



AGENDA

BOARD OF MAYOR AND ALDERMEN WORK SESSION

**Monday, November 17, 2014
Council Room, 2nd Floor, City Hall, 4:30 p.m.**

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Vice Mayor Mike McIntire

Alderman John Clark

Alderman Colette George

Alderman Andy Hall

Alderman Tom C. Parham

Alderman Tom Segelhorst

Leadership Team

Jeff Fleming, City Manager

Chris McCartt, Assistant City Manager for Administration

Ryan McReynolds, Assistant City Manager for Operations

J. Michael Billingsley, City Attorney

Jim Demming, City Recorder/Chief Financial Officer

David Quillin, Police Chief

Craig Dye, Fire Chief

Morris Baker, Community Services Director

Lynn Tully, Development Services Director

Tim Whaley, Community and Government Relations Director

1. Call to Order
2. Roll Call
3. Project Inspire Presentation - Parker Smith
4. Work Session Tickler
5. Review of Items on November 18, 2014 Business Meeting Agenda
6. Adjourn

Citizens wishing to comment on agenda items please come to the podium and state your name and address. Please limit your comments to five minutes. Thank you.



Work Session Tickler
November 17, 2014

Special Projects

Brickyard Park Ball Fields

David Mason

The Ballpark construction contract with Denark Construction includes alternates 2 & 3 for a total contact amount of \$3,699,500. Work continues on the retaining wall grandstands, the ADA ramp, and the under-slab plumbing and electrical rough-ins for the concession stand. Excavation has commenced for the perimeter sports lighting poles, and the first 2 pole bases have been set. Since the work on the outer sports lighting poles must be done from the outfields, this work is on the critical path for sod installation which is currently targeted for early December. The Parks Dept. has identified a less expensive source for the infield mix, and that savings will eliminate the need for contingency funds to cover the higher quality sod that has been selected.

The Water Dept. has started work on the water main extension from the Riverview neighborhood that will service the park.

Aerial View



Centennial Baseball Field
Kingsport, Tennessee

DATE: Oct 30, 2014

Brickyard Park Ball Fields continued

Backstop poles and Concessions rough-in.



The first sports lighting pole base.



Fire Training Ground

Chief Dye

We are working on the Specifications for a Burn Building/Training Tower. There is little going on until the Burn Building specifications are complete. Decisions are being made as to storage facilities, classroom facilities, etc. Several props will be on concrete slabs and we are looking where to place them.



Fire Station 6 Upgrades

Chief Dye

The brick is complete. All of the outside is done. They still have to tear out a part of the engine bay floor to repair a settlement issue that is causing the floor to crack and a part of it moves when the Engine is backed in to the bay. This is scheduled and should be the last part of the upgrades. Overall the project is moving forward and things are looking great.



Carousel

Morris Baker

Building Construction

- Construction of the Carousel Roundhouse and Gift Shop is underway. The concrete floor for both buildings has been poured. The buildings will have stained and polished concrete floors. A ten-day cure time is necessary before the flooring subcontractor will make his first grind to polish the floors (around November 12).
- The Roundhouse Building structure is being manufactured by Polygon Buildings. When the structural building elements are delivered (scheduled for November 21), construction will begin on the Roundhouse framework.

Carousel Frame Refurbishing

- The 24 Inside Panels (these surround the motor and gears in the center of the carousel) are being laminated with high-gloss gold finished aluminum sheets which will provide highly reflective surfaces. About 8 of the panels are finished to date.
- All major sweeps (12) have been sanded, primed and repainted. All cross sweeps (24) have been sanded, primed and repainted. The cross sweeps are being drilled with holes to accommodate aluminum plates to serve as mounts for our sweep animals. The Regional Center for Advanced Manufacturing is doing the precision drilling. They will also manufacture the aluminum plates for us.
- Nine of the 12 flooring sections on the carousel have been refurbished with the remaining 3 sections underway. The old flooring covering these sections was worn beyond repair, so we are removing the old flooring and replacing it with Eastman-donated Perennial Wood.

Carving/Painting

- Two horses are still being carved that are scheduled to be on the carousel.
- The 24 sweep animals are about finished.
- The Ticket/Control Booth is underway. The booth is in the form of a large hollow tree. Our Flying Pig will be suspended above the booth. Several small animals are being carved and will be attached to the outside of the booth. These animals are underway and will be finished in time for assembly of the carousel. The booth will house controls for the carousel, band organ and sound system and could be used for token sales if needed.
- Painting continues on the Rounding Boards and Light Boards. The Angel Panels and Button Plaques are all finished.



Carousel continued



WTP Raw Water Transmission and Intake Replacement Design

Niki Ensor

Engineer: CDMSmith

Construction Schedule: March 2015 – January 2017

Project Update: Project schedule has been revised to reflect funding agencies submission requirements and review process. Receive bids on or before March 27, 2015; Start construction on or before June 15, 2015; Complete construction on or before January 31, 2017

Tunnel Alignment



Cooks Valley Road Improvements - Phase 2

Hank Clabaugh

Vic Davis Construction began work on August 7, 2014. The contractual completion date is December 6, 2014. Work on both of the retaining walls is expected to be completed by November 14. Installation of the concrete curb and gutter has begun and is expected to be completed by November 14. Final road base stone and asphalt binder installation is expected to occur during the week of November 17.



Cooks Valley Road Improvements - Phase 2 continued



Legal

Risk Management

Terri Evans

Kingsport Employee Wellness

The Kingsport Employee Wellness Center opened 6/26/13. Utilization required an increase in hours effective February 24, 2014. With the passage of self-funded health insurance for Kingsport City School employees, it is expected that the clinic will increase hours again on January 1, 2015. Utilization from

January 1, 2014 through November 11, 2014 is 95.2%, and of those, 55.6% were active employees, 4.3% were retirees, 35.6% were dependents, 0.3% were Workers Compensation visits, 0.2% were extended patient visits, and 4% were no-shows. Our no-show target is below 5%.

Worker's Compensation

We had two recordable injuries in October, both resulting in restricted duty.

Budget Office

Judy Smith

Financial Comments

Revised Local Option Sales Tax revenue for the month of September was \$1,401,017 which was \$85,294 over budget and \$31,139 above last year's actual. The Year to Date Total is \$101,797 over budget and \$159,397 over last year which is a 5% increase over last year's actual for the first quarter.



AGENDA

BOARD OF MAYOR AND ALDERMEN

BUSINESS MEETING

Tuesday, November 18, 2014

Large Courtroom – 2nd Floor, City Hall

7:00 p.m.

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Vice Mayor Mike McIntire
Alderman John Clark
Alderman Colette George

Alderman Andy S. Hall
Alderman Tom C. Parham
Alderman Tom Segelhorst

City Administration

Jeff Fleming, City Manager
Chris McCartt, Assistant City Manager for Administration
Ryan McReynolds, Assistant City Manager for Operations
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer
David Quillin, Police Chief
Craig Dye, Fire Chief
Morris Baker, Community Services Director
Lynn Tully, Development Services Director
Tim Whaley, Community & Government Relations Director

I. CALL TO ORDER

II.A. PLEDGE OF ALLEGIANCE TO THE FLAG

II.B. INVOCATION – Mitch Whisnant, Assoc. Minister, First Baptist Church

III.A. ROLL CALL

IV. RECOGNITIONS & PRESENTATIONS

1. Recognition of Ronnie Hammonds, TCAPWA Public Works Leader of the Year, A.C. Locke Award – Ryan McReynolds
2. Recognition of Police Officer – Chief Quillin

V. APPROVAL OF MINUTES

1. Work Session – November 3, 2014
2. Business Meeting – November 4, 2014

VI. COMMUNITY INTEREST ITEMS

AA. PUBLIC HEARINGS

1. Public Hearing and Consideration of Ordinance to Amend the Code of Ordinances, Chapter 114, Article VI, Parking and Loading, by Adding a Bicycle Parking Requirement (AF: 304-2014) (Ken Weems)
 - Public Hearing
 - Ordinance

COMMENT

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

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Consideration of an Ordinance to Condemn for Easements and Right-of-Ways for Phase II of the West Sullivan Street Road Widening Project (AF: 296-2014) (Mike Billingsley)
 - Ordinance – First Reading
2. Consideration of an Ordinance to Condemn for Easements and Right-of-Ways for the Reedy Creek Trunk Line Improvements Project (AF: 297-2014) (Mike Billingsley)
 - Ordinance – First Reading
3. Consideration of an Ordinance Implementing a Community Notification System for Sexual Offenders and Establishing a Fee to be Paid by the Offender (AF: 285-2014) (Chief Quillin)
 - Ordinance – First Reading
4. Consideration of an Ordinance to Establish Funds and Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance (AF: 309-2014) (David Frye)
 - Ordinance – First Reading
5. Consideration of an Ordinance to Amend the FY 2015 General Purpose School Fund Budget (AF: 308) (David Frye)
 - Ordinance – First Reading

ADDITION →
11/14/14

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Consideration of a Budget Ordinance to Appropriate \$37,452.00 from the Tennessee Department of Transportation/Governor's Highway Safety Office 2014 Solicitation (AF: 291-2014) (David Quillin)
 - Ordinance – **Second Reading and Final Adoption**

2. Consideration of a Budget Ordinance Appropriating Available Funds to MPO15B for the Purchase of Portable Camera Equipment (AF: 263-2014) (Ryan McReynolds)
 - Ordinance – **Second Reading and Final Adoption**
3. Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014A and Amend the Water and Sewer Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014B (AF: 293-2014) (Jeff Fleming)
 - Ordinance – **Second Reading and Final Adoption**

D. OTHER BUSINESS

1. Consideration of a Resolution Approving Updates to the City's Substance Abuse Policy Consistent with Federal Transit Authority Regulations (AF: 306-2014) (Chris McCartt)
 - Resolution
2. Consideration of a Resolution Amending Kingsport Power Company Easement at Wastewater Treatment Plant Substation for Installation of New Control Building (AF: 295-2014) (Niki Ensor)
 - Resolution
3. **Item Withdrawn**
4. **Item Withdrawn**
5. Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply and Receive the Assistance to Firefighters (AFG) Grant through the U.S. Fire Administration of the Federal Emergency Management Administration (FEMA) Division of the Department of Homeland Security (DHS) (AF: 300-2014) (Craig Dye)
 - Resolution
6. Consideration of a Resolution Approving an Agreement with MetLife Insurance Company for FICA Remittance for Employee Long Term Disability Insurance and Authorizing the Mayor to Execute the Same (AF: 298-2014) (George DeCroes)
 - Resolution
7. Consideration of a Resolution to Approve the Lease Agreement with Alex Stratton and to Allow the Mayor to Sign All Documents Necessary and Proper as They Pertain to the Lease (AF: 287-2014) (Lynn Tylly)
 - Resolution

8. Consideration of a Resolution Authorizing the Mayor to Execute a License Agreement with the Rotary Club of Kingsport Foundation Authorizing the Construction of a Storage Room in Order to Store Clothing Provided Annually to Kingsport City School Students (AF: 294-2014) (Chris McCartt)
 - Resolution
9. Consideration of Approval of Offer for Additional Easements and Right-of-Ways for Phase 2 of the Hidden Acres/Peppertree Sanitary Sewer Extension Project (AF: 305-2014) (Ryan McReynolds)

Correction →

- ~~Resolution~~ Approve Offer

10. Consideration of a Resolution Authorizing the Mayor to Sign All Documents Necessary and Proper to Enter Into an Agreement with the Kingsport Chamber Foundation to Lease with an Option to Purchase Unfinished Space Located at 400 Clinchfield Street (AF: 307-2014) (Chris McCartt)
 - Resolution

E. APPOINTMENTS

None

VII. CONSENT AGENDA

None

VIII. COMMUNICATIONS

- A. City Manager
- B. Mayor and Board Members
- C. Visitors
- D. City Recorder, Presentation of Submission to the State of Tennessee the Reports on Debt Obligations

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

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, November 3, 2014, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis Phillips

Vice-Mayor Mike McIntire

Alderman John Clark

Alderman Colette George

Alderman Andy Hall

Alderman Tom C. Parham

Alderman Tom Segelhorst

City Administration

Jeff Fleming, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Marshall.

NOTE: Item VI.D.5 from the regular business meeting agenda was discussed at this time, out of order, to accommodate representatives in the audience. The regular work session agenda resumed thereafter.

3. **AEP FRANCHISE.** Assistant City Manager Ryan McReynolds presented this item, noting the city is facing an unprecedented opportunity as the 99 year contract established with AEP in 1917 is approaching expiration. He discussed the options Kingsport faces, including municipalization of the utility and renegotiation of the franchise agreement with AEP. Discussion followed.

4. **CODE ENFORCEMENT UPDATE.** Development Services Director Lynn Tully gave a presentation on this item, noting it was an update from information presented in August. She listed the goals, noting a major focus is to be more proactive than reactive. She also gave examples of progress at certain properties and provided statistics regarding complaints. Discussion ensued. City Manager Fleming provided details on the budget needs. Mayor Phillips pointed out to staff that code enforcement is a priority with the BMA and to proceed as best they can while keeping the board informed.

5. **WORK SESSION TICKLER.** No items were discussed on the tickler.

6. **REVIEW OF AGENDA ITEMS ON THE NOVEMBER 4, 2014 REGULAR BUSINESS MEETING AGENDA.** City Manager Fleming, members of staff and community members gave a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.D.4 Consideration of a Resolution to Renew the Self-Funded Health Insurance Program Excess Insurance Coverage through HCC Life Insurance Company and

Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, November 3, 2014

Authorize the Mayor to Sign All Needed Documents (AF: 286-2014). Lesley Christian answered questions regarding this item for the board. Alderman Segelhorst questioned the difference in the stop loss limit for the city versus the school system, noting the school's limit was significantly higher. Mayor Phillips asked staff to look into this.

