6. Warranties and Acknowledgement of Customer.

6.1. Use Requirements, Restrictions and Limitations. Customer represents that it will observe the following requirements and restrictions in connection with its access to and use of the Service:

6.1.1. Customer shall not reverse engineer, de-compile or disassemble the Software or Equipment, shall not attempt to access any data underlying the Software or circumvent the user interface or other technological measures put in place by Company, and shall not modify, access, download, copy, or interfere with the Equipment or its embedded software without the express consent of Company.

6.1.2. Customer shall not rent, sell, assign, lease, or sublicense the Service. Customer shall not use the Service in a service bureau, outsourcing or other arrangement to process or administer data on behalf of any third party.

6.1.3. Customer shall not knowingly access, store, or transmit via the Service any material that (i) is unlawful, harmful, threatening, defamatory, obscene, infringing, harassing or offensive; (ii) facilitates illegal activity; (iii) is discriminatory; or (iv) causes damage or injury to any person or property.

6.1.4. Customer shall not violate or attempt to violate the security of Company's networks, including (i) accessing data not intended for Customer; (ii) accessing a server or account which Customer is not authorized to access; (iii) attempting to scan or test the vulnerability of a system or network or to breach security or authentication measures; or (iv) attempting to interfere with the availability or functionality of the Services, including by means of submitting a virus, overloading, flooding, spamming, mail bombing or crashing.

6.1.5. Customer shall cause each of Customer's employees, agents and independent contractors to comply with (i) the obligations set forth in this Section 6.1 and (ii) all applicable laws, rules and regulations in connection with their use of the Service.

6.1.6. Company reserves the right, without liability to Customer, to disable Customer's or a User's access to the Service for breach of this Section 6.1.

6.2. Customer acknowledges and agrees:

6.2.1. That the Service is an information tool only and is not a substitute for competent management and oversight of Customer's Vehicle Fleet, transportation system, and personnel;

6.2.2. That the Service depends upon data being transmitted over the internet, Customer's network, GPS satellites, and third-party carrier networks, and that, Company has no control over the functioning of the internet, Customer's network, GPS satellites, or the network of a carrier; and

6.2.3. That Customer alone is responsible for acquiring and maintaining Customer's Vehicle Fleet, Customer's network, Customer's internet access, and the rest of Customer's physical and technological infrastructure; and

6.2.4. That Customer's cooperation is required for the timely delivery of the Service, and, as a result, Customer will promptly respond to Company's requests and inquires and cause its Project Manager (or any applicable representative) to cooperate with Company, in good faith, to complete the implementation of the Service and troubleshoot any issues with the Service.

6.3. International Roaming. The Equipment may transmit and receive data without user intervention and, as a result, will generate international roaming charges when it is taken out of the United States. Customer alone is responsible for roaming charges, which will be charged as Excess Use.

7. Confidentiality and Ownership.

7.1. Intellectual Property. Company is the sole and exclusive owner of all rights, title and interest in and to the Service, including all updates, modifications, customizations, enhancements and other derivative works thereof (collectively "**Derivative Works**"), and in any and all copyrights, patents, trademarks, trade secrets and other proprietary and/or intellectual property rights therein or thereto. To the extent any Derivative Work is developed by Company based upon ideas or suggestions submitted by Customer to Company, Customer hereby irrevocably assigns all rights to modify or enhance the Service using such ideas or suggestions or joint contributions to Company, together with all copyrights, patents, trademarks, trade secrets, and other proprietary and/or intellectual property rights related to such Derivative Works. Nothing contained in this Agreement shall be

construed to convey to Customer (or to any party claiming through Customer) any rights in or to the Service, other than the rights expressly granted in Section 2.1.

7.2. Trademarks. Customer hereby consents to and grants to Company a non-exclusive, royalty-free, worldwide license to use Customer's name, logos, and trademarks a) on Company's website in order to direct end-users to the public-facing aspects of the Service; b) to create a Customer-specific public-facing website hosted by Company where Users may access the Service; and, c) in the event Company's white label application is included as part of the Service, to create a Customer-branded application.

7.3. Ownership of Data. Customer acknowledges and agrees that, as between Customer and Company, Company retains all ownership right, title and interest in and to all Service Data, including all copyrights, patents, trademarks, trade secrets, and other proprietary and/or intellectual property rights therein or thereto. Company may analyze and compile Service Data for the purpose of creating De-Identified Data. Company may use the De-Identified Data without restriction and may combine the De-Identified Data with data from other sources to create aggregate statistical data.

7.4. Nondisclosure.

7.4.1. A Receiving Party (a) shall hold the Disclosing Party's Confidential Information in strict confidence and will use the same degree of care in protecting the confidentiality of the Disclosing Party's Confidential Information that it uses to protect its own Confidential Information, but in no event less than reasonable care; and (b) except as expressly authorized by this Agreement, shall not, directly or indirectly, use, disclose, copy, transfer or allow access to the Confidential Information. Notwithstanding the foregoing, a Receiving Party may disclose Confidential Information of the Disclosing Party as required by law or court order. In such event, the Receiving Party shall (i) use its best efforts to inform the Disclosing Party before any such required disclosure, and (ii) provide reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure.

7.4.2. The Customer shall limit access to the password-protected portions of the Service and any Equipment to Customer's employees who have a legitimate need to access the Service and Equipment.

7.4.3. Upon the termination or expiration of this Agreement, or upon the request of the Disclosing Party, the Receiving Party will return to the Disclosing Party all the Confidential Information delivered or disclosed to the Receiving Party, together with all copies in existence thereof at any time made by the Receiving Party.

7.4.4. If Customer receives a public record request for Confidential Information, Customer shall notify Company and Company shall, within fifteen (15) business days (or within the maximum period allowed by applicable law), notify Customer whether it desires for the Confidential Information to be withheld, and provide a legal basis under the applicable Public Records Act for withholding the Confidential Information. If Customer withholds the Confidential Information pursuant to Company's request, Company shall indemnify and defend Customer from any and all costs or liabilities resulting from such withholding including, but not limited to, attorney fees and court costs. If Company fails to notify Customer within the time specified or to provide a legal basis for withholding of the Confidential Information, Company agrees that Customer shall be entitled to release and disclose the Confidential Information.

7.4.5. Notwithstanding anything in this Agreement, the Agreement, or any part thereof, is a public record, and it, along with any documents or materials, in any format, including, but not limited to, paper, electronic, or virtual, that are public records pursuant to the Tennessee Open Records Act, set out in T.C.A. § 10-7-503 et seq., are not confidential and are subject to disclosure in whole or in part, without regard to any provision contained in the Agreement declaring information confidential. Additionally, the Customer must, upon proper request, release public documents and records as defined by T.C.A. § 10-7-503 et seq., including, but not limited to, the Agreement and all records created and maintained related to the Agreement, without delay and without the requirement to disclose such request to Company or providing Company with notice or the time to obtain a protective order.

Customer does not have the burden of establishing that requested record is not confidential information or that its release is authorized. This section 7.4.5 serves to meet such burden and authorization of disclosure.

7.5. Remedies. Each party acknowledges and agrees that any violation of this Section 7 (Confidentiality and Ownership) may cause irreparable injury to the other party for which there would be no adequate remedy at law and, therefore, such other party shall be entitled to preliminary and other injunctive relief against the other party for any such violation. Such injunctive relief shall be in addition to, and in no way in limitation of, all other remedies or rights that the parties may have at law or in equity.

7.6. Third Party Software. In the case of any third-party Equipment, Third Party Software, related Documentation, or third-party services provided under this Agreement, such third party shall retain all rights in patents, copyrights, trademarks, trade secrets, and any other intellectual property. The terms and restrictions of the license grants contained in Section 7, in addition to any other terms required by any third-party licensor(s), will apply to the use of any Third Party Software and related Documentation, and the licensors of such Third Party Software are third party beneficiaries of the rights granted under those terms. Where required, Customer shall enter into a separate end-user-license agreement as required for any Third Party Software or Equipment procured. Customer may only transfer any Software or Third Party Software embedded with any Equipment in accordance with the terms and conditions of this Agreement. Other than the rights of use expressly conferred upon Customer by this paragraph, Customer shall have no further rights to use third-party Equipment, Third Party Software, related Documentation, or third-party services, and shall not copy, reproduce, modify, adapt, reverse engineer, disassemble or translate them, without the express written authority of Company.

8. Indemnity and Liability.

8.1. Customer Indemnity. Only to the extent permitted by law, Customer shall indemnify and hold Company and its Affiliates and their respective officers, directors, shareholders, employees, agents, successors and assigns harmless from any and all claims that relate to Customer's or Users' use of or reliance upon the Service or Customer's failure to properly maintain (or to request maintenance of) the Equipment, except any claims for which Company Indemnifies Customer as described in Section 8.2.

8.2. Company Intellectual Property Infringement Protection.

8.2.1. If a third party claims that the Service provided to Customer by Company under this agreement infringes that party's United States patent or copyright, Company shall defend Customer and Customer's Affiliates against that claim and shall pay any losses, liabilities, damages, judgments, awards, expenses, and costs, including reasonable attorneys' fees that a court of competent jurisdiction finally awards against Customer, provided that Customer (i) promptly notifies Company of the claim and (ii) permits Company to control and cooperates with Company in the defense and any related settlement negotiations. Customer may participate, at Customer's own expense, in the defense of such claim.

8.2.2. If any part of the Service is, or in Company's reasonable judgment may become, the subject of any such proceeding Company may, at its expense and option, do one of the following: (i) procure for Customer the necessary right to continue using the Service and Equipment; (ii) replace or modify the infringing portion of the Service or Equipment with a functionally equivalent non-infringing item or portion thereof, or (iii) if none of the foregoing are commercially reasonable, terminate Customer's right to use the Service or the affected portion thereof, and refund to Customer an amount equal to the prepaid Subscription Fee or the affected portion thereof and the cost of any equipment, less amortization for its use on a straight line basis over a period of five (5) years from the Effective Date. The preceding sets forth Company's only obligations and Customer's sole and exclusive remedies with respect to infringement or misappropriation of intellectual property rights.

8.2.3. Company will not be liable hereunder for any claim of infringement that is based upon (i) the combination of the Service, or any part of the Service, or the Equipment with any product, software, hardware, machine, or device which is not provided by Company or identified by Company in its specifications as necessary to operate the Service, (ii) any modification of the Service or Equipment by a party other than Company, or (iii) the use of a version of the Service other than a current, unaltered release of the Service if such infringement would have been avoided by the use of a current, unaltered release.

8.3. Limitation of Liability. NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR LOST PROFITS OR LOSS OF DATA OR BUSINESS INTERRUPTION), WHETHER ARISING FROM NEGLIGENCE, ERRORS, OR FAILURE OF PERFORMANCE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION UPON DAMAGES AND CLAIMS SHALL APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN BREACHED OR HAVE PROVEN INEFFECTIVE.

8.4. Damages. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY FOR ALL CLAIMS UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY EXCEED AN AMOUNT EQUAL TO THE FEES PAID BY CUSTOMER OR CUSTOMER'S AFFILIATE IN THE SIX (6) MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

9. General Provisions.

9.1. Notices. Any notice permitted or required under this Agreement may be delivered in person, by registered or certified mail (postage prepaid), by recognized overnight delivery service, or by e-mail to the party's address identified below (or other address designated by a party by written notice that conforms to this Section 9.1). Notice will be deemed effective upon personal delivery, on the day after deposit for overnight delivery, three days after deposit by registered or certified mail, upon being sent by email, or sooner if receipt is acknowledged by the receiving party.

If to Company: TransLoc, Inc. 5000 Centregreen Way Suite 500 Cary, NC 27513 Email:	If to Customer: City of Kingsport Attn: Timothy Kingsland 415 Broad Street Kingsport, TN 37660 Email: TimothyLand@KingsportTN.gov
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If no address in this Section 9.1 is provided for Notices to Customer, any Customer address in the Agreement will be an acceptable address for use.

Each party may update its notice information under this Section 9.1. by providing written notice to the other party. Such notice shall specify the updated contact information and shall be deemed effective upon receipt by the other party. The updated notice information shall be used for all future communications under this Agreement.

9.2. Audit Rights. Software may contain reporting tools that track and audit usage and operational characteristics of the Service in order to monitor Software performance and verify compliance with the terms and conditions of this Agreement. Customer agrees to cooperate in good faith with any reasonable requests for information made by Company in connection with its tracking and audit activities.

9.3. Compliance with Laws. Each party will comply with all applicable federal, state, and local laws, ordinances, rules and regulations relating to the performance and use of the Service as set forth in this Agreement.

9.4. Ineligibility. Company will not knowingly contract with, purchase from, employ, sub-contract with or carry on business in any form with any person or entity that is officially listed as excluded, debarred, declared ineligible, suspended or otherwise ineligible for participation in any Federal or State program.

9.5. Assignment. Neither party may assign or otherwise transfer any of the rights and obligations arising out of this Agreement without the prior written consent of the other party, except in connection with the sale or transfer of all or substantially all of such party's business, whether by merger, sale or otherwise. Notwithstanding the foregoing, however, Customer's consent shall not be required for assignments of this Agreement in whole or in part by Company, provided the contract is assigned to an affiliate of Company or an entity under common control with Company or Company's corporate parent.

9.6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the state where the Customer is physically located as stated in this Agreement, without reference to any choice of law principles of such state and will not be construed in accordance with or governed by the United Nations Convention for International Sales of Goods.

9.7. No Arbitration, Jurisdiction, Waiver of Jury Trial, Venue. Notwithstanding any other provision in the Agreement to the contrary, arbitration is not permitted and if a dispute arises between the parties and it cannot be resolved by mutual agreement, any party may resort to resolution of the dispute by litigation in the state or federal courts for Tennessee. The parties waive their right to a jury trial. The parties agree that mandatory and exclusive venue and jurisdiction for any disputes shall be in state or federal courts for Kingsport, Sullivan County, Tennessee, and the parties consent to such venue and jurisdiction.

9.8. Force Majeure. Except for payment obligations, neither party will be liable or responsible for any failure or delay in the performance of its obligations due to causes beyond the reasonable control of the party affected or its subcontractors or suppliers, including but not limited to war, sabotage, insurrection, epidemics, earthquakes, terrorism, riot or other act of civil disobedience, strikes or other labor shortages, accident, fire, explosion, flood, hurricane, severe weather or act of God. The obligations of the party suffering from the force majeure event will be suspended for the duration of the force majeure.

9.9. Accessibility. Company warrants that the software conforms to the following accessibility guidelines: has supporting assistive software or devices such as large-print interfaces, text-to-speech

output, refreshable braille displays, voice-activated input, and alternate keyboard or pointer interfaces established by the World Wide Web Consortium's Web Content Accessibility Guidelines 2.0 Level AA (WCAG 2.0 AA), and the accessibility guidelines established by Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and implementing regulations set forth in 36 C.F.R. Part 1194. Company shall provide Customer a current completed Voluntary Product Accessibility Template (VPAT), currently 2019 version and any subsequent versions, to detail compliance with the federal Section 508 standards. Company shall promptly respond to and resolve any complaint regarding accessibility of its products or services. Company further agrees to indemnify and hold harmless Customer from any claims brought by a third party arising out of Company's failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach of this Agreement.

9.10. Integration. This Agreement, together with the Exhibits and fully executed Work Orders, constitutes the final and exclusive agreement between the parties as to the matters described in it. This Agreement supersedes all prior proposals, negotiations, conversations, discussions, understandings, representations, or agreements between the parties concerning its subject matter. Without limiting the generality of the foregoing, Company will not be bound by any other terms and conditions referenced on any invoice, purchase order, or other document produced by Customer, unless such terms explicitly set out the intention to modify this Agreement and are accepted in writing by execution by a duly authorized representative of Company. In the case of disagreement in the terms and conditions between this Agreement and any of its Exhibits or Work Orders, this Agreement shall govern.

9.11. Amendment and Waiver. This Agreement may only be modified in writing signed by both parties and identifying the provision of the Agreement that is to be amended. No delay or omission by either party in exercising any right or remedy under this Agreement or existing at law or equity shall be considered a waiver of such right or remedy. No waiver by either party of any right or remedy whether under this Agreement or otherwise shall be effective unless in writing.

9.12. Severability. If any term, provision, or condition of this Agreement is held to be invalid or unenforceable, the other provisions of this Agreement will be unimpaired, and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.

9.13. Promotion Rights. No public statements concerning the existence or terms of this Agreement will be made or released to any media except with the prior approval of both parties or as required by law. With Customer's prior approval, approval of which will not be unreasonably withheld by the Customer, Company may publicize its relationship with Customer for marketing and promotion purposes, which may include issuing a press release, mentioning the relationship on the Company website (in each case by disclosing Customer's name, general information and/or a link to Customer's website), and/or list Customer as a user of the Service.

9.14. Relationship. In making and performing this Agreement, Company and Customer act and shall act at all times as independent contractors and nothing contained in this Agreement shall be construed or implied to create an agency, partnership, joint venture, or employer and employee relationship between Company and Customer.

9.15. Document. Each party acknowledges and represents that the person signing on its behalf has read and understood all of the terms and provisions of this Agreement. Neither this Agreement nor any of the matters set forth herein or in the schedules will be construed against either party by reason of the drafting or preparation thereof. This Agreement may be signed in any number of counterparts, each of which will be deemed an original and all of which, taken together, shall be deemed one and the same document, and may be executed by means of signatures transmitted by facsimile or by other electronic means. Headings herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.

9.16. Execution. This Agreement and its Exhibits and Work Orders may be executed by the parties in counterparts and delivered by email, and all such counterparts, taken together, shall constitute one and the same agreement. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed binding and original signatures for this Agreement and all matters related thereto.

The parties have caused this Agreement to be executed by and through their duly authorized representatives as of the Effective Date.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the

material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

TECHNOLOGY LICENSE AND SERVICE AGREEMENT

This Technology License and Service Agreement (this “**Agreement**”) is dated as of the last signature to this Agreement (the “**Effective Date**”) and is entered into by and between TransLoc Inc., a Delaware corporation, with its principal place of business located at 5000 Centregreen Way, Suite 500, Cary, NC 27513 (“**Company**”), and City of Kingsport, Tennessee, located at 900 East Main Street, Kingsport, Tennessee 37664 (“**Customer**”).

RECITALS:

- A. Customer wishes to access Company’s Service in accordance with the terms of this Agreement, and
- B. Company wishes to make the Service and Equipment available to Customer on the terms and conditions described in this Agreement.
- C. Customer operates the transportation and shuttle bus management services at Kingsport Area Transit Service, located at 900 East Main Street, Kingsport, Tennessee 37664 pursuant to an underlying agreement (the “**Underlying Agreement**”) with Kingsport Area Transit (the “**Authority**”).
- D. Upon the execution of this Agreement, the Agreement between Company and the Authority, executed on April 19, 2021, is terminated.

NOW THEREFORE:

In consideration of the premises and mutual covenants and agreements herein contained, as well as additional consideration, the sufficiency of which is acknowledged, Company and Customer agree as follows:

1. Definitions.

- 1.1. “**Affiliates**” means an entity that owns, is owned by, or is under common ownership with a party, in each case where ownership is direct and is greater than 50%.
- 1.2. “**Confidential Information**” means any non-public information or data whether in written, electronic, or other tangible form, or provided orally or visually, that is disclosed by or on behalf of one party (a “**Disclosing Party**”) to the other party (a “**Receiving Party**”), whether owned by the Disclosing Party or a third party, pursuant to this Agreement. Confidential Information of Customer includes, but is not limited to, Customer’s financial and business information. Confidential Information of Company includes, but is not limited to, the terms of this Agreement; the structure, organization, design, algorithms, methods, templates, data models, data structures, flow

charts, logic flow, and screen displays associated with the Software and the Service; the Documentation; and Company's pricing, sales, proposals, implementation, and training materials, and procedures. Confidential Information does not include information that: (a) is or becomes publicly known or available without breach of this Agreement; (b) is received by a Receiving Party from a third party without breach of any obligation of confidentiality; or (c) was previously known by the Receiving Party as shown by its written records.

- 1.3. **"Day(s)"** means calendar day(s), unless otherwise specified.
- 1.4. **"De-Identified Data"** means data that that has been modified to remove or obscure personal identifiers such that the data cannot reasonably be used to identify an individual User or Customer.
- 1.5. **"Documentation"** means any instructional and user manuals relating to the Service, which may be amended from time to time by Company.
- 1.6. **"Equipment"** means tracking hardware, antennas, cabling, wiring and other electronic components provided by Company and installed by authorized Company personnel on Customer's Vehicle Fleet, to allow the functioning, delivery, or maintenance of the Software.
- 1.7. **"Fees"** means the Subscription Fee, the cost of any Equipment, and any additional fees charged to Customer for professional services or pursuant to the terms of this Agreement.
- 1.8. **"Initial Term"** means a period of one (1) year from the Effective Date.
- 1.9. **"Project Manager"** means an employee of Customer, designated to be responsible for and aware of Customer's (and if applicable, any third party brought in by Customer's) business and systems information and needs. Project Manager will be the lead point of contact for all matters involving Customer and Company.
- 1.10. **"Service"** means Company's Software and any services and deliverables identified in Exhibits A and B, or a Work Order, as applicable.
- 1.11. **"Service Data"** means any data, information, content, documents, or electronic files provided to or collected by Company from either Customer or its Users during the course of their use of any component of the Service.
- 1.12. **"Software"** means (1) Company's proprietary vehicle tracking and passenger information Service provided through proprietary software made available in combination with Equipment for use in the management, location, and inventory of Customer's transportation resource; (2) any of Company's proprietary software, solutions, or technologies identified in

Exhibits A and B of the Agreement, including but not limited to white label applications; and (3) Third Party Software identified in Exhibits A or B of the Agreement or otherwise provided as part of the Software or Service.

- 1.13. **“Subscription Fee”** means those fees charged by Company in connection with Software licenses, renewals, and maintenance.
- 1.14. **“Term”** means the Initial Term plus any Renewal.
- 1.15. **“Third Party Software”** any licensed software products, as further outlined in Exhibit A or B, that are provided by Company under this Agreement but, which are the property of another business that is not directly a party to this Agreement, and subject to separate terms and conditions.
- 1.16. **“Users”** means the actual and prospective passengers on Customer’s transit system.
- 1.17. **“Vehicle Fleet”** means the multi-passenger vehicles comprising Customer’s transit system, on which the Equipment is installed in accordance with this Agreement.
- 1.18. **“Work Order”** means that document by which the parties may agree to the purchase and delivery of certain Equipment and/or professional services (e.g. hardware purchase, delivery, and install, training, etc.).

2. Software, Service, and Equipment.

2.1. Subscription. Subject to payment of the Fees and the remaining terms and conditions of this Agreement (including, without limitation, the use requirements, restrictions, and limitations described in Section 6.1), Company hereby grants to Customer a limited, revocable, non-exclusive, and non-transferable right to access and use the Software and the Documentation during the Term at the physical location of Customer as stated herein. Company will make the Documentation available to Customer in electronic form.

2.2. Implementation and Training.

2.2.1. System Information Sheet. Customer will complete the System Information Sheet no later than thirty (30) calendar days following receipt of the System Information Sheet from Company, which includes stops, routes, blocks, vehicle information, and other relevant information needed to create Customer’s Service.

2.2.2. Pre-Installation Requirement Form. Customer will complete, if applicable, the Pre-Installation Requirement Form no later than fourteen (14) calendar days following receipt of the Pre-Installation Requirement Form from Company.

- 2.2.3. Project Management. Within five (5) calendar days of the Effective Date of the Agreement, Customer shall provide a Project Manager that Company will work with through to project completion. Company will also provide a project manager who will coordinate resources internally.
- 2.2.4. Additional Materials and Documents. Company and Customer will cooperate to ensure that all applicable forms and documents necessary for implementation of the Service are completed within a reasonable timeframe.
- 2.2.5. Definition of Service Area. Customer shall provide Company with the physical bounds of their intended Service area upon request from Company. This information can be provided either in a series of latitude and longitudes that correspond to the vertices of a contiguous shape, a radius (in miles or kilometers) from a single latitude and longitude, or a list of all the roadways and intersections that form the outer-edges of the service area.
- 2.2.6. Customer Delays. In the event Company incurs delays, additional costs, or labor as a result of any act or omission of Customer, including but not limited to Customer's failure to provide information, data, or access to Customer's facilities or personnel, Customer agrees that Company may, upon prior written notice to Customer, add reasonable charges to the amounts invoiced to Customer and adjust any implementation schedule provided to Customer.
- 2.2.7. Vehicle Fleet administrators will receive standard instructional materials and training to use the Service as set out by Company.
- 2.3. Software, Support and Maintenance.
- 2.3.1. Base Level Support. Company will provide email and telephone support for the Software to assist Customer personnel in using the Service and in reporting suspected deviations from the Service and the associated Documentation ("**Errors**"). Support will be provided from 7:00 a.m. to 7:00 p.m. Eastern Time, Monday through Friday, excluding regular business holidays. Only in the event of an emergency, Company will provide twenty-four (24) hours a day, seven (7) days a week telephone assistance.
- 2.3.2. Maintenance. Company will use reasonable efforts to correct suspected Errors when such Errors are reported to Company. Company does not warrant that all Service Errors will be corrected.
- 2.3.3. TransLoc Architect. Notwithstanding the foregoing, Base Level Support for TransLoc Architect ("**Architect**") that is not obtained in

conjunction with TransLoc's Fixed Route Service, will consist of up to four (4) support tickets per year beginning as of the Effective Date. Every support ticket submitted for Architect in excess of the Base Level Support noted in this Section 2.3.3. will be charged to Customer at a fee of one hundred fifty dollars (\$150) per ticket.

- 2.4. Equipment. Company will make available for Customer to purchase certain hardware Equipment as part of the solution for integration with Company's Software. In the event that Customer elects to return any Equipment for any reason other than the Equipment being defective, Company may charge Customer an additional restocking fee to be invoiced upon receipt of the Equipment. Returned Equipment must be in good working condition and include all original components and packaging and failure to do so may result in additional charges or refusal of return.
- 2.5. Software Upgrades. Company will provide upgrades to Software ("**Upgrades**") that Company generally makes available to its other licensees for no additional charge. Customer acknowledges that Upgrades include only point releases that improve or maintain the stability of the Service and do not include major releases that add new functionality, which may be available for an additional fee. In the case where Company provides new features to Customer at no charge, the continued availability, performance, or usefulness of such features are not guaranteed or warranted by Company and such new features may be revoked at any time. Customer acknowledges that some newly integrated features in future releases of the Company Software may require the purchase of the appropriate hardware upon which the features depend.

If Company is no longer providing one or more Services, or in the event that a Service goes end-of-life, Company may replace the Service with a functional equivalent in accordance with the terms of this Agreement; provided, that any such functional equivalent shall have substantially similar features and functions as the Service it is replacing and shall reasonably meet or exceed the specifications and other requirements prescribed by this Agreement for the Service, and upon such replacement in accordance with this Section, such replacement Service shall be considered a Service for the purposes of this Agreement. To the extent necessary, Company and Customer shall amend any applicable statement of work to reflect such replacement of Service.

- 2.6. Route & Map Updates. Company will add the existing stops, schedules, or routes during the initial implementation with information provided by Customer. After the initial Implementation, to ensure that updates are implemented within the requested effective date, Company request that updates be submitted two (2) weeks in advance of the desired effective date.

- 2.7. Modification of Customer's Physical Location. If Customer expands or modifies its physical location, Customer may be required to purchase additional hardware and/or Software licenses and/or services to enable the Service to function properly in the expanded, additional, or modified physical location. Such purchases shall be agreed to in writing by executing additional amendments.
- 2.8. Professional Services. Customer and Company may modify Exhibit B or enter into one or more statement of works or Work Orders subject to this Agreement, which may incorporate one or more service descriptions for the provision of professional services at specified Fees. Company will perform the professional services, subject to the fulfillment of any responsibilities and payments due from Customer, as stated in the applicable exhibit, statement of work, and/or Work Order.
3. Fees and Payment.
- 3.1. Subscription Fees. The rates for the Service are identified in Exhibit A. The Subscription Fees, subject to Section 3.4 below, will commence on the Effective Date, and will continue for the Term. Subscription Fees are paid annually in advance, upon the Effective Date and each anniversary thereafter.
- 3.2. Cost of Equipment. The cost of Equipment is identified in Exhibit A.
- 3.3. Payment, Taxes and Procedures. Company will invoice Customer for Fees. Customer shall pay Company in accordance with payment terms set forth below:
- 3.3.1. Fees are payable in U.S. dollars only and are due no later than thirty (30) days after the invoice date. Fees are nonrefundable.
- 3.3.2. Payments shall be delivered to the address indicated on the invoice, unless otherwise instructed by Company.
- 3.3.3. Late payments shall be subject to interest at the monthly rate of one percent (1%), or the maximum amount allowed by applicable law, if lower. Interest on late payments will be calculated from the date when payment becomes overdue until the date payment is received by Company.
- 3.3.4. Customer shall pay Company's costs of collecting amounts past due under this Agreement, including reasonable attorneys' fees.
- 3.3.5. Prices do not include applicable state and local sales, use and other taxes. Customer is responsible for such taxes or shall provide proof of tax exemption.

- 3.3.6. Customer must provide written notice of any disputed invoice and/or Fees owed to Company within ten (10) days of receipt of such invoice.
- 3.4. Fee Increase. Company shall, upon each anniversary of the Effective Date during the Term, increase Fees by six percent (6%). Company may increase Fees by greater than six percent (6%) subject to the requirement that it provide Customer with at least thirty (30) days written notice.
- 3.5. Suspension of Services. If any undisputed Fees are not received by the Company by the applicable due date, the Company may, without limiting its other rights and remedies, suspend provision of any or all of the Service until such amounts are paid in full. The Company shall provide written notice of non-payment prior to suspension. Suspension of Service shall not relieve the Customer of its obligation to pay all Fees due under this Agreement, and the Company shall not be liable for any damages, losses, or liabilities arising from such suspension. If Company suspends the Service for non-payment, Customer may be charged a fee for reinstatement of the Service by Company based on the additional effort required to complete the reinstatement.
4. Term and Termination.
- 4.1. Term. This Agreement begins on the Effective Date and will remain in effect for the Initial Term. The Agreement will automatically renew for additional successive one (1) year periods (each a “**Renewal**”) unless either party provides written notice to the other party at least one hundred twenty (120) days before the end of the Term. Company acknowledges that the Customer is a governmental entity, and the validity of the Agreement is based upon the availability of public funding under its authority. In the event the applicable elected body does not appropriate funds to Customer for any fiscal year covered by the term of the Agreement for the services to be provided, the Agreement shall be terminated, upon thirty (30) days written notice, on the last day of the fiscal year for which funds were appropriated or monies made available for such purposes without liability to Customer. Such termination shall not be a breach of the Agreement, and any unused payment made to the Company shall be promptly returned to Customer. Company shall be entitled to receive and Customer shall pay applicable fees for the Service and charges incurred for any work performed as of the effective termination date.
- 4.2. Termination for Breach. Either party may terminate this Agreement if the other party materially breaches any of the terms and conditions of this Agreement and it is not cured:
- 4.2.1. Within ten (10) days after written notice if the breach relates to payment of Fees; or

4.2.2. Within thirty (30) days after written notice for any other breach.

4.3. Effect of Termination or Expiration.

4.3.1. Upon termination or expiration of this Agreement for any reason, (i) the Customer's license and right to access and use the Service automatically terminates, and (ii) the Customer's right to receive, view and/or access the Service Data automatically terminates. Termination of this Agreement does not relieve Customer of its obligation to pay any Fees or other monies due to Company.

4.3.2. Should this Agreement be terminated before the end of the Term, for any reason other than Company breach, Customer must pay all current, outstanding, and remaining Fees for the remainder of the Term. Fees are due no later than thirty (30) days from the effective date of termination of the Agreement.

4.4. Survival. The terms provided in Sections 4.3, 4.5, 5, 6, 7, 8, and 9 of this Agreement survive any termination or expiration of this Agreement.

4.5. Excess Use Fees. In the event that Customer's use of the Service exceeds any defined limits or quantities set out in an applicable Exhibit or Work Order ("**Excess Use**"), Customer will be required to pay additional Fees for all such Excess Use at the rates set out in the Exhibit or Work Order or, if no such rates are specified, at Company's then-current standard rates, promptly upon receipt of notice from Company.

4.6. Service Decommissions. Customer may not decrease their Service subscription count during the Term. Upon not less than one hundred twenty (120) days before the end of the Term, Customer must provide written notice to Company should Customer require fewer Service subscriptions or other reductions during the Renewal. For avoidance of doubt, Customer may at any time during the Term, pursuant to an amendment to this Agreement, purchase additional Service subscriptions.

5. Warranties and Disclaimer of Company.

5.1. Equipment Base Warranty. Company's Equipment may be subject to standard warranty coverage or optional extended warranty coverage, as further detailed in the Company's applicable warranty Documentation upon Customer's acceptance. The scope, duration, and terms of such coverage shall be governed exclusively by the warranty Documentation provided by Company at the time of sale or delivery of the applicable Equipment. No additional warranties, express or implied, shall apply unless expressly set out in such Documentation.

- 5.2. Third-Party Warranty. In the event any third-party Equipment is provided to Customer hereunder, either as part of the Services or as necessary or incidental to Company's provision of Services (including hosting services), Company shall pass through to Customer any and all representations, warranties and covenants from such third-party providers, in addition to any representations, warranties and covenants provided by Company in this Agreement. Such warranties may be voided as the result of Customer's negligence, willful misconduct, or if caused by an action under Section 5.5.
- 5.3. Professional Services Warranty. Company represents and warrants that the professional services will be performed in a workmanlike manner consistent with industry standards.
- 5.4. Exclusive Remedy. Customer's exclusive remedy for breach of related warranties in this Sections 5 shall be that Company will use commercially reasonable efforts in endeavoring to resolve and cure any such breach.
- 5.5. Warranty Limitations. Company is not responsible for failure of the Service to conform to the Documentation or to provide accurate information with respect to the location, time, status, availability or existence of Customer's Vehicle Fleet if the Equipment is (i) damaged, blocked, modified, disassembled, vandalized, destroyed, or interfered with; (ii) subjected to extreme temperatures, flooding, over-voltage, electrical surges, misapplication of electrical power, or caustic chemicals; (iii) improperly installed or maintained by Customer or any third party; or (iv) used for a purpose other than as intended by Company, including but not limited to use in a configuration not recommended by Company.
- 5.6. Additional Fees. Company requires that installation or re-installation of all Equipment be performed by Company or a third-party expressly authorized by Company. In the event Company has to repair, modify, or replace any component of the Equipment due to Customer's improper installation, additional fees shall incur.
- 5.7. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES ARISING FROM TRADE USAGE OR COURSE OF DEALING. IN ADDITION, THE SERVICE DEPENDS UPON DATA BEING TRANSMITTED OVER THE INTERNET, CUSTOMER'S NETWORK, GPS SATELLITES, AND THIRD-PARTY CARRIER NETWORKS, AND AS COMPANY HAS NO CONTROL OVER THE FUNCTIONING OF THE INTERNET, THE SERVICE IS OFFERED ON AN "AS-AVAILABLE" BASIS. COMPANY DOES NOT WARRANT THAT THE SERVICE WILL OPERATE UNINTERRUPTED OR ERROR-FREE.

- 5.8. Excluded Parties. Company represents that it has no knowledge that any prospective business partner, employee, subcontractor, or supplier is included in the General Services Administration's (GSA's) List of Parties Excluded from Federal Procurement and Non-Procurement Programs.
- 5.9. Lobbying Disclosure Act. Company represents that it has no knowledge that any prospective business partner, employee, subcontractor, or supplier is in violation of the Lobbying Disclosure Act of 1995.
- 5.10. Non-Discrimination. Company represents that it does not discriminate against any employee or applicant for employment because of race, religion, creed, national origin, age, gender, marital status, citizenship, disability, sexual orientation, veteran's status, or membership in any other protected group.

6. Warranties and Acknowledgement of Customer.

- 6.1. Use Requirements, Restrictions and Limitations. Customer represents that it will observe the following requirements and restrictions in connection with its access to and use of the Service:
 - 6.1.1. Customer shall not reverse engineer, de-compile or disassemble the Software or Equipment, shall not attempt to access any data underlying the Software or circumvent the user interface or other technological measures put in place by Company, and shall not modify, access, download, copy, or interfere with the Equipment or its embedded software without the express consent of Company.
 - 6.1.2. Customer shall not rent, sell, assign, lease, or sublicense the Service. Customer shall not use the Service in a service bureau, outsourcing or other arrangement to process or administer data on behalf of any third party.
 - 6.1.3. Customer shall not knowingly access, store, or transmit via the Service any material that (i) is unlawful, harmful, threatening, defamatory, obscene, infringing, harassing or offensive; (ii) facilitates illegal activity; (iii) is discriminatory; or (iv) causes damage or injury to any person or property.
 - 6.1.4. Customer shall not violate or attempt to violate the security of Company's networks, including (i) accessing data not intended for Customer; (ii) accessing a server or account which Customer is not authorized to access; (iii) attempting to scan or test the vulnerability of a system or network or to breach security or authentication measures; or (iv) attempting to interfere with the availability or functionality of the Services, including by means of submitting a virus, overloading, flooding, spamming, mail bombing or crashing.

6.1.5. Customer shall cause each of Customer's employees, agents and independent contractors to comply with (i) the obligations set forth in this Section 6.1 and (ii) all applicable laws, rules and regulations in connection with their use of the Service.

6.1.6. Company reserves the right, without liability to Customer, to disable Customer's or a User's access to the Service for breach of this Section 6.1.

6.2. Customer acknowledges and agrees:

6.2.1. That the Service is an information tool only and is not a substitute for competent management and oversight of Customer's Vehicle Fleet, transportation system, and personnel;

6.2.2. That the Service depends upon data being transmitted over the internet, Customer's network, GPS satellites, and third-party carrier networks, and that, Company has no control over the functioning of the internet, Customer's network, GPS satellites, or the network of a carrier; and

6.2.3. That Customer alone is responsible for acquiring and maintaining Customer's Vehicle Fleet, Customer's network, Customer's internet access, and the rest of Customer's physical and technological infrastructure; and

6.2.4. That Customer's cooperation is required for the timely delivery of the Service, and, as a result, Customer will promptly respond to Company's requests and inquires and cause its Project Manager (or any applicable representative) to cooperate with Company, in good faith, to complete the implementation of the Service and troubleshoot any issues with the Service.

6.3. International Roaming. The Equipment may transmit and receive data without user intervention and, as a result, will generate international roaming charges when it is taken out of the United States. Customer alone is responsible for roaming charges, which will be charged as Excess Use.

7. Confidentiality and Ownership.

7.1. Intellectual Property. Company is the sole and exclusive owner of all rights, title and interest in and to the Service, including all updates, modifications, customizations, enhancements and other derivative works thereof (collectively "**Derivative Works**"), and in any and all copyrights, patents, trademarks, trade secrets and other proprietary and/or intellectual property rights therein or thereto. To the extent any Derivative Work is developed by Company based upon ideas or suggestions submitted by Customer to

Company, Customer hereby irrevocably assigns all rights to modify or enhance the Service using such ideas or suggestions or joint contributions to Company, together with all copyrights, patents, trademarks, trade secrets, and other proprietary and/or intellectual property rights related to such Derivative Works. Nothing contained in this Agreement shall be construed to convey to Customer (or to any party claiming through Customer) any rights in or to the Service, other than the rights expressly granted in Section 2.1.

- 7.2. Trademarks. Customer hereby consents to and grants to Company a non-exclusive, royalty-free, worldwide license to use Customer's name, logos, and trademarks a) on Company's website in order to direct end-users to the public-facing aspects of the Service; b) to create a Customer-specific public-facing website hosted by Company where Users may access the Service; and, c) in the event Company's white label application is included as part of the Service, to create a Customer-branded application.
- 7.3. Ownership of Data. Customer acknowledges and agrees that, as between Customer and Company, Company retains all ownership right, title and interest in and to all Service Data, including all copyrights, patents, trademarks, trade secrets, and other proprietary and/or intellectual property rights therein or thereto. Company may analyze and compile Service Data for the purpose of creating De-Identified Data. Company may use the De-Identified Data without restriction and may combine the De-Identified Data with data from other sources to create aggregate statistical data.
- 7.4. Nondisclosure.
- 7.4.1. A Receiving Party (a) shall hold the Disclosing Party's Confidential Information in strict confidence and will use the same degree of care in protecting the confidentiality of the Disclosing Party's Confidential Information that it uses to protect its own Confidential Information, but in no event less than reasonable care; and (b) except as expressly authorized by this Agreement, shall not, directly or indirectly, use, disclose, copy, transfer or allow access to the Confidential Information. Notwithstanding the foregoing, a Receiving Party may disclose Confidential Information of the Disclosing Party as required by law or court order. In such event, the Receiving Party shall (i) use its best efforts to inform the Disclosing Party before any such required disclosure, and (ii) provide reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure.
- 7.4.2. The Customer shall limit access to the password-protected portions of the Service and any Equipment to Customer's employees who have a legitimate need to access the Service and Equipment.

- 7.4.3. Upon the termination or expiration of this Agreement, or upon the request of the Disclosing Party, the Receiving Party will return to the Disclosing Party all the Confidential Information delivered or disclosed to the Receiving Party, together with all copies in existence thereof at any time made by the Receiving Party.
- 7.4.4. If Customer receives a public record request for Confidential Information, Customer shall notify Company and Company shall, within fifteen (15) business days (or within the maximum period allowed by applicable law), notify Customer whether it desires for the Confidential Information to be withheld, and provide a legal basis under the applicable Public Records Act for withholding the Confidential Information. If Customer withholds the Confidential Information pursuant to Company's request, Company shall indemnify and defend Customer from any and all costs or liabilities resulting from such withholding including, but not limited to, attorney fees and court costs. If Company fails to notify Customer within the time specified or to provide a legal basis for withholding of the Confidential Information, Company agrees that Customer shall be entitled to release and disclose the Confidential Information.
- 7.4.5. Notwithstanding anything in this Agreement, the Agreement, or any part thereof, is a public record, and it, along with any documents or materials, in any format, including, but not limited to, paper, electronic, or virtual, that are public records pursuant to the Tennessee Open Records Act, set out in T.C.A. § 10-7-503 et seq., are not confidential and are subject to disclosure in whole or in part, without regard to any provision contained in the Agreement declaring information confidential. Additionally, the Customer must, upon proper request, release public documents and records as defined by T.C.A. § 10-7-503 et seq., including, but not limited to, the Agreement and all records created and maintained related to the Agreement, without delay and without the requirement to disclose such request to Company or providing Company with notice or the time to obtain a protective order.

Customer does not have the burden of establishing that requested record is not confidential information or that its release is authorized. This section 7.4.5 serves to meet such burden and authorization of disclosure.

- 7.5. Remedies. Each party acknowledges and agrees that any violation of this Section 7 (Confidentiality and Ownership) may cause irreparable injury to the other party for which there would be no adequate remedy at law and, therefore, such other party shall be entitled to preliminary and other injunctive relief against the other party for any such violation. Such

injunctive relief shall be in addition to, and in no way in limitation of, all other remedies or rights that the parties may have at law or in equity.

7.6. Third Party Software. In the case of any third-party Equipment, Third Party Software, related Documentation, or third-party services provided under this Agreement, such third party shall retain all rights in patents, copyrights, trademarks, trade secrets, and any other intellectual property. The terms and restrictions of the license grants contained in Section 7, in addition to any other terms required by any third-party licensor(s), will apply to the use of any Third Party Software and related Documentation, and the licensors of such Third Party Software are third party beneficiaries of the rights granted under those terms. Where required, Customer shall enter into a separate end-user-license agreement as required for any Third Party Software or Equipment procured. Customer may only transfer any Software or Third Party Software embedded with any Equipment in accordance with the terms and conditions of this Agreement. Other than the rights of use expressly conferred upon Customer by this paragraph, Customer shall have no further rights to use third-party Equipment, Third Party Software, related Documentation, or third-party services, and shall not copy, reproduce, modify, adapt, reverse engineer, disassemble or translate them, without the express written authority of Company.

8. Indemnity and Liability.

8.1. Customer Indemnity. Only to the extent permitted by law, Customer shall indemnify and hold Company and its Affiliates and their respective officers, directors, shareholders, employees, agents, successors and assigns harmless from any and all claims that relate to Customer's or Users' use of or reliance upon the Service or Customer's failure to properly maintain (or to request maintenance of) the Equipment, except any claims for which Company Indemnifies Customer as described in Section 8.2.

8.2. Company Intellectual Property Infringement Protection.

8.2.1. If a third party claims that the Service provided to Customer by Company under this agreement infringes that party's United States patent or copyright, Company shall defend Customer and Customer's Affiliates against that claim and shall pay any losses, liabilities, damages, judgments, awards, expenses, and costs, including reasonable attorneys' fees that a court of competent jurisdiction finally awards against Customer, provided that Customer (i) promptly notifies Company of the claim and (ii) permits Company to control and cooperates with Company in the defense and any related settlement negotiations. Customer may participate, at Customer's own expense, in the defense of such claim.

8.2.2. If any part of the Service is, or in Company's reasonable judgment may become, the subject of any such proceeding Company may, at its expense and option, do one of the following: (i) procure for Customer the necessary right to continue using the Service and Equipment; (ii) replace or modify the infringing portion of the Service or Equipment with a functionally equivalent non-infringing item or portion thereof, or (iii) if none of the foregoing are commercially reasonable, terminate Customer's right to use the Service or the affected portion thereof, and refund to Customer an amount equal to the prepaid Subscription Fee or the affected portion thereof and the cost of any equipment, less amortization for its use on a straight line basis over a period of five (5) years from the Effective Date. The preceding sets forth Company's only obligations and Customer's sole and exclusive remedies with respect to infringement or misappropriation of intellectual property rights.

8.2.3. Company will not be liable hereunder for any claim of infringement that is based upon (i) the combination of the Service, or any part of the Service, or the Equipment with any product, software, hardware, machine, or device which is not provided by Company or identified by Company in its specifications as necessary to operate the Service, (ii) any modification of the Service or Equipment by a party other than Company, or (iii) the use of a version of the Service other than a current, unaltered release of the Service if such infringement would have been avoided by the use of a current, unaltered release.

8.3. Limitation of Liability. NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR LOST PROFITS OR LOSS OF DATA OR BUSINESS INTERRUPTION), WHETHER ARISING FROM NEGLIGENCE, ERRORS, OR FAILURE OF PERFORMANCE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION UPON DAMAGES AND CLAIMS SHALL APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN BREACHED OR HAVE PROVEN INEFFECTIVE.

8.4. Damages. IN NO EVENT SHALL COMPANY'S AGGREGATE LIABILITY FOR ALL CLAIMS UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY EXCEED AN AMOUNT EQUAL TO THE FEES PAID BY CUSTOMER OR CUSTOMER'S AFFILIATE IN THE SIX (6) MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

9. General Provisions.

9.1. Notices. Any notice permitted or required under this Agreement may be delivered in person, by registered or certified mail (postage prepaid), by recognized overnight delivery service, or by e-mail to the party's address identified below (or other address designated by a party by written notice that conforms to this Section 9.1). Notice will be deemed effective upon personal delivery, on the day after deposit for overnight delivery, three days after deposit by registered or certified mail, upon being sent by email, or sooner if receipt is acknowledged by the receiving party.

If to Company: TransLoc, Inc. 5000 Centregreen Way Suite 500 Cary, NC 27513 Email:	If to Customer: City of Kingsport Attn: Timothy Kingsland 415 Broad Street Kingsport, TN 37660 Email: TimothyLand@KingsportTN.gov
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If no address in this Section 9.1 is provided for Notices to Customer, any Customer address in the Agreement will be an acceptable address for use.

Each party may update its notice information under this Section 9.1. by providing written notice to the other party. Such notice shall specify the updated contact information and shall be deemed effective upon receipt by the other party. The updated notice information shall be used for all future communications under this Agreement.

9.2. Audit Rights. Software may contain reporting tools that track and audit usage and operational characteristics of the Service in order to monitor Software performance and verify compliance with the terms and conditions of this Agreement. Customer agrees to cooperate in good faith with any reasonable requests for information made by Company in connection with its tracking and audit activities.

9.3. Compliance with Laws. Each party will comply with all applicable federal, state, and local laws, ordinances, rules and regulations relating to the performance and use of the Service as set forth in this Agreement.

9.4. Ineligibility. Company will not knowingly contract with, purchase from, employ, sub-contract with or carry on business in any form with any person or entity that is officially listed as excluded, debarred, declared ineligible,

suspended or otherwise ineligible for participation in any Federal or State program.

- 9.5. Assignment. Neither party may assign or otherwise transfer any of the rights and obligations arising out of this Agreement without the prior written consent of the other party, except in connection with the sale or transfer of all or substantially all of such party's business, whether by merger, sale or otherwise. Notwithstanding the foregoing, however, Customer's consent shall not be required for assignments of this Agreement in whole or in part by Company, provided the contract is assigned to an affiliate of Company or an entity under common control with Company or Company's corporate parent.
- 9.6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the state where the Customer is physically located as stated in this Agreement, without reference to any choice of law principles of such state and will not be construed in accordance with or governed by the United Nations Convention for International Sales of Goods.
- 9.7. No Arbitration, Jurisdiction, Waiver of Jury Trial, Venue. Notwithstanding any other provision in the Agreement to the contrary, arbitration is not permitted and if a dispute arises between the parties and it cannot be resolved by mutual agreement, any party may resort to resolution of the dispute by litigation in the state or federal courts for Tennessee. The parties waive their right to a jury trial. The parties agree that mandatory and exclusive venue and jurisdiction for any disputes shall be in state or federal courts for Kingsport, Sullivan County, Tennessee, and the parties consent to such venue and jurisdiction.
- 9.8. Force Majeure. Except for payment obligations, neither party will be liable or responsible for any failure or delay in the performance of its obligations due to causes beyond the reasonable control of the party affected or its subcontractors or suppliers, including but not limited to war, sabotage, insurrection, epidemics, earthquakes, terrorism, riot or other act of civil disobedience, strikes or other labor shortages, accident, fire, explosion, flood, hurricane, severe weather or act of God. The obligations of the party suffering from the force majeure event will be suspended for the duration of the force majeure.
- 9.9. Accessibility. Company warrants that the software conforms to the following accessibility guidelines: has supporting assistive software or devices such as large-print interfaces, text-to-speech output, refreshable braille displays, voice-activated input, and alternate keyboard or pointer interfaces established by the World Wide Web Consortium's Web Content Accessibility Guidelines 2.0 Level AA (WCAG 2.0 AA), and the accessibility guidelines establish by Section 508 of the Rehabilitation Act of 1973, as

amended (29 U.S.C. 794d), and implementing regulations set forth in 36 C.F.R. Part 1194. Company shall provide Customer a current completed Voluntary Product Accessibility Template (VPAT), currently 2019 version and any subsequent versions, to detail compliance with the federal Section 508 standards. Company shall promptly respond to and resolve any complaint regarding accessibility of its products or services. Company further agrees to indemnify and hold harmless Customer from any claims brought by a third party arising out of Company's failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach of this Agreement.

- 9.10. Integration. This Agreement, together with the Exhibits and fully executed Work Orders, constitutes the final and exclusive agreement between the parties as to the matters described in it. This Agreement supersedes all prior proposals, negotiations, conversations, discussions, understandings, representations, or agreements between the parties concerning its subject matter. Without limiting the generality of the foregoing, Company will not be bound by any other terms and conditions referenced on any invoice, purchase order, or other document produced by Customer, unless such terms explicitly set out the intention to modify this Agreement and are accepted in writing by execution by a duly authorized representative of Company. In the case of disagreement in the terms and conditions between this Agreement and any of its Exhibits or Work Orders, this Agreement shall govern.
- 9.11. Amendment and Waiver. This Agreement may only be modified in writing signed by both parties and identifying the provision of the Agreement that is to be amended. No delay or omission by either party in exercising any right or remedy under this Agreement or existing at law or equity shall be considered a waiver of such right or remedy. No waiver by either party of any right or remedy whether under this Agreement or otherwise shall be effective unless in writing.
- 9.12. Severability. If any term, provision, or condition of this Agreement is held to be invalid or unenforceable, the other provisions of this Agreement will be unimpaired, and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.
- 9.13. Promotion Rights. No public statements concerning the existence or terms of this Agreement will be made or released to any media except with the prior approval of both parties or as required by law. With Customer's prior approval, approval of which will not be unreasonably withheld by the Customer, Company may publicize its relationship with Customer for marketing and promotion purposes, which may include issuing a press release, mentioning the relationship on the Company website (in each case

by disclosing Customer's name, general information and/or a link to Customer's website), and/or list Customer as a user of the Service.

- 9.14. Relationship. In making and performing this Agreement, Company and Customer act and shall act at all times as independent contractors and nothing contained in this Agreement shall be construed or implied to create an agency, partnership, joint venture, or employer and employee relationship between Company and Customer.
- 9.15. Document. Each party acknowledges and represents that the person signing on its behalf has read and understood all of the terms and provisions of this Agreement. Neither this Agreement nor any of the matters set forth herein or in the schedules will be construed against either party by reason of the drafting or preparation thereof. This Agreement may be signed in any number of counterparts, each of which will be deemed an original and all of which, taken together, shall be deemed one and the same document, and may be executed by means of signatures transmitted by facsimile or by other electronic means. Headings herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.
- 9.16. Execution. This Agreement and its Exhibits and Work Orders may be executed by the parties in counterparts and delivered by email, and all such counterparts, taken together, shall constitute one and the same agreement. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed binding and original signatures for this Agreement and all matters related thereto.

[Signature Page Follows]

[Signature Page to TransLoc Technology License and Service Agreement]

The parties have caused this Agreement to be executed by and through their duly authorized representatives as of the Effective Date.

TransLoc Inc.

City of Kingsport, Tennessee

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

ATTEST:

Angie Marshall, Deputy City Recorder


APPROVED AS TO FORM:

Rodney B. Rowlett, III, City Attorney

EXHIBIT A: SCHEDULE OF SERVICES, SOFTWARE, AND EQUIPMENT

This Exhibit A incorporates the terms of the Technology License and Service Agreement between Company and Customer.