VI.D.5 Consideration of a Resolution Authorizing the Execution of an Agreement with Meritain Health for Health Benefits for Kingsport City Schools and Authorizing the Mayor to Sign All Applicable Documents (AF: 288-2014). School Superintendent Dr. Lyle Ailshie presented information on this item, noting the process itself was approved about a year ago. He pointed out this resolution approves the contracts, after being reviewed by City Attorney Billingsley, and pending Board of Education approval at their upcoming meeting this Thursday. He noted the time constraint, as this will go into effect January 1, 2015. Mr. Mark Morgan from Sherrill Morgan provided further details and answered questions. Discussion followed.

VI.D.9 Consideration of a Resolution Establishing the Minimum Design Standards Document to Standardize, Guide and Regulate Development within the City of Kingsport (AF: 292-2014). Assistant City Manager Ryan McReynolds explained staff has been working on this for over a year. He stated it is taking a bunch of various standards that apply to development within the City of Kingsport and bringing them all into one document. City Engineer Hank Clabaugh presented it to the Planning Commission. Vice-Mayor McIntire commented it was well needed.

BOARD COMMENT. None.

PUBLIC COMMENT. None.

8. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:30 p.m.

ANGELA MARSHALL
Deputy City Recorder

DENNIS R. PHILLIPS
Mayor

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, November 4, 2014, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Alderman John Clark
Alderman Colette George
Alderman Andy Hall

Vice-Mayor Mike McIntire
Alderman Tom C. Parham
Alderman Tom Segelhorst

City Administration

Jeff Fleming, City Manager
J. Michael Billingsley, City Attorney
James Demming, City Recorder/Chief Financial Officer

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Angie Marshall, Deputy City Recorder.
- II.B. **INVOCATION:** Tim Owen, North Kingsport Church of God.
- III. **ROLL CALL:** By City Recorder Demming. All Present.
- IV. **RECOGNITIONS AND PRESENTATIONS.** Mayor Phillips recognized the high school students in attendance.
- V. **APPROVAL OF MINUTES.**

Motion/Second: Parham/McIntire, to approve minutes for the following meetings:

- A. October 20, 2014 Regular Work Session
- B. October 21, 2014 Regular Business Meeting

Approved: All present voting "aye."

VI. **COMMUNITY INTEREST ITEMS.**

AA. **PUBLIC HEARINGS.** None.

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

B. **BUSINESS MATTERS REQUIRING FIRST READING.**

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, November 4, 2014**

1. Consideration of a Budget Ordinance to Appropriate \$37,452.00 from the Tennessee Department of Transportation/Governor's Highway Safety Office 2014 Solicitation (AF: 291-2014) (David Quillin).

Motion/Second: Hall/Clark, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECTS - SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE GOVERNOR'S HIGHWAY SAFETY GRANT FOR THE YEAR ENDING JUNE 30, 2015; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

2. Consideration of a Budget Ordinance Appropriating Available Funds to MPO15B for the Purchase of Portable Camera Equipment (AF: 263-2014) (Ryan McReynolds).

Motion/Second: Segelhorst/McIntire, to pass:

AN ORDINANCE TO AMEND THE MPO FUND BUDGET BY APPROPRIATING GRANT FUNDS FOR A PORTABLE CAMERA; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

3. Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2012A and Amending the Water and Sewer Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014B (AF: 293-2014) (Jeff Fleming).

Motion/Second: McIntire/Parham, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, SOLID WASTE PROJECT FUND AND THE WATER AND SEWER FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2014B; FOR THE FISCAL YEAR ENDING JUNE 30, 2015; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Consideration of an Ordinance to Amend the FY15 Operating Budgets and Various Projects (AF: 273-2014) (Jeff Fleming).

Motion/Second: McIntire/Segelhorst, to pass:

ORDINANCE NO. 6446, AN ORDINANCE TO AMEND VARIOUS OPERATING BUDGETS AND PROJECTS FOR THE YEAR ENDING JUNE 30, 2015; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, George, Hall, McIntire, Parham, Segelhorst and Phillips voting "aye."

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2. Consideration of a Budget Ordinance to Appropriate SRF Loan Funding When Amending the CDM Smith Design Contract to Include Bidding Services, Resident Project Representation and Engineering During Construction (AF: 277-2014) (Niki Ensor).

Motion/Second: George/McIntire, to pass:

ORDINANCE NO. 6447, AN ORDINANCE TO AMEND THE WATER PROJECT FUND BUDGET BY APPROPRIATING FUNDS FOR RAW WATER TRANSMISSION AND INTAKE IMPROVEMENTS FOR THE YEAR ENDING JUNE 30, 2015; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, George, Hall, McIntire, Parham, Segelhorst and Phillips voting "aye."

D. OTHER BUSINESS.

1. Consideration of a Resolution Renewing the Award of the Bid for the Purchase of Rental Uniform Services to Coyne Textile Services (AF: 280-2014) (Chris McCartt).

Motion/Second: Parham/Clark, to pass:

Resolution No. 2015-079, A RESOLUTION RENEWING THE AWARD OF THE BID FOR THE PURCHASE OF RENTAL UNIFORMS SERVICES TO COYNE TEXTILE SERVICES AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed: All present voting "aye."

2. Consideration of a Resolution Authorizing the City Manager to Execute a Purchase Order for 100 Each Dell Optiplex 9020 Small Form Factor Computers to Insight Public Sector (AF: 279-2014) (Chris McCartt).

Motion/Second: McIntire/Parham, to pass:

Resolution No. 2015-080, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR 100 DELL OPTIPLEX 9020 SMALL FORM FACTOR COMPUTERS TO INSIGHT PUBLIC SECTOR

Passed: All present voting "aye."

3. Consideration of a Resolution to Condemn for Easements and Right-of-Ways for Phase 1 of the Colonial Heights Sanitary Sewer Extension Project (AF: 281-2014) (Mike Billingsley).

Motion/Second: McIntire/Segelhorst, to pass:

Resolution No. 2015-081, A RESOLUTION TO AUTHORIZE CONDEMNATION PROCEEDINGS FOR PHASE 1 OF THE COLONIAL HEIGHTS SANITARY SEWER EXTENSION PROJECT

Passed: All present voting "aye."

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, November 4, 2014**

4. Consideration of a Resolution to Renew the Self-Funded Health Insurance Program Excess Insurance Coverage through HCC Life Insurance Company and Authorize the Mayor to Sign All Needed Documents (AF: 286-2014) (Mike Billingsley).

Motion/Second: Segelhorst/McIntire to pass:

Resolution No. 2015-082, A RESOLUTION AUTHORIZING RENEWAL OF THE POLICY WITH HCC LIFE INSURANCE COMPANY FOR STOP LOSS REINSURANCE COVERAGE AND AUTHORIZING THE MAYOR TO EXECUTE THE RENEWAL OF THE POLICY AND ALL AGREEMENTS AND OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE RENEWAL

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing the Execution of an Agreement with Meritain Health for Health Benefits for Kingsport City Schools and Authorizing the Mayor to Sign All Applicable Documents (AF: 288-2014) (Tammie Davis). City Attorney Billingsley explained the changes that needed to be made to this item, noting the time constraint for this to be in effect by January 1, 2015. He pointed out that although this allows the mayor to sign additional documents, if necessary, those documents will still be brought before the board, but would allow for the program to continue to move forward. Alderman Segelhorst made a motion, which was seconded by Alderman Parham, to amend the resolution to include Exhibit C. All present voting "aye."

Motion/Second: George/Clark, to pass as amended:

Resolution No. 2015-083, A RESOLUTION APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT, INCLUDING EXHIBIT A - HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT, AND A NEW CLIENT PERFORMANCE GUARANTEE AGREEMENT WITH MERITAIN HEALTH, INC., AND ANY OTHER AGREEMENTS NEEDED TO ALLOW THE SCHOOL DEPARTMENT TO IMPLEMENT SELF-INSURED HEALTH INSURANCE FOR ELIGIBLE SCHOOL EMPLOYEES AND RETIREES EFFECTIVE JANUARY 1, 2015; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE SUCH SELF-INSURED HEALTH INSURANCE, THE PURPOSE OF THE AGREEMENTS, OR THIS RESOLUTION

Passed: All present voting "aye."

6. Consideration of a Resolution Authorizing the Mayor to Execute and Sign All Documents Necessary to Enter into an Agreement with Sullivan County, TN to Allow the City of Kingsport to Participate in the Sharing of the Countywide Simulcast P25 Digital 800 MHz Radio System (AF: 289-2014) (David Quillin).

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Motion/Second: Segelhorst/Parham, to pass:

Resolution No. 2015-084, A RESOLUTION APPROVING AN AGREEMENT WITH SULLIVAN COUNTY, TENNESSEE, THE CITY OF BRISTOL, TENNESSEE AND THE CITY OF BLUFF CITY, TENNESSEE TO PARTICIPATE IN THE SHARING OF THE COUNTY WIDE 800 MHz RADIO SYSTEM AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Passed: All present voting "aye."

7. Consideration of a Resolution Authorizing the Mayor to Execute a Right-of-Way Easement with Kingsport Power Company (AF: 290-2014) (Ryan McReynolds).

Motion/Second: McIntire/Hall, to pass:

Resolution No. 2015-085, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RIGHT-OF-WAY EASEMENT WITH KINGSFORT POWER COMPANY

Passed: All present voting "aye."

8. Consideration of a Resolution Authorizing the Mayor to Execute Quitclaim Deeds Conveying to Kingsport Housing & Redevelopment Authority Abandoned Sanitary Sewer Easements (AF: 282-2014) (Ryan McReynolds).

Motion/Second: Parham/Clark, to pass:

Resolution No. 2015-086, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE QUITCLAIM DEEDS CONVEYING TO KINGSFORT HOUSING AND REDEVELOPMENT AUTHORITY ABANDONED SANIARY SEWER EASEMENTS AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE QUITCLAIM DEEDS

Passed: All present voting "aye."

9. Consideration of a Resolution Establishing the Minimum Design Standards Document to Standardize, Guide and Regulate Development within the City of Kingsport (AF: 292-2014) (Ryan McReynolds/Hank Clabaugh).

Motion/Second: Segelhorst/McIntire, to pass:

Resolution No. 2015-087, A RESOLUTION ESTABLISHING THE MINIMUM DESIGN STANDARDS GUIDE FOR THE CITY OF KINGSFORT

Passed: All present voting "aye."

E. APPOINTMENTS/REAPPOINTMENTS. None.

VII. CONSENT AGENDA. None.

VIII. COMMUNICATIONS.

**Minutes of the Regular Business Meeting of the Board of Mayor and Aldermen
of the City of Kingsport, Tennessee, Tuesday, November 4, 2014**

- A. CITY MANAGER.** Mr. Fleming commented on the recent favorable Class 2 ISO rating given to the city after the annual audit of the fire and water department. He commended staff. Fire Chief Dye gave further details on the significance of this rating and what it means to the citizens of Kingsport. The city manager pointed out Fire Marshal Rob Sluss passed the test to be a certified Fire Investigator Instructor. He pointed out the new Human Resource Director would be starting next week and thanked Diane Denton for filling in during the interim period. Mr. Fleming stated there would be downtown loft tours December 6-7 and commented on the release of an album by City Clerk Marshall.
- B. MAYOR AND BOARD MEMBERS.** Vice-Mayor McIntire congratulated the Fire Chief on the ISO rating as well as the school system for their SCORE prize of the top system in the state. He also commented on the recent memorial bridge naming ceremony, stating the family was very appreciative. Alderman Parham noted the school board officials and the majority of the BMA were there to support the school's award at the ceremony in Nashville and also promoted an upcoming event this weekend at the SBK Animal Shelter. Alderman Clark congratulated the schools and the fire department. He noted the excellent public safety service in Kingsport, commenting on his involvement with the Citizen's Police Academy and recommending citizens to participate in this annual event. Alderman Segelhorst congratulated Fleet Maintenance for going almost 190 days without an injury and challenged other city departments to match that record. Alderman George stated she was proud of the school system's award and pointed out the Doby's Bennett band received their highest finish ever at a competition in Atlanta, Georgia. She also invited everyone to see the carousel animals at the Flying Pig Gallery's grand opening and ribbon cutting on Thursday. Mayor Phillips pointed out that same evening is the downtown open house where the merchants will be open later with lots of specials. Alderman Hall commented on the significance of the school award and its impact on economic development.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 7:43 p.m.


ANGELA MARSHALL
Deputy City Recorder

DENNIS R. PHILLIPS
Mayor



AGENDA ACTION FORM

Public Hearing and Consideration of Ordinance to Amend the Code of Ordinances, Chapter 114, Article VI, Parking and Loading, by Adding a Bicycle Parking Requirement

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

Action Form No.: AF-304-2014
Work Session: November 17, 2014
First Reading: November 18, 2014
Final Adoption: December 2, 2014
Staff Work By: Ken Weems
Presentation By: Ken Weems

Recommendation:

Hold public hearing and approve ordinance amending the zoning ordinance to require bicycle parking for certain business and related uses.

Executive Summary:

This zoning text amendment (ZTA) adds a bicycle parking requirement to the existing parking ordinance. This proposed change is restricted to within 500 feet of established bicycle routes such as the greenbelt and Stone Drive and only applies to new developments. Additionally, only commercial uses classified as business and related uses are required to install bicycle parking. As an incentive for providing bicycle parking, an automobile parking bonus is included in the ordinance. The parking bonus allows developments that are required to install bicycle parking to reduce their required automobile parking spaces by as much as 10%. During their October 2014 regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation to approve this ZTA to the Board of Mayor and Aldermen. The Notice of Public Hearing was published on November 3, 2014.

Attachments:

- 1. Notice of Public Hearing
- 2. Zoning Text Amendment in Ordinance Format
- 3. Staff Report

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday November 18, 2014 to consider amending the Code of Ordinances to incorporate bike parking requirements for certain business and related uses. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

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

CITY OF KINGSPORT
Angie Marshall, Deputy City Clerk
P1T: 11/3/14

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, SECTION 114-1 BY ADDING A DEFINITION OF SHORT TERM BICYCLE PARKING FACILITY; ADDING A NEW SECTION PERTAINING TO BICYCLE PARKING REQUIREMENT FOR BUSINESS AND RELATED USES; ADDING A NEW SECTION PERTAINING TO PARCELS REQUIRING BICYCLE PARKING; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That Section 114-1 of the Code of Ordinances, City of Kingsport, Tennessee is hereby amended by adding the following definition:

.Short-term bicycle parking facility means a parking area with a typical use duration of less than two hours, unsheltered, and used for business and related uses as set out in Sec. 114-564(4).]