1. Fees and Costs:

		Pricing Exhibit - Confidential DATE: May 05, 2026 TO: Kingsport ATTN: Tim					
5000 Centregreen Way, Suite 500 Cary, NC 27513		*Price remains firm for 30 days					
Notes	Type	Item	Item Description	Qty	Unit Price /yr (Year 1)	Capital	Subscription
b.	**	S-106	Fixed Route - CAD/AVL Subscription - CAD_AVL (public)				Year 1 \$ 18,259.02
		--	Application Program Interface (API) - JSON		Included		
		--	Fixed Route - Realtime Passenger Information System (RTPI) Mobile Apps (iOS & Android)		Included		
		--	Web Apps (Desktop & Mobile Web)		Included		
	**	S-103	Fixed Route - Automatic Passenger Counting (APC) Subscription - APC				\$ 5,675.04
Notes							
a.		Includes: all necessary cabling & hardware					
b.		Includes: Support, Server Hosting & Licensing					
x		Hardware invoiced upon shipment. Invoicing of remaining capital costs at the delivery of services.					
**		Subscription will be effective and invoiced upon execution date.					
**		Price subject to change with adjustments to terms, integrations, subscriptions, and vehicles.					
		Billing Frequency:		Annually			
		Payment Terms:		Net 30			
		Quote Summary					
		First Year Capital		\$ -			
		First Year Subscription		\$ 23,934.06			
		Total - First Year		\$ 23,934.06			
		Total Capital		\$ -			
		Total Subscription - 1 Years		\$ 23,934.06			
		Total for Contract		\$ 23,934.06			
		*All applicable sales/use tax are additional					
		Annual Price Increase 6.0%					

2. Reinstallation or Additional Equipment Installation Fees:

If needed, Company will uninstall Equipment and Software from a vehicle and reinstall in a different vehicle or install additional Equipment. There is an hourly labor fee per Equipment that is reinstalled or newly installed, Company reimbursement for travel costs, and if new Equipment is purchased from Company, Equipment fees are incurred as stated above. Only Company is authorized to uninstall, install, and/or reinstall Equipment.

3. Spare Equipment:

Spare Equipment is not included in the fees above. If desired, Customer can purchase spare Equipment to minimize downtime in the event that Equipment needs to be repaired or replaced.

4. New Customer Information Sheet:

Customer must complete the New Customer Information sheet, found on Exhibit C, to facilitate invoicing and payment.

EXHIBIT B: SCOPE OF WORK

CAD/AVL

The core of the TransLoc solution includes a set of web-based administrative and rider-facing tools that ensure efficient transit operations and real-time visibility. Proprietary vehicle passenger information service Real-time vehicle tracking with essential tools for administrators, dispatchers, and riders.

- Cloud-hosted, web-accessible application
- 3-5 Second refresh intervals
- Customizable widget dashboard for dispatchers
- Real-time map with vehicle and stop data
- Flexible trip assignment: route, block, or vehicle
- Web and tablet access for field dispatch
- Secure login credentials with unlimited admin/dispatcher access
- Frontend-backend integration for seamless operations

Admin & Dispatch Dashboard

The dispatch dashboard acts as the command center for transit administrators. It enables real-time tracking, on-time performance management, and routing changes. Its modular configuration allows for a personalized user experience.

- Live vehicle tracking and updates every 3-5 seconds
- Route assignment and performance alerts
- Fleet management tool
- User customization of dashboard layout and settings
- Public-facing dashboards for rider information

Mobile Application (Rider App)

The rider-facing mobile application is designed for accessibility and ease of use. It enables passengers to track buses, plan trips (if client post to Google), receive alerts, and interact with services through a multilingual interface.

- Apps available on iOS and Android stores
- Supports fixed route and on-demand options
- Meets accessibility (WCAG 2.0 AA) standards
- Agency Alerts
- Multi-Language English, Spanish, and Simplified Chinese
- Displays vehicle capacity and agency alerts in real-time

Rider Application / Website Services

TransLoc's CAD/AVL features enhance transit control with powerful dispatching capabilities, GPS integration, and dashboard personalization. Dispatch can be managed through desktop or mobile tablets, allowing for operational flexibility.

- Real-Time Tracking with 3-5 second updates
- Real-time map with vehicle and stop data
- "Find Me" feature – enables users to easily locate nearby services
- Custom Menu links
- Rider Alerts and Announcements
- Client Feedback

Trip Assignment & Dispatch

Trip assignment functionality is built to optimize driver deployment and operational control. Trips can be assigned by route, block, or vehicle, and the system supports flexible dispatch options. Managers can operate through a browser or mobile tablet.

Dispatching methods include:

- By Schedule: Allows dispatch based on a predefined timetable.
- By Vehicle: Enables dispatchers to assign specific vehicles to service routes.
- By Block Group: Used for grouped operational blocks.

Access Flexibility:

- Accessible from desktop and tablet interfaces.

Reporting & Analytics

TransLoc provides an extensive reporting suite that covers operational, performance, and ridership metrics.

General Reports:

- Arrivals and Departures Reports (By Route and Stop)
- Arrivals and Departures Reports (By Route and Vehicle with Loop Time)
- Employee Assignments
- Headway Reports (including summary reports)
- Route Reports
- Vehicle On Route Reports
- Vehicle Service Reports
- Vehicle Assignment Reports

Performance Reports:

- On-Time Performance metrics
- On-Time Performance Summary
- Schedule By Time Report
- Schedule Reports

Ridership Reports:

- Daily, Hourly, and Weekly ridership counts
- Summary reports with up to four data groupings
- Raw Ridership giving details on all counting coming into customers system
- Ridership with Occupancy
- Weekly Summary
- Specialized reports including demographics– Only available with DAPC

Client Support Services

TransLoc offers comprehensive client support including:

- A Dedicated Client Support Specialist (CSS)
- 24/7 Emergency Support Coverage
- Driver profile and permission management
- Customization of criteria for passenger demographics and counts

CAD/AVL Vehicle Hardware

TransLoc has already supplied and installed (13) Pepwave Max Transit Mini WiFi routers, including:

- GPS Data Configuration

- VPN and IP Connectivity Setup
- Router Testing for GPS Gate Integration
- TransLoc to provide cellular data

Automatic Passenger Counters (APC)

TransLoc’s APC system ensures accurate ridership counts using Pepwave Max routers and Hella-door sensors. TransLoc has already provided (12) single-door Hella sensors

Hardware:

- Sensors installed on vehicles meeting height clearance (80”) if this is not met the sensor cannot be installed.
- Configuration of AVL utilizing the pepwave max transit mini that is already installed for GPS data
- Secure data transmission and testing to verify accuracy

System Capabilities:

- Tracks boardings and alightings in real time
- Reduces manual error and supports informed planning decisions

Benefits:

- Reliable ridership metrics
- Data-driven service optimization

EXHIBIT C: NEW CUSTOMER INFORMATION

Agency Information	
Agency name	

Primary Contact in Accounts Payable	
Primary Contact's Email	
Billing Address	
Phone	
Fax	
Billing Information	
Who should receive the invoices?	
Email address of invoice recipient	
Will you submit a purchase order to us?	
Is there a PO number that we will need to put on the invoices?	
We receive payment for invoices via ACH or EFT. Please submit any paperwork necessary to complete this request.	
Are you tax exempt? If yes, please email a copy of your Certificate of Exemption to AccountsReceiveable@transloc.com	
Is there any additional information that we should be aware of to ensure timely processing of invoices?	
Marketing & Communications Information	
Name(s) of marketing and PR contact(s)	
Email address(es) of marketing and PR contact(s)	
Are you interested in joint marketing/PR opportunities?	



AGENDA ACTION FORM

Consideration of a Resolution Approving TDOT Contract Project No: 825307-S3-037 (FTA 031) to Allow Expenditure of Remaining Previously Awarded Funds for the KATS Transit Garage

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

Action Form No.: AF-156-2026
 Work Session: May 18, 2026
 First Reading: N/A
 Final Adoption: May 19, 2026
 Staff Work By: Candace Sherer
 Presentation By: Candace Sherer

Strategic Focus Area: 6. Strong & Vibrant Neighborhoods

Recommendation:
 Approve the Resolution

Executive Summary:
 This action pertains to an existing contract, FTA TN-2021-031 (5307) Kingsport Comprehensive Transit Center, Phase 2 Transit Garage. The original contract expired on December 31, 2025, with a remaining balance of previously awarded funds still available for expenditure. This action does not involve the approval of any new funding. Because the original contract lapsed, TDOT established a new contract utilizing the remaining balance to allow KATS to fully expend the existing funds and avoid forfeiture. The new contract carries an expiration date of December 31, 2030. No new money is being requested. The local amount was previously budgeted.

FTA Section 5307 Capital	Local	State	Federal	Total
Capital Assistance (80%) Federal; (10%) Local; (10%) State	\$4,601.00	\$4,601.00	\$36,808.00	\$41,409.00

Attachments:
 Resolution
 Contract

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A GRANT AGREEMENT WITH THE STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION TO EXTEND THE PERIOD TO EXPEND SECTION 5307 PROGRAM GRANT FUNDS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, on September 28, 2021, the board approved Resolution No. 2022-062 authorizing the city to enter into an agreement with the Tennessee Department of Transportation (TDOT) accepting state funds in the amount of \$210,000.00 for the construction of the new Kingsport Area Transit Service (KATS) transit garage and maintenance facility; and

WHEREAS, the original contract has expired, but a remaining balance of previously awarded funds in the amount of \$4,601.00 are still available for expenditure; and

WHEREAS, TDOT has agreed to enter into a new contract extending the expiration date to December 31, 2030 to allow KATS to fully expend the remaining balance and avoid forfeiture.

Now therefore,

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

SECTION I. That the agreement with the Tennessee Department of Transportation (TDOT) to extend the expiration date to December 31, 2030 to allow KATS to fully expend the remaining balance and avoid forfeiture, is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the Agreement with the Tennessee Department of Transportation (TDOT), to deliver the agreement and take any and all action as may be required on the part of the city to carry out, give effect to, and consummate the transactions contemplated by the agreement and this resolution as set out below:

GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
CITY OF KINGSFORT

This grant contract ("Grant Contract"), by and between the State of Tennessee, Department of Transportation hereinafter referred to as the "State" or the "Grantor State Agency" and Grantee City of Kingsport, hereinafter referred to as the "Grantee," is for the provision of capital assistance, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

Grantee Edison Vendor ID # 1562

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

A.2. The Grantee shall provide all services and deliverables as described in their 49 U.S.C. § 5307 Program application submitted to and as approved by Federal Transit Administration (FTA), incorporated by reference.

A.3. The Grantee shall abide by the provisions of 49 U.S.C. § 5307 and FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance," to receive State funds to urbanized areas for

transit capital assistance, and for transportation related planning. Specifically, the funds will be used for capital assistance as detailed in 49 U.S.C. § 5307 and FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance."

A.4. "Capital Projects" means those projects as defined in FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance," Chapter IV.

A.5. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.

- a. this Grant Contract document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
- b. the Grantee's 49 U.S.C. § 5307 Program application submitted to and as approved by the FTA; and
- c. FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance", or the most recently FTA approved updated circular.

B. TERM OF CONTRACT:

This Grant Contract shall be effective for the period beginning on January 1, 2026 ("Effective Date") and ending on December 31, 2030, ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Four Thousand, Six Hundred One Dollars and No Cents (\$4,601.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment One is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

C.2. Compensation Firm. The Maximum Liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.

C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

Tennessee Department of Transportation
Public Transportation Section
Division of Passenger Transportation, Rail & Freight
312 Rosa L Parks Ave – Tennessee Tower – 10th Floor
Nashville, Tennessee 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
 - (1) Invoice/Reference Number (assigned by the Grantee).
 - (2) Invoice Date.
 - (3) Invoice Period (to which the reimbursement request is applicable).
 - (4) Grant Contract Number (assigned by the State).
 - (5) Grantor: Tennessee Department of Transportation, Division of Passenger Transportation, Rail & Freight.
 - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
 - (7) Grantee Name.
 - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
 - (9) Grantee Remittance Address.
 - (10) Grantee Contact for Invoice Questions (name, phone, or fax).
 - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:

- i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State

Comprehensive Travel Regulations," are attached to the invoice).

- ii. The amount reimbursed by Grant Budget line-item to date.
- iii. The total amount reimbursed under the Grant Contract to date.
- iv. The total amount requested (all line-items) for the Invoice Period.

b. The Grantee understands and agrees to all of the following.

(1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.

(2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.

(3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

(4) Invoice Reimbursement Calculation – Invoice reimbursement amounts are based on total contract life-to-date expenses by budget detail activity line. Activity federal and state share percentages are applied to detail activity line expenses to determine reimbursement amounts.

Federal Reimbursement Calculation – The federal share percentage, if any, is used to determine the amount of the federal share reimbursement.

- The federal share percentage is applied to the total contract life-to-date expense amount, and the result rounded down to the next whole dollar to determine the federal life-to-date reimbursement amount.

- The federal current period reimbursement amount is determined by subtracting the federal previous period life-to-date reimbursement amount from the federal current period life-to-date reimbursement amount.

State Reimbursement Calculation – The state share percentage is used to determine the amount of the state share reimbursement.

- The remaining state share percentage is calculated as the ratio of the state percentage to the combined total of the state and local share percentages (the remaining share percentage). In programs or activities without a federal share, the remaining share percentage is 100%.

- The remaining state share percentage is applied to the remaining total contract life-to-date expense amount, and the result rounded down to the next whole dollar to determine the state life-to-date reimbursement amount. The remaining total contract life-to-date expense amount is the amount left after subtracting the federal life-to-date reimbursement amount from the total contract life-to-date expense amount.

- The state current period reimbursement amount is determined by subtracting the state previous period life-to-date reimbursement amount from the state current period life-to-date reimbursement amount.

Budget Reconciliation – If total program expenses reach the contract's budgeted line-item amount, any shortfall in the calculated federal or state reimbursement amounts is adjusted to match the budgeted federal or state share amount.

Department Override – In rare instances share amount calculations of the state and federal share amounts create rounding issues not anticipated by template formulas. In those circumstances an override in the calculation can be processed with the grantor approval. These adjustments can be additional small amounts up or down and can involve timing differences.

C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within ninety (90) days of the Grant Contract end date, in form and substance acceptable to the State.

a. The Grant Budget specifies a Grantee Match Requirement and the final grant disbursement reconciliation report shall detail all Grantee expenditures recorded to meet this requirement.

i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant contract with the State.

ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.

b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.

c. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.

e. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.

C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Central Procurement Office Policy Statement 2013007 or any amendments or revisions made to this policy statement during the Term.

C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or related matter. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.

C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.

C.12. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.

C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.

a. The Grantee shall complete, sign, and return to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").

b. The Grantee shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate this Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the exercise of the State's right to terminate this Grant Contract for cause, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.

D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:

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

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

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The State:

Brenden Henderson, Transit Grants Financial Analyst Office of Grants Administration Public Transportation Section

Division of Passenger Transportation, Rail & Freight William R. Snodgrass – Tennessee Tower – 10th Floor 312 Rosa L Parks Avenue

Nashville, Tennessee 37243 Brenden.henderson@tn.gov Phone: (615) 253-4942 Fax: (615) 253-1482

The Grantee:

Chris Campbell, AICP, Public Transportation Manager City of Kingsport, Kingsport Area Transit

Service 900 East Main Street
Kingsport, Tennessee 37660 chrisccampbell@kingsporttn.gov Phone: (423) 224-2857 Fax: (423) 224-2615

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. As applicable, the State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.

b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.

D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 et seq., or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454.

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a grant contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives. The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides. In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system. Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.19. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.

At least ninety (90) days before the end of its fiscal year, the Grantee shall complete the Information for Audit Purposes ("IAP") form online (accessible through the Edison Supplier portal) to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed form online during the Grantee's fiscal year. Immediately after the fiscal year has ended, the Grantee shall fill out the End of Fiscal Year ("EOFY") (accessible through the Edison Supplier portal).

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.317—200.327 when procuring property and services under a federal award.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

For purposes of this Grant Contract, the term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds ten thousand dollars (\$10,000.00).

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant Contract is not a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.

D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

D.23. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Grant Contract. In no event will the State be liable to the Grantee or any other party for any lost revenues, lost profits, loss of business, loss of grant funding, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Grant Contract or otherwise. The State's total liability under this Grant Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability originally established in Section C.1 of this Grant Contract. This limitation of liability is cumulative and not per incident.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaroud plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. Reserved.

D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its pro rata share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds ten thousand dollars (\$10,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters

1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Vehicle identification number;
- c. Manufacturer's serial number or other identification number, when applicable;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment or motor vehicles is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the pro rata amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and

Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-408.

D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions agreed to by the parties. This Grant Contract supersedes any and all prior understandings, representations, negotiations, or agreements between the parties, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

D.33. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, et seq., addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Grant Contract. The Grantee certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

D.34. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified, or presently fall under any of the prohibitions of sections a-d.

D.35. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with the requirements of this Grant Contract and applicable state and federal law. All material, information, and data regardless of form, medium, or method of communication, that the Grantee will have access to, acquire, or is provided to the Grantee by the State or acquired by the Grantee on behalf of the State shall be regarded as "Confidential Information." The State grants the Grantee a limited license to use the Confidential Information but only to perform its obligations under the Grant Contract. Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether is has been disclosed or made available to the Grantee dur to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required under state or federal law or otherwise authorized in writing by the State. Grantee shall take all necessary steps to safeguard the confidentiality of such Confidential Information in conformance with the requirements of this Grant Contract and with applicable state and federal law.

As long as the Grantee maintains State Confidential Information, the obligations set forth in this Section shall survive the termination of this Grant Contract.

D.36. State Sponsored Insurance Plan Enrollment. The Grantee warrants that it will not enroll or permit its employees, officials, or employees of contractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with

Grantee unless Grantee first demonstrates to the satisfaction of the Department of Finance and Administration that it and any contract entity satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

E.2. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, et seq., shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

E.3. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.

E.4. Personally Identifiable Information. While performing its obligations under this Grant Contract, Grantee may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Grant Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Grantee agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Grantee shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Grantee and in accordance with this Grant Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Grantee shall immediately notify State: (1) of any disclosure or use of any PII by Grantee or any of its employees, agents and representatives in breach of this Grant Contract; and (2) of any disclosure of any PII to Grantee or its employees, agents and representatives where the purpose of such disclosure is not known to Grantee or its employees, agents and representatives. The State reserves the right to review Grantee's policies and procedures used to maintain the security and confidentiality of PII and Grantee shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Grantee is in full compliance with its obligations under this Grant Contract in relation to PII. Upon termination or expiration of the Grant Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Grantee shall immediately return to the State any and all PII which it has received under this Grant Contract and shall destroy all records of such PII.

The Grantee shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Grantee ("Unauthorized Disclosure") that come to the Grantee's attention. Any such report shall be made by the Grantee within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Grantee. Grantee shall take all necessary measures to halt any further Unauthorized Disclosures. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Grantee shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Grant Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Grant Contract.

E.5. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

E.6. T.C.A. Section 13-10-107 Compliance.

- 1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");
- 2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;
- 3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and
- 4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.7. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.8. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.9. Capital Asset. The Grantee shall:

- (a) Use one or more vehicles, equipment, or facilities ("Capital Asset") acquired under this Grant Contract only for the purposes and the manner set forth in the Grantee's application.
- (b) Certify at the beginning of each calendar year, that the Capital Asset acquired under this Grant Contract is still being used in accordance with the terms and provisions of this Grant Contract.
- (c) Pay all fees on the Capital Asset acquired through this Grant Contract, including but not limited to title and registration fees.
- (d) Be responsible for all costs and expenses related to the operation, maintenance, and repair of the Capital Asset acquired through this Grant Contract.
- (e) Provide licensed drivers, as required by the Tennessee Department of Safety and Homeland Security, for operation of all vehicles or equipment received under this Grant Contract.
- (f) Carry insurance on Capital Assets sufficient to cover the State interest, and the Federal interest if applicable, in the Capital Asset.

1. If the Grantee is governed by the Tennessee Governmental Tort Liability Act (Tenn. Code Ann. § 29-20-101 et seq.), then the following insurance coverage is required:

- a) Bodily injury or death of any one person in any one accident, occurrence or act at a minimum of \$300,000.00 per person.
- b) Bodily injury or death of all persons in any one accident, occurrence or act at a minimum of \$700,000.00 per accident.
- c) Injury to or destruction of property of others in any one accident at a minimum of \$100,000.00.

2. If the Grantee is not governed by the Tennessee Governmental Tort Liability Act, then the following insurance coverage is required:

- a) Personal Injury Liability – minimum of \$300,000.00 per person and \$1,000,000.00 per incident.
- b) Property Damage Liability – minimum of \$300,000.00 per incident.
- c) Comprehensive – maximum deductible of \$500.00.
- d) Collision – maximum deductible of \$500.00.
- e) Uninsured Motorist – minimum of \$50,000.00 per person and \$100,000.00 per incident.

3. Additionally, if applicable, the Grantee shall comply with the provisions of Section 102(a) of the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4012a(a), with respect to any project activity involving construction or an acquisition having an insurable cost of \$10,000.00 or more.

This insurance shall be in effect at all times while the Capital Asset is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the Capital Asset is delivered to the Grantee and annually on the anniversary date of the delivery of the Capital Asset. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of the Capital Asset.

(g) Ensure that any vehicles received under this Grant Contract will comply with the Federal Motor Vehicle Safety Standards ("FMVSS") as established by the United States Department of Transportation.

(h) Ensure that any Capital Asset received under this Grant Contract shall be used for not less than the useful life, except with the State's prior written approval. The useful life of all Capital Assets purchased under the Grant Contract is as listed in the grant document filed with the Federal Transit Administration ("FTA"). Upon reaching the expiration of the useful life of the Capital Asset, the State may ask the Grantee to provide written notice to the State.

E.10. Vehicle Disposal Process and Proceeds. The Grantee shall adhere to the disposal process described in the State Management Plan for Federal Transit Administration (FTA) Programs of the Tennessee Department of Transportation on file with the FTA, subject to the following exception pursuant to the Infrastructure Investment and Jobs Act (IIJA), 49 U.S.C. § 5334 (h)(4)(8): For rolling stock, equipment, and aggregate supplies that have met their minimum useful life and were (1) purchased with federal assistance, (2) with a fair market value of more than \$5,000, and (3) were sold after November 15, 2021, the Grantee may retain only a portion of the funds, in the amount of \$5,000 plus the percentage of the amount over \$5,000 that is proportional to the percentage of the State's share and the percentage of the local share in the original award. Any remaining federal share must be returned to the FTA and cannot be retained for public transportation use. If this Grant Contract includes federal funds, then the Grantee shall return any such remaining federal share to the State, and the State then will return the funds to FTA.

E.11. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.

E.12. Title VI Compliance. Grantee shall comply with requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-1, pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Office, by completing all of the following items:

- a. Provide name and contact information of Grantee's Title VI Coordinator to State.
- b. Ensure Policies and Procedures Manual contains a Title VI section with information on:
(a) Filing a complaint; (b) Investigations; (c) Report of findings; (d) Hearings and appeals; (e) Description of Title VI Training Program; (f) Limited English Proficiency (LEP) procedure; and (g) Retaliation.
- c. Train all staff (regular, contract, volunteer) on Title VI upon employment and annually thereafter. Training documentation shall be made available upon request of State, and include: 1) dates and duration of each training; 2) list of staff completing training on each date.
- d. Annually complete and submit a Title VI self-survey as supplied by State.
- e. Implement a process and provide documentation to ensure service recipients are informed of Title VI and how to file a discrimination complaint.

Additional Title VI resources may be found at [Title VI Program \(tn.gov\)](https://www.tn.gov).

[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 mayor is authorized to execute any and all documents 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 V. 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 VI. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 19th day of May, 2026.


PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

 GOVERNMENTAL GRANT CONTRACT (cost reimbursement grant contract with a federal or Tennessee local governmental entity or their agents and instrumentalities)					
Begin Date 1/1/2026		End Date 12/31/2030		Agency Tracking # 40100-51419	
Edison ID 86772					
Grantee Legal Entity Name City of Kingsport					Edison Vendor ID 1562
Subrecipient or Recipient <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Recipient		Assistance Listing Number			
		Grantee's fiscal year end June 30			
Service Caption (one line only) FFY 2021 – 5307 Urbanized Area Program – Capital Assistance					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Grant Contract Amount
2026	\$4,601.00				\$4,601.00
TOTAL:	\$4,601.00				\$4,601.00
Grantee Selection Process Summary					
<input type="checkbox"/> Competitive Selection		Describe the competitive selection process used.			
<input checked="" type="checkbox"/> Non-competitive Selection		Recipients apply directly to the Federal Transit Administration (FTA) for Section 5307 funds. Once their application has been approved by the FTA, recipients submit a request to TDOT Division of Passenger Transportation, Freight, & Rail for matching funds.			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>CPO USE - GG</i>	
				Z-26-5307-17	
Speed Chart (optional)		Account Code (optional) 71302000			

Address # 1

**GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
CITY OF KINGSPORT**

This grant contract ("Grant Contract"), by and between the State of Tennessee, Department of Transportation hereinafter referred to as the "State" or the "Grantor State Agency" and Grantee City of Kingsport, hereinafter referred to as the "Grantee," is for the provision of capital assistance, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

Grantee Edison Vendor ID # 1562

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.
- A.2. The Grantee shall provide all services and deliverables as described in their 49 U.S.C. § 5307 Program application submitted to and as approved by Federal Transit Administration (FTA), incorporated by reference.
- A.3. The Grantee shall abide by the provisions of 49 U.S.C. § 5307 and FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance," to receive State funds to urbanized areas for transit capital assistance, and for transportation related planning. Specifically, the funds will be used for capital assistance as detailed in 49 U.S.C. § 5307 and FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance."
- A.4. "Capital Projects" means those projects as defined in FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance," Chapter IV.
- A.5. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.
- a. this Grant Contract document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
 - b. the Grantee's 49 U.S.C. § 5307 Program application submitted to and as approved by the FTA; and
 - c. FTA Circular C 9050.1A "Urbanized Areas Formula Grant Programs Guidance", or the most recently FTA approved updated circular.

B. TERM OF CONTRACT:

This Grant Contract shall be effective for the period beginning on January 1, 2026 ("Effective Date") and ending on December 31, 2030, ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Four Thousand, Six Hundred One Dollars and No Cents (\$4,601.00) ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment One is the maximum

amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

- C.2. Compensation Firm. The Maximum Liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.
- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

Tennessee Department of Transportation
Public Transportation Section
Division of Passenger Transportation, Rail & Freight
312 Rosa L Parks Ave – Tennessee Tower – 10th Floor
Nashville, Tennessee 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
- (1) Invoice/Reference Number (assigned by the Grantee).
 - (2) Invoice Date.
 - (3) Invoice Period (to which the reimbursement request is applicable).
 - (4) Grant Contract Number (assigned by the State).
 - (5) Grantor: Tennessee Department of Transportation, Division of Passenger Transportation, Rail & Freight.
 - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
 - (7) Grantee Name.
 - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
 - (9) Grantee Remittance Address.
 - (10) Grantee Contact for Invoice Questions (name, phone, or fax).
 - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:
 - i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
 - ii. The amount reimbursed by Grant Budget line-item to date.
 - iii. The total amount reimbursed under the Grant Contract to date.
 - iv. The total amount requested (all line-items) for the Invoice Period.
- b. The Grantee understands and agrees to all of the following.

- (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
- (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
- (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- (4) **Invoice Reimbursement Calculation** – Invoice reimbursement amounts are based on total contract life-to-date expenses by budget detail activity line. Activity federal and state share percentages are applied to detail activity line expenses to determine reimbursement amounts.
Federal Reimbursement Calculation – The federal share percentage, if any, is used to determine the amount of the federal share reimbursement.
 - The federal share percentage is applied to the total contract life-to-date expense amount, and the result rounded down to the next whole dollar to determine the federal life-to-date reimbursement amount.
 - The federal current period reimbursement amount is determined by subtracting the federal previous period life-to-date reimbursement amount from the federal current period life-to-date reimbursement amount.**State Reimbursement Calculation** – The state share percentage is used to determine the amount of the state share reimbursement.
 - The remaining state share percentage is calculated as the ratio of the state percentage to the combined total of the state and local share percentages (the remaining share percentage). In programs or activities without a federal share, the remaining share percentage is 100%.
 - The remaining state share percentage is applied to the remaining total contract life-to-date expense amount, and the result rounded down to the next whole dollar to determine the state life-to-date reimbursement amount. The remaining total contract life-to-date expense amount is the amount left after subtracting the federal life-to-date reimbursement amount from the total contract life-to-date expense amount.
 - The state current period reimbursement amount is determined by subtracting the state previous period life-to-date reimbursement amount from the state current period life-to-date reimbursement amount.**Budget Reconciliation** – If total program expenses reach the contract's budgeted line-item amount, any shortfall in the calculated federal or state reimbursement amounts is adjusted to match the budgeted federal or state share amount.
Department Override – In rare instances share amount calculations of the state and federal share amounts create rounding issues not anticipated by template formulas. In those circumstances an override in the calculation can be processed with the grantor approval. These adjustments can be additional small amounts up or down and can involve timing differences.

- C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within ninety (90) days of the Grant Contract end date, in form and substance acceptable to the State.
- a. The Grant Budget specifies a Grantee Match Requirement and the final grant disbursement reconciliation report shall detail all Grantee expenditures recorded to meet this requirement.
 - i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant contract with the State.
 - ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.
 - b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
 - c. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.
 - d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
 - e. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Central Procurement Office Policy Statement 2013-007 or any amendments or revisions made to this policy statement during the Term.

- C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or related matter. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.12. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.
- C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.
- a. The Grantee shall complete, sign, and return to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").
 - b. The Grantee shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate this Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the exercise of the State's right to terminate this Grant Contract for cause, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
 - c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The State:

Brenden Henderson, Transit Grants Financial Analyst
 Office of Grants Administration
 Public Transportation Section
 Division of Passenger Transportation, Rail & Freight
 William R. Snodgrass – Tennessee Tower – 10th Floor
 312 Rosa L Parks Avenue
 Nashville, Tennessee 37243
 Brenden.henderson@tn.gov
 Phone: (615) 253-4942
 Fax: (615) 253-1482

The Grantee:

Chris Campbell, AICP, Public Transportation Manager
 City of Kingsport, Kingsport Area Transit Service
 900 East Main Street
 Kingsport, Tennessee 37660
 chriscampbell@kingsporttn.gov
 Phone: (423) 224-2857
 Fax: (423) 224-2615

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.10. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. As applicable, the State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.
- a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.

- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.
- D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:
- NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454.
- The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.
- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a grant contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.
- D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

- D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.
- D.19. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.
- At least ninety (90) days before the end of its fiscal year, the Grantee shall complete the Information for Audit Purposes ("IAP") form online (accessible through the Edison Supplier portal) to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed form online during the Grantee's fiscal year. Immediately after the fiscal year has ended, the Grantee shall fill out the End of Fiscal Year ("EOFY") (accessible through the Edison Supplier portal).
- When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.
- D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which

reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.317—200.327 when procuring property and services under a federal award.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

For purposes of this Grant Contract, the term “equipment” shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds ten thousand dollars (\$10,000.00).

- D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant Contract is not a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.
- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- D.23. Limitation of State’s Liability. The State shall have no liability except as specifically provided in this Grant Contract. In no event will the State be liable to the Grantee or any other party for any lost revenues, lost profits, loss of business, loss of grant funding, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Grant Contract or otherwise. The State’s total liability under this Grant Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability originally established in Section C.1 of this Grant Contract. This limitation of liability is cumulative and not per incident.
- D.24. Force Majeure. “Force Majeure Event” means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee’s representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event

results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

- D.25. Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.
- D.26. **Reserved.**
- D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds ten thousand dollars (\$10,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and

inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Vehicle identification number;
- c. Manufacturer's serial number or other identification number, when applicable;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment or motor vehicles is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

- D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-408.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions

agreed to by the parties. This Grant Contract supersedes any and all prior understandings, representations, negotiations, or agreements between the parties, whether written or oral.

- D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.33. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Grant Contract. The Grantee certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.34. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.35. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with the requirements of this Grant Contract and applicable state and federal law. All material, information, and data regardless of form, medium, or method of communication, that the Grantee will have access to, acquire, or is provided to the Grantee by the State or acquired by the Grantee on behalf of the State shall be regarded as "Confidential Information." The State grants the Grantee a limited license to use the Confidential Information but only to perform its obligations under the Grant Contract. Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required under state or federal law or otherwise authorized in writing by the State. Grantee shall take all

necessary steps to safeguard the confidentiality of such Confidential Information in conformance with the requirements of this Grant Contract and with applicable state and federal law.

As long as the Grantee maintains State Confidential Information, the obligations set forth in this Section shall survive the termination of this Grant Contract.

- D.36. State Sponsored Insurance Plan Enrollment. The Grantee warrants that it will not enroll or permit its employees, officials, or employees of contractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with Grantee unless Grantee first demonstrates to the satisfaction of the Department of Finance and Administration that it and any contract entity satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.
- E.2. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).
- E.3. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.
- E.4. Personally Identifiable Information. While performing its obligations under this Grant Contract, Grantee may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Grant Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Grantee agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Grantee shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Grantee and in accordance with this Grant Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Grantee shall immediately notify State: (1) of any disclosure or use of any PII by Grantee or any of its employees, agents and representatives in breach of this Grant Contract; and (2) of any disclosure of any PII to Grantee or its employees, agents and representatives where the purpose of such disclosure is not known to Grantee or its employees, agents and representatives. The State reserves the right to review Grantee's policies and procedures used to maintain the security and confidentiality of PII and Grantee shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Grantee is in full compliance with its obligations under

this Grant Contract in relation to PII. Upon termination or expiration of the Grant Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Grantee shall immediately return to the State any and all PII which it has received under this Grant Contract and shall destroy all records of such PII.

The Grantee shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Grantee ("Unauthorized Disclosure") that come to the Grantee's attention. Any such report shall be made by the Grantee within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Grantee. Grantee shall take all necessary measures to halt any further Unauthorized Disclosures. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Grantee shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Grant Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Grant Contract.

E.5. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

E.6. T.C.A. Section 13-10-107 Compliance.

- 1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");
- 2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;
- 3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and
- 4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.7. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.8. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.9. Capital Asset. The Grantee shall:

- (a) Use one or more vehicles, equipment, or facilities ("Capital Asset") acquired under this Grant Contract only for the purposes and the manner set forth in the Grantee's application.

- (b) Certify at the beginning of each calendar year, that the Capital Asset acquired under this Grant Contract is still being used in accordance with the terms and provisions of this Grant Contract.
- (c) Pay all fees on the Capital Asset acquired through this Grant Contract, including but not limited to title and registration fees.
- (d) Be responsible for all costs and expenses related to the operation, maintenance, and repair of the Capital Asset acquired through this Grant Contract.
- (e) Provide licensed drivers, as required by the Tennessee Department of Safety and Homeland Security, for operation of all vehicles or equipment received under this Grant Contract.
- (f) Carry insurance on Capital Assets sufficient to cover the State interest, and the Federal interest if applicable, in the Capital Asset.
 - 1. If the Grantee is governed by the Tennessee Governmental Tort Liability Act (Tenn. Code Ann. § 29-20-101 et seq.), then the following insurance coverage is required:
 - a) Bodily injury or death of any one person in any one accident, occurrence or act at a minimum of \$300,000.00 per person.
 - b) Bodily injury or death of all persons in any one accident, occurrence or act at a minimum of \$700,000.00 per accident.
 - c) Injury to or destruction of property of others in any one accident at a minimum of \$100,000.00.
 - 2. If the Grantee is not governed by the Tennessee Governmental Tort Liability Act, then the following insurance coverage is required:
 - a) Personal Injury Liability – minimum of \$300,000.00 per person and \$1,000,000.00 per incident.
 - b) Property Damage Liability – minimum of \$300,000.00 per incident.
 - c) Comprehensive – maximum deductible of \$500.00.
 - d) Collision – maximum deductible of \$500.00.
 - e) Uninsured Motorist – minimum of \$50,000.00 per person and \$100,000.00 per incident.
 - 3. Additionally, if applicable, the Grantee shall comply with the provisions of Section 102(a) of the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4012a(a), with respect to any project activity involving construction or an acquisition having an insurable cost of \$10,000.00 or more.

This insurance shall be in effect at all times while the Capital Asset is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the Capital Asset is delivered to the Grantee and annually on the anniversary date of the delivery of the Capital Asset. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of the Capital Asset.

- (g) Ensure that any vehicles received under this Grant Contract will comply with the Federal Motor Vehicle Safety Standards (“FMVSS”) as established by the United States Department of Transportation.
- (h) Ensure that any Capital Asset received under this Grant Contract shall be used for not less than the useful life, except with the State’s prior written approval. The useful life of all Capital Assets purchased under the Grant Contract is as listed in the grant document filed with the

Federal Transit Administration (“FTA”). Upon reaching the expiration of the useful life of the Capital Asset, the State may ask the Grantee to provide written notice to the State.

- E.10. Vehicle Disposal Process and Proceeds. The Grantee shall adhere to the disposal process described in the State Management Plan for Federal Transit Administration (FTA) Programs of the Tennessee Department of Transportation on file with the FTA, subject to the following exception pursuant to the Infrastructure Investment and Jobs Act (IIJA), 49 U.S.C. § 5334 (h)(4)(8): For rolling stock, equipment, and aggregate supplies that have met their minimum useful life and were (1) purchased with federal assistance, (2) with a fair market value of more than \$5,000, and (3) were sold after November 15, 2021, the Grantee may retain only a portion of the funds, in the amount of \$5,000 plus the percentage of the amount over \$5,000 that is proportional to the percentage of the State’s share and the percentage of the local share in the original award. Any remaining federal share must be returned to the FTA and cannot be retained for public transportation use. If this Grant Contract includes federal funds, then the Grantee shall return any such remaining federal share to the State, and the State then will return the funds to FTA.
- E.11. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.
- E.12. Title VI Compliance. Grantee shall comply with requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-1, pursuant to the guidelines established by the Tennessee Human Rights Commission’s Title VI Compliance Office, by completing all of the following items:
- a. Provide name and contact information of Grantee’s Title VI Coordinator to State.
 - b. Ensure Policies and Procedures Manual contains a Title VI section with information on: (a) Filing a complaint; (b) Investigations; (c) Report of findings; (d) Hearings and appeals; (e) Description of Title VI Training Program; (f) Limited English Proficiency (LEP) procedure; and (g) Retaliation.
 - c. Train all staff (regular, contract, volunteer) on Title VI upon employment and annually thereafter. Training documentation shall be made available upon request of State, and include: 1) dates and duration of each training; 2) list of staff completing training on each date.
 - d. Annually complete and submit a Title VI self-survey as supplied by State.
 - e. Implement a process and provide documentation to ensure service recipients are informed of Title VI and how to file a discrimination complaint.

Additional Title VI resources may be found at [Title VI Program \(tn.gov\)](https://www.tn.gov).

IN WITNESS WHEREOF,

CITY OF KINGSPORT:

PAUL MONTGOMERY, MAYOR

DATE

BART ROWLETT, CITY ATTORNEY

DATE

ANGELA MARSHALL, CITY RECORDER

DATE

DEPARTMENT OF TRANSPORTATION:

WILL REID, COMMISSIONER

DATE

**LESLIE SOUTH, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY**

DATE

ATTACHMENT ONE

Grantee	City of Kingsport						
Contract Type	DGA						
Sum of Amount	Column Labels						
	<input type="checkbox"/> Contract <input type="checkbox"/> Cash <input type="checkbox"/> State	Contract Total	<input type="checkbox"/> Grantee <input type="checkbox"/> Cash Federal Local	Grantee Total	Grand Total		
Row Labels							
<input type="checkbox"/> PROJECT: 825307S3037		\$4,601.00	\$4,601.00	\$36,808.00	\$4,601.00	\$41,409.00	\$46,010.00
<input type="checkbox"/> GRANT: TN2021031		\$4,601.00	\$4,601.00	\$36,808.00	\$4,601.00	\$41,409.00	\$46,010.00
<input type="checkbox"/> PROGRAM: 5307							
<input type="checkbox"/> 00 Capital (110-00) CAPITAL ASSISTANCE (S0)		\$4,601.00	\$4,601.00	\$36,808.00	\$4,601.00	\$41,409.00	\$46,010.00
11.00.S0 CAPITAL ASSISTANCE, NON-ADA - TDOT		\$4,601.00	\$4,601.00	\$36,808.00	\$4,601.00	\$41,409.00	\$46,010.00
Grand Total		\$4,601.00	\$4,601.00	\$36,808.00	\$4,601.00	\$41,409.00	\$46,010.00

Item X10.



AGENDA ACTION FORM

Consideration of a Resolution to Approve a Lease Agreement with VisitKingsport for Hunter Wright Stadium

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

Action Form No.: AF-161-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Committee
Presentation By: Michael T. Borders

Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities

Recommendation:
Approve the Resolution

Executive Summary:
If approved the City will enter into a lease for Hunter Wright Stadium with the Kingsport Convention and Visitor’s Bureau (VisitKingsport) for a period of five years.

VisitKingsport has leased Hunter Wright Stadium from the City of Kingsport since 2010. VisitKingsport desires to enter into an agreement for the next 5 years, expiring 2031. This lease allows VisitKingsport to sublease, with the City’s consent, the stadium to BOYD Sports for the operation of the VisitKingsport owned Axmen wood bat league team. The lease also allows the use of the premises for other activities at the written consent of the City.

VisitKingsport’s lease is one dollar annually. VisitKingsport is responsible for day-to-day cleaning and sanitary tasks with the City being responsible for utilities and general maintenance of the facility.

In 2025 the Axmen hosted 25 home games with total attendance of 45,243 and average attendance of 1,885.

Attachments:
1. Resolution

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE WITH THE KINGSPORT CONVENTION AND VISITORS BUREAU FOR HUNTER WRIGHT STADIUM AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, since January, 2010, the Kingsport Convention and Visitors Bureau (KCVB) has leased the Hunter Wright Stadium from the city; and

WHEREAS, the term of the prior lease has expired; and

WHEREAS, the city would like to enter into a new lease with KCVB for a term of five years; and

WHEREAS, the lease will permit KCVB to make improvements to the stadium property upon consultation with and written authorization from the board.

Now therefore,

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

SECTION I. That a lease with the Kingsport Convention and Visitors Bureau for Hunter Wright Stadium 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 lease with Kingsport Convention and Visitors Bureau for Hunter Wright Stadium and all other documents necessary and proper, and to take such acts as necessary, to effectuate the purpose of the lease agreement or this resolution, said lease being generally as follows:

LEASE

This Lease entered into the date of the acknowledgement of the CITY by and between the City of Kingsport, a Tennessee municipal corporation, (herein CITY) and THE GREATER KINGSPORT AREA CHAMBER OF COMMERCE, INC. for its KINGSPORT CONVENTION AND VISITORS BUREAU program (herein KCVB).

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and mutual covenants of the parties contained herein the parties agree as follows:

SECTION 1. PREMISES. CITY, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the KCVB, does hereby lease to the KCVB and the KCVB does hereby lease from CITY the Hunter Wright Stadium (herein "Premises") in Kingsport, Tennessee and all improvements located thereon from CITY, which is the property shown inside the area shown outlined in red and designated as "Stadium Boundary" on Exhibit A attached hereto and incorporated herein by reference.

SECTION 2. LEASE TERM. The term of this Lease shall begin on _____, 2026, at noon and shall terminate on _____ 2031, at noon, unless sooner terminated as herein provided. The parties may by mutual agreement extend the term of this Lease for a period of up to five (5) years upon the terms, covenants and conditions agreed to by the parties. KCVB may exercise such right to extend the term upon written notice to CITY at least thirty (30) days prior to the expiration of the

initial term of the Lease. Either party may, for its own convenience terminate this Lease on ninety (90) days notice to the other party. Such termination shall not be a breach of this Lease.

SECTION 3. RENT. KCVB shall pay to CITY, without demand or deduction, in U.S. dollars rent as follows:

Year 1: \$1

Year 2: \$1

Year 3: \$1

Year 4: \$1

Year 5: \$1

The rent is payable in advance in equally monthly installments on the first day of each calendar month, without offset or deduction. The first monthly payment, plus an appropriate fraction of a monthly payment for any portion of a month at the commencement of the lease term, shall be made upon KCVB's execution of this Lease. All payments shall be made to CITY at City of Kingsport, 225 West Center Street, Kingsport, Tennessee 37660, Attention: Chief Financial Officer, or at such other place as is designated in writing by CITY. It is the intention of CITY and KCVB that the rent herein specified shall be strictly net to CITY and that all taxes, insurance premiums, utilities, maintenance and repairs, and all other costs, charges, expenses, and obligations of every kind relating to the Premises which may arise or become due during the term of this Lease shall be paid by KCVB and the CITY shall be indemnified by KCVB and is hereby so indemnified by KCVB against such costs, charges, expenses, and obligations.

SECTION 4. USE OF PREMISES. KCVB shall use the Premises solely for the wooden bat league affiliated with Major League Baseball, amateur and professional baseball. KCVB may allow other activities upon written consent of CITY. CITY may withhold consent if in the sole opinion of CITY the activity may compromise the condition of the playing field or other reason satisfactory to CITY, provided however horse shows, rodeos, and football games are not permitted. KCVB agrees not to use the Premises in any way that may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, regulation, ordinance, or bylaw.

SECTION 5. UTILITIES. During the term of this Lease, CITY shall be responsible for the payment of any and all utilities of the Premises, including, but not limited to, gas, electric, telephone, cable and any service fees required for the installation of these utilities. CITY shall also be solely responsible for the payment of any and all water bills, sewer bills, and garbage collection costs concerning the Premises.

SECTION 6. CLEAN AND SANITARY CONDITION. During the term of the Lease, CITY shall keep and maintain the Premises and the surrounding area in a clean and sanitary condition at all times, free of all garbage and debris. All garbage and similar debris shall be deposited by KCVB in facilities specifically for garbage collection. KCVB shall further comply with all local ordinances and regulations imposed by CITY relating to maintaining the Premises in a clean and sanitary condition and collection of garbage and similar debris.

SECTION 7. MAINTENANCE. Except for the obligation of other parties to maintain certain parts of the Premises during their use of the Premises or damages caused by KCVB or those who use the Premises through KCVB, it shall be CITY'S responsibility to keep and maintain the Premises in good condition and repair, reasonable wear and tear excepted, at all times during the term of the Lease. KCVB agrees to pay for and be responsible for any additional maintenance needed if KCVB uses the Premises after a date set by CITY to cease use of the Premises in preparation for the wooden bat league.

SECTION 8. COMPLIANCE WITH APPLICABLE LAWS. Throughout the term of this Lease, KCVB shall, at its sole cost and expense, comply with all present and future laws, statutes, codes, ordinances, rules, and regulations of the federal government, state of Tennessee, or City of Kingsport, restrictive covenants, and all orders, decrees, and like actions of any court of competent jurisdiction which may be applicable to the Premises.

SECTION 9. IMPROVEMENTS AND ALTERATIONS. Subject to the terms and conditions contained in this Lease, KCVB may from time to time erect additional structures and make other improvements to the Premises. Prior to the commencement of any improvements, KCVB will provide CITY with a written proposal detailing the planned improvements and will request CITY's written approval thereof, which approval shall be in the CITY's sole and exclusive discretion. Approval by CITY is for its sole and exclusive purpose and KCVB will rely on such approval for any purpose other than as permission to make such improvement. KCVB, in conjunction with the CITY, agrees that CITY will have no responsibility for maintenance and repair of improvements placed upon the Premises and that KCVB will insure that all improvements are maintained, in a safe, neat and orderly condition at all times. KCVB shall be responsible for obtaining all applicable permits, authorizations and licenses prior to making any improvements, and all work related to the improvements shall be performed in compliance with applicable laws, ordinances, and regulations. Additionally, KCVB shall have the

right, at its sole expense, from time to time, to redecorate the Premises and to make such non-structural alterations and changes in such parts thereof as KCVB shall deem expedient or necessary for its purposes; provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Premises and shall otherwise comply with the requirements of this Lease. KCVB agrees to pay promptly when due the entire cost of any work done by it upon the Premises so that the Premises at all times shall be free of liens for labor and materials. KCVB further agrees that in doing such work that it shall employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner. KCVB agrees that it shall procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable.

SECTION 10. SURRENDER OF PREMISES. On the expiration or earlier termination of this Lease pursuant to its terms, KCVB shall peaceably and quietly leave and surrender the Premises to CITY, in good order, condition and repair, broom clean, reasonable wear and tear excepted and free and clear of all liens

SECTION 11. TAXES. KCVB, in addition to the rent provided herein, shall pay to CITY as additional rent any and all real estate taxes, assessments, and other governmental levies and charges, general and special, ordinary or extraordinary, unforeseen or foreseen, of any kind which are assessed against or imposed in respect of the Premises.

SECTION 12. CONDITION OF PREMISES. KCVB has examined the Premises and accepts the same in its present state and condition without any representations or warranties, express or implied, in fact or in law, by CITY as to the nature, condition or usability thereof, or as to the use or uses to which the Premises may be put.

SECTION 13. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the Premises, be substantially damaged by fire or other casualty, or be taken by eminent domain, CITY may elect to terminate this Lease. When such fire, casualty or taking renders the Premises substantially unsuitable for its intended use, a proportionate abatement of rent shall be made, and KCVB may elect to terminate this Lease if: (a) CITY fails to give written notice within 30 days after said fire, casualty or taking of its intention to restore the Premises; or (b) CITY fails to restore the Premises to a condition substantially suitable for its intended use within 90 days after said fire, casualty or taking. Notwithstanding the foregoing, in the event of damage by fire or other casualty resulting from the carelessness, negligence, or intentional, or other improper conduct of KCVB, its agents, employees, contractors or others acting on its behalf, or from the carelessness, negligence, or intentional or other conduct of KCVB's customers, guest or visitors, KCVB shall have the full liability and responsibility for repairing and/or rebuilding from such casualty loss and for other damages and losses incurred by CITY. CITY reserves all rights for damages or injury to the Premises for any taking by eminent domain, except for damage to KCVB's property or equipment.

SECTION 14. FIRE INSURANCE. KCVB shall not permit any use of the Premises which shall adversely affect or make voidable any insurance on the property of which the Premises are a part, or on the contents of said property, or which shall be contrary to any law, regulation or recommendation made by the state fire prevention agency, local fire department, CITY's insurer or any similar entity. KCVB shall on demand reimburse CITY all extra insurance premiums caused by KCVB's use of the Premises. KCVB shall not vacate the Premises or permit same to be unoccupied other than during KCVB's customary non-business days or hours, or cause or allow the utilities serving the Premises to be terminated.

SECTION 15. SIGNS. KCVB shall not place or permit to be placed, any sign or signboards on the exterior or interior of the Premises unless they are in conformity with all applicable laws. The cost for all signs shall be borne by KCVB.

SECTION 16. ASSIGNMENT OR SUBLEASE. KCVB may not assign this Lease, sublet the Premises, in whole or in part, or allow another entity or individual to occupy the whole or any part of the Premises, without CITY's prior written consent, which may be withheld for any or no reason. If KCVB notifies CITY in writing of its desire to assign this Lease or sublet the Premises, CITY shall have the option to terminate this Lease, at an effective date to be determined by CITY, upon written notice to KCVB. Notwithstanding CITY's consent to any assignment or sublease, KCVB and GUARANTOR shall remain liable to CITY for the payment of all rent and for the full performance of all covenants and conditions of this Lease. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law.

SECTION 17. CITY'S ACCESS. CITY, its agents and designates, may examine and inspect the Premises at reasonable times and KCVB shall provide CITY, if not already available, with a set of keys for the purpose of said examination, provided that CITY shall not thereby unreasonably interfere with the conduct of the KCVB's business. KCVB shall permit CITY to enter the Premises to inspect such repairs, improvements, alterations or additions thereto as may be required under the provisions of this Lease. CITY, its agents and designates, may at any reasonable time enter to show the

Premises to others without creating any obligation or liability for CITY. In the event of an emergency, CITY, its agents and other representatives, may enter at any time, without notice and without the presence of KCVB. No compensation shall be asked or claim made by KCVB by reason of any inconvenience or annoyance arising from anything that may be done in repairing, altering, working on or protecting the Premises or building, however the necessity may arise, but this Section 17 shall not be construed as imposing any duty on CITY to make any repairs, alterations or additions.

SECTION 18. LIABILITY. KCVB shall, and does hereby, assume all risk of loss or injury to the property or person of all persons at any time coming upon the Premises during the term of this Lease. KCVB shall be solely responsible as between CITY and KCVB for deaths or personal injuries to all persons and damage to any property, including damage by fire or other casualty, occurring in or on the Premises and arising out of the use, control, condition or occupancy of the Premises by KCVB, except for death, personal injuries or property damage directly resulting from the sole negligence of CITY. KCVB agrees to indemnify and hold harmless CITY from claims and any and all liability, including but not limited to costs, expenses, damages, causes of action, claims, judgments and attorney's fees caused by or in any way arising out of any of the aforesaid matters.

SECTION 19. INSURANCE. KCVB shall, during the entire term of this Lease, keep in full force and effect at its own expense the following insurance:

(a) Comprehensive General Liability Coverage. At all times during the Term of this Lease, KCVB shall maintain in full force and effect policies of contractual and comprehensive general liability insurance, including public liability and broad form property damage, for not less than \$1,000,000 for each occurrence involving bodily injury (including death), and \$1,000,000 for each occurrence involving damage to property. Such policy or policies shall name CITY as an additional insured thereunder. All of such insurance shall insure the performance by KCVB of its indemnity agreement as to liability for injury to or death of persons and injury or damage to property. All of such insurance shall be primary and noncontributing with any insurance which may be carried by CITY and shall contain a provision that CITY, named or not named as an insured, shall nevertheless be entitled to recover under said policy for any loss, injury or damage to CITY, its agents, and employees or the property of such persons, by reason of the negligence of KCVB. Such policy shall expressly provide that such policy shall not be canceled or altered without thirty (30) days prior written notice to CITY. CITY shall be named as an additional insured on all such policies.