SECTION II. That the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended by adding a section, to be numbered Section 114-568, which said section reads as follows:

Sec 114-568. Required bicycle parking.

(a) Short-term bicycle parking facilities shall be provided for all new structures built for business and related uses as set in Section 114-564 (4), b,c,e-s, and inside a parcel contained within a 500 foot buffer of the streets identified in Section 114-569.

(1) The minimum number of bicycle parking spaces required shall be equal to 5% of the number of automobile parking spaces required, provided, however, in no event shall the minimum number of bicycle parking spaces be less than 2 spaces.

(2) Standards. Required bicycle parking shall meet the following standards:

- a. Bicycle parking spaces shall be at least 2 feet by 6 feet;
- b. An aisle 5 feet in width shall be provided between rows of bicycle parking spaces;
- c. Spaces shall be at the same grade as the sidewalk or at a location that can be reached by an accessible route; and
- d. Spaces shall be located outside a building, with a minimum of 8 feet vertical clearance, and within the following distances of the main entrance:

(1) A building with one entrance shall have spaces within 50 feet of the main entrance as measured from the most direct pedestrian access route (Figure A).

(2) A building with more than one main entrance shall have spaces along all facades with a main entrance, and within 50 feet of a main entrance as measured from the most direct pedestrian access route. (Figure B). An alternative to bicycle parking for a building with more than one main entrance is to cluster the required bicycle parking spaces every 150 feet along each façade with a main entrance. This alternative may only be applied to building

facades with a minimum length of 500 feet.

(3) Design Criteria.

- a. Bicycle racks shall be capable of supporting the bicycle in an upright position and enable the user to lock the bicycle.
- b. A hard surfaced parking area is required. Racks shall be securely anchored to this hard surface.
- c. Unless otherwise specified by overlay or other aesthetic districts, steel, galvanized finish, inverted "U" shaped bicycle racks conform to minimum standards (Figure C). Bicycle racks designed to park multiple bicycles are encouraged when necessary to meet the required bicycle parking.

(4) Automobile parking space bonus. Automobile parking requirements may be reduced pursuant to the following formula: one automobile parking space for one bicycle parking space, provided the reduction for automobile parking does not exceed ten percent of the required total of automobile parking spaces. The automobile parking space bonus is available to all new structures whether bicycle parking spaces are required or not required.

Figure A

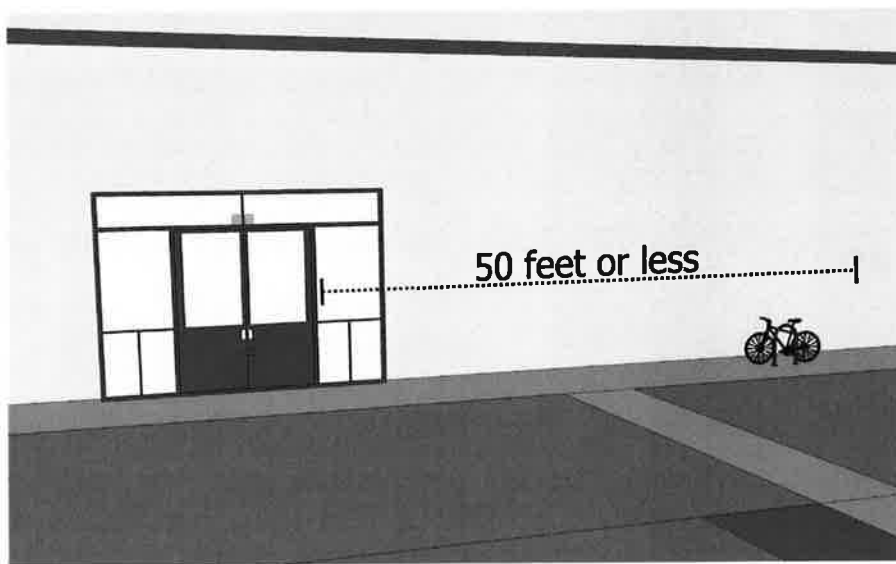


Figure B

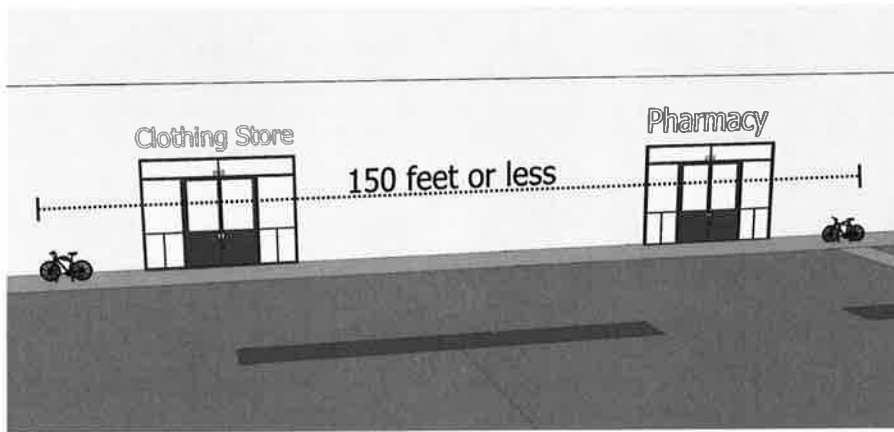


Figure C



SECTION III. That the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended by adding a section, to be numbered Section 114-569, which said section reads as follows:

Sec 114-569. Streets requiring bicycle parking.

For parcels that are within 500 feet of the centerline of the greenbelt and streets listed in this section, the entire parcel is included, not just that portion within the 500 feet of the centerline:

- a. Streets in the central business district area bounded by Clinchfield Street, Main Street, and Sullivan Street.
- b. Barton Street (Greenbelt connector)
- c. Boone Street
- d. Cleek Road
- e. Clinchfield Street
- f. East Center Street
- g. East Ravine Road (Broad Street to Watauga Street)
- h. East Sevier Avenue (Tennessee Street to North Wilcox Drive)
- i. East Stone Drive
- j. East Sullivan Court
- k. East Sullivan Street
- l. Eastman Road

- m. Fort Henry Drive (East Center Street to John B. Dennis Highway)
- n. Holston Valley Drive
- o. Indian Trail Drive
- p. Industry Drive
- q. Keller Street (Greenbelt connector)
- r. Konnarock Road
- s. Lincoln Street (Konnarock Road to John B. Dennis Highway)
- t. Lynn Garden Drive
- u. Main Street
- v. MeadowView Parkway (I-26 to South Wilcox Drive)
- w. Memorial Boulevard (Fort Henry Drive to Briarwood Road)
- x. Netherland Inn Road (Ridgefields Road to Gilliam Street)
- y. Netherland Inn Road (West Stone Drive to east end of Holston River Bridge)
- z. North Wilcox Drive
- aa. Orebank Road (Exchange Place to Cleek Road)
- bb. South Wilcox Drive (East Sullivan Street to Old Wilcox Drive/South Wilcox Drive intersection)
- cc. Warpath Drive
- dd. West Center Street
- ee. West Ravine Road (Holston Valley Drive to Broad Street)
- ff. West Stone Drive
- gg. West Sullivan Street

SECTION IV. 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.

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

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

Bicycle Parking Ordinance

Property Information		City-wide		
Address				
Tax Map, Group, Parcel				
Civil District				
Overlay District				
Land Use Designation				
Acres				
Existing Use		Existing Zoning		
Proposed Use		Proposed Zoning		
Owner /Applicant Information				
Name: Kingsport Regional Planning Commission		Intent: To amend Article VI of Kingsport's Zoning Code to require bicycle parking spaces for certain business and related uses in the vicinity of existing bicycle routes.		
Address:				
City:				
State:				Zip Code:
Email:				
Phone Number:				
Planning Department Recommendation				
(Approve, Deny, or Defer)				
The Kingsport Planning Division recommends APPROVAL				
Planner:	Ken Weems	Date:	9/30/14	
Planning Commission Action		Meeting Date:	10/16/14	
Approval:				
Denial:		Reason for Denial:		
Deferred:		Reason for Deferral:		

INTENT

To amend Article VI of Kingsport's Zoning Code to require bicycle parking spaces for certain business and related uses in the vicinity of existing bicycle routes.

Introduction:

In an effort to adapt the city zoning code to better serve the changing transportation needs of the community, the Kingsport Planning Department is evaluating portions of the City's parking ordinance to better serve the citizens of the community. An addition to the parking ordinance is presented here pertaining to the addition of bicycle parking regulations. This proposed ordinance supports existing documents such as the Kingsport Regional Bicycle and Pedestrian Plan, the 2035 Long Range Transportation Plan, the Mayor's Blue Ribbon Task Force on Livability enhancements, and the Kingsport Active Transportation Report.

Staff originally brought this zoning text amendment before the planning commission in 2013. Since then, staff has revised the ordinance to remove the bike parking requirement from specific uses that are vehicle-service oriented (e.g. carwash, automobile service station). Additionally, staff has restricted the portions of the city where bicycle parking will be required to within a 500' buffer around established bicycle routes such as the Greenbelt, Stone Drive, and Center Street. To provide an incentive for all proposed commercial developments, a city-wide parking space bonus is proposed for those including bicycle parking in a development whether bicycle parking is required or not.

Presentation:

The wording proposed for addition to the parking ordinance is attached. All standards conform to the Association of Pedestrian and Bicycle Professional's (APBP) Bicycle Parking Guidelines (2nd edition).

Key points:

1. Bicycle racks will be required for all new qualifying structures within an established 500' buffer of select bicycle routes, excluding automobile-service oriented uses.
2. The bike rack requirement is proportional to required automobile parking spaces
3. Focus on ease of accessibility for bicycle rack locations
4. An automobile parking space bonus is available to be applied to all parking requirements for developments that incorporate bicycle parking spaces.

Add definition to Sec. 114-1: Short-term bicycle parking facility: Typical use duration of less than two hours, unsheltered, with passive surveillance; typically used for commercial or retail uses.

Add to Article VI parking ordinance, Sec 114-568:

Bicycle Parking

- (1) Short-term bicycle parking facilities shall be provided as required for all new structures established as provided in Sec. 114-564 (4), b,c,e-s, and residing inside or fronting on parcels contained within a 500' buffer of streets identified in Sec. 114-569.

- (2) The minimum bicycle parking spaces shall conform to the standards of the following schedule: The number of bicycle parking spaces required shall be at least equal to 5% of the number of automobile parking spaces required. The minimum amount of bicycle parking spaces required is 2 spaces.
- (3) Standards. Required bicycle parking must meet the following standards:
 - a. Required bicycle parking spaces must be at least 2 feet by 6 feet.
 - b. An aisle 5 feet in width shall be provided between rows of bicycle parking spaces
 - c. Located outside a building, with a minimum of 8 feet vertical clearance
 - d. At the same grade as the sidewalk or at a location that can be reached by an accessible route
 - e. Within the following distances of the main entrance:
 - (1) Building with one entrance: within 50 feet of the main entrance as measured from the most direct pedestrian access route (Figure A).
 - (2) Building with more than one main entrance: along all facades with a main entrance, and within 50 feet of a main entrance as measured from the most direct pedestrian access route. (Figure B). An alternative to bicycle parking for a building with more than one entrance is to cluster the required bicycle parking every 150 feet along each façade with a main entrance. This alternative may only be applied to building facades with a minimum length of 500 feet.
- (4) Design Criteria.
 - a. Bicycle racks must be capable of locking the bicycle and of supporting the bicycle in an upright position
 - b. A hard surfaced parking area is required. Racks must be securely anchored to this supporting surface.
 - c. Unless otherwise specified by overlay or other aesthetic districts, steel, galvanized finish, inverted "U" shaped bicycle racks conform to minimum standards (Figure C). Bicycle racks designed to park multiple bicycles are encouraged when necessary to meet the required bicycle parking.
- (5) Automobile parking space bonus. Automobile parking requirements may be reduced per the following formula: one automobile parking space per one bicycle parking space provided the automobile parking reduction does not exceed ten percent of the required total of automobile parking spaces. The automobile parking space bonus is available to all new structures regardless of geographic location.