(b) Fire and Casualty Insurance. At all times during the term of this Lease, KCVB shall maintain, at its cost and expense, broad form all-risk casualty insurance (with appropriate endorsements for risks or perils ordinarily included in the CITY's policy) insuring the improvements on the Premises. CITY shall be named as an additional insured in all such policies. The policies shall permit the insurance proceeds collected upon all such policies of insurance to be used to restore the improvements on the Premises so damaged or destroyed. KCVB further agrees that each such policy of insurance, and all other policies of insurance on the Premises, including, without in any way limiting the generality of the foregoing, workmen's compensation, general liability and business interruption insurance which shall be obtained by KCVB, whether required by the provisions of this Lease or not, shall be made expressly subject to the provisions of this Section 19, and shall provide (to the extent such a waiver can be obtained) that KCVB's insurers thereunder waive any right of subrogation against CITY. All such policies shall provide that the same may not be canceled or altered without thirty (30) days prior written notice to the CITY. The said "full insurable value" shall be determined at the time the fire and extended coverage insurance is initially taken out.

(c) Additional Insured Endorsement(s). As of the commencement of this Lease, KCVB shall provide CITY with certified copies of additional insured endorsement(s) complying with the coverage requirements herein. Should KCVB fail to obtain, pay for, or maintain any required insurance, such shall constitute a material breach, and CITY may immediately terminate or suspend this Agreement. Upon written request of CITY, KCVB agrees to provide certified copies of any or all insurance policies, including declaration pages, required herein, within thirty (30) days of such request.

(d) All insurance provided for in this Section 19, and all renewals thereof, shall be issued by responsible insurance companies authorized to do business in the State of Tennessee. If any insurer which has issued a policy of insurance required pursuant to this Lease becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding, KCVB shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meets the requirements of this Lease.

(e) KCVB's Release. KCVB hereby releases CITY from any and all liability and responsibility to anyone claiming any loss or damage to property arising from a risk insured against under the insurance required to be carried by KCVB. To the extent obtainable, KCVB's insurance policies shall include appropriate clauses waiving all rights of subrogation against CITY to KCVB, with respect to losses payable under such policies.

(f) Use of Proceeds. Any Casualty Insurance Proceeds paid under any insurance policy of the character described in Section 19(b) shall be used to pay for the cost to Restore the Improvements so damaged or destroyed.

(g) Blanket Insurance. Nothing in this Section 19 shall prevent KCVB from taking out insurance of the kind and in the amounts provided for under Sections 19(a) and 19(b) under a blanket insurance policy or policies which can cover other improvements on the Premises.

SECTION 20. DEFAULT AND ACCELERATION OF RENT. In the event that (a) any assignment for the benefit of creditors, trust mortgage, receivership or other insolvency proceeding shall be made or instituted with respect to KCVB or KCVB's property or (b) KCVB shall default in the observance or performance of any of KCVB's covenants, agreements or obligations hereunder and such default shall not be corrected within 10 days after written notice thereof, then CITY shall have the right thereafter, while such default continues and without demand or further notice, to re-enter and take possession of the Premises, to declare the term of this Lease ended, and/or to remove KCVB's effects, without being guilty of trespass or conversion, and without prejudice to any remedies which might be otherwise used for arrears of rent or other default or breach of the Lease. If KCVB defaults in the payment of the security deposit, rent, taxes or substantial invoice from CITY or CITY's agent, and such default continues for 10 days after written notice thereof, and, because both parties agree that nonpayment of said sums when due is a substantial breach of the Lease, and, because the payment of rent in monthly installments is for the sole benefit and convenience of KCVB, then, in addition to any other remedies, the net present value of the entire balance of rent due hereunder as of the date of CITY's notice, using the published prime rate then in effect, shall immediately become due and payable as liquidated damages. No actions taken by CITY under this Section 20 shall terminate KCVB's obligation to pay rent under this Lease, as liquidated damages or otherwise. Any sums received by CITY from or on behalf of KCVB at any time shall be applied first to offset any unpaid invoice or other payment due to CITY and then to unpaid rent. KCVB shall pay any invoice within 10 days after receipt. If any rent and/or other payment is not received by CITY when due, then KCVB shall pay CITY a late charge for each past due payment equal to one percent of such overdue amount or \$35, whichever is greater. KCVB shall also pay CITY interest at the rate of 18 percent per annum on any past due payment. In addition to the foregoing, if after default, a debt collector or an attorney (including any attorney of the Office of the City Attorney of CITY) is employed or directed to collect or enforce the monetary or other obligations evidenced by this Lease or to assist CITY in connection with its exercise of any right, power, privilege, or remedy referred to herein, the parties hereby agree that the KCVB shall pay promptly all costs incurred by CITY with respect to collection or enforcement including reasonable attorney's fees and court costs.

SECTION 21. WASTE OR NUISANCE. KCVB shall not commit or suffer to be committed any waste upon the Premises, and KCVB shall not use or permit the use of any medium that might constitute a nuisance.

SECTION 22. NOTICE. Any notice from CITY to KCVB relating to the Premises or this Lease shall be deemed duly served when left at the Premises, or served by constable, or sent to the Premises or to the last address designated by notice in accordance with this Section 22, by certified or registered mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to KCVB. Any notice from KCVB to CITY relating to the Premises or this Lease shall be deemed duly served when served by constable, or delivered to CITY by certified mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to CITY at 225 West Center Street, Kingsport, Tennessee 37660, Attention City Attorney or at CITY's last designated address. No oral notice or representation shall have any force or effect. Time is of the essence in the service of any notice.

SECTION 23. OCCUPANCY. If KCVB takes possession of the Premises prior to the start of the lease term, KCVB shall perform and observe all of its covenants under this Lease from the date upon which it takes possession. If KCVB continues to occupy, control or encumber all or any part of the Premises after the termination of this Lease without the written permission of CITY, KCVB shall be liable to CITY for any and all loss, damages or expenses incurred by CITY, and all terms of this Lease shall continue to apply, except that use and occupancy payments shall be due in full monthly installments at a rate which shall be two times the greater of the monthly rent due under this Lease immediately prior to termination or CITY's then current published rent for the Premises, it being understood that such extended occupancy is a tenancy at sufferance, solely for the benefit and convenience of KCVB and of greater rental value. KCVB's control, occupancy or encumbrance of all or any part of the Premises beyond noon on the last day of any monthly rental period shall constitute KCVB's occupancy for an entire additional month, and increased payment as provided in this Section 23 shall be due and payable immediately in advance. CITY's acceptance of any payments from KCVB during such extended occupancy shall not alter KCVB's status as a tenant at sufferance. CITY may require KCVB to relocate to another similar facility at any time during the lease term upon prior written notice

to KCVB and on terms comparable to those herein, and KCVB shall be liable to CITY for any loss, damages or expenses incurred by CITY if KCVB fails to relocate as required herein.

SECTION 24. FIRE PREVENTION. KCVB agrees to use every reasonable precaution against fire, to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment and exit signs, and to complete any other modifications within the Premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local fire department, CITY's insurer or any similar entity.

SECTION 25. ENVIRONMENTAL MATTERS. The term "hazardous substances," as used herein shall mean pollutants, contaminants, toxic or hazardous wastes or any other substances the use and/or the removal of which is restricted, prohibited, or penalized by any "environment law," which term shall mean any federal, state or local law, ordinance or other statute of a governmental authority relating to pollution or protection of the environment. KCVB hereby agrees that (a) no activity shall be conducted on the Premises that shall produce any hazardous substance; (b) the Premises shall not be used in any manner with the storage of any hazardous substances; (c) KCVB shall not install or place upon the premises any underground or aboveground tanks of any type and shall not store, or allow the storage law, on the premises any gasoline, oil, diesel fuel or other petroleum products; (d) KCVB shall not allow any surface or subsurface conditions to exist or come into existence that constitutes or with the passage of time may constitute a public or private nuisance; and (e) KCVB shall not permit any hazardous substances to be brought onto the Premises. If at any time during or after of the term of this Lease, the Premises are found to be in violation of any of the covenants set forth in this Section 25 due to acts or occurrences during the occupancy of KCVB, or caused by KCVB, then KCVB shall diligently institute proper and thorough cleanup and remediation procedures at KCVB's sole cost. KCVB agrees to indemnify and hold CITY harmless from all claims, demands, actions, liabilities, costs, and expenses (including CITY's attorney fees), damages and obligations of any nature arising from or as a result of the use of the Premises by KCVB. The foregoing indemnification and the responsibilities of KCVB shall survive the termination or expiration of this Lease. KCVB shall not use the Premises so as not to interfere in any way with the use and enjoyment of other portions of the same or neighboring buildings by others by reason of odors, smoke, exhaust, smells, vibrations, noise, pets, accumulation of garbage or trash, vermin or other pests, or otherwise, and shall at its expense employ a professional pest control service if determined necessary by CITY. KCVB agrees to maintain effective devices for preventing damage to plumbing and heating equipment from deionized water, chemicals which may be present at the Premises.

SECTION 26. RESPONSIBILITY. CITY shall not be liable to anyone for, nor shall KCVB's obligations under this Lease be reduced because of, loss or damage caused in any way by the use, leakage, seepage, flooding or escape of water or sewage in any form or from any source, by the interruption or cessation of any service rendered customarily to the Premises or building or agreed to by the terms of this Lease, by any accident, the making of repairs, alterations or improvements, labor difficulties, weather conditions, mechanical breakdowns, trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained, by any change in any utility or service provider, or by any cause beyond CITY's immediate control.

SECTION 27. SURRENDER. On or before the termination of this Lease, KCVB shall remove all of KCVB's goods and effects from the Premises, and shall deliver to CITY actual and exclusive possession of the Premises and all keys and locks thereto, along with all fixtures, equipment and workstations of any type connected therewith, and all alterations, additions and improvements made to or upon the Premises, whether completed by KCVB, CITY or others, including but not limited to any offices, window blinds, floor coverings, computer floors, plumbing and plumbing fixtures, heating, ventilating and air conditioning equipment, ductwork, exhaust fans, water coolers, security, surveillance and fire protection systems, telecommunications and data wiring, telephone equipment, air and gas distribution piping, compressors, hoists, cabinets, counters, shelving, signs, electrical work, including but not limited to lighting fixtures of any type, wiring, conduit, EMT, transformers, generators, distribution panels, bus ducts, raceways, outlets and disconnects, and furnishings and equipment which have been bolted, welded, nailed, screwed, glued or otherwise attached to any wall, floor, ceiling, roof, pavement or ground, or which have been directly wired or plumbed to any portion of any building or other system serving the Premises, including but not limited to water supply, drainage, venting or air or gas distribution systems. Notwithstanding the foregoing, prior to termination of this Lease, KCVB shall, if requested by CITY, remove or tag for future use any and all wiring and cabling installed and/or used by KCVB. KCVB shall deliver the Premises fully sanitized from any chemicals or other contaminants, broom clean, and in at least the same condition as they were at the commencement of the Lease or any prior lease between the parties for the Premises, or as they were modified during said term with CITY's written consent, reasonable wear and tear only excepted, and KCVB shall be deemed to be encumbering the Premises until it delivers the Premises to CITY in the condition required under this Lease. Any of KCVB's property that remains in the

Premises upon termination of the Lease shall be deemed abandoned and shall be disposed of as CITY sees fit, with no liability to KCVB for loss or damage thereto, and at the sole risk of KCVB. CITY may remove and store any such property at KCVB's expense; retain the same under CITY's control; sell the same at public or private sale (without notice) and apply the net proceeds of such sale to the payment of any sum due hereunder; or destroy same. In no case shall the Premises be deemed surrendered to CITY until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to CITY.

SECTION 28. HOLDING OVER. In the event KCVB occupies the Premises after the expiration or termination of this Lease with the consent of CITY, express or implied, such possession shall be considered to be a tenancy from month to month, terminable on 30 days advance written notice by either party. KCVB shall continue to pay all charges as provided in this Lease, and shall be bound by all of the other terms and conditions of this Lease as if it was still in full force and effect.

SECTION 29. LOSS AND DAMAGE TO KCVB'S PROPERTY. CITY shall not be responsible or liable to KCVB for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to the Premises or any part, or for any loss or damages resulting to the KCVB or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or for any damage or loss of property within the Premises from any cause whatsoever.

SECTION 30. NOTICE BY KCVB. KCVB shall give immediate notice to CITY in case of fire or accidents in the Premises or in the building of which the Premises are a part or of defects therein or in any fixtures or equipment.

SECTION 31. SUCCESSORS. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties, except that CITY shall only be liable for obligations occurring while the owner of the Premises.. No rights, however, shall inure to the benefit of any assignee of KCVB unless the assignment to such assignee has been approved by CITY in writing as provided in Section 16 herein.

SECTION 32. GENERAL. The following shall apply to this Lease:

(a) The invalidity or unenforceability of any clause or provision of this Lease shall not affect or render invalid or unenforceable any other clause or provision hereof;

(b) Any action or proceeding arising out of the subject matter of this Lease shall be brought by KCVB within one year after the cause of action has occurred and only in a state court in Kingsport, Tennessee;

(c) This Lease is made and delivered in the state of Tennessee, and shall be interpreted, construed, and enforced in accordance with the laws thereof and all legal proceedings relating to the subject matter of this Lease shall be maintained in the state courts for Kingsport, Sullivan County, Tennessee, and the parties agree that jurisdiction and venue for any such legal proceeding shall lie exclusively with such courts;

(d) This Lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, statements and negotiations relating in any way to the subject matter herein. This Lease may not be extended or amended except by written agreement signed by both parties, or as otherwise provided herein, and no other subsequent oral or written representation shall have any effect hereon;

(e) Notwithstanding any other statements herein, CITY makes no warranty, express or implied, concerning the suitability of the Premises for KCVB's intended use;

(f) KCVB agrees that if CITY does not deliver possession of the Premises as herein provided for any reason, CITY shall not be liable for any damages to KCVB for such failure, but CITY agrees to use reasonable efforts to deliver possession to KCVB at the earliest practical date. A proportionate abatement of rent, excluding the cost of any amortized improvements to the Premises, for such time as KCVB may be deprived of possession of the Premises shall be KCVB's sole remedy, except where a delay in delivery is caused in any way by KCVB;

(g) Neither the submission of this Lease or any amendment hereof, nor the acceptance of the security deposit and/or rent shall constitute a reservation of or option for the Premises, or an offer to lease, it being expressly understood and agreed that neither this Lease nor any amendment shall bind either party in any manner whatsoever unless and until it has been executed by both parties;

(h) CITY nor KCVB shall be liable for any special, incidental, indirect or consequential damages, including but not limited to lost profits or loss of business, arising out of or in any manner connected with performance or nonperformance under this Lease, even if any party has knowledge of the possibility of such damages;

(i) The headings and captioned in this Lease are for convenience only and shall not be considered part of the terms hereof;

(j) No restriction, condition or other endorsement by KCVB on any check, nor CITY's deposit of any full or partial payment, shall bind CITY in any way or limit CITY's rights under this Lease;

(k) KCVB shall conform to all rules and regulations now or hereafter made by CITY for parking, for the care, use or alteration of the building, its facilities and approaches, and for the administration of this Lease, and shall not permit any employee or visitor to violate this or any other covenant or obligation of KCVB;

(l) KCVB's covenants under this Lease shall be independent of CITY's covenants, and CITY's failure to perform any of its covenants under this Lease, including a covenant constituting a significant inducement to KCVB to enter into this Lease, shall not excuse the payment of rent or any other charges by KCVB or allow KCVB to terminate this Lease;

(m) CITY and KCVB hereby waive any and all rights to a jury trial in any proceeding in any way arising out of the subject matter of this Lease.

SECTION 33. WAIVERS, ETC. No consent or waiver, express or implied, by CITY to or of any breach of any covenant, condition or duty of KCVB shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If KCVB is several persons, corporations, or other legal entities, or a partnership, or some combination thereof, KCVB's obligations are joint and several. Unless repugnant to the context, "CITY" and "KCVB" mean the person or persons, natural or corporate, named above as CITY and as KCVB respectively, and their respective heirs, executors, administrators, successors and assigns.

SECTION 34. TIME. Time is of the essence in this Lease.

SECTION 35. SURVIVAL OF TERMS. Wherever in this Lease either Tenant or Landlord shall have agreed or promised to perform certain acts or otherwise where the context of this Lease would require such performance to occur after the termination or expiration of the Lease, then those agreements and covenants shall survive the termination or expiration of the Lease and continue to bind Tenant and Landlord.

(Signatures omitted for inclusion in Resolution)

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

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution to Award a Bid to Southern Watershapes, Inc. for Aquatic Center Renovations

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

Action Form No.: AF-167-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Committee
Presentation By: Michael T. Borders

Strategic Focus Area: 3. Exceptional Cultural & Recreational Opportunities

Recommendation:
Approve the Resolution

Executive Summary:
If approved, the City will award the bid to Southern Watershapes, Inc. for swimming pool and related renovations at the Kingsport Aquatic Center in the amount of \$1,504,350.

The Kingsport Aquatic Center opened on May 25, 2013, and the pool plaster is now approaching 13 years old. High-use commercial pools often require replastering every 7 to 12 years, and the existing plaster is at the end of its expected service life. During regularly scheduled maintenance in mid-2024, which included acid washing, re-caulking, replacement of pool lights, and related work, multiple hollow areas were discovered in the plaster. Staff immediately had the plaster evaluated, and it was determined that the plaster is beginning to delaminate from the pool surface.

The proposed renovation project will address the Competition Pool, Warm Pool, Play Pool, Leisure Pool, and Lazy River. Work will include replacing pool tiles, depth markers, drain covers, chlorinators, hydrostatic valves, and other related components, along with replastering the pools. The project also includes gel recoating of the indoor water slide and refurbishment of the outdoor play feature in the leisure pool. These improvements are necessary to extend the useful life of the facility, protect the City's investment, and continue offering a high-quality aquatic facility for residents, visitors, and competitive users.

Bids for the project were opened on May 12, 2026, with two competitive bids received. Staff recommends awarding the bid to Southern Watershapes, Inc. in the amount of \$1,504,350, which includes a base bid of \$960,300 and five alternates totaling \$544,050. If approved, work is scheduled to begin following Labor Day 2026. The indoor portion of the project is expected to be completed by January 8, 2027, and the outdoor portion is expected to be completed by February 19, 2027.

Pursuant to Article X Section 10 of the Charter funds are forthcoming and will be available in time to comply with and meet contractual requirements. Due to the structure of KAC related agreements tax-exempt bonds are unable to be used for the KAC. This project was therefore not included in the bond issuance earlier this year. Direct placement debt will be issued in the upcoming months for this project.

- Attachments:**
- 1. Resolution
 - 2. Bid Minutes

Item X12.

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

RESOLUTION NO. _____

A RESOLUTION AWARDDING THE BID FOR THE AQUATIC CENTER RENOVATION PROJECT TO SOUTHERN WATERSHAPES, INC., AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT FOR THE SAME AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, bids were opened May 12, 2026, for the Aquatic Center Renovation Project;
and

WHEREAS, upon review of the bids, the board finds Southern Watershapes, Inc., is the lowest responsible compliant bidder meeting specifications for the particular grade or class of material, work or service desired and is in the best interest and advantage to the city, and the City of Kingsport desires to enter into a contract for replacing pool tiles, depth markers, drain covers, chlorinators, hydrostatic valves, and other related components, along with replastering the pools, and also includes gel recoating of the indoor water slide and refurbishment of the outdoor play feature in the leisure pool from Southern Watershapes, Inc., at an estimated construction cost of \$1,504,350.00.

Now therefore,

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

SECTION I. That the bid for the Aquatic Center Renovation Project, consisting of replacing pool tiles, depth markers, drain covers, chlorinators, hydrostatic valves, and other related components, along with replastering the pools, and also includes gel recoating of the indoor water slide and refurbishment of the outdoor play feature in the leisure pools at an estimated cost of \$1,504,350.00 is awarded to Southern Watershapes, Inc., and the mayor is authorized to execute an agreement for same and all documents necessary and proper to effectuate the purpose of the agreement.

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

Item X12.

RODNEY B. ROWLETT, III, CITY ATTORNEY

Item X12.

BID OPENING MINUTES

May 12, 2026

4:00 P.M.

Present: Nikisha Eichmann, Asst. Procurement Manager; Olivia Nickens, Procurement Specialist; Brian Alderson, Architect Thompson & Litton; Wendy Terrazas, Aquatic Center Manger; Tyler Wicks, Parks and Recreation Director

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

The Procurement Manager opened with the following bids:

Kingsport Aquatic Center Swimming Pool and Other Renovations						
Vendor:	Lump Sum:	Additive Bid Item 1:	Additive Bid Item 2:	Additive Bid Item 3:	Additive Bid Item 4:	Additive Bid Item 5:
Southern Watershapes, Inc.	\$960,300.00	\$410,500.00	\$18,600.00	\$68,500.00	\$36,400.00	\$10,050.00
Klangley and Taylor LLC	\$1,075,000.00	\$15,000.00				\$10,000.00

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

Item X12.

RESOLUTION NO. _____

A RESOLUTION TO RATIFY PRIVATE CHAPTER NO. 49
OF THE PRIVATE ACTS OF THE 114TH GENERAL
ASSEMBLY TO ENACT AMENDMENTS TO THE
CHARTER OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS the City of Kingsport has received from the Honorable Tre Hargett, Secretary of State for the State of Tennessee, a copy of House Bill No. 2648 of the 114th General Assembly of the State of Tennessee, being Private Chapter No. 49 of the Private Acts of the 114th General Assembly; and

WHEREAS, the Constitution of the State of Tennessee provides that any Act of the General Assembly, private or local in aim or effect, applicable to a particular county or municipality, either in its governmental or its proprietary capacity, shall be void and of no effect unless the Act by its terms either requires the approval by a two-thirds vote of the local legislative body of the municipality or county, or, requires approval in an election by a majority of those voting in said election in the municipality or county affected; and

WHEREAS, said Act provides that the same shall not take effect unless it shall have been approved by a two-thirds (2/3) vote of the members of the Board of Mayor and Aldermen of the City of Kingsport, its approval proclaimed by the presiding officer of the municipal legislative body, and its approval certified by the city recorder to the Secretary of State.

NOW, THEREFORE, in order to comply with the provisions of the Constitution of the State of Tennessee, and said Act, and so as to approve the same as enacted, and to render same complete, valid and binding, and, to advise the Secretary of State of this action.

BE IT RESOLVED, by the Board of Mayor and Aldermen, that House Bill No. 2648 of the 114th General Assembly of the State of Tennessee, being Private Chapter No. 49 of the Private Acts of the 114th General Assembly, is approved as enacted.

BE IT FURTHER RESOLVED, that this resolution be spread upon the official minutes of the Board of Mayor and Aldermen and that a certified copy thereof, signed by the Mayor and attested by the City Recorder be forwarded to the Secretary of State, the Honorable Tre Hargett, Nashville, Tennessee, so as to advise him of this action and that the Mayor is further authorized to take all other necessary acts, in consultation with the city attorney to fulfill the enactment of said private act.

ADOPTED this the 19th day of May, 2026.

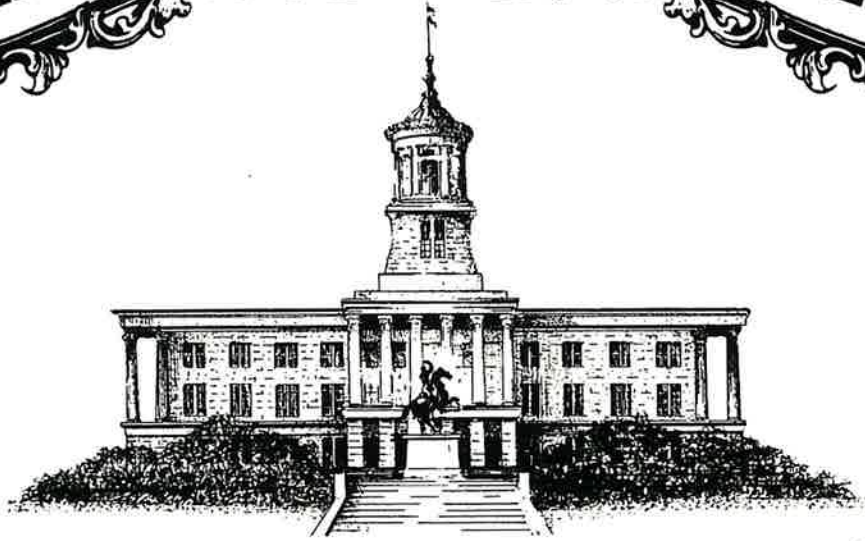
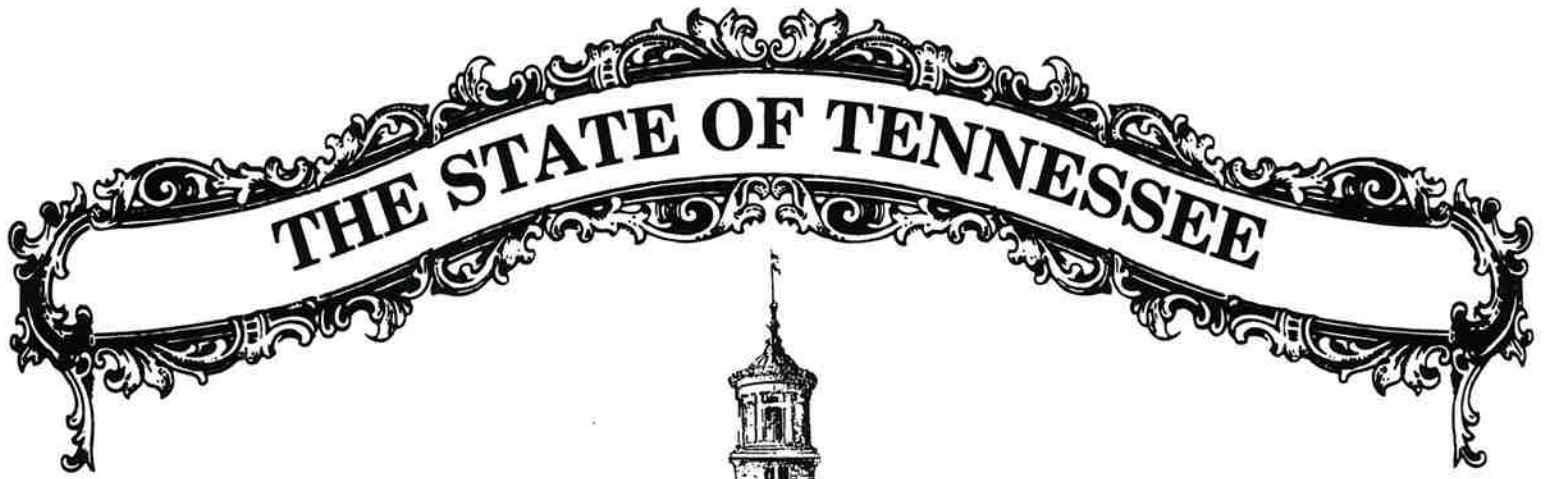
PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



To all to whom these Presents shall come, Greeting:

*I, Tre Hargett, Secretary of State of the State of Tennessee,
do hereby certify that the annexed is a true copy of*

Private Chapter No. 49

House Bill No. 2648

Senate Bill No. 2710

114th General Assembly



*the original of which is now on file and a matter
of record in this office. In Testimony Whereof,
I have hereunto subscribed my official signature
and by order of the Governor affixed the Great
Seal of Tennessee at the Department
in the City of Nashville,
this 6th day of May, A.D. 2026.*

Tre Hargett, Secretary of State



State of Tennessee

PRIVATE CHAPTER NO. 49

HOUSE BILL NO. 2648

By Representatives Hulseley, Crawford

Substituted for: Senate Bill No. 2710

By Senator Harshbarger

AN ACT to amend Chapter 76 of the Private Acts of 1917; as amended by Chapter 345 of the Private Acts of 1974; Chapter 292 of the Private Acts of 1978; Chapter 244 of the Private Acts of 1980; and Chapter 30 of the Private Acts of 2001; and any other acts amendatory thereto, relative to the city of Kingsport.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 76 of the Private Acts of 1917, and any other acts amendatory thereto, is amended by deleting Article III, Section 11 and substituting:

Sec. 11. Vice-mayor; appointment, function.

At the first meeting of the board after a general city election, said board shall choose from its membership a member to act in the absence, inability or failure to act of the mayor. Such member shall act as mayor during any temporary absence, inability or failure to act of the mayor, and whenever a vacancy occurs in the office of mayor, such member shall become mayor and hold office as such for the unexpired term.

SECTION 2. Chapter 76 of the Private Acts of 1917, and any other acts amendatory thereto, is amended by deleting Article XI, Section 5 and substituting:

Sec. 5. Due date for designated taxes; duty, authority of treasurer; warrants to collect delinquent taxes.

All taxes due to the City of Kingsport, except privilege and merchants ad valorem taxes, and street labor taxes, unless otherwise provided by ordinance, are due and payable on the 30th day of November of the year for which the taxes are assessed. The treasurer shall be custodian of the tax books and shall be the tax collector for the city.

As of the first day of December of the year for which the taxes are assessed, as in this section provided or as may be provided by ordinance, the tax books in the hands of the recorder shall have the force and effect of a judgment of a court of record, and the recorder shall have power to issue distress warrants, alias and pluries distress warrants in the name of the City of Kingsport, to enforce the collection of said taxes against the person owning the property on January 10th, of the year for which the taxes are assessed, by a levy upon the personalty of such taxpayer; and such distress warrant shall be executed by the chief of police or other policeman of the City of Kingsport by a levy upon and sale of goods and chattels under the same provisions as prescribed by law for the execution of such process from a justice of the peace.

SECTION 3. Chapter 76 of the Private Acts of 1917, as amended by Chapter 292 of the Private Acts of 1978, Chapter 30 of the Private Acts of 2001, and any other acts amendatory thereto, is amended by deleting Article XV, Section 2 and substituting:

Sec. 2. Tentative appropriation ordinance; preparation, publication, adoption.

Upon receipt of such estimate, the board of mayor and aldermen shall prepare a tentative appropriation ordinance, which shall also be published in accordance with state law. Before final adoption of such tentative appropriation ordinance, the board of mayor and aldermen shall consider the same at a regular meeting held in accordance with state law and all voters and taxpayers may appear at said meeting and be heard in person or by attorney. The appropriation ordinance for each fiscal year shall be finally adopted

before the first day of the fiscal year. Further appropriations and expenditures during the fiscal year after passage of the budget ordinance shall be by resolution of the board of mayor and aldermen as necessity and advisability shall become apparent.

The budget ordinance may be amended by ordinance. Further appropriations and expenditures during the fiscal year after passage of the budget ordinance shall be made by ordinance of the board of mayor and aldermen as the necessity and advisability shall become apparent.

SECTION 4. Chapter 76 of the Private Acts of 1917, as amended by Chapter 345 of the Private Acts of 1974, Chapter 244 of the Private Acts of 1980, and any other acts amendatory thereto, is amended by deleting Article XIX, Section 2 and substituting:

Sec. 2. Election; terms; interim appointment; nomination; president; oath; vacancies.

The members of the board of education shall be elected from the city at large by the qualified voters of the City of Kingsport at the general city election. The members of the board of education shall be elected for terms of office of four (4) years, and until their successors are elected and qualified. A board member shall be eligible for reelection.

Two (2) members shall be elected at the general city election in May, 1981, for four-year terms, and each four (4) years thereafter. Three (3) members shall be elected at the general city election in May, 1983, for four-year terms, and each four (4) years thereafter. Such elected board members shall assume office on the first day of September following their election.

Candidates for the office of a member of the board of education shall be nominated in the same manner as is provided for a candidate for the board of mayor and aldermen of the City of Kingsport.

The members of the board of education, at the first regular meeting following a general city election, shall elect one (1) of their number as president.

Before entering upon their duties, members of the board of education shall take the oath prescribed by the laws of Tennessee for such officers.

All vacancies in the board of education shall be filled by election of the board of mayor and aldermen; to serve only until the next general city election when such vacancy shall be filled for the remainder of the unexpired term by election by the qualified voters of the city. Any member elected to serve the remainder of an unexpired term shall assume office on the first day of July following their election.

SECTION 5. Nothing in this act shall be construed as having the effect of removing any incumbent from office or abridging the term of any official prior to the end of the term for which such official was elected.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 7. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the City of Kingsport. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the Secretary of State.

SECTION 8. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 7.

HOUSE BILL NO. 2648

PASSED: April 2, 2026



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY McNALLY
SPEAKER OF THE SENATE

APPROVED this 16th day of April 2026



BILL LEE, GOVERNOR

Sec. 11. Vice-mayor; appointment, function.

At the first meeting of the board ~~and thereafter at the first meeting in July~~ after a general city election, said board shall choose from its membership a member to act in the absence, inability or failure to act of the mayor. Such member shall act as mayor during any temporary absence, inability or failure to act of the mayor, and whenever a vacancy occurs in the office of mayor, such member shall become mayor and hold office as such for the unexpired term.

(Pvt. Acts 1917, ch. 76, art. 3, § 11)

Sec. 5. Due date for designated taxes; duty, authority of treasurer; warrants to collect delinquent taxes.

All taxes due the City of Kingsport, except privilege and merchants ad valorem taxes, and street labor taxes, shall, until otherwise provided by ordinance, be due and payable on ~~the first day of November~~ ^{30th day of} ~~November~~ of the year for which the taxes are assessed. The treasurer shall be custodian of the tax books, and shall be the tax collector for the city.

~~At and after the expiration of one month from the date when taxes become due~~ ^{As of the first day of} ~~December of the year for which the taxes are assessed,~~ as in this section provided or as may be provided by ordinance, the tax books in the hands of the recorder shall have the force and effect of a judgment of a court or [of] record, and the recorder shall have power to issue distress warrants, alias and pluries distress warrants in the name of the City of Kingsport, to enforce the collection of said taxes against the person owning the property on January 10th, of the year for which the taxes are assessed, by a levy upon the ~~personality~~ ^[personality] of such taxpayer; and such distress warrant shall be executed by [the] chief of police or other policeman of the City of Kingsport by a levy upon and sale of goods and chattels under the same provisions as prescribed by law for the execution of such process from a justice of the peace.

(Pvt. Acts 1917, ch. 76, art. 11, § 5)

Formatted: Superscript

Sec. 2. Election; terms; interim appointment; nomination; president; oath; vacancies.

The members of the board of education shall be elected from the city at large by the qualified voters of the City of Kingsport at the general city election. The members of the board of education shall be elected for terms of office of four (4) years, and until their successors are elected and qualified. A board member shall be eligible for reelection.

Two (2) members shall be elected at the general city election in May, 1981, for four-year terms, and each four (4) years thereafter. Three (3) members shall be elected at the general city election in May, 1983, for four-year terms, and each four (4) years thereafter. Such elected board members shall assume office on the first day of July following their election.

Candidates for the office of a member of the board of education shall be nominated in the same manner as is provided for a candidate for the board of mayor and aldermen of the City of Kingsport.

The members of the board of education, at the first regular July meeting following a regular general city election, shall elect one (1) of their number [as] president.

Before entering upon their duties members of the board of education shall take the oath prescribed by the laws of Tennessee for such officers.

All vacancies in the board of education shall be filled by election of the board of mayor and aldermen; to serve only until the next general city election when such vacancy shall be filled for the remainder of the unexpired term by election by the qualified voters of the city. Any member elected to serve the remainder of an unexpired term shall assume office on the first day of July following their election.

(Pvt. Acts 1917, ch. 76, art. 19, § 2; Pvt. Acts 1974, ch. 345, § 1; Pvt. Acts 1980, ch. 244, § 7)

Sec. 2. Tentative appropriation ordinance; preparation, publication, adoption.

Upon receipt of such estimate the board of mayor and aldermen shall prepare a tentative appropriation ordinance, which shall also be published in accordance with state law. ~~a newspaper of general circulation in the city not less than one week before it is taken up for consideration by the board of mayor and aldermen, and before~~ Before acting upon final adoption of such tentative appropriation ordinance, the board of mayor and aldermen shall consider same at ~~the next~~ regular meeting held in accordance with state law and all voters and taxpayers may appear at said meeting and be heard in person or by attorney. The appropriation ordinance for each fiscal year shall be finally adopted before the first day of the fiscal year. Further appropriations and expenditures during the fiscal year after passage of the budget ordinance shall be by resolution of the board of mayor and aldermen as necessity and advisability shall become apparent.

The budget ordinance may be amended by ~~resolution~~ ordinance. Further appropriations and expenditures during the fiscal year after passage of the budget ordinance shall be made by ~~resolution~~ ordinance of the board of mayor and aldermen as the necessity and advisability shall become apparent.

(Pvt. Acts 1917, ch. 76, art. 15, § 2; Pvt. Acts 2001, § 33)



AGENDA ACTION FORM

Consideration to Appoint Gary Mayes to the Emergency Communication District / E-911 Board

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

Action Form No.: AF-163-2026
 Work Session: May 18, 2026
 First Reading: N/A
 Final Adoption: May 19, 2026
 Staff Work By: Jessica Harmon
 Presentation By: Mayor Montgomery

Strategic Focus Area: Efficient & Responsive Government

Recommendation:
 Approve the Appointment

Executive Summary:
 It is recommended to appoint Gary Mayes to the Emergency Communication District / E-911 Board.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of nine members who are residents of the City of Kingsport or fill specific eligibility requirements. Terms are four years with no term limit.

Current Board:			
Member	Term Expires	No. of Terms	Eligibility
Vacancy	12/31/27	1	At-large
Kenneth Calvert	12/31/27	7	At-large
Margaret Denton	12/31/28	4	At-large
James Everhart	12/31/28	1	At-large
Mickey Spivey	12/31/27	2	At-large
Jeff Fleming	10/31/26	1	At-large
Vivian Crymble	10/31/26	5	At-large
Chief Bellamy	Term of position	N/A	Chief of Police
Chief DeBerry	Term of position	N/A	Fire Chief

Recommended Board:			
Member	Term Expires	No. of Terms	Eligibility
Gary Mayes	12/31/27	Fulfilling Unexpired Term	At-large
Kenneth Calvert	12/31/27	7	At-large
Margaret Denton	12/31/28	4	At-large
James Everhart	12/31/28	1	At-large
Mickey Spivey	12/31/27	2	At-large
Jeff Fleming	10/31/26	1	At-large
Vivian Crymble	10/31/26	5	At-large
Chief Bellamy	Term of position	N/A	Chief of Police
Chief DeBerry	Term of position	N/A	Fire Chief

Attachments:
 None

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



AGENDA ACTION FORM

Consideration of a Resolution Amending the State Industrial Access (SIA) Agreement with the Tennessee Department of Transportation (TDOT) Meadow Park Lane Project Amendment 2

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

Action Form No.: AF-154-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: M. Thompson / S. Catron
Presentation By: Ryan McReynolds

Strategic Focus Area: 2. Sustainable Infrastructure

Recommendation:
Approve the Resolution

Executive Summary:
If approved the SIA agreement with TDOT for the Meadow Park Lane Project Amendment 2 will be amended with the following changes –

Change 1: Exhibit A referenced in Amendment 1 is deleted in its entirety and replaced with the attached Exhibit A. This change reflects adding construction non-participating in an estimated cost of \$259,912.00 to cover conduit and pole bases for street lighting infrastructure.

Change 2: Section E.2 Industry or Agency Termination of the original agreement is deleted in its entirety and replaced with updated language for this section of the agreement.

Funding is available and identified in GP2601 as approved by the BMA on May 5, 2026.

Agreement #: 210040
Project Identification #: 131034.00
Federal Project #: N/A
State Project #: 82956-3594-04

- Attachments:**
1. Resolution
 2. Amendment 2 (3 pages)

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

Item XI1.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AMENDMENT 2 TO AGREEMENT NUMBER 210040 WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR THE STATE INDUSTRIAL ACCESS ROAD - MEADOW PARK LANE EXTENSION PROJECT

WHEREAS, on January 18, 2022, the board approved Resolution No. 2022-138 authorizing the application for and receipt of assistance from the Tennessee Department of Transportation pursuant to the state industrial access road program for the Meadow Park Lane extension project; and

WHEREAS, on November 1, 2022, the board approved Resolution No. 2023-104 for Amendment 1 to the agreement which was to provide for a portion of right-of-way acquisition in the area where Meadow Park Lane will intersect with Riverport Road; and

WHEREAS, staff recommends entering into Amendment 2, which deletes Exhibit A in its entirety and replaces Exhibit A to add construction non-participating in an estimated cost of \$259,912.00 to cover conduit and pole bases for street lighting infrastructure, and revises Section E.2 Industry or Agency Termination of the original agreement by deleting it in its entirety and replacing with updated language for this section of the agreement.

Now therefore,

BE IT RESOLVED BY THE CITY OF KINGSPORT BOARD OF MAYOR AND ALDERMEN:

SECTION I. That Amendment 2 to the local agency project agreement (No. 210040) with the Tennessee Department of Transportation for the Meadow Park Lane extension project is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, Amendment 2 to the agreement with the Tennessee Department of Transportation State for the Meadow Park Lane Extension State Industrial Access Road project, 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 amendment being generally as follows

Amendment Number:	2
Agreement Number:	210040
Project Identification Number:	131034.00
Federal Project Number:	N/A
State Project Number:	82956-3594-04

THIS AGREEMENT AMENDMENT shall be effective on the last date of signature ("Effective Date"), is entered into by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the CITY OF KINGSPORT (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

"State Industrial Access Serving Eastman Chemical Company"

1. The language of Agreement # 210040 Amendment 1 dated November 14, 2022 Exhibit A is hereby deleted in its entirety and replaced with the attached Exhibit A for Amendment 1.

2. The language of Agreement #210040 dated April 6, 2022 Section E.2 Industry or Agency Termination is hereby deleted in its entirety.

3. The following is added as E.2 Industry or Agency Termination.

E.2 Industry or Agency Termination

a) Industry Termination

1) Should the industry terminate its plans to build the plant facility that is the basis of the Project as described herein, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.

2) In addition, should the industry fail to complete its facility and operate the facility for a reasonable period of time, as defined by the Department, following the completion of the road, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.

b) Agency Termination 1) Should the Agency elect to terminate its participation in the Project or otherwise elect not to proceed with the Project, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.

All provisions of the original contract not expressly amended hereby shall remain in full force and effect.

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

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION II. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the amendment 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 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

Amendment Number: 2
Agreement Number: 210040
Project Identification Number: 131034.00
Federal Project Number: N/A
State Project Number: 82956-3594-04

THIS AGREEMENT AMENDMENT shall be effective on the last date of signature (“Effective Date”), is entered into by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the CITY OF KINGSPORT (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

"State Industrial Access Serving Eastman Chemical Company"

1. The language of Agreement # 210040 Amendment 1 dated November 14, 2022 Exhibit A is hereby deleted in its entirety and replaced with the attached Exhibit A for Amendment 1.
2. The language of Agreement #210040 dated April 6, 2022 Section E.2 Industry or Agency Termination is hereby deleted in its entirety.
3. The following is added as E.2 Industry or Agency Termination.

E.2 Industry or Agency Termination

a) Industry Termination

- 1) Should the industry terminate its plans to build the plant facility that is the basis of the Project as described herein, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.
- 2) In addition, should the industry fail to complete its facility and operate the facility for a reasonable period of time, as defined by the Department, following the completion of the road, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.

b) Agency Termination

1) Should the Agency elect to terminate its participation in the Project or otherwise elect not to proceed with the Project, the Agency hereby agrees to reimburse the Department for all funds expended by the Department on the Project.

All provisions of the original contract not expressly amended hereby shall remain in full force and effect.

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

CITY OF KINGSPORT

Paul W. Montgomery, Mayor

**APPROVED AS TO
FORM AND LEGALITY**

Rodney B. Rowlett, III, Attorney

**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

Will Reid, Commissioner

**APPROVED AS TO
FORM AND LEGALITY**

Leslie South, General Counsel

Steve Allen, Director, Local Programs & Community Investments Division

EXHIBIT "A" For AMENDMENT 2

AGREEMENT #: 210040

PROJECT IDENTIFICATION #: 131034.00

FEDERAL PROJECT #: N/A

STATE PROJECT #: 82956-3594-04

PROJECT DESCRIPTION: State Industrial Access Serving Eastman Chemical Company: The proposed improvement includes construction of a new access road (Meadow Park Lane) that ties into the existing Riverport Road and S Wilcox Road, approximately 2.34 miles. The typical section (proposed two 12' lanes with curb and gutter) will be determined as the project progresses.

TYPE OF WORK: New Construction

PHASE	FUNDING SOURCE	FED %	STATE %	LOCAL %	ESTIMATED COST
PE-DESIGN	SIA	0%	100%	0%	\$2,460,000.00
RIGHT-OF-WAY	SIA	0%	50%	50%	\$1,525,382.00
CONSTRUCTION	STA (GFT)	0%	100%	0%	\$23,000,000.00
CONSTRUCTION	SIA	0%	100%	0%	\$3,500,000.00
CONSTRUCTION	NON-PARTICIPATING	0%	0%	100%	\$259,912.00

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

TDOT ENGINEERING SERVICES (TDOT ES): In order to comply with all federal and state laws, rules, and regulations, the TDOT Engineering Services line item in Exhibit A is placed there to ensure that TDOT's expenses associated with the project during construction are covered. The anticipated TDOT expenses include but are not necessarily limited to Construction Inspection and Material and Testing Expenses (Quality Assurance Testing).

LEGISLATIVE AUTHORITY: SIA: Industrial Highway Act of 1959, TCA 54-5-401, et seq.

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



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Approve the Renewal of the Current Agreement with the City of Bristol, TN as the Lead Entity for the Northeast TN/Southwest VA HOME Consortium

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

Action Form No.: AF-131-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Michael Price
Presentation By: Michael Price

Strategic Focus Area: 4. Safe & Welcoming Community

Recommendation:
Approve the Resolution

Executive Summary:
In July 2017, the City of Kingsport entered into an agreement with the City of Bristol, TN as Lead Entity of the Northeast TN/VA HOME Consortium for benefit of annual Home Investment Partnership (HOME) funds received from the U. S. Department of Housing and Urban Development (HUD). HUD requires these agreements for HOME Participating Jurisdictions. Because the HOME Consortium has been designated automatic renewal status with the US Department of Housing and Urban Development, upon approval by the Consortium Board, this agreement may be renewed for participation in successive qualification periods of three federal fiscal years each. The first such renewal of this agreement occurred July 1, 2018 and ended June 30, 2021.

By June 01, 2026 the City of Kingsport shall notify the Lead Entity of the City's intent to participate. The City of Kingsport shall also provide the Lead Entity with an Authorizing Resolution approving the automatic renewal of the agreement. The City of Kingsport's allocation will be \$175,893.65. The Lead Entity is responsible for forwarding all required documentation for Field Office Review.

Funding is used for owner-occupied home rehabilitation, reconstruction, and for low-income homeownership programs administered by the First Tennessee Development District.

- Attachments:**
1. Resolution
 2. NE TN/VA Home Consortium Agreement

Item XI2.

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

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO APPROVE THE AUTOMATIC RENEWAL OF THE CURRENT AGREEMENT WITH THE CITY OF BRISTOL, TENNESSEE AS THE LEAD ENTITY FOR THE NORTHEAST TENNESSEE/SOUTHWEST VIRGINIA HOME CONSORTIUM

WHEREAS, the City of Kingsport desires to continue as a member of the Northeast Tennessee/Southwest Virginia HOME Consortium for an additional three-year period; and

WHEREAS, certain documents must be completed and executed to receive the funds.

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 approve, in a form approved by the city attorney, wish to continue as a member of the Northeast Tennessee/Southwest Virginia HOME Consortium for an additional three-year period benefiting the general welfare of City of Kingsport residents.

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGIE MARSHALL, CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

TN/VA HOME Consortium Funding Breakdown

Bristol, TN has received notice of the upcoming 2026 Northeast Tennessee / Virginia HOME Consortium funding allocation from HUD. This year the total allocation is \$1,033,006.68. Based on the percentages agreed upon by the Consortium, **Kingsport** would receive a **\$175,893.65 allocation**. Here are the breakouts per member community:

		HOME
		1,033,006.68
Bristol TN Admin	3.50%	36,155.23
FTDD Admin	6.50%	67,145.43
CHDO	15%	154,951.00
Bluff City	FLAT	10,000.00
Bristol TN	11%	84,123.05
Bristol VA	9%	68,827.95
Johnson City	27%	206,483.85
Kingsport	23%	175,893.65
Sullivan County	17%	130,008.35
Washington County	13%	99,418.16

Total \$1,033,006.68

Funding for low and moderate-income single-family home repairs through the FTDD.



**NORTHEAST TENNESSEE / VIRGINIA HOME CONSORTIUM
2027-2029 QUALIFICATION PERIOD**

_____ Yes, we wish to continue as a member of the Northeast Tennessee/Virginia HOME Consortium for an additional three-year period.

_____ No, we do not wish to continue as a member of the Northeast Tennessee/Virginia HOME Consortium for an additional three-year period.

Community Name

Mayor

Date

Please return by June 1, 2026, to:
Tyler Gillenwater
Community Development Specialist
P.O. Box 1189
Bristol, TN 37621

RESOLUTION NO. _____
A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
AGREEMENTS WITH VARIOUS AGENCIES AND
ORGANIZATIONS FOR COMMUNITY DEVELOPMENT BLOCK
FUNDING IN FISCAL YEAR 2026-2027.

WHEREAS, as part of the city's Annual Action Plan a portion of Community Development Block Grant funding was allocated to public service programs; and

WHEREAS, providers of programs have submitted applications for funding which were reviewed and recommended by the Community Development Advisory Council; and

WHEREAS, in consideration of the Annual Action Plan and recommendation of the Community Development Advisory Counsel, the city now desires to enter into partner agreements in order to provide funding to agencies which will provide public service programs; and

WHEREAS, those agencies receiving funding are, \$3,000.00 First TN Human Resource Agency, \$5,000.00 Second Harvest Food Bank Food for Kids Backpack Program, \$4,000.00, Children's Advocacy Center, \$4,000.00 CASA 4 Kids Advocacy for Children, \$1,000.00 Family Promise Kingsport, \$8,250.00 Friends in Need,\$2,650.00 Holston Terrace Food Bank, \$2,650.00- KHRA Family Self-Sufficiency Community Enrichment Program, \$4,000.00 Kingsport Homeless Ministry Grace House, \$1,442.03, Legal Aid, \$3,473.02, Meals on Wheels, \$4,000.00 United Way, \$2,000.00 YMCA, \$41,813.69, FTDD First Tennessee Area Agency on Aging and Disability, \$70,000.00 Holston Habitat for Humanity, \$20,000.00 Eastern Eight, \$20,000.00 Appalachian Service Project.

Now therefore,

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

SECTION I. That partner agreements with Appalachia Service Project, Eastern Eight, First Tennessee Development District FTAAAD, Holston Habitat for Humanity, First TN Human Resource Agency, Second Harvest Food Bank, Children's Advocacy Center, CASA 4 Kids, Family Promise, Friends in Need, Holston Terrace, KHRA, Kingsport Homeless Ministry, Legal Aid, Meals on Wheels, United Way, and YMCA are approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, agreements for the provision of public service programs in fiscal year 2026-2027 with Appalachia Service Project, Eastern Eight, First Tennessee Development District FTAAAD, Holston Habitat for Humanity, First TN Human Resource Agency, Second Harvest Food Bank, Children's Advocacy Center, CASA 4 Kids, Family Promise, Friends in Need, Holston Terrace, KHRA, Kingsport Homeless Ministry, Legal Aid, Meals on Wheels, United Way, YMCA said agreements being generally as follows:

**GRANT CONTRACT
BETWEEN THE CITY OF KINGSPORT, TENNESSEE
AND
[AGENCY NAME]**

This Grant Contract, by and between the City of Kingsport, hereinafter referred to as the "City" and [AGENCY NAME] hereinafter referred to as the "Operating Agency", is for the provision of services

to the homeless and those at risk for homelessness under the Community Development Block Grant Program ("CDBG"), as further described under "Scope of Services and Deliverables" (the "SCOPE OF SERVICES).

Operating Agency's address: [AGENCY ADDRESS]

Operating Agency's Edison Vendor ID #: [AGENCY VENDOR NUMBER – IF APPLICABLE]

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Operating Agency shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant contract.

A.2. To provide and operate public service activities to low and moderate income individuals and families within the city limits of Kingsport as specified in ATTACHMENT A: DESCRIPTION OF ACTIVITIES, ATTACHMENT B: IMPLEMENTATION PLAN, AND ATTACHMENT C: BUDGET.

A.3. Incorporation of Additional Documents. Each of the following documents is included as part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Operating Agency's duties, responsibilities, and performance hereunder, these terms shall govern or order of precedence below:

a. Title 24 Code of Federal Regulations, Part 570 and Part 91, of the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et.seq.), as amended (the "Federal CDBG Regulations").

b. The United States Department of Housing and Urban Development CDBG Desk Guide for Program and Eligibility Policies and Procedures.

A.4. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as ATTACHMENT D, is incorporated in this Grant Contract.

A.5. To comply with the Eligible Activity Requirements of 24 CFR 570, Subpart C, and Part 91 as applicable in accordance with the type of project assisted.

A.6. To maintain records adequate to document compliance with 24 CFR 570, along with such other records the City and HUD determines necessary to enable the City and HUD to fulfill its responsibilities in the CDBG Program. All records will be retained for a three (3) year period in accordance with the requirements of 24 CFR Part 570.

A.7. To furnish to the City all reports required to be filed in accordance with any directives of the City and within the time period prescribed by the City for such reports.

B. TERM OF GRANT CONTRACT:

B.1. Grant Term. This Grant Contract shall be effective on **July 1, 2026** ("Effective Date") and extend for a period of twelve (12) months after the Effective Date to **June 30, 2027** ("Term"). The City shall have no obligation for goods or services provided by the Operating Agency prior to the Effective Date or extending beyond the close of the Term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the City under this Grant Contract exceed [FUNDING AMOUNT] ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment C, shall constitute the maximum amount due the Operating Agency under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Operating Agency.

C.2. Compensation Firm. The Maximum Liability of the City is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

C.3. Payment Methodology. The Operating Agency shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Operating Agency shall submit invoices, in form and substance acceptable to the City, with all necessary supporting documentation, prior to any reimbursement of allowable costs.

C.4. Travel Compensation. Reimbursement to the Operating Agency for travel, meals, or lodging shall be subject to amounts and limitations specified in the "City Comprehensive Travel Regulations", as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

C.5. Invoice Requirements. The Operating Agency shall invoice the City based on an approved payment schedule, using the forms and all necessary supporting documentation specified by the HUD CDBG Requirements, and present such to:

City of Kingsport
Office of Housing and Community Development
415 Broad Street, Kingsport, Tennessee 37660
Attention: Jessica McMurray

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line item amount(s) detailed. Any change in Grant Budget line items shall require an amendment to the Grant Contract.