Figure A

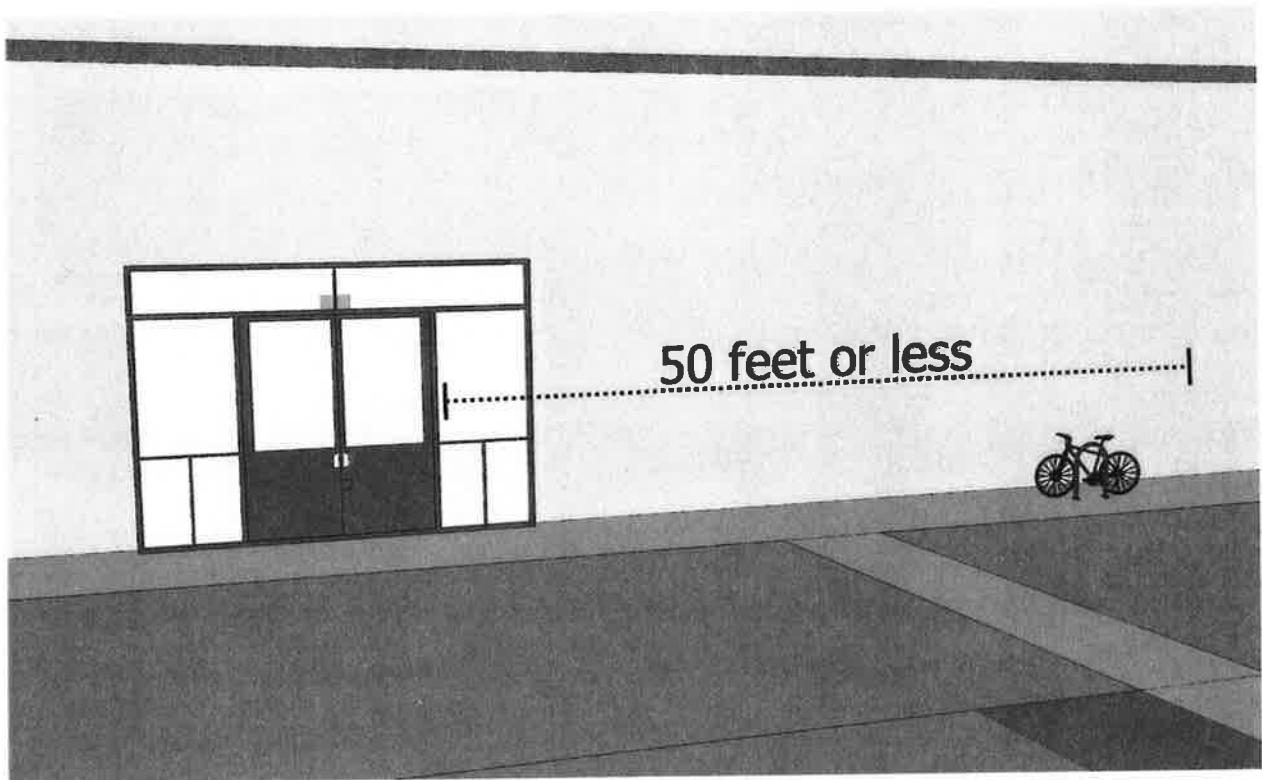


Figure B

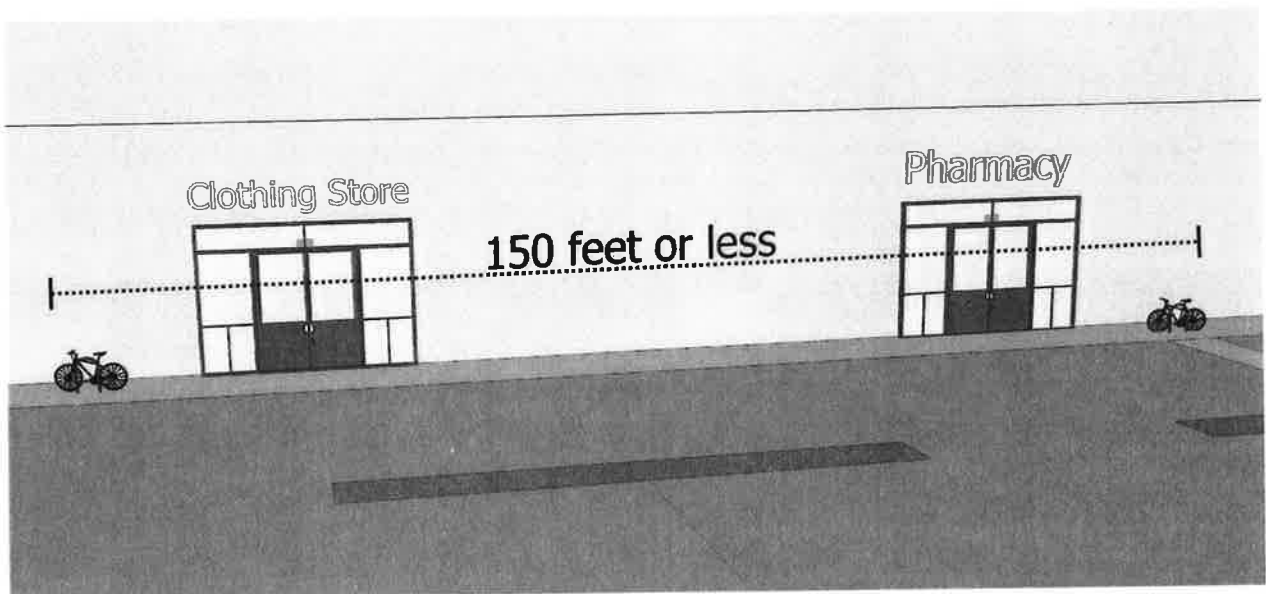


Figure C



Add to Article VI parking ordinance, Sec 114-569:

Sec. 114-569. Streets requiring bicycle parking

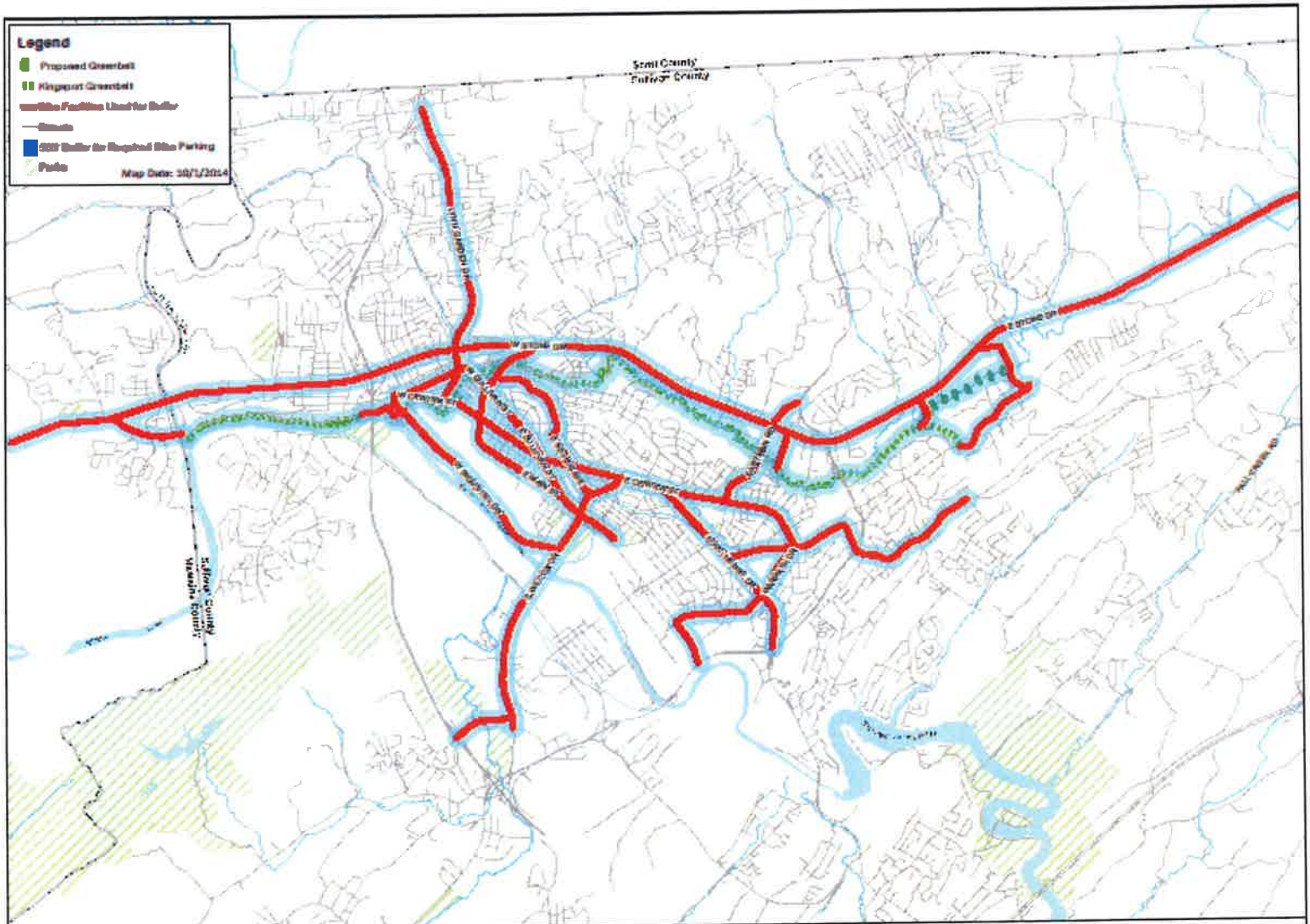
For parcels that are within 500 feet of the centerline of the following streets, the entire parcel is included, not just that portion within the 500 feet:

- a. Central Business District area bounded by Clinchfield Street, Main Street, and Sullivan Street
- b. Barton Street (Greenbelt connector)
- c. Boone Street
- d. Cleek Road
- e. Clinchfield Street
- f. East Center Street
- g. East Ravine Road (Broad Street to Watauga Street)
- h. East Sevier Avenue (Tennessee Street to North Wilcox Drive)
- i. East Stone Drive
- j. East Sullivan Court
- k. East Sullivan Street
- l. Eastman Road
- m. Fort Henry Drive (East Center Street to John B. Dennis Highway)
- n. Greenbelt (all segments and spurs)
- o. Holston Valley Drive
- p. Indian Trail Drive
- q. Industry Drive
- r. Keller Street (Greenbelt connector)

- s. Konnarock Road
- t. Lincoln Street (Konnarock Road to John B. Dennis Highway)
- u. Lynn Garden Drive
- v. Main Street
- w. MeadowView Parkway (I-26 to South Wilcox Drive)
- x. Memorial Boulevard (Fort Henry Drive to Briarwood Road)
- y. Netherland Inn Road (Ridgefields Rd to Gilliam Street)
- z. Netherland Inn Road (West Stone Drive to east end of Holston River Bridge)
- aa. North Wilcox Drive
- bb. Orebank Road (Exchange Place to Cleek Road)
- cc. South Wilcox Drive (East Sullivan Street to Old Wilcox Drive/South Wilcox Drive intersection)
- dd. Warpath Drive
- ee. West Center Street
- ff. West Ravine Road (Holston Valley Drive to Broad Street)
- gg. West Stone Drive
- hh. West Sullivan Street

GIS map delineating the 500' buffer area:

Note: This map will be used as a tool to help developers locate areas where the parking is required. This map is not proposed to be added to the zoning code.




Buffer Areas for Required Bike Parking





AGENDA ACTION FORM

Consideration of an Ordinance to Condemn for Easements and Right-of-Ways for Phase II of the West Sullivan Street Road Widening Project

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

Action Form No.: AF-296-2014
Work Session: November 17, 2014
First Reading: November 18, 2014

Final Adoption: December 2, 2014
Staff Work By: R. Trent, J. Grieb
Presentation By: M. Billingsley

Recommendation:

Approve the ordinance.

Executive Summary:

The Public Works Department has requested easements and right-of-ways for Phase II of the West Sullivan Street Road Widening Project. The attached ordinance authorizes and directs the city attorney to initiate condemnation proceedings to acquire easements and rights-of-way that cannot be voluntarily acquired on Phase II of the West Sullivan Street Road Widening Project.

Attachments:

- 1. Ordinance
- 2. Project Location Map

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

PRE-FILED
CITY RECORDER

ORDINANCE NO. _____

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

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

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

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

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

WHEREAS, time is of the essence in the accomplishment of the herein named Public Works Project,

Now therefore,

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

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

West Sullivan Street Road Widening Project – Phase II

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

DENNIS R. PHILLIPS, Mayor

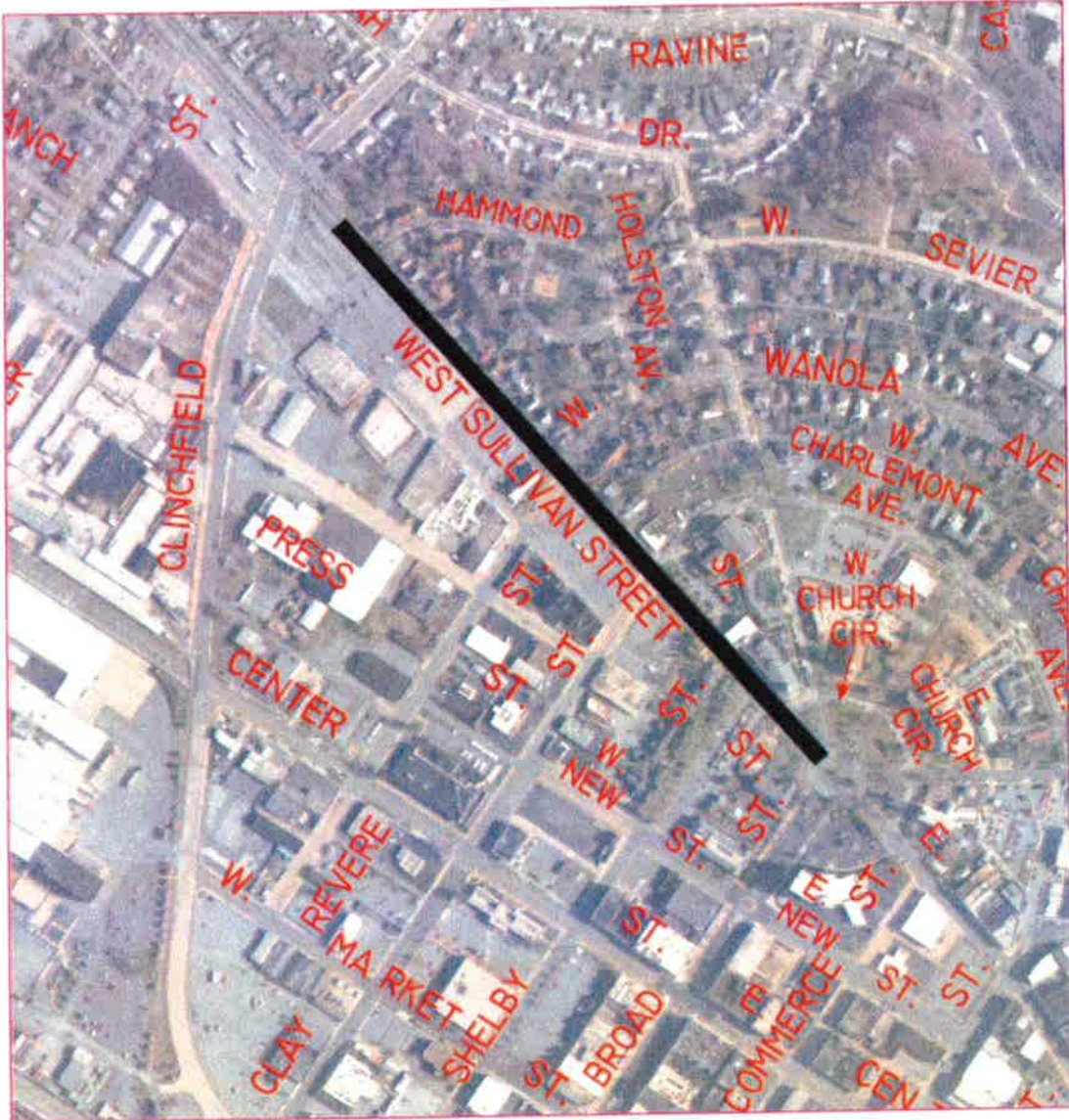
ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

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




**WEST SULLIVAN STREET WIDENING
PHASE II**



AGENDA ACTION FORM

Consideration of an Ordinance to Condemn for Easements and Right-of-Ways for the Reedy Creek Trunk Line Improvements Project

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

Action Form No.: AF-297-2014
Work Session: November 17, 2014
First Reading: November 18, 2014

Final Adoption: December 2, 2014
Staff Work By: R. Trent, N. Eichmann
Presentation By: M. Billingsley

Recommendation:

Approve the ordinance.

Executive Summary:

The Public Works Department has requested easements and right-of-ways for the Reedy Creek Trunk Line Improvements Project. The attached ordinance authorizes and directs the city attorney to initiate condemnation proceedings to acquire easements and rights-of-way that cannot be voluntarily acquired on the Reedy Creek Trunk Line Improvements Project.

Attachments:

- 1. Ordinance
- 2. Project Location Map

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

PRE-FILED
CITY RECORDER

ORDINANCE NO. _____

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

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

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

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

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

WHEREAS, time is of the essence in the accomplishment of the herein named Public Works Project,

Now therefore,

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

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

Reedy Creek Trunk Line Improvements Project

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

DENNIS R. PHILLIPS, Mayor

ATTEST:

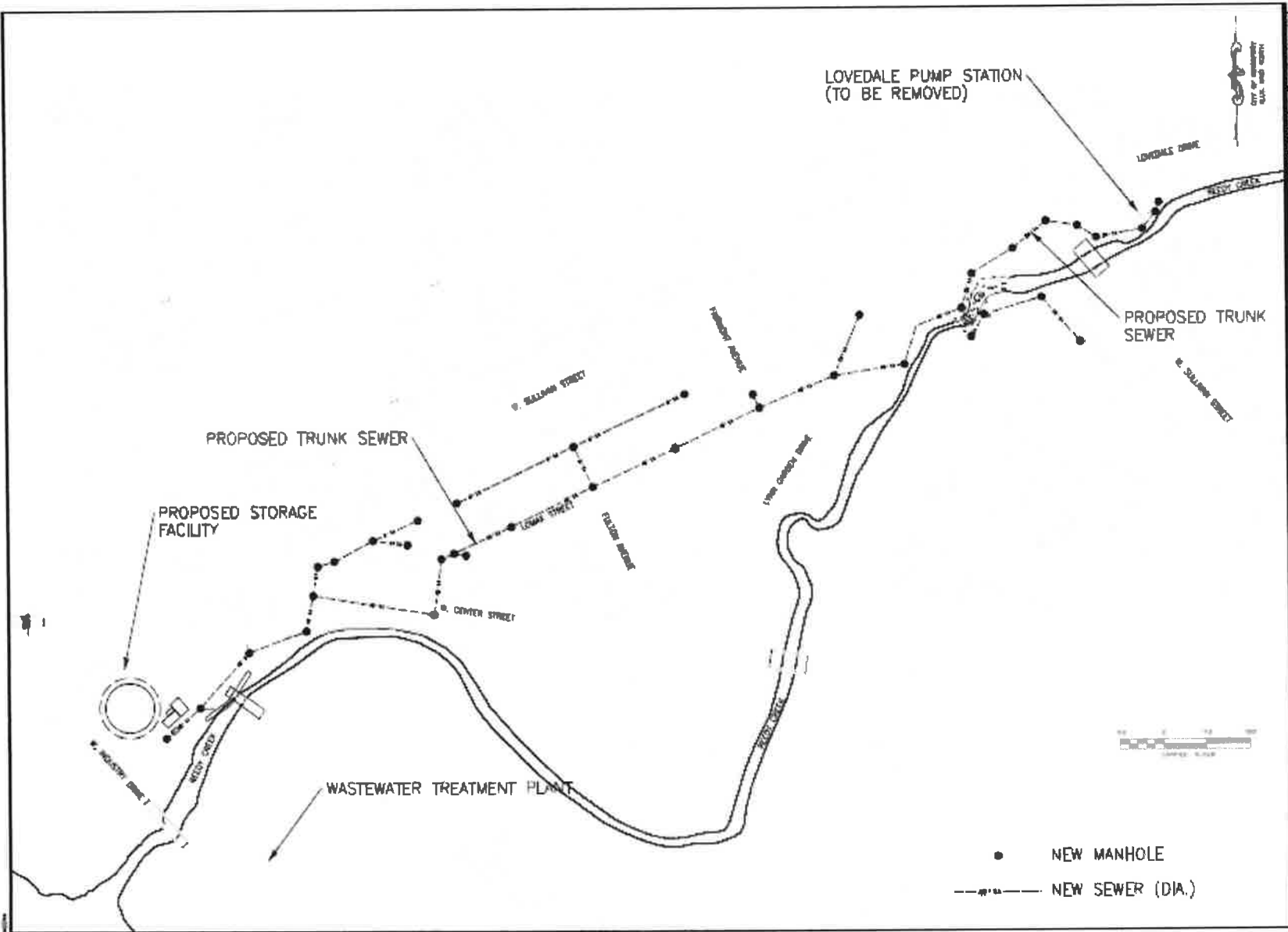
JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

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

1	Proposed Trunk Sewer
2	Proposed Storage Facility
3	Proposed Manhole
4	Proposed Sewer (Dia.)



Design Services For The Built Environment
 Victoria Brisbane
 Charlotte Cincinnati
 Columbus Dallas
 Fort Lauderdale
 Honolulu Jacksonville
 Jacksonville Louisville
 Memphis Nashville
 Milwaukee Tampa

kingport
 CITY OF KINGSPORT

PROXIMITY MAP
 REEDY CREEK TRUNK SEWER IMPROVEMENTS



REVISION		
NO.	DATE	REVISION

PROPOSED TRUNK SEWER IMPROVEMENTS OF REEDY CREEK
 SHEET NO. 1

FIGURE 2
 TWA 100000

● NEW MANHOLE
 - - - - NEW SEWER (DIA.)



AGENDA ACTION FORM

Consideration of an Ordinance Implementing a Community Notification System for Sexual Offenders and Establishing a Fee to be Paid by the Offender

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

Action Form No.: AF-285-2014
 Work Session: November 17, 2014
 First Reading: November 18, 2014

Final Adoption: December 2, 2014
 Staff Work By: D/C Phipps
 Presentation By: Chief Quillin

Recommendation:

Approve the ordinance.

Executive Summary:

In April of 2014, the Tennessee General Assembly enacted an amendment to T.C.A. Title 40 Chapter 39 Part 2 by adding a new section, 40-39-217, relative to notifications regarding certain sex offenders. The amendment allows the board, by two-thirds majority of the board (minimum of 5 year votes), to establish a Community Notification System alerting certain residences, schools, and child-care facilities that a person registered as a sex offender or violent sex offender resides, intends to reside, or declares to reside within a certain proximity of those locations.

The new section also allows for the board to impose a community notification fee of not more than \$50.00 per year from each sex offender that registers with the city to defray the cost of the notifications. Currently, there is a \$150.00 administrative fee collected from sex offenders upon their yearly registration process. The community notification fee of \$50.00 will be in addition to the existing administrative fee.

Notifications can be made by utilizing several different avenues such as mailed or hand delivered community notification flyers; prominently posting a copy of the notice at the police department; publicizing the notice in local newspapers; or posting electronically, including the Internet; etc.

There are approximately 50 sex offenders registered with the Kingsport Police Department. This item will require a roll call vote.

Attachments:

1. Ordinance
2. T.C.A. section 40-39-217

Funding source appropriate and funds are available:

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF KINGSPORT BY ADDING A SECTION IMPLEMENTING A COMMUNITY NOTIFICATION SYSTEM FOR SEXUAL OFFENDERS AS AUTHORIZED BY TENNESSEE CODE ANNOTATED SECTION 40-39-217; ESTABLISHING A FEE PAID BY THE OFFENDER; AND FIXING THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Code of Ordinances, City of Kingsport, Tennessee, is hereby amended by adding a section, to be numbered appropriately to conform to the numbering system used in the Code of Ordinances, which section reads as follows:

(a) The board finds that the tracking of sexual offenders is important for the public safety of the City of Kingsport and that Tennessee Code Annotated Section 40-39-217 authorizes the city to implement tracking and notification systems for sexual offenders.

(b) Pursuant to Tennessee Code Annotated section 40-39-217 the city establishes and implements a community notification system whereby certain residences, schools and child-care facilities in the city are notified when a person required to register pursuant to Tennessee Code Annotated Title 40 Chapter 39 Part 2 as a sexual offender or violent sexual offender resides, intends to reside or, upon registration, declares to reside within one thousand feet (1,000'), or the otherwise applicable distance as provided by law, of the property line of any residence, school, public or private or parochial, any licensed day care center, or other child-care facility.

(c) Any sexual offender or violent sexual offender as defined by Tennessee Code Annotated section 40-39-202 residing in the city must register with the city's police department and, in addition to any other fee required by law, pay to the city a notification fee of fifty dollars (\$50.00) per year. The fee will be used for the purpose of defraying the costs of the community notification.

(d) Whenever a sexual offender or violent sexual offender as defined by Tennessee Code Annotated section 40-39-202 offender resides, intends to reside or, upon registration, declares to reside within one thousand feet (1,000'), or otherwise applicable distance as provided by law, of the property line of any residence, school, public or private or parochial, any licensed day care center, or any child-care facility, the city may notify the public using any or all of the following methods:

(1) Notification by the police department to residents, schools and child-care facilities located within one thousand feet (1,000'), or the otherwise applicable distance as provided by law, from the offender's residence;

(2) A community notification flyer, whether made by regular mail or hand delivered, to all legal residences within one thousand feet (1,000'), or the otherwise applicable distance as provided by law, from the offender's residence;

(3) Posting a copy of the notice in a prominent place at the office of the police station closest to the declared residence of the offender;

(4) Publicizing the notice in a local newspaper, or posting electronically, including the

Internet;

(5) Notifying homeowners associations within the immediate area of the declared residence of the offender; or

(6) Any other method reasonably expected to provide notification.

(e) Nothing herein shall be construed as prohibiting the Tennessee bureau of investigation, a sheriff or a chief of police from providing community notification hereunder electronically or by publication or periodically to persons whose legal residence is more than one thousand feet (1,000'), or the otherwise applicable distance as provided by law, from the residence of offender.

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

DENNIS R. PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

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

T. C. A. § 40-39-217

(a)(1) Any county, metropolitan form of government or municipality may, by a two-thirds (2/3) vote of the legislative body, choose to establish a community notification system whereby certain residences, schools and child-care facilities within the county, metropolitan form of government or municipality are notified when a person required to register pursuant to this part as a sexual offender or violent sexual offender resides, intends to reside, or, upon registration, declares to reside within a certain distance of such residences, schools and child-care facilities.

(2) The legislative body of any county, metropolitan form of government or municipality that enacts a community notification system pursuant to this subsection (a) may, at the same time as the system is established, enact a notification fee of not more than fifty dollars (\$50.00) per year from each offender in the county, metropolitan form of government or municipality for the purpose of defraying the costs of the community notification. The notification fee shall be collected at the same time as the one hundred fifty dollar (\$150) administrative fee collected pursuant to § 40-39-204(b).

(b) Forms of notification a county, metropolitan form of government or municipality may elect to establish include:

(1) Notification by the sheriffs office or police department to residents, schools and child-care facilities located within a specified number of feet from the offender's residence;

(2) A community notification flyer, whether made by regular mail or hand delivered, to all legal residences within the specified area;

(3) Posting a copy of the notice in a prominent place at the office of the sheriff and at the police station closest to the declared residence of the offender;

(4) Publicizing the notice in a local newspaper, or posting electronically, including the Internet;

(5) Notifying homeowners associations within the immediate area of the declared residence of the offender; or


(6) Any other method reasonably expected to provide notification.

(c) Nothing in this section shall be construed as prohibiting the Tennessee bureau of investigation, a sheriff, or a chief of police from providing community notification under this section electronically or by publication or periodically to persons whose legal residence is more than the applicable distance from the residence of an offender.



AGENDA ACTION FORM

Consideration of an Ordinance to Establish Funds and Budgets for Department of Education Active Employees Health Insurance and Department of Education Retiree Health Insurance

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

Action Form No.: AF-309-2014
Work Session: November 17, 2014
First Reading: November 18, 2014

Final Adoption: December 2, 2014
Staff Work By: David Frye
Presentation By: David Frye

Recommendation:


Approve the ordinance.

Executive Summary:

The Board of Education approved fiscal year 2015 budget amendment number two at their meeting on November 6, 2014. This amendment established two new funds to account for Kingsport Schools active and retiree health insurance plans. The active employee's health insurance fund will have estimated revenues and appropriation in the amount of \$5,354,000. The retiree health insurance fund will have estimated revenues and appropriations in the amount of \$730,000.

Attachments:

- 1. Ordinance
- 2. BOE Budget Amendment Number Two

Funding source appropriate and funds are available: 

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

PRE-FILED CITY RECORDER

ORDINANCE NO. ****

AN ORDINANCE TO ESTABLISH NEW FUNDS AND BUDGETS FOR KINGSPORT CITY SCHOOLS ACTIVE EMPLOYEES HEALTH INSURANCE AND RETIREE HEALTH INSURANCE; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the Kingsport City Schools Active Employee Health Insurance Fund budget be established by ratifying the Kingsport Board of Education approval of Budget Amendment Number Two to established the estimated revenue for employer and employee contributions in the amount of \$5,354,000 and to establish the appropriations for the operations of the Active Employee Health Insurance Fund in the amount of \$5,354,000.

In addition an additional new fund for Kingsport City Schools Retiree Health Insurance Fund budget be established by increasing the estimated revenue for Retiree, KCS contributions and Fund Transfers by \$730,000 and to establish the appropriations for the operations of the Retiree Health Insurance Fund in the amount of \$730,000.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Fund 627: School Employee Insurance Fund</u>			
<u>Revenues:</u>	\$	\$	\$
627-0000-363-1535 Employer Contributions	0	3,748,000	3,748,000
627-0000-363-2055 Employee Contributions	0	1,606,000	1,606,000
Totals:	0	5,354,000	5,354,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
<u>Expenditures:</u>			
	\$	\$	\$
627-1604-413-2020 Admin-Consultants	0	51,500	51,500
627-1604-413-4092 Admin-Administration Fees	0	125,000	125,000
627-1604-413-5015 Admin-Ins Premiums	0	300,000	300,000
627-1604-413-4099 Admin-Other Expenses	0	732,500	732,500
627-1604-413-7091 Admin-Trans. to Other Funds	0	423,000	423,000
627-1704-413-5100 Claims-Insurance Claims	0	3,500,000	3,500,000
627-5029-501-2020 Clinic-Professional Fees	0	60,000	60,000
627-5029-501-3075 Clinic-Medical Supplies	0	24,000	24,000
627-5029-501-3077 Clinic-Prescription Drugs	0	40,000	40,000
627-5029-501-4092 Clinic-Administration Fees	0	98,000	98,000
Totals:	0	5,354,000	5,354,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 628: School Retiree Insurance Fund			
Revenues:	\$	\$	\$
628-0000-363-1532 Employer Contributions	0	202,000	202,000
628-0000-363-2020 Retiree Contributions	0	105,000	105,000
628-0000-391-5900 Fund Transfers	0	423,000	423,000
Totals:	0	730,000	730,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:			
	\$	\$	\$
628-1604-413-4092 Admin-Administration Fees	0	20,000	20,000
628-1604-413-5015 Admin-Insurance Premiums	0	60,000	60,000
628-1704-413-5100 Claims-Insurance Claims	0	650,000	650,000
Totals:	0	730,000	730,000

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.

DENNIS PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING, City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

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



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the FY 2015 General Purpose School Fund Budget

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

Action Form No.: AF-308-2014
Work Session: November 17, 2014
First Reading: November 18, 2014
Final Adoption: December 2, 2014
Staff Work By: David Frye
Presentation By: David Frye

Recommendation:
Approve the ordinance.

Executive Summary:
The Board of Education approved fiscal year 2015 budget amendment number two at their meeting on November 6, 2014. This amendment increases estimated revenues and appropriations within the General Purpose School Fund budget by \$420,000. The increase in estimated revenue is from Fund Balance appropriations. Increases in appropriations include \$420,000 in various salary and benefits line items for an employee bonus payment.

The Fund Balance appropriation will leave a remaining Fund Balance of \$3,136,463, which is 4.67% of the FY 2015 operating budget.

- Attachments:**
1. Ordinance
 2. BOE Budget Amendment Number Two

Funding source appropriate and funds are available: *JF*

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

PRE-FILED CITY RECORDER

ORDINANCE NO. ****

AN ORDINANCE TO AMEND THE GENERAL PURPOSE
SCHOOL 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 General Purpose School Fund budget be amended to ratify the Kingsport Board of Education approval of Budget Amendment Number Two to increase the estimated revenue for Fund Balance Appropriations by \$420,000 and to increase the appropriations for various salary and benefit accounts by \$420,000 to fund a one-time bonus for school employees.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 141: School Fund			
Revenues:	\$	\$	\$
141-0000-392-0100 Fund Balance Appropriation	1,000,609	420,000	1,420,609
Totals:	1,000,609	420,000	1,420,609

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:	\$	\$	\$
141-7150-711-0116 Reg.Ed.Inst.-Teacher Sal.	21,774,550	160,000	21,934,550
141-7150-711-0163 Reg.Ed.Inst.-Assistants	1,099,700	27,000	1,126,700
141-7150-711-0201 Reg.Ed.Inst.-Social Security	1,365,650	12,000	1,377,650
141-7150-711-0204 Reg.Ed.Inst.-Retirement	2,047,150	17,500	2,064,650
141-7150-711-0212 Reg.Ed.Inst.-Medicare	319,100	3,000	322,100
141-7150-721-0116 Sp.Ed.Inst.-Teacher Sal.	3,348,350	24,000	3,372,350
141-7150-721-0163 Sp.Ed.Inst.-Assistants	421,800	8,000	429,800
141-7150-721-0201 Sp.Ed.Inst.-Social Security	221,700	2,000	223,700
141-7150-721-0204 Sp.Ed.Inst.-Retirement	324,800	2,500	327,300
141-7150-721-0212 Sp.Ed.Inst.-Medicare	51,850	500	52,350
141-7150-731-0116 Voc Inst-Teacher Sal.	1,102,100	10,000	1,112,100
141-7250-772-0131 Health Ser.-Medical Per.	498,050	10,000	508,050
141-7250-773-0123 Other Std. Sup.-Guidance	1,118,200	10,000	1,128,200
141-7250-773-0201 Other Std. Sup.-Social Sec.	84,250	800	85,050
141-7250-773-0204 Other Std. Sup.-Retirement	139,300	1,200	140,500
141-7250-781-0138 Reg. Ed. Sup.-Librarians	616,650	10,000	626,650
141-7250-781-0138 Reg. Ed. Sup.-Tech. Per.	702,500	10,000	712,500
141-7250-781-0201 Reg. Ed. Sup.-Social Sec.	114,750	1,000	115,750
141-7250-781-0204 Reg. Ed. Sup.-Retirement	219,050	2,000	221,050
141-7250-781-0212 Reg. Ed. Sup.-Medicare	26,900	500	27,400
141-7250-801-0104 Office of the Prin-Principals	928,250	9,000	937,250
141-7250-801-0161 Office of the Prin-Secretaries	518,000	10,000	528,000
141-7250-801-0201 Office of the Prin-Social Sec.	130,500	1,500	132,000
141-7250-801-0204 Office of the Prin-Retirement	232,050	2,500	234,550

141-7250-801-0212	Office of the Prin-Medicare	30,550	500	31,050
141-7250-821-0166	Oper. of Plant-Custodians	1,453,100	30,000	1,483,100
141-7250-821-0201	Oper. of Plant-Social Sec.	83,150	2,000	85,150
141-7250-821-0204	Oper. of Plant-Retirement	222,800	4,500	227,300
141-7250-821-0212	Oper. of Plant-Medicare	19,450	500	19,950
141-7250-822-0189	Maint. of Plant-Maint. Per.	671,250	10,000	681,250
141-7250-822-02-01	Maint. of Plant-Social Sec.	41,650	500	42,150
141-7250-822-0204	Maint. Of Plant-Retirement	117,350	1,500	118,850
141-7250-831-0146	Transportation-Bus Drivers	411,950	15,000	426,950
141-7250-831-0201	Transportation-Social Sec.	26,950	1,000	27,950
141-7250-831-0204	Transportation-Retirement	54,650	2,000	56,650
141-7250-831-0212	Transportation-Medicare	6,300	500	6,800
141-7313-861-0189	ECLC Adams-Other Salaries	74,500	5,000	79,500
141-7340-861-0189	ECLC Wash.-Other Sal.	167,000	6,000	173,000
141-7350-861-0189	ECLC Palmer-Other Salaries	177,000	6,000	183,000
Totals:		40,962,850	420,000	41,382,850

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

ATTEST:

DENNIS PHILLIPS, Mayor

APPROVED AS TO FORM:

JAMES H. DEMMING, City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

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

November 6, 2014

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2014-2015
BUDGET AMENDMENT NUMBER TWO

GENERAL PURPOSE SCHOOL FUND

ITEM ONE: EMPLOYEE BONUS

There has been an interest expressed in giving Kingsport City Schools employees a bonus payment. With the Board of Education's approval of this budget amendment and subsequent approval by the Board of Mayor and Aldermen, it is planned to pay this bonus in December 2014. The amount of the bonus would be \$400 for each full-time employee and \$200 for each part-time employee. After deductions for taxes and retirement, the net pay would be approximately \$250 for full-time employees and \$125 for part-time employees.

There are approximately 200 part-time employee and approximately 935 full-time employees. The total amount of gross pay would be approximately \$414,000. In addition to the pay amount there are also benefits (retirement, Social Security, Medicare) associated, that total approximately \$78,000. This makes the total expense approximately \$492,000. This expense will be shared by all of our fund budgets as follows:

General Purpose School Fund	\$420,000
Federal Projects Fund	38,000
School Special Projects Funds	7,000
School Nutrition Services Fund	27,000

This budget amendment will only address the funds needed for the General Purpose School Fund. The other funds will be addressed at a later date, if needed.

It is recommended that the appropriations for various salary and benefit accounts within the General Purpose School Fund be increased by \$420,000.

ITEM TWO: FUND BALANCE APPROPRIATION

With the approval of budget amendment number one, the balance of the General Purpose School Fund-Unreserved Fund Balance is \$3,556,463. This amount represents 5.3% of the FY 2105 budget. It is recommended that estimated revenue for Fund Balance Appropriations be increased by \$420,000. This will reduce the balance of the Unreserved Fund Balance to \$3,136,463, which is 4.67% of the FY 2015 budget.

HEALTH INSURANCE FUNDS

With the approval of moving from the State health insurance plan to a self-funded health insurance plan, there will need to be 2 new funds and their accompanying budgets established. The 2 new funds will account for (1) active employees health insurance and (2) pre-65 retirees health insurance. The revenues in these funds will come from contributions from various budgets, that are already established, and from contributions from active employees and retirees. The budgets to be established include the administration of the plan, stop-loss insurance, ACA

(Affordable Care Act) fees, consultant fees, the actual claims, and Kingsport City Schools share of the operating expenses for the CareHere clinic.

Based on preliminary calculations the total contributions from Kingsport City Schools will be \$3,950,000 for the remainder of FY 15 and the contributions from employees and retirees for the same time period will be \$1,711,000. This means that a budget will have to be established that does not exceed \$5,650,000. Following is detailed recommended estimated revenue and expenditures:

ESTIMATED REVENUE

	Active Employee Fund	Retiree Fund
KCS Contributions	\$3,748,000	\$202,000
Employee/Retiree Contributions	1,606,000	105,000
Transfers from Other Funds		423,000
Total Estimated Revenue	\$5,354,000	\$730,000


BUDGETS

Meritain Administrative Fees	\$ 125,000	\$ 20,000
\$30.65/Month per policy		
Active Policies – 677		
Retired Policies – 110		
Aetna Stop-Loss Insurance	300,000	60,000
Consultant Fees		
Plan Oversight	25,000	
Employee Benefits	16,500	
Actuarial	10,000	
ACA Fees (Not due in FY 2015)		
Transitional Re-Insurance Fees		
For 2014 plans \$63/covered life		
PECORI Fees		
For 2014 plans \$2/covered life		
Claims	3,500,000	650,000
Clinic Expenses		
Administration	98,000	
\$20.70/policy – 787		
Personnel	60,000	
Estimate of \$10,000/month		
Drugs	40,000	
Estimate of \$5,000/month		
Beginning Stock - \$10,000		
Supplies		
Estimate of \$4,000/month	24,000	
Transfer to Other Funds	423,000	
Other – Establish Reserve	732,500	
Total Budget	\$5,354,000	\$730,000



AGENDA ACTION FORM

Consideration of a Budget Ordinance to Appropriate \$37,452.00 from the Tennessee Department of Transportation/Governor’s Highway Safety Office 2014 Solicitation

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

Action Form No.: AF-291-2014
 Work Session: November 3, 2014
 First Reading: November 4, 2014

Final Adoption: **November 18, 2014**
 Staff Work By: Capt. Jenny Castle
 Presentation By: Chief David Quillin

Recommendation:

Approve the budget ordinance


Executive Summary:

On March 18, 2014, via Action Form 64, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a Tennessee Department of Transportation/Governor’s Highway Safety Office Traffic Safety Grant (TDOT/GHSO). We have been notified that we were approved for \$37,452.00 in grant funds for the upcoming fiscal year. The grant will be utilized to purchase equipment and for traffic safety enforcement overtime.

There are no matching fund requirements.

Attachments:

- 1. Budget Ordinance

Funding source appropriate and funds are available: 

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

REVISÉ

PRE-FILED
CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECTS - SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE GOVERNOR'S HIGHWAY SAFETY GRANT FOR THE YEAR ENDING JUNE 30, 2015; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Projects – Special Revenue Fund budget be amended by appropriating grant funds received from the Governor's Highway Safety Office to the Governor's Highway Safety Grant Project (NC1502) in the amount of \$37,452 to be used for overtime for traffic safety and enforcement and equipment. This grant is administered through the Tennessee Department of Transportation for Traffic Law Enforcement Agency Services. This grant does not require matching funds.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 111: Gen. Projects–Special Rev. Fund			
Governor's Hwy Safety Grant (NC1502)			
Revenues:			
111-0000-332-9000 Dept of Transportation	\$ 0	\$ 37,452	\$ 37,452
Totals:	0	37,452	37,452
Expenditures:			
111-0000-601-1011 Overtime	0	21,102	21,102
111-0000-601-1020 Social Security	0	2,300	2,300
111-0000-601-1040 Retirement	0	5,900	5,900
111-0000-601-1050 Life Insurance	0	50	50
111-0000-601-1052 Long Term Disability	0	50	50
111-0000-601-1060 Workmen's Comp	0	500	500
111-0000-601-1061 Unemployment Insurance	0	50	50
111-0000-601-9004 Equipment	0	7,500	7,500
Totals:	0	37,452	37,452

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.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of a Budget Ordinance to Appropriate \$37,452.00 from the Tennessee Department of Transportation/Governor's Highway Safety Office 2014 Solicitation

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

Action Form No.: AF-291-2014
Work Session: November 3, 2014
First Reading: November 4, 2014

Final Adoption: November 18, 2014
Staff Work By: Capt. Jenny Castle
Presentation By: Chief David Quillin

Recommendation:

Approve the budget ordinance

Executive Summary:

On March 18, 2014, via Action Form 64, the Board of Mayor and Aldermen approved the Mayor executing any and all documents necessary to apply for and receive a Tennessee Department of Transportation/Governor's Highway Safety Office Traffic Safety Grant (TDOT/GHSO). We have been notified that we were approved for \$37,452.00 in grant funds for the upcoming fiscal year. The grant will be utilized to purchase equipment and for traffic safety enforcement overtime.

There are no matching fund requirements.

Attachments:

- 1. Budget Ordinance

Funding source appropriate and funds are available. [Signature]

Table with 3 columns: Y, N, O and rows for Clark, George, Hall, McIntire, Parham, Segelhorst, Phillips.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECTS - SPECIAL REVENUE FUND BUDGET BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE GOVERNOR'S HIGHWAY SAFETY GRANT FOR THE YEAR ENDING JUNE 30, 2015; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the General Projects – Special Revenue Fund budget be amended by appropriating grant funds received from the Governor's Highway Safety Office to the Governor's Highway Safety Grant Project (NC1503) in the amount of \$37,452 to be used for overtime for traffic safety and enforcement and equipment. This grant is administered through the Tennessee Department of Transportation for Traffic Law Enforcement Agency Services. This grant does not require matching funds.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 111: Gen. Projects–Special Rev. Fund			
Governor's Hwy Safety Grant (NC1503)			
Revenues:			
111-0000-332-9000 Dept of Transportation	0	37,452	37,452
Totals:	0	37,452	37,452
Expenditures:			
111-0000-601-1011 Overtime	0	21,102	21,102
111-0000-601-1020 Social Security	0	2,300	2,300
111-0000-601-1040 Retirement	0	5,900	5,900
111-0000-601-1050 Life Insurance	0	50	50
111-0000-601-1052 Long Term Disability	0	50	50
111-0000-601-1060 Workmen's Comp	0	500	500
111-0000-601-1061 Unemployment Insurance	0	50	50
111-0000-601-9004 Equipment	0	7,500	7,500
Totals:	0	37,452	37,452

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

ATTEST:

JAMES H. DEMMING
City Recorder

DENNIS R. PHILLIPS, Mayor

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of a Budget Ordinance Appropriating Available Funds to MPO15B for the Purchase of Portable Camera Equipment

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

Action Form No.: AF-263-2014
Work Session: November 3, 2014
First Reading: November 4, 2014

Final Adoption: November 18, 2014
Staff Work By: T. Elsea/M. Thompson/J. Smith
Presentation By: Ryan McReynolds

Recommendation:

Approve the ordinance.

Executive Summary:

In June 2014, we entered into an agreement with TDOT for a portable camera equipment purchase (AF-136-2014). The portable camera will be used at various intersections around the City to assist in data collection, and is also requested to be used in coordination with signal timing updates. The portable camera will mount to an arm that extends a minimum of 30 feet into the air, and will support the Traffic Department with turning movement counts at various intersections. This camera and arm will be mounted to a towable trailer thus making it mobile enough to move from intersection to intersection. Turning movement counts will be used for updating signal timing plans and collecting data for signal warrant studies. The camera will also serve as a backup option for signal detection if the need arises during a construction project.

We are in the process (with TDOT's assistance) of preparing the specifications and bid documents; the anticipated bid opening timeframe for this purchase is scheduled for early to mid-2015. The estimated cost for this equipment purchase is \$50,000, which will be 100% funded through MTPO STP funding source.

A budget ordinance appropriating available funds to MPO15B in the total amount of \$50,000.00 is requested.

Attachments:

- 1. Ordinance
2. Portable Camera Photo - Example


Funding source appropriate and funds are available: [Signature]

Table with 3 columns (Y, N, O) and 7 rows (Clark, George, Hall, McIntire, Parham, Segelhorst, Phillips)



AGENDA ACTION FORM

Consideration of a Budget Ordinance Appropriating Available Funds to MPO15B for the Purchase of Portable Camera Equipment

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

Action Form No.: AF-263-2014
 Work Session: November 3, 2014
 First Reading: November 4, 2014

Final Adoption: November 18, 2014
 Staff Work By: T. Elsea/M. Thompson/J. Smith
 Presentation By: Ryan McReynolds

Recommendation:

Approve the ordinance.

Executive Summary:


In June 2014, we entered into an agreement with TDOT for a portable camera equipment purchase (AF-136-2014). The portable camera will be used at various intersections around the City to assist in data collection, and is also requested to be used in coordination with signal timing updates. The portable camera will mount to an arm that extends a minimum of 30 feet into the air, and will support the Traffic Department with turning movement counts at various intersections. This camera and arm will be mounted to a towable trailer thus making it mobile enough to move from intersection to intersection. Turning movement counts will be used for updating signal timing plans and collecting data for signal warrant studies. The camera will also serve as a backup option for signal detection if the need arises during a construction project.

We are in the process (with TDOT's assistance) of preparing the specifications and bid documents; the anticipated bid opening timeframe for this purchase is scheduled for early to mid-2015. The estimated cost for this equipment purchase is \$50,000, which will be 100% funded through MTPO STP funding source.

A budget ordinance appropriating available funds to MPO15B in the total amount of \$50,000.00 is requested.

Attachments:

1. Ordinance
2. Portable Camera Photo - Example

Funding source appropriate and funds are available. 

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE MPO FUND BUDGET BY APPROPRIATING GRANT FUNDS FOR A PORTABLE CAMERA; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

SECTION I. That the MPO Fund budget be amended by appropriating grant funds in the amount of \$50,000 to the Traffic Portable Camera Project (MPO15B). This project is funded 100% through MTPO STP funds.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 122: MPO Fund			
Traffic Portable Camera (MPO15B)			
Revenues:			
122-0000-337-5213 FHWA/TN FHWA 100%	\$ 0	\$ 50,000	\$ 50,000
Totals:	0	50,000	50,000
Expenditures:			
122-0000-609-2023 Arch/Eng/Landscaping	0	3,000	3,000
122-0000-609-9003 Improvements	0	47,000	47,000
Totals:	0	50,000	50,000

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.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

ANGELA L. MARSHALL
Deputy City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____


PASSED ON 2ND READING: _____





AGENDA ACTION FORM

Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014A and Amend the Water and Sewer Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014B

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

Action Form No.: AF-293-2014
Work Session: November 03, 2014
First Reading: November 04, 2014

Final Adoption: **November 18, 2014**
Staff Work By: Smith/Winkle
Presentation By: Fleming

Recommendation:

Approve the ordinance.

Executive Summary:


On September 02, 2014, the BMA approved resolution 2015-051 to issue General Obligation Public Improvement Bond Series 2014A not to exceed \$16,750,000 for road projects, school projects, facilities improvements, parks, Community Service projects, police and fire projects, equipment, landfill cell construction and Fleet Gasboy improvements.

On September 02, 2014, the BMA approved resolution 2015-052 to issue General Obligation Public Improvement Bond Series 2014B not to exceed \$9,550,000 for Water and Wastewater projects.

This ordinance appropriates the funding for these projects.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: 

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014A and Amend the Water and Sewer Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2014B

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

Action Form No.: AF-293-2014
Work Session: November 03, 2014
First Reading: November 04, 2014

Final Adoption: November 18, 2014
Staff Work By: Smith/Winkle
Presentation By: Fleming

Recommendation:

Approve the ordinance.

Executive Summary:

On September 02, 2014, the BMA approved resolution 2015-051 to issue General Obligation Public Improvement Bond Series 2014A not to exceed \$16,750,000 for road projects, school projects, facilities improvements, parks, Community Service projects, police and fire projects, equipment, landfill cell construction and Fleet Gasboy improvements.

On September 02, 2014, the BMA approved resolution 2015-052 to issue General Obligation Public Improvement Bond Series 2014B not to exceed \$9,550,000 for Water and Wastewater projects.

This ordinance appropriates the funding for these projects.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available:

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND, SOLID WASTE PROJECT FUND AND THE WATER AND SEWER FUND BUDGETS BY APPROPRIATING GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2014B; FOR THE FISCAL YEAR ENDING JUNE 30, 2015; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

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

WHEREAS, Resolution No. 2015-051 was adopted authorizing the issuance of bonded debt Series 2014A in an amount not to exceed \$16,750,000 to provide funding for certain public works projects, consisting of the acquisition of public art; the land acquisition and improvements of public parks and recreational facilities; road construction, expansion and improvements; sidewalk construction, improvements and expansion; improvement of fire stations, construction and expansion of fire training facilities; land acquisition and improvement to the Municipality's storm water system; the acquisition, construction, renovation, improvement and equipping of public buildings for municipal operations within the Municipality; construction, expansion and improvement of the Municipality's water system, construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work (collectively, the "Project"); and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Bonds.

Section I. That the General Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2014A to fund the City Hall/Facilities Improvements Project (GP1522) in the amount of \$151,871, HVAC Replacement (GP1523) in the amount of \$253,119, Fleet Gasboy Improvements (GP1507) in the amount of \$101,247, Fire Training Ground (GP1521) in the amount of \$303,742, Sullivan Street Improvements project (GP1226) in the amount of \$679,774, Centennial Hill Park project (GP1215) in the amount of \$352,949, Local Roads/Sidewalks(GP1403) in the amount of \$303,742, Fire Truck & Equipment (GP1410) in the amount of \$1,180,544, Border Regions (GP1228) in the amount of \$202,495, Sullivan Street Improvements Phase 2 (GP1500) in the amount of \$1,214,968, Sidewalk Improvements (GP1520) in the amount of \$182,245, Allandale Improvements (GP1508) in the amount of \$101,247, Bays Mountain Improvements (GP1509) in the amount of \$303,742, Borden Park (GP1510) in the amount of \$506,237, Civic Auditorium Improvements (GP1511) in the amount of \$101,247, Park Improvements/Land Acquisition (GP1512) in the amount of \$1,214,968, Bridge Repairs/Maintenance (GP1017) in the amount of \$75,309, Land Acquisition (GP1515) in the amount of \$117,061, Engineering Building Improvements (GP1514) in the amount of \$506,237, Main Street Improvements (GP1516) in the amount of \$506,237, Chadwick/Tranbarger Improvements (GP1519) in the amount of \$101,247, Model City Coalition (GP1224) in the amount of \$506,237, 2014 A Capitalized Interest (GP1517) in the amount of \$593,304, Traffic Equipment (GP1524) in the amount of \$176,170, Public Works Equip. (GP1525) in the amount of \$12,150, Softball/Baseball Complex (GP1409) in the amount of \$4,049,893, Police Dept. Equipment (GP1528) in the amount of \$39,385, School System Improvements (GP1513) in the amount of \$1,164,344, Street Resurfacing (GP1518) in the amount of \$1,012,473, Ballfield Park Maintenance Equipment (GP1526), in the amount of \$73,608, Ballfield Athletics Equipment (GP1527) in the amount of \$37,563.

Section II. That the Water Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2014B to fund the Master Plan Water System Upgrades (WA1401) in the amount of \$1,530,000 and WTP Facilities Improvements (WA1505) in the amount of \$1,200,000.

Section III. That the Sewer Project Fund be amended by appropriating G.O. Public Improvement Bond Series 2014B to fund Colonial Heights Sewer Line Ext. Phase 2 (SW1501) in the amount of \$2,850,000, Colonial Heights Sewer Line Ext. Phase 3 (SW1502) in the amount of \$1,851,408, Miscellaneous Sewer Line Rehabilitation (SW1401) in the amount of \$600,000, Treatment Plant Equalization Basin (SW1505) in the amount of \$810,000 and the Motor Control Center (SW1506) in the amount of \$500,000.

Section IV. That the Solid Waste Fund be amended by appropriating GO Public Improvement Bond Series 2014A to fund the Solid Waste Equipment project (DL1501) in the amount of \$100,000 and the Landfill New Cell Construction project (DL1500) in the amount of \$1,000,000.

**G.O. Public
Improvements Series
20013B**

**General Project
Fund:311
City Hall/Facilities
Improvements (GP1522)**

Revenue:

		<u>Budget</u>	<u>Amendments Increase (Decrease)</u>	<u>Amended Budget</u>
311-0000-368-1047	Series 2014A GO Pub Imp.	0	137,475	137,475
311-0000-368-2101	Premium From Bond Sale	0	14,396	14,396
Total Revenue		0	151,871	151,871

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	0	9,000	9,000
311-0000-601-4041	Bond Expense	0	1,871	1,871
311-0000-601-9003	Improvements	0	141,000	141,000
Total Appropriation		0	151,871	151,871

**HVAC Replacement
(GP1523)**

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	229,126	229,126
311-0000-368-2101	Premium from Bond Sale	0	23,993	23,993
Total Revenue		0	253,119	253,119

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	3,119	3,119
311-0000-601-9003	Improvements	0	250,000	250,000
Total Appropriation		0	253,119	253,119

Fleet Gasboy Improv. (GP1507)**Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	91,650	91,650
311-0000-368-2101	Premium from Bond Sale	0	9,597	9,597
Total Revenue		0	101,247	101,247

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,247	1,247
311-0000-601-9003	Improvements	0	100,000	100,000
Total Appropriation		0	101,247	101,247

Fire Training Ground (GP1521)**Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	274,951	274,951
311-0000-368-2101	Premium on Sale	0	28,791	28,791
Total Revenue		0	303,742	303,742

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	3,742	3,742
311-0000-601-9003	Improvements	0	300,000	300,000
Total Appropriation		0	303,742	303,742

Sullivan St. Improv. (GP1226)**Revenue:**

311-0000-368-1037	Series 2009D(BABS) GO	135,000	0	135,000
311-0000-368-1040	Series 2011 G.O. Pub Improv	85,827	0	85,827
311-0000-368-1041	Series 2012C G.O. Pub Improv.	408,804	0	408,804
311-0000-368-1046	Series 2013B GO Pub Imp.	50,000	0	50,000
311-0000-368-1047	Series 2014A GO Pub Imp.	0	615,340	615,340
311-0000-368-2101	Premium on Sale	24,416	64,434	88,850
Total Revenue		704,047	679,774	1,383,821

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	99,368	0	99,368
311-0000-601-4041	Bond Sale Expense	20,997	8,374	29,371
311-0000-601-9001	Land	10,000	0	10,000
311-0000-601-9003	Improvements	573,682	671,400	1,245,082
Total Appropriation		704,047	679,774	1,383,821

Brickyard Park Imp. (GP1215)**Revenue:**

311-0000-368-1040	Series 2011 G.O. Pub Imp	4,399	0	4,399
311-0000-368-1047	Series 2014A GO Pub Imp.	0	319,493	319,493
311-0000-368-2101	Premium on Bond Sale	4,283	33,456	37,739
Total Revenue		8,682	352,949	361,631

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	1,350	0	1,350
311-0000-601-4041	Bond Sale Expense	7,332	4,349	11,681
311-0000-601-9003	Improvements	0	348,600	348,600
Total Appropriation		8,682	352,949	361,631

**Local Rds/Sidewalks
(Match) (GP1403)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	274,951	274,951
311-0000-368-2101	Premium on Bond Sale	0	28,791	28,791
Total Revenue		0	303,742	303,742

Appropriation:

311-0000-601-4041	Bond Sale Expense		3,742	3,742
311-0000-601-9003	Improvements	0	300,000	300,000
Total Appropriation		0	303,742	303,742

**Fire Truck & Equip.
(GP1410)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	1,068,641	1,068,641
311-0000-368-2101	Premium on Bond Sale	0	111,903	111,903
Total Revenue		0	1,180,544	1,180,544

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,166,000	1,166,000
311-0000-601-9006	Purchases Over \$5,000	0	14,544	14,544
Total Appropriation		0	1,180,544	1,180,544

**Border Regions
(GP1228)****Revenue:**

311-0000-368-1041	Series 2012 C GO Pub Imp.	292,234	0	292,234
311-0000-368-1047	Series 2014A GO Pub Imp.	0	183,300	183,300
311-0000-368-2101	Premium on Bond Sale	17,138	19,195	36,333
Total Revenue		309,372	202,495	511,867

Appropriation:

311-0000-601-2020	Professional Consultant	60,258	0	60,258
311-0000-601-2023	Arch/Eng/Landscaping	104,066	0	104,066
311-0000-601-4041	Bond Sale Expense	9,372	2,495	11,867
311-0000-601-9001	Land	110,000	0	110,000
311-0000-601-9003	Improvements	25,676	200,000	225,676
Total Appropriation		309,372	202,495	511,867

Sullivan St. Improv.
Phase 2 (GP1500)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	1,099,802	1,099,802
311-0000-368-2101	Premium on Bond Sale	0	115,166	115,166
Total Revenue		0	1,214,968	1,214,968

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	0	40,000	40,000
311-0000-601-4041	Bond Sale Expense	0	14,968	14,968
311-0000-601-9003	Improvements	0	1,160,000	1,160,000
Total Appropriation		0	1,214,968	1,214,968

Sidewalk Imp. (GP1520)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	164,970	164,970
311-0000-368-2101	Premium on Bond Sale	0	17,275	17,275
Total Revenue		0	182,245	182,245

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	0	5,000	5,000
311-0000-601-4041	Bond Sale Expense	0	2,245	2,245
311-0000-601-9003	Improvements	0	175,000	175,000
Total Appropriation		0	182,245	182,245

Allandale Imp.
(GP1508)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	91,650	91,650
311-0000-368-2101	Premium on Bond Sale	0	9,597	9,597
Total Revenue		0	101,247	101,247

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,247	1,247
311-0000-601-9003	Improvements	0	100,000	100,000
Total Appropriation		0	101,247	101,247

Bays Mountain Imp.
(GP1509)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	274,951	274,951
311-0000-368-2101	Premium on Bond Sale	0	28,791	28,791
Total Revenue		0	303,742	303,742

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	3,742	3,742
311-0000-601-9003	Improvements	0	300,000	300,000

Total Appropriation

0	303,742	303,742
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Borden Park Imp.**(GP1510)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	458,251	458,251
311-0000-368-2101	Premium on Bond Sale	0	47,986	47,986
Total Revenue		0	506,237	506,237

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	6,237	6,237
311-0000-601-9003	Improvements	0	500,000	500,000
Total Appropriation		0	506,237	506,237

Civic Auditorium Imp.**(GP1511)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	91,650	91,650
311-0000-368-2101	Premium on Bond Sale	0	9,597	9,597
Total Revenue		0	101,247	101,247

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,247	1,247
311-0000-601-9003	Improvements	0	100,000	100,000
Total Appropriation		0	101,247	101,247

Park Imp./Land**Acquisition (GP1512)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	1,099,802	1,099,802
311-0000-368-2101	Premium on Bond Sale	0	115,166	115,166
Total Revenue		0	1,214,968	1,214,968

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	14,968	14,968
311-0000-601-9003	Improvements	0	1,200,000	1,200,000
Total Appropriation		0	1,214,968	1,214,968

Bridge Repairs/Maint.**(GP1017)****Revenue:**

311-0000-368-1037	Series 2009D BABS GO	107,095	0	107,095
311-0000-368-1047	Series 2014A GO Pub Imp.	0	68,171	68,171
311-0000-368-2101	Premium on Bond Sale	285	7,138	7,423
Total Revenue		107,380	75,309	182,689

Appropriation:

311-0000-601-2022	Construction Contracts	1,872	0	1,872
311-0000-601-2023	Arch/Eng/Landscaping	7,628	0	7,628
311-0000-601-4041	Bond Sale Expense	2,554	928	3,482
311-0000-601-9003	Improvements	95,326	74,381	169,707
Total Appropriation		107,380	75,309	182,689

**Land Acquisition
(GP1515)**

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	105,965	105,965
311-0000-368-2101	Premium on Bond Sale	0	11,096	11,096
Total Revenue		0	117,061	117,061

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	1,442	1,442
311-0000-601-9001	Land	0	115,619	115,619
Total Appropriation		0	117,061	117,061

**Engineering Building
Renovations (GP1514)**

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	458,251	458,251
311-0000-368-2101	Premium on Bond Sale	0	47,986	47,986
Total Revenue		0	506,237	506,237

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	6,237	6,237
311-0000-601-9003	Improvements	0	500,000	500,000
Total Appropriation		0	506,237	506,237

**Main Street Imp.
(GP1516)**

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	458,251	458,251
311-0000-368-2101	Premium on Bond Sale	0	47,986	47,986
Total Revenue		0	506,237	506,237

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	6,237	6,237
311-0000-601-9003	Improvements	0	500,000	500,000
Total Appropriation		0	506,237	506,237

Tranbarger/Chadwick

Imp. (GP1519)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	91,650	91,650
311-0000-368-2101	Premium on Bond Sale	0	9,597	9,597
Total Revenue		0	101,247	101,247

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	0	3,000	3,000
311-0000-601-4041	Bond Sale Expense	0	1,247	1,247
311-0000-601-9003	Improvements	0	97,000	97,000
Total Appropriation		0	101,247	101,247

Model City Coalition

Imp. (GP1224)

Revenue:

311-0000-364-1030	From Non-Profits	10,000	0	10,000
311-0000-368-1041	Series 2012C GO Pub Imp	196,894	0	196,894
311-0000-368-1047	Series 2014A GO Pub Imp.	0	458,251	458,251
311-0000-368-2101	Premium on Bond Sale	6,855	47,986	54,841
Total Revenue		213,749	506,237	719,986

Appropriation:

311-0000-601-2023	Arch/Eng/Landscaping	157,480	10,300	167,780
311-0000-601-4041	Bond Sale Expense	3,749	6,237	9,986
311-0000-601-9002	Buildings	52,520	(10,300)	42,220
311-0000-601-9003	Improvements	0	500,000	500,000
Total Appropriation		213,749	506,237	719,986

2014A Capitalized

Interest (GP1517)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	537,065	537,065
311-0000-368-2101	Premium on Bond Sale	0	56,239	56,239
Total Revenue		0	593,304	593,304

Appropriation:

311-0000-601-4041	Bond Sale Expense	0	7,309	7,309
311-0000-601-7029	Transfer to Debt Serv.	0	585,995	585,995
Total Appropriation		0	593,304	593,304

Traffic Equip.(GP1524)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp.	0	159,471	159,471
311-0000-368-2101	Premium on Bond Sale	0	16,699	16,699
Total Revenue		0	176,170	176,170

Appropriation:

311-0000-601-2031	Street Lights	0	45,000	45,000
311-0000-601-2032	Traffic Signals	0	40,000	40,000
311-0000-601-4041	Bond Expense	0	2,170	2,170
311-0000-601-9006	Purchases Over \$5,000	0	89,000	89,000
Total Appropriation		0	176,170	176,170

Public Works**Equip(GP1525)****Revenue:**

311-0000-368-1047	Series 2014A GO Pub Imp.	0	10,998	10,998
311-0000-368-2101	Premium on Bond Sale	0	1,152	1,152
Total Revenue		0	12,150	12,150

Appropriation:

311-0000-601-4041	Bond Expense	0	150	150
311-0000-601-9006	Purchases Over \$5,000	0	12,000	12,000
Total Appropriation		0	12,150	12,150

Softball & Baseball**Complex (GP1409)****Revenue:**

311-0000-368-0945	Note Proceed IDBK First TN Loan	1,200,000	(1,200,000)	0
311-0000-368-1046	Series 2013B GO Pub Imp	2,721,899	0	2,721,899
311-0000-368-1047	Series 2014A GO Pub Imp	0	3,666,008	3,666,008
311-0000-368-2101	Premium on Bond Sale	178,101	383,885	561,986
311-0000-391-0100	From General Fund	2,800,000	(2,800,000)	0
Total Revenue		6,900,000	49,893	6,949,893

Appropriation:

311-0000-601-2020	Professional Consultant	0	14,600	14,600
311-0000-601-2023	Arch/Eng/Landscaping	195,891	0	195,891
311-0000-601-2095	Public Art Contracts	0	25,000	25,000
311-0000-601-4041	Bond Expense	34,109	49,893	84,002
311-0000-601-9001	Land	1,000,000	(352,800)	647,200
311-0000-601-9003	Improvements	5,670,000	313,200	5,983,200
Total Appropriation		6,900,000	49,893	6,949,893

General Fund:110**Revenue:**

110-0000-392-0100	Fund Balance Appropriation	2,875,553	(2,800,000)	0
Total Revenue		2,875,553	(2,800,000)	0

Appropriation:

110-4804-481-7036	From General Proj. Fund	2,800,000	(2,800,000)	0
Total Appropriation		2,800,000	(2,800,000)	0

Police Dept. Equip
(GP1528)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp	0	35,652	35,652
311-0000-368-2101	Premium From Bond Sale	0	3,733	3,733
Total Revenue		0	39,385	39,385

Appropriation:

311-0000-4041	Bond Expense	0	485	485
311-0000-601-9006	Purchases Over \$5,000	0	38,900	38,900
Total Appropriation		0	39,385	39,385

School System Imp.
(GP1513)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp	0	1,053,977	1,053,977
311-0000-368-2101	Premium From Bond Sale	0	110,367	110,367
Total Revenue		0	1,164,344	1,164,344

Appropriation:

311-0000-2023	Arch/Eng/Landscaping	0	34,500	34,500
311-0000-4041	Bond Expense	0	14,344	14,344
311-0000-9003	Improvements	0	1,115,500	1,115,500
Total Appropriation		0	1,164,344	1,164,344

Street Resurfacing
(GP1518)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp	0	916,502	916,502
311-0000-368-2101	Premium on Bond Sale	0	95,971	95,971
Total Revenue		0	1,012,473	1,012,473

Appropriation:

311-0000-601-2022	Construction Contracts	0	1,000,000	1,000,000
311-0000-601-4041	Bond Expense	0	12,473	12,473
Total Appropriation		0	1,012,473	1,012,473

Ballfield Park Maint.
Equip (GP1526)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp	0	66,631	66,631
311-0000-368-2101	Premium on Bond Sale	0	6,977	6,977
Total Revenue		0	73,608	73,608

Appropriation:

311-0000-601-4041	Bond Expense	0	907	907
311-0000-601-9006	Purchases Over \$5,000	0	72,701	72,701
Total Appropriation		0	73,608	73,608

Ballfield Athletics

Equip. (GP1527)

Revenue:

311-0000-368-1047	Series 2014A GO Pub Imp	0	34,002	34,002
311-0000-368-2101	Premium on Bond Sale	0	3,561	3,561
Total Revenue		0	37,563	37,563

Appropriation:

311-0000-601-4041	Bond Expense	0	463	463
311-0000-601-9006	Purchases Over \$5,000	0	37,100	37,100
Total Appropriation		0	37,563	37,563

Solid Waste Fund:415

Revenue:

415-0000-392-9925	Series 2014A GO Pub Imp	0	1,100,000	1,100,000
Total Revenue		0	1,100,000	1,100,000

Appropriation:

415-6999-698-7830	Series 2014A GO Pub Imp	0	1,100,000	1,100,000
Total Appropriation		0	1,100,000	1,100,000

Solid Waste Project

Fund: 455

Landfill New Cell

Construction (DL1500)

Revenue:

455-0000-391-0530	Series 2014A GO Pub Imp	0	1,000,000	1,000,000
Total Revenue		0	1,000,000	1,000,000

Appropriation:

415-6999-698-7830	Series 2014A GO Pub