C.7. Disbursement Reconciliation and Close Out. The Operating Agency shall submit any final invoice and a grant disbursement reconciliation report within forty-five (45) days of the Grant Contract end date, in form and substance acceptable to the City.

a. If total disbursements by the City pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Operating Agency shall refund the difference to the City. The Operating Agency shall submit said refund with the final grant disbursement reconciliation report.

b. The City shall not be responsible for the payment of any invoice submitted to the City after the grant disbursement reconciliation report. The City will not deem any Operating Agency costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the City, and such invoices will NOT be paid.

c. The Operating Agency's failure to provide a final grant disbursement reconciliation report to the City as required shall result in the Operating Agency being deemed ineligible for reimbursement under this Grant Contract, and the Operating Agency shall be required to refund any and all payments by the city pursuant to this Grant Contract.

d. The Operating Agency must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

C.8. Indirect Cost. Should the Operating Agency request reimbursement for indirect costs, the Operating Agency must submit to the City a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Operating Agency will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Operating Agency makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Operating Agency agrees to remit any overpayment of funds to the City, and subject to the availability of funds the City agrees to remit any underpayment to the Operating Agency.

C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of City of Kingsport Departments of Finance and Administration Policies or any amendments or revisions made to this policy statement during the Term.

C.10. Payment of Invoice. A payment by the City shall not prejudice the City's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the City shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.

C.11. Non-allowable Costs. Any amounts payable to the Operating Agency shall be subject to reduction for amounts included in any invoice or payment that are determined by the City, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.

C.12. City's Right to Set Off. The City reserves the right to deduct from amounts that are or shall become due and payable to the Operating Agency under this Grant Contract or any other contract between the Operating Agency and the City of Kingsport under which the Operating Agency has a right to receive payment from the City.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The City is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Kingsport and Tennessee laws and regulations.

D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Kingsport and Tennessee laws and regulations.

D.3 Termination for Convenience. The City may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of the Grant Contract by the City. The City shall give the Operating Agency at least thirty (30) days written notice before the effective termination date. The Operating Agency shall be entitled to compensation for authorized

expenditures and satisfactory services, in compliance with Federal CDBG Regulations, completed as of the termination date, but in no event shall the City be liable to the Operating Agency for compensation for any service that has not been rendered. The final decision as to the amount for which the City is liable shall be determined by the City. The Operating Agency shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the City's exercise of its right to terminate for convenience.

D.4 Termination for Cause. If the Operating Agency fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Operating Agency violates any terms of this Grant Contract ("Breach Condition"), the City shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Operating Agency shall not be relieved of liability to the City for damages sustained by virtue of any Breach Condition and the City may seek other remedies allowed at law or in equity for breach of this Grant Contract. Upon such termination, the Operating Agency shall have no claim to any CDBG funds remaining under this Grant Contract.

D.5. Subcontracting. The Operating Agency shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the City. If such subcontracts are approved by the City, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest", "Lobbying", "Nondiscrimination", "Public Accountability", "Public Notice", and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Operating Agency shall remain responsible for all work performed.

D.6. Conflicts of Interest. The Operating Agency warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the City of Kingsport as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Operating Agency in connection with any work contemplated or performed relative to this Grant Contract.

The Operating Agency acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Operating Agency is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development or if the Operating Agency is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the City of Kingsport or the U. S. Department of Housing and Urban Development.

D.7. Lobbying. The Operating Agency certifies, to the best of its knowledge and belief, that:

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

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

D.8 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:

The City:

Michael Price

City of Kingsport Office of Housing and Community Development

415 Broad Street, Kingsport, Tennessee 37660

Telephone 423-224-2877

Email michaelprice@kingsporttn.gov

The Operating Agency:

[AGENCY NAME]

[AGENCY ADDRESS]

Kingsport, TN 37663

Telephone _____

Email _____

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the City reserves the right to terminate this Grant Contract upon written notice to the Operating Agency. The City's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the City. Upon receipt of the written notice, the Operating Agency shall cease all work associated with the Grant Contract. Should such an event occur, the Operating Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Operating Agency shall have no right to recover from the City any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Operating Agency agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Operating Agency on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Operating Agency shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. The City and the Operating Agency shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of the Grant Contract.

a. The Operating Agency warrants to the City that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Grant Contract.

b. The Operating Agency warrants that it will cooperate with the City, including cooperation and coordination with City privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.

c. The City and the Operating Agency will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the City and the Operating Agency in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

d. The Operating Agency will indemnify the City and hold it harmless for any violation by the Operating Agency or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the City because of the violation.

D.12. Public Accountability. If the Operating Agency is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Operating Agency on behalf of the City, the Operating Agency agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Operating Agency shall also display in a prominent place, located near the passageway through which public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") inches in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL FREE HOTLINE: 1-800-232-5454

The sign shall be on the form prescribed by the City. The City shall obtain copies of the sign from HUD, and upon request from the Operating Agency, provide Operating Agency with any necessary signs.

D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Operating Agency in relation to this Grant Contract shall include the statement, "This project is funded under an agreement with the City of Kingsport and the U.S. Department of Housing and Urban Development." All notices by the Operating Agency in relation to this Grant Contract shall be approved by the City.

D.14. Licensure. The Operating Agency and its employees and all sub-Operating Agencies shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.15. Records. The Operating Agency and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Operating Agency and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Operating Agency shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Operating Agency shall establish a system of internal controls that utilize the COSO Internal Control – Integrated Framework model as the basic foundation for the internal control system. The Operating Agency shall incorporate any additional Tennessee Comptroller of the Treasury directives into its internal control system.

D.16. Monitoring. The Operating Agency's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the City of Kingsport and the U. S. Department of Housing and Urban Development, or their duly appointed representatives.

D.17. Progress Reports. The Operating Agency shall submit brief, periodic, progress reports to the City as requested.

D.18. Reports. The Operating Agency shall submit all reports with form, substance and deadlines as specified in the Federal CDBG Regulations. The Operating Agency shall submit, within one (1) month of the conclusion of the Term, a CDBG annual report to the City.

D.19. Audit Reports. For purpose of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Operating Agency shall provide audited financial statements to the City of Kingsport if during the Operating Agency's fiscal year, the Operating Agency (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the City is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Operating Agency shall complete ATTACHMENT E: NOTICE OF AUDIT to notify the City whether or not Operating Agency is subject to an audit. The Operating Agency should submit only one, completed document during the Operating Agency's fiscal year. Any Operating Agency that is subject to an audit and so indicates on Attachment E shall complete ATTACHMENT F: PARENT CHILD INFORMATION. If the Operating Agency is subject to an audit, Operating Agency shall obtain the Tennessee Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Operating Agency may contact the Tennessee Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Operating Agency and the Auditor shall be on a contract form prescribed by the Comptroller. The Operating Agency shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Operating Agency shall be subject to the provision relating to such fees contained within the Grant Contract. The Operating Agency shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Operating Agency shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Operating Agency is a subrecipient, the Operating Agency shall comply with 2 C.F.R. §§ 200.318-300.326 when procuring property and services under a federal award.

The Operating Agency shall obtain prior approval from the City before purchasing any equipment under this Grant Contract.

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Operating Agency, being an independent contractor and not an employee of the City, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Operating Agency's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. City Liability. The City shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Operating Agency's representatives, suppliers, subcontractors, customers or business apart from the Grant Contract is not a Force Majeure Event under this Grant Contract. Operating Agency will promptly notify the City of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the City within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Operating Agency's performance longer than forty-eight (48) hours, the City may, upon notice to Operating Agency: (a) cease payment of the fees until Operating Agency resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Operating Agency will not increase its charges under this Grant Contract or charge the City any fees other than those provided for in the Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Operating Agency shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26 Reserved.

D.27. City Interest in Equipment or Motor Vehicles. The Operating Agency shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant contract, subject to the City's, equitable interest therein, to the extent of its *pro rata* share, based upon, the City's, contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition costs which equals or exceeds five thousand dollars (\$5,000). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant contract to create a security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this Grant contract. A further intent of this Grant contract is to acknowledge and continue the security interest in favor of the City in the equipment or motor vehicles acquired by the Operating Agency pursuant to the provisions of this program's prior year Grant contracts between the City, and the Operating Agency.

The Operating Agency grants the City a security interest in all equipment or motor vehicles acquired in whole or in part by the Operating Agency under this Grant contract. This Grant contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Operating Agency hereby grants the City a security interest in said equipment or motor vehicles. The Operating Agency agrees that the City may file this Grant contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Operating Agency agrees to execute and deliver to the City, upon the City's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant contract in such form as the City may require to perfect a security interest with respect to said equipment or motor vehicles. The Operating Agency shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the City may reasonably require. Without the prior written consent of the City, the Operating Agency shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Operating Agency's breach of any covenant or agreement contained in this Grant contract, including the covenants to pay when due all sums secured by this Grant contract. The City shall have the remedies of a secured party under the Uniform Commercial Code and, at the City's option, may also invoke the remedies herein provided.

The Operating Agency agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant contract. The Operating Agency shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;

- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Operating Agency's operations where the equipment or motor vehicles is used;
- h. Condition of the property or disposition date if Operating Agency no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.
- k. The Operating Agency shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Operating Agency shall inventory equipment or motor vehicles annually. The Operating Agency must compare the results of the inventory with the inventory control report and investigate any differences. The Operating Agency must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

l. The Operating Agency shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant contract within thirty (30) days of its end date and in form and substance acceptable to the City. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Operating Agency shall notify the City, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Operating Agency shall be responsible to the City for the *pro rata* amount of the residual value at the time of loss based upon the City's original contribution to the purchase price.

m. Upon termination of the Grant contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant contract, the Operating Agency shall request written approval from the City for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

D.28. City, State and Federal Compliance. The Operating Agency shall comply with all applicable city, state, and federal laws, ordinances, rules and regulations in performance of this Grant Contract.

D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Operating Agency agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Operating Agency acknowledges and agrees that any rights or claims against the City of Kingsport or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. § 29-20-101 *et seq.* and the sovereign immunity the city has through the State of Tennessee.

D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall control.

E.2. Debarment and Suspension. The Operating Agency certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

b. Have not within a three (3) year period preceding this the date of this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

d. Have not within a three (3) year period preceding the date of this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Operating Agency shall provide immediate written notice to the City if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.3. Work Papers Subject to Review. The Operating Agency shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the City, the U. S. Department of Housing and Urban Development, or their respective representatives upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

E.4 Environmental Tobacco Smoke. Pursuant to the provisions of the federal “Pro-Children Act of 1994” and the Children’s Act for Clean Indoor Air of 1995”, Tenn. Code Ann. §§ 39-17-1601 through 1606, the Operating Agency shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Operating Agency shall post “no smoking” signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be a part of any subcontract related to this Grant Contract.

E.5. Hold Harmless. To the extent permitted by State law, the Operating Agency agrees to indemnify and hold harmless the City of Kingsport, the U. S. Department of Housing and Urban Development, as well as its officers, agents and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operating Agency, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Operating Agency further agrees it shall be liable for the reasonable cost of attorneys and court costs for the City, the U. S. Department of Housing and Urban Development to enforce the terms of this Grant Contract.

In the event of any such suit or claim, the parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the City, the U. S. Department of Housing and Urban Development to give notice shall only relieve the Operating Agency of its obligations under this Section to the extent that the Operating Agency can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Operating Agency, through its attorney(s), the right to represent the City of Kingsport, the U. S. Department of Housing and Urban Development in any legal matter, as the right to represent the City and the State is governed by Tenn. Code Ann. § 8-6-106.

E.6. Federal Funding Accountability and Transparency Act (“FFATA”). This Grant requires the Operating Agency to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Operating Agency is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Operating Agency provides information to the City as required. The Operating Agency shall comply with the following:

a. Reporting of Total Compensation of the Operating Agency’s Executives.

(1) The Operating Agency shall report the names and total compensation of each of its five (5) most highly compensated executives for the Operating Agency’s preceding completed fiscal year, if in the Operating Agency’s preceding fiscal year it received:

i. 80 percent or more of the Operating Agency’s annual gross revenues from federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and sub awards); and

ii. \$25,000,000 or more in annual gross annual revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports files under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

As defined in 2 CFR § 170.315. “Executive” means officers, managing partners, or any other employees in management positions.

(2) Total compensation means the cash and noncash dollar value earned by the executive during the Operating Agency’s preceding fiscal year and includes the following (for information see 17 § CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings or deferred compensation which is not tax qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites of property) for the executive exceeds \$10,000.

b. The Operating Agency must report executive total compensation described above to the City by the end of the month during which this Grant Contract is fully executed.

c. If this Grant Contract is amended to extend the Term, the Operating Agency must submit an executive total compensation report to the City by the end of the month in which the amendment to this Grant Contract becomes effective.

d. The Operating Agency will obtain a Data Universal Numbering System (“DUNS”) number and maintain its DUNS number for the terms of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

The Operating Agency’s failure to comply with the above requirements is a material breach of this Grant Contract for which the City may terminate this Grant Contract for cause. The City will not be obligated to pay any outstanding invoice received from the Operating Agency unless and until the Operating Agency is in full compliance with the above requirements.

E.7. Training. The Operating Agency agrees to attend all training sessions regarding management of the CDBG Program which are scheduled by the City and HUD.

E.8. CDBG Program Requirements. Under this Grant Contract, Operating Agency is receiving an allocation or grant of Community Development Block Grant Program funds. The Operating Agency understands these funds are made available through the U.S. Department of Housing and Urban Development (HUD) and to facilitate the receipt of these funds the Operating Agency agrees and certifies to comply with all applicable HUD requirements. Without limitations, Operating Agency specifically agrees and certifies as to the following:

a. The Operating Agency will abide with all of the requirements of 24 CFR, Part 570 and Part 91, Community Development Block Grant Program.

b. The Operating Agency will comply with other applicable Federal requirements in 24 CFR, Part 570 and Part 91, as follows:

1. 24 CFR 5.105(a). Section 3 Nondiscrimination and Equal Opportunity;
2. 24 CFR 570 Subpart A, General Provisions;
3. 24 CFR 570 Subpart C, Eligible Activities;
4. 24 CFR 570 Subpart J, Grant Administration;
5. 24 CFR 570 Subpart K, Other Program Requirements;
6. 24 CFR 570 Subpart O, Performance Reviews;
7. Title VI and Executive Order 13166 Affirmative Outreach

c. If the Operating Agency is primarily a religious organization, it agrees to use its funds to provide all eligible activities under this program in a manner that is free from religious influences as provided by 24 CFR 576.406.

d. The Operating Agency will comply with the uniform administrative requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, and the requirements of 24 CFR 576.407.

e. The Operating Agency will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR, Part 24 and the requirements of 24 CFR 576.59.

f. The Operating Agency will comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992, implementing regulations at 24 CFR, Part 35, Subparts A, B, H, J, K, and M as applicable.

g. The Operating Agency will use CDBG funds pursuant to its or the City’s Consolidated Plan approved by HUD and all requirements of 24 CFR, Part 570 and Part 91.

h. The Operating Agency will maintain adequate documentation to determine eligibility of persons served by the CDBG program.

i. The Operating Agency will develop and implement procedures to ensure the confidentiality of records pertaining to any individual fleeing domestic violence situations. In addition the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility’s operation.

E.9. Drug Free Workplace. The Operating Agency will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency’s workplace and specifying the action that will be taken against employees for violation of such prohibition;

b. Establishing an ongoing drug-free awareness program to inform employees about:

1. The dangers of drug abuse in the workplace;

2. The Operating Agency's policy of maintaining a drug-free workplace;
 3. Any drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee to be engaged in the performance of this Grant Contract be given a copy of the statement required by Paragraph E.10. (a);
 - d. Notifying the employee in the statement required by Paragraph E.10(a) that, as a condition of employment under this Grant Contract, the employee will:
 1. Abide by the terms of the statement; and
 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - e. Notifying the City in writing, within ten calendar days after receiving notice under Paragraph E.10(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
 - f. Taking one of the following actions, within thirty calendar days of receiving notice under Paragraph E.10(d)(2), with respect to any employee who is so convicted:
 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs E.10 (a), (b), (c), (d), (e) and (f).
- E.10. Corrective Action. If the City takes any corrective or remedial action as outlined in 24 CFR § 570.910 that is the result of any action taken by the Operating Agency, the Operating Agency will take any action required by the City to prevent a continuation of the deficiency, mitigate to the extent possible its adverse effects or consequences, and prevent its recurrence. These remedies could, among other actions, include repaying CDBG funds to the City.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set out their signatures.

[Acknowledgements and Attachments Omitted 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 that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

Item X13.

RODNEY B. ROWLETT, III, CITY ATTORNEY

Item X13.

Supplemental Information:
CDBG Subrecipient Grants

The Community Development Advisory Committee recommendation to the BMA for CDBG allocations for the 2026-2027 Program Year.

CDBG annual public service allocations cap at 15% of the total CDBG funds allocated by HUD. For program year 2026-2027, the City received \$469,767.00 of that, an allocation of \$70,465.05 for public services.

- CD staff utilized a competitive funding round with scoring criteria to score the recommended organizations. Received 21 applications. Funding recommendation below:
- \$25,000.00- City of Kingsport Homeless Street Outreach
- \$3,000.00- First TN Human Resources Agency
- \$5,000.00- Second Harvest Food Bank Food for Kids Backpack Program
- \$4,000.00- The Children’s Advocacy Center
- \$4,000.00- CASA 4 Kids Advocacy for Children
- \$1,000.00- Family Promise Kingsport
- \$8,250.00- Friends in Need
- \$2,650.00- Holston Terrace Food Bank El Colmandito de Mami
- \$2,650.00- KHRA Family Self-Sufficiency Community Enrichment Program
- \$4,000.00- Kingsport Homeless Ministry Grace House
- \$1,442.03- Legal Aid
- \$3,473.02- Meals on Wheels Groceries for Meal Preparation
- \$4,000.00- United Way
- \$2,000.00- YMCA

\$185,348.55 – Funding for critical emergency home repairs made available through a competitive funding round with the recommended organizations:

- \$41,813.69- First Tennessee Area Agency on Aging and Disability
- \$70,000.00- Holston Habitat for Humanity
- \$20,000.00- Eastern Eight
- \$20,000.00- Appalachia Service Project

CDAC members scored each applicant in the following areas:

- Alignment with the Consolidated Plan
- Public Benefit
- Organizational Capacity
- Collaboration & Leverage
- Clarity and Completion
- Financial Feasibility
- Discretionary Assessment



Minutes of the Community Development Advisory Committee

Kingsport City Hall, Council Room
415 Broad Street, Suite 226
Kingsport, TN 37660

Special Called - Thursday, May 7, 2026
1:00 pm

Members Present

Seth Jarvis, Vice-Chairman
René Mann, Secretary
Rev. Scottie Burkhalter
Josh McKinney
Sheree Robinson

Other Attendees

Michael Price, Community Development Specialist

Members Absent

Call to Order –

At 1:00 - p.m. Michael Price called the meeting to order.

New Business –

Applications for Community Development Block Grant (CDBG) Funds

Funding Requests – Housing Rehabilitation – Mr. Price advised after administrative set-aside, \$166,813.69 is available for housing rehabilitation. Four applications were submitted, Holston Habitat for Humanity (HHFH), First Tennessee Area Agency on Aging and Disability (FTAAAD), Appalachian Service Project (ASP) and Eastern Eight Community Development Corporation (Eastern 8). Mr. Price provided the average score and rank of all applications. Mr. Price requested a portion of funds be reserved for the in-house housing rehabilitation program. The applications, proposed projects, and requested amounts were discussed. Mr. Price advised the subrecipients receiving funding last year did really well. With one quarter to go, all funds will be spent once a final project is completed. Rev. Burkhalter made a motion to recommend an award of \$70,000 to HHFH, \$41,813.69 to FTAAAD, \$20,000 to ASP \$20,000 to Eastern 8, and the remaining \$15,000 to be kept in-house. Mr. Jarvis second the motion. All approved.

Funding Requests – Supportive Services – Mr. Price advised there were 17 applications submitted and \$70,465.05 in funds available for supportive services. The applications, proposed projects, and requested amounts were discussed. Mr. Price provided the average score and rank of all applications. Mr. Jarvis made a motion to recommend an award of the following: City Street Outreach - \$25,000, Second Harvest Food Bank - \$5,000, Children's Advocacy Center - \$4,000, Friends in Need - \$8,250, Kingsport Homeless Ministry - \$4,000, Meals on Wheels – \$3,473.02, YMCA - \$2,000, KHRA - \$2,650, United Way - \$4,000, CASA - \$4,000, Family Promise Kingsport - \$1,000, Legal Aid - \$1,442.03, First TN Human Net Trans - \$3,000, and Holston Terrace - \$2,650.



Friends in Need - \$15,000, Holston Terrace - \$2,000, KHRA - \$4,000, Oasis - \$3,500, Second Harvest - \$10,000, YMCA - \$7,545, Meals on Wheels - \$3,390, Frontier Health - \$5,000, Grace House - \$10,000, Sequoyah Scouting - \$3,500, CASA for Kids - \$4,747.75. Mr. McKinney second the motion. All approved.

Old Business –

None discussed.

Other Matters –

None discussed.

HOME Consortium Update – No Update

Public Comment Period – No public present. No comments made.

Announcements and Adjournment -

Meeting adjourned at 2:57 pm.

Respectfully Submitted,



René Mann, Secretary



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the City of Kingsport’s Application for and Acceptance of Funding through THDA’s 2026 Emergency Solutions Grant

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

Action Form No.: AF-132-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Michael Price
Presentation By: Michael Price

Strategic Focus Area: 1. Efficient & Responsive Government

Recommendation:

Approve the Resolution

Executive Summary:

If approved, Community Development staff will apply for the Emergency Solutions Grant through the Tennessee Housing Development Agency.

The Emergency Solutions Grant (ESG) funded by the Department of Housing and Urban Development (HUD) specifically to address homelessness. The city currently employs a homeless outreach team whose role is designed to assist in homeless prevention, street outreach and re-housing. If awarded, the ESG funds will partially fund the homeless outreach coordinators’ salary as well as for supplies, case management tools, and other needed goods. The grant request will be for \$127,984.71 and carries a dollar-for-dollar match requirement. Salaries of existing employees and CDBG allocation will be used to meet the in-kind match. The goal is to meet the homeless population where they are, develop relationships and provide needed services and/or referrals. Each element of the grant request will impact our community and help assist those who are currently experiencing homelessness or at-risk for homelessness.

The City of Kingsport was awarded the ESG Grant in 2024 and in 2025 the amount of \$117,779.48, staff seeks a continuation of the award for ESG 2026.

Attachments:

- 1. Resolution
- 2. Draft Application
- 3. Certification of Matching Funds
- 4. Written Standards Checklist

Item XI4.

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN APPLICATION FOR A U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT EMERGENCY SOLUTIONS GRANT, ACCEPTING THE GRANT FUNDS IF AWARDED, AND AUTHORIZING THE MAYOR TO SIGN THE GRANT APPLICATION AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the city seeks to increase services for the homeless population of Kingsport by applying for a U. S. Department of Housing and Urban Development Emergency Solutions Grant administered by the Tennessee Housing Development Agency; and

WHEREAS, the Emergency Solutions Grant (ESG) program provides funding for various activities such as engaging homeless individuals and families, improving the number and quality of emergency shelters; supporting the operation of shelters, providing essential services to shelter residents, and preventing homelessness; and

WHEREAS, currently the city employs a homeless outreach coordinator whose duties and objectives align with many of the activities the ESG funds, if awarded the ESG city will hire a homeless outreach worker to assist and support the homeless outreach coordinator as well as utilize the funds for supplies, case management tools, and other needed goods; and

WHEREAS, the city will apply for \$127,984.71 in ESG funding which does require a dollar for dollar match though under the terms of the ESG salaries of existing qualifying employees and allocated Community Development Block Grant funds will qualify as an "in-kind" match.

Now therefore,

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

SECTION I. That an application for the U. S. Department of Housing and Urban Development Emergency Solutions Grant administered by the Tennessee Housing Development Agency is approved and receipt of the same is authorized if awarded.

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 application for as well as all other documents necessary and proper to apply for and receive the Emergency Solutions Grant, to deliver the necessary documents upon execution and to take all actions as may be required on the part of the city to carry out, give effect to, and consummate the actions contemplated by this resolution.

SECTION III. That the mayor is authorized to execute any and all documents 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 IV. That the board finds that the actions authorized by this resolution are for a public purpose including recreational and educational, and will promote the health, comfort, and prosperity of the citizens of the city.

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

ESG 2026:

Total Grant Award Requested: \$127,984.71

1:1 Match: Match comes from existing salaries and CDBG allocation.

Describe in detail the applicant's mission, types of programs and services currently offered and how homelessness programs fit within that mission.

The City of Kingsport has a long-standing reputation of being community-centered, kind, and home to multiple organizations providing services to homeless individuals including feeding programs, shelters, prevention services, and many ministries. Recently, homelessness has become more prevalent as escalating drug addiction and increasing cases of untreated mental health concerns impact unhoused individuals. Navigating the complexity of shelter regulations and long waiting lists for public housing leaves rising numbers of persons unable to obtain housing. In response to this housing crisis, Kingsport is exhausting efforts to end the homeless epidemic. The City is building momentum to provide accessible and consistent resources to vulnerable populations. To honor The City of Kingsport's long-standing commitment to end homelessness, funding is essential. The City of Kingsport currently offers two primary homeless-centered programs. Kingsport City Schools' Homeless Education program, was established in 1995, and The Kingsport Homeless Coalition was established in 2020. These programs were created to thwart homelessness. The City requests ESG funding to expand the services of both.

Describe the experience of the applicant in assisting to help individuals and families experiencing homelessness.

The City of Kingsport will provide assistance to Kingsport City Schools System in congruence with the Kingsport City Schools Homeless Education program, assisting eligible students qualifying under the McKinney-Vento Homeless Assistance Act, title IX, Part A of Every Student Succeeds Act (ESSA). The program documents 127 families served thus far during the 2022-2023 school year. Demographics include 280 students and 37 siblings living in shelters, doubled up, living in motels, or completely unsheltered. By the end of that school year, 67 students and 6 siblings from 36 families had obtained housing. During the 2023-2024 school year 216 students have been served. Of those, 36 students and 10 siblings from 20 families now have stable housing.

In 2020, the City of Kingsport in partnership created the Kingsport Homeless Coalition. The Coalition's vision is to create a coordinated, compassionate plan to serve the homeless population of the greater Kingsport Area. This collaboration resulting in the creation of a full-time social worker, provided by the Kingsport Police Department, who works with the homeless population to provide better access to community resources. The city social worker engages with multiple community partners to provide coordination of services. The Homeless Coalition served 293 participants in last grant year. 73 of the participants were discharged into permanent housing.

Describe the experience of the applicant's senior staff in providing assistance to help individuals and families experiencing homelessness.

Jonathan Anderson serves as the Homeless Services Liaison, providing expertise collected over 17 years of working in the faith-based and nonprofit communities. Jonathan Anderson is the founder of Engage Tri-Cities and has worked with nonprofit community focused organizations in both, Kingsport and North

Carolina. The Kingsport Police Homeless Outreach Worker is Erin Gray. A lifelong Tri-Cities native, Erin Gray retains a current TN Master License of Social Worker (LMSW) and provides expertise collected over 16 years including employment with the Department of Children's Services and Camelot. Community Development Planner, Michael Price, has administered THDA programs for five years including the Emergency Solutions Grant providing the following: Street Outreach, Shelter Services, Homeless Prevention and Rapid Rehousing. He is certified in HQS, Lead based paint, Property Management, HCV, and LIHTC. Michele Wilder, coordinator of the Homeless Education Program for Kingsport City Schools, has served in this role since Sept. 1999. She also serves as Kingsport City Schools System's Foster Care Point of Contact and Migrant Liaison. Her experience brings 26 years of commitment to ending homelessness.

Describe the applicant's intake process.

Potential clients are identified by Street Outreach worker and subsequently, the Appalachian Regional Coalition on Homelessness (ARCH) is contacted to complete consolidated entry. Vetted applications are provided from ARCH to Kingsport's case managers for guidance through the application process. New applications are underwritten, and fact checked to ensure qualified population requirements are met. Unqualified applicants are given appeals opportunities to ensure due process is applied.

Does your agency currently have participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity? If not, describe how your agency will implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under the Emergency Solutions Grant (ESG)?

Yes, the Kingsport Board of Mayor and Aldermen, the Kingsport Homeless Coalition, and the Community Development Advisory Committee consist of diverse individuals with lived experiences. Feedback and public input are frequently sought when policies are made and implemented.

Describe any changes that have been made as a result of participant feedback.

The City of Kingsport's Homeless Coalition and street outreach efforts are structured based on the results of participant feedback. Programs ensure adjustments and adaptability are continuous to provide necessary resources to successfully house individuals in permanent housing options. Referrals to treatment facilities, shelters, and income based housing are guided by participant feedback. Transportation schedules are created modeled and amended based on participant needs.

Describe how your agency makes known that use of facilities, assistance, and services are available to all on a non-discriminatory basis, including steps to make individuals aware of the availability of the facilities, services, and assistance, including those with disabilities. (Applicant should make sure to answer each part of the question)

The City of Kingsport uses a multi-channel approach relative to announcing the availability of assistance and services. First of all, the City of Kingsport's participation in local CoC meetings ensures participating local service agencies and nonprofits are aware of available resources. Secondly, awards and programs are discussed at public hearings and Board of Mayor and Alderman Meetings. Thirdly, the City of

Kingsport uses an array of social media, print media, news outlets, and the City's website to announce all new opportunities. Finally, all City of Kingsport offices are fully accessible to ensure every citizen has an equal opportunity to utilize programs and services.

Describe how your agency assists participants with Limited English Proficiency (LEP). How does the agency make known its services to LEP participants within the service area?

As of June 26, 2023, the city has contracted with Language Line Solutions for our interpretation and language needs. Services included are video/in-person meetings, telephone interpreter services, as well as document translation.

The service is capable of providing deaf or hard-of-hearing translation.

Also, Michele Wilder--Coordinator of the Homeless Education Program for Kingsport City Schools serves as the Migrant Liaison.

Provide information about the board of directors and/or advisory council, such as the regularity of meetings, list of subcommittees, goals and planning, and their involvement in the agency's activities.

The Community Development Advisory Committee was established to oversee the conduct of the Community Development Block Grant (CDBG) from U.S. Housing and Urban Development and other grant-based programs. Kingsport is an entitlement city per the Community Development Block Grant Program which serves to primarily benefit low- and moderate-income persons and aid in the prevention or elimination of slums or blight. The Committee also serves to guide planning and implementation of community service grants. The Community Development Advisory Committee (CDAC) consists of five members. All members are appointed by the Mayor and confirmed by the Board of Mayor and Aldermen. All appointees to the Community Development Advisory Committee shall serve three-year terms. All meetings are open to the public and held every month at City Hall. Meetings are held monthly. The Committee represents members from, the development district, faith-based community, housing, and at large members.

Describe the applicant's process for ensuring project-level and agency-wide data quality in HMIS, or if a victim service provider, the comparable database.

Data quality is the extent to which the information contained in HMIS accurately represents the real-world clients and situations intended to be described. The City's data quality process ensures that information is complete, timely, accurate, consistent, and descriptive of coverage and utilization. HMIS data is reviewed at the COC level by ARCH staff, and errors are quickly addressed to ensure quality data is created.

How does the applicant use data and reporting to inform agency decision making?

The data collected in HMIS and reported by participating agencies guides the City of Kingsport in every aspect of community service. Information collected influences grants applied for, as well as funding levels sought. Accurate numbers of homeless and at-risk individuals help the City know where to apply existing resources and when to invest in additional opportunities.

Describe the CoC top priorities for addressing homelessness.

ARCH CoC's top priorities for addressing homelessness priorities: 1. Ending homelessness for all person by identifying, engaging in, and effectively serving all persons experiencing homelessness (Outreach). 2. Using a Housing First approach that prioritizes rapid placement (RRH) and stabilization (HP) in permanent housing without preconditions or requirements. 3. Reducing unsheltered homelessness by identifying permanent housing options for people who are unsheltered (Coordinated Entry, Housing Navigation, Case Management, etc.) 4. Improving system performance to measure the average length of homeless episodes, rates of return to homelessness, rates of exit to permanent housing determinations, to determine how effectively we are serving people experiencing homelessness. 5. Partner with Housing, Health and Service Agencies to maximize the use of mainstream and other supportive services. 6. Address racial equity to ensure successful outcomes for all persons experiencing homelessness. 7. Improving assistance to LGBTQ+ Individuals. 8. Including Persons with Lived Experience to improve the effectiveness of homelessness assistance programs. 9. Increasing Affordable Housing Supply.

How does the applicant contribute to activities within their CoC? (Committees, subcommittees, CE/By Name List meetings)

City of Kingsport staff serve on the Appalachian Regional Coalition on Homelessness Board of Directors and participate in all monthly meetings. Staff also participates in the annual Point In Time Count and Continuum of Care activities.

Street Outreach services target individuals and families living unsheltered, meaning those who qualify under 21 CFR Part 576.2 paragraph (1)(i) of the definition of "homelessness." Services are described under 21 CFR Part 576.101. Services for eligible program participants are provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where people living unsheltered are staying.

Describe the proposed Street Outreach program to be provided using ESG funds.

The Street Outreach program, to be provided using Emergency Solutions Grant (ESG) funds, aims to address the needs of unsheltered individuals in the City of Kingsport by offering targeted outreach services focused on engagement, support, and ultimately, the transition to permanent housing.

Funding will go to hire a full-time caseworker to be embedded with the Community Policing Department.

Refinement of a dedicated outreach team comprised of individuals with experience and training in social work, mental health, substance abuse counseling, and homelessness services. Ensuring diversity within the team to better connect with individuals from various backgrounds and communities. Conducting comprehensive needs assessments to identify immediate needs such as food, clothing, medical care, mental health support, substance abuse treatment, and access to basic services. Providing direct assistance and referrals to appropriate resources and services based on identified needs.

By implementing this comprehensive Street Outreach program funded through ESG, we aim to effectively engage unsheltered individuals, address their immediate needs, and support their journey towards stable housing and improved quality of life. This program will not only provide vital assistance to those experiencing homelessness but also contribute to the overall well-being and vitality of the City of Kingsport.

Engagement is key to administering the street outreach component with the goal of moving clients from living unsheltered to shelter.

How will the applicant find unsheltered clients? (ex. PIT, visit encampments, community policing, city or county service agency, etc..)

The City of Kingsport Homeless Coalition liaison and outreach worker are in the community five days a week. Coalition team members participate in the PIT count, visit encampments, and work with all local service agencies. The street outreach worker is embedded with the Kingsport City Police Department and spends time with law enforcement to provide assistance and referrals where they are needed the most.

Unsheltered populations may require multiple contacts in order to build a relationship with the goal of moving clients into permanent housing. Outline a clear plan how the applicant will build relationships to engage unsheltered individuals? Building relationships with unsheltered individuals is crucial for effective engagement and eventual transition into permanent housing.

The City of Kingsport's Homeless Coalition has a dedicated street outreach team comprised of individuals with experience and training in social work, mental health, substance abuse counseling, and homelessness services. Outreach team members are trained in trauma-informed care to understand and respond to the unique needs and experiences of unsheltered individuals with empathy and sensitivity. The team conducts regular street outreach sessions at predetermined times and locations known to have high concentrations of unsheltered individuals. They utilize a non-intrusive approach, respecting personal space and boundaries while offering assistance and support. The liaisons show genuine interest in their stories, experiences, and needs without judgment or pressure. By using these interactions as opportunities to listen, understand, and identify support needs. The team demonstrates reliability and consistency in providing support over time. Personalized support plans outlining steps toward housing stability and self-sufficiency are developed based on individual needs.

Efforts are made to facilitate access to a range of support services including healthcare, mental health treatment, substance abuse counseling, employment assistance, and legal aid. Caseworkers accompany individuals to appointments and provide advocacy and support.

Explain service that Applicant will be providing.

Individualized Support Plans:

Conduct comprehensive assessments to understand each individual's circumstances, challenges, and goals. Collaborate with individuals to develop personalized support plans outlining steps towards housing stability and self-sufficiency.

Linkage to Services:

Facilitate access to a range of support services including healthcare, mental health treatment, substance abuse counseling, employment assistance, and legal aid. Accompany individuals to appointments and provide advocacy and support throughout the process.

Housing Navigation Assistance:

Provide intensive support in navigating the housing system, assisting with housing applications, locating affordable housing options, and securing necessary documentation. Offer ongoing guidance and advocacy to address any barriers or challenges encountered during the housing search process. Peer support and mentorship through community engagement and partnerships.

Transportation Services

Explain service that Applicant will be providing.

Transportation is provided by accompanying individuals to appointments and providing advocacy and support throughout the process.

Also, bus passes are provided on a daily and monthly basis to assist in transportation to appointments and employment.

Describe any planned expenses to be paid for with ESG funds during the upcoming program year for equipment, hardware, software, or HUD-approved or HUD-sponsored training related to HMIS.

Of the funding allocated for HMIS, a two percent portion will be paid to the COC lead agency for HMIS access. The remaining funding will go towards the purchase of a laptop, printer and software package for the Homeless Coalition to use exclusively for ESG efforts.

Explain in detail how your agency monitors for data quality. Share details of any Data Quality Plan in place.

Data quality is the extent to which the information contained in HMIS accurately represents the real-world clients and situations intended to be described. The City's data quality process ensures that information is complete, timely, accurate, consistent, and descriptive of coverage and utilization. HMIS data is reviewed at the COC level by ARCH staff, and errors are quickly addressed to ensure quality data is created. Client information must be entered into HMIS in accordance with the data quality, timeliness and additional requirements found in the HMIS Policies and Procedures manual and implemented in the CoC Performance Standards.

Describe any HMIS or data-related training provided within the agency and to CoC partner agencies.

ARCH COC has provided HMIS training in the past. The City of Kingsport Homeless Coalition staff participates in all COC-level HMIS training.

Describe efforts to provide technical assistance to partner agencies, including Victim Service Providers or those agencies who use Comparable Databases.

The Homeless Coalition routinely helps partnering agencies with grant applications, HMIS assistance and other needs as they occur.

ESG Match Commitment Certification – THDA

This certification confirms that the applicant organization agrees to provide the required one-to-one (1:1) match for any Emergency Solutions Grant (ESG) funds awarded by the Tennessee Housing Development Agency (THDA).

Organization Information

Applicant Organization:

The City of Kingsport

Match Commitment

If awarded ESG funds by THDA, the applicant certifies that it will provide match equal to the total ESG award amount (1:1) using eligible ESG match sources in accordance with HUD and THDA requirements.

The applicant further certifies that all match sources will be:

- Non-federal (unless expressly allowed by THDA);
- Allocable to eligible ESG activities;
- Supported by appropriate documentation; and
- Maintained in organizational records for review or monitoring.

Certification

Authorized Official Name & Title:

Paul W. Montgomery, Mayor

Signature:

Date:



AGENDA ACTION FORM

Consideration of a Resolution to Enter into a Memorandum of Understanding with Frontier Health to Improve Coordination of Services for Individuals Experiencing Homelessness.

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

Action Form No.: AF-169-2026
Work Session: May 18, 2026
First Reading: N/A
Final Adoption: May 19, 2026
Staff Work By: Commander Chris Tincher
Presentation By: Chief Jason Bellamy

Strategic Focus Area: 4. Safe & Welcoming Community

Recommendation:
Approve the Resolution

Executive Summary:
If approved, the City will enter into a Memorandum of Understanding with Frontier Health to improve service coordination and access to care for individuals experiencing homelessness.

The City of Kingsport currently employs two homeless outreach personnel to assist individuals experiencing homelessness, including connecting citizens with needed mental health services. The Memorandum of Understanding with Frontier Health will allow homeless outreach personnel and Frontier Health to work together in a coordinated approach to connect individuals with treatment, housing, mental health resources, and supportive services. This partnership will also strengthen the community's continuum of care and collaboration among service providers. There is no cost associated with entering into this Memorandum of Understanding.

- Attachments:**
1. Resolution
 2. MOU with Frontier Health

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

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH FRONTIER HEALTH AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION

WHEREAS, the city would like to enter into a Memorandum of Understanding (MOU) with Frontier Health to improve service coordination and access to care for individuals experiencing homelessness; and

WHEREAS, the MOU with Frontier Health will allow homeless outreach personnel and Frontier Health to work together in a coordinated approach to connect individuals with treatment, housing, mental health resources, and supportive services, and will also strengthen the community's continuum of care and collaboration among service providers; and

WHEREAS, there is no cost associated with entering into the MOU.

Now therefore,

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

SECTION I. That the Memorandum of Understanding with Frontier Health is approved.

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

**Memorandum of Understanding
Between Frontier Health and the City of Kingsport**

Purpose

This Memorandum of Understanding (MOU) establishes a collaborative partnership between **Frontier Health** and the **City of Kingsport** to improve coordination of services and access to care for individuals experiencing homelessness within Kingsport, Tennessee.

Shared Commitment

Both parties acknowledge the complex needs of individuals experiencing homelessness and agree to work collaboratively to identify, develop, and connect individuals to appropriate resources, including behavioral health services, medical care, housing supports, and other community-based services.

Scope of Collaboration

Frontier Health and the City of Kingsport agree to:

- Work jointly to identify gaps in services and develop strategies to address unmet needs within the homeless population.
- Coordinate efforts to connect individuals to available treatment, housing, and supportive services.
- Engage in ongoing communication and partnership to strengthen the continuum of care within the community.

Information Sharing and Confidentiality

Both parties agree to collaborate in a manner consistent with all applicable privacy laws and regulations, including the Health Insurance Portability and Accountability Act and 42 CFR Part 2.

- Information may be shared between parties as permitted under HIPAA for the purposes of treatment, and healthcare operations, including care coordination.
- Only the minimum necessary information will be shared to support coordination of care.
- When more detailed diagnostic, clinical, or substance use disorder treatment information protected under 42 CFR Part 2 is required, a valid, written authorization (release of information) will be obtained from the individual prior to disclosure.
- Both parties will ensure that all shared information is handled securely and in accordance with applicable federal and state confidentiality requirements.

Roles and Responsibilities

Frontier Health will:

- Provide behavioral health expertise, assessment, and treatment services as appropriate.
- Assist in identifying appropriate levels of care and treatment resources.

City of Kingsport will:

- Support outreach and engagement efforts with individuals experiencing homelessness.
- Collaborate in identifying community resources and facilitating access to services.

Terms and Termination

This MOU will become effective upon signature by both parties and will remain in effect until terminated by either party with written notice. The MOU may be reviewed and updated periodically by mutual agreement.

Non-Billing Agreement

This MOU is intended to outline the collaborative relationship between the parties and does not create any legally binding obligations or financial commitments unless otherwise agreed upon in writing.

{Acknowledgements Deleted for Inclusion in this Resolution.}

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

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

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

ADOPTED this the 19th day of May, 2026.

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY



Memorandum of Understanding Between Frontier Health and the City of Kingsport

Purpose

This Memorandum of Understanding (MOU) establishes a collaborative partnership between **Frontier Health** and the **City of Kingsport** to improve coordination of services and access to care for individuals experiencing homelessness within Kingsport, Tennessee.

Shared Commitment

Both parties acknowledge the complex needs of individuals experiencing homelessness and agree to work collaboratively to identify, develop, and connect individuals to appropriate resources, including behavioral health services, medical care, housing supports, and other community-based services.

Scope of Collaboration

Frontier Health and the City of Kingsport agree to:

- Work jointly to identify gaps in services and develop strategies to address unmet needs within the homeless population.
- Coordinate efforts to connect individuals to available treatment, housing, and supportive services.
- Engage in ongoing communication and partnership to strengthen the continuum of care within the community.

Information Sharing and Confidentiality

Both parties agree to collaborate in a manner consistent with all applicable privacy laws and regulations, including the Health Insurance Portability and Accountability Act and 42 CFR Part 2.

- Information may be shared between parties as permitted under HIPAA for the purposes of treatment, and healthcare operations, including care coordination.
- Only the minimum necessary information will be shared to support coordination of care.
- When more detailed diagnostic, clinical, or substance use disorder treatment information protected under 42 CFR Part 2 is required, a valid, written authorization (release of information) will be obtained from the individual prior to disclosure.
- Both parties will ensure that all shared information is handled securely and in accordance with applicable federal and state confidentiality requirements.

Roles and Responsibilities

Frontier Health will:

- Provide behavioral health expertise, assessment, and treatment services as appropriate.
- Assist in identifying appropriate levels of care and treatment resources.

City of Kingsport will:

- Support outreach and engagement efforts with individuals experiencing homelessness.
- Collaborate in identifying community resources and facilitating access to services.

Terms and Termination

This MOU will become effective upon signature by both parties and will remain in effect until terminated by either party with written notice. The MOU may be reviewed and updated periodically by mutual agreement.

Non-Billing Agreement

This MOU is intended to outline the collaborative relationship between the parties and does not create any legally binding obligations or financial commitments unless otherwise agreed upon in writing.

Signatures

Authorized Representative

Frontier Health

Date: _____

Authorized Representative

City of Kingsport

Date: _____



AGENDA ACTION FORM

Consideration to Appoint Tim Dean to the Kingsport Regional Planning Commission

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

Action Form No.: AF-162-2026
 Work Session: May 18, 2026
 First Reading: N/A
 Final Adoption: May 19, 2026
 Staff Work By: Jessica Harmon
 Presentation By: Mayor Montgomery

Strategic Focus Area: Efficient & Responsive Government

Recommendation:

Approve the Appointment

Executive Summary:

It is recommended to appoint Tim Dean to the Kingsport Regional Planning Commission.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The commission is comprised of nine members who are residents of the City of Kingsport and fill specific eligibility requirements. Terms are four years with no term limit.

Current Commission:			
Member	Term Expires	No. of Terms	Eligibility
Gary Mayes	Term of Ofc.	N/A	BMA Rep.
Anne Greenfield	6/30/27	1	At-large
Candice Hilton	6/30/28	1	At-large
Chip Millican	6/30/28	1	At-large & PC rep on HZC
Jason Snapp	6/30/27	1	Regional Rep. & as PC rep on Stormwater Appeals
BJ Walsh	4/30/29	1	At-large
Curtis Montgomery	4/30/29	1	At-large
Sharon Duncan	4/30/29	3	At-large
Tim Lorimer	4/30/29	1	At-large

Recommended Commission:			
Member	Term Expires	No. of Terms	Eligibility
Gary Mayes	Term of Ofc.	N/A	BMA Rep.
Tim Dean	4/30/28	Fulfilling Unexpired Term	At-large
Candice Hilton	6/30/28	1	At-large
Chip Millican	6/30/28	1	At-large & PC rep on HZC
Jason Snapp	6/30/27	1	Regional Rep. & as PC rep on Stormwater Appeals
BJ Walsh	4/30/29	1	At-large
Curtis Montgomery	4/30/29	1	At-large
Sharon Duncan	4/30/29	3	At-large
Tim Lorimer	4/30/29	1	At-large

Attachments:

- 1. Tim Dean Application

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

Item X16.



ServeKingsport Application

Thank you for your interest in serving Kingsport and helping to improve our community.

Appointments for the City of Kingsport volunteer boards and commissions take place semi-annually in April and October. Applications will only be accepted during the advertisement periods and closed at all other times.

Current vacancies include:

- Board of Zoning Appeals
Community Development Advisory Committee
Construction Board of Appeals
Demolition by Neglect Committee
Gateway Review Commission
Historic Zoning Commission
Neighborhood Commission
Planning Commission
Kingsport Economic Development Board

To view a description of the boards and commissions, please click here.

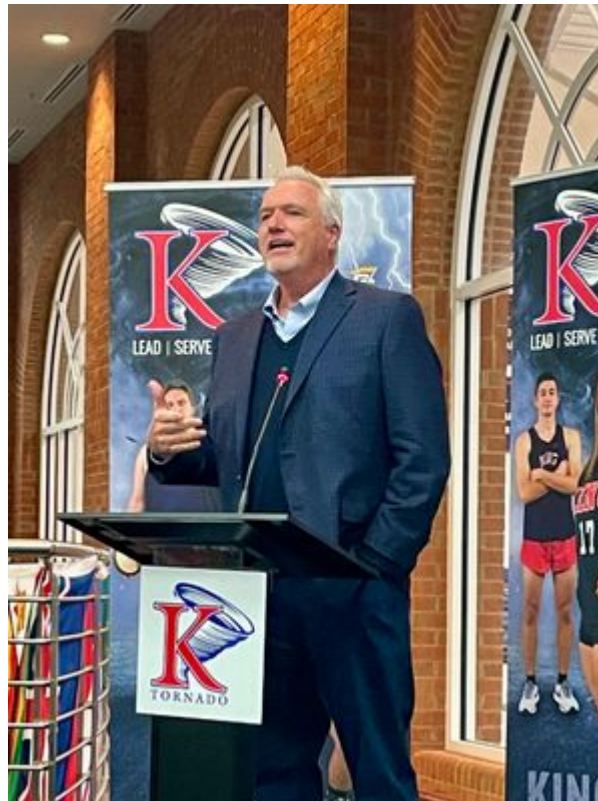
*Please Note: If you have an interest in applying for more than one Board or Commission, you will need to fill out a separate application for that specific role.

Form with fields: Email, Name (Tim Dean), Street Address, City (Kingsport), State (TN), Zip Code (37660), Phone number, Do you live within the Kingsport city limits? (Yes), Length of residency (63 years), I am 18 years of age or older. (Yes)

Item X16.

Employer:	Retired from 30 years service at GSK
Occupational Background:	Teacher/coach Pharmaceutical Sales District Business Unit Manager Regional Business Unit Manager National Health System Account Manager
Educational Background:	Bachelors: Business Administration Economics Masters Business Administration
Please select one commission.	Planning Commission
Have you ever applied to serve on a Kingsport board or commission?	Yes
If you served on a board or commission in the past, which one and how many terms did you serve?	Board of Education
Reason for applying:	Service to my community
Relevant experience:	Extensive business development and market management.
Community involvement:	Multiple years of service on Boards including ACS, AHA, Wellmont Holston Valley, VP Kingsport Board of Education, appointed member Kingsport Board of Education, NETWORKS.

Bio:



Item X16.

Professional Photo:



A copy of your responses will be emailed to the address you provided.

Item X16.



AGENDA ACTION FORM

Consideration to Appoint Bryan Clemons and Reappoint Dennis Phillips and Pat Breeding to the Kingsport Economic Development Board

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

Action Form No.: AF-165-2026
 Work Session: May 18, 2026
 First Reading: N/A
 Final Adoption: May 19, 2026
 Staff Work By: Chris McCartt
 Presentation By: Mayor Montgomery

Strategic Focus Area: Efficient & Responsive Government

Recommendation:

Approve the Appointments

Executive Summary:

It is recommended to appoint Bryan Clemons and reappoint Dennis Phillips and Pat Breeding to the Kingsport Economic Development Board.

If approved by the Board of Mayor and Aldermen, the recommended table reflects term dates. The board is comprised of nine members who are residents of the City of Kingsport. Terms are six years; term limit is three terms.

Current Board:			
Member	Term Expires	No. of Terms	Eligibility
Bob Feathers	1/1/26	4	KPT Resident
Dennis Phillips	1/1/26	Fulfilling Unexpired Term	KPT Resident
Pat Breeding	1/1/26	Fulfilling Unexpired Term	KPT Resident
CeeGee McCord	1/1/28	3	KPT Resident
Craig Denison	1/1/28	2	KPT Resident
Ted Fields	1/1/28	Fulfilling Unexpired Term	KPT Resident
Laura Durbin	1/1/30	1	KPT Resident
Thomas Kennedy	1/1/30	1	KPT Resident
Steve LaHair	1/1/30	2	KPT Resident

Recommended Board:			
Member	Term Expires	No. of Terms	Eligibility
Bryan Clemons	1/1/32	1	KPT Resident
Dennis Phillips	1/1/26	1	KPT Resident
Pat Breeding	1/1/26	1	KPT Resident
CeeGee McCord	1/1/28	3	KPT Resident
Craig Denison	1/1/28	2	KPT Resident
Ted Fields	1/1/28	Fulfilling Unexpired Term	KPT Resident
Laura Durbin	1/1/30	1	KPT Resident
Thomas Kennedy	1/1/30	1	KPT Resident
Steve LaHair	1/1/30	2	KPT Resident

Attachments:

- 1. Bryan Clemons Bio

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

Item X17.

Bryan Clemons serves as Distribution Work Plan Manager for the Kingsport District at Appalachian Power, bringing more than 19 years of experience in the utility industry. In his current role, he leads the Distribution Work Plan Team, overseeing multiple work groups including Technical Engineering and Design, Work Scheduling, Project Management and Coordination, Distribution System Line Inspection and Right of Way operations.

Bryan works closely with municipal leaders, developers, businesses, customers and neighboring utilities to advance infrastructure projects, enhance outage response and strengthen system resiliency all while meeting customer needs and expectations. His work is guided by a strong commitment to improving the overall customer experience.

Throughout his career, Bryan has developed exceptional engagement and collaboration skills, working alongside state and city officials, emergency response teams, developers and community organizations. He has successfully led teams in delivering safe, efficient infrastructure improvements and plays a key role in coordinating restoration efforts across the district.

Safety and community engagement are central to Bryan's leadership. He has been recognized with the AEP Safety Star Award and the AEP Building Community Award for his dedication to safe work practices and community-focused initiatives.

Bryan is also deeply committed to service beyond his professional responsibilities. He is a devoted father of five that has been actively involved in numerous organizations and initiatives. Those include the Appalachia Service Project, PEAK, Kingsport Education & Workforce Development, Leadership Kingsport, United Way, Read Across America, the CSX Santa Train, Wreaths Across America, the Mack Riddle 4th of July Parade, Meals on Wheels and the Miracle Field Buddy Program. He is also a strong supporter of Kingsport City Schools athletics, band and color guard programs.

Bryan is passionate about using his operational expertise, collaborative leadership style and community-first mindset to support decisions that positively impact residents, local businesses and the long-term growth of the community he proudly calls home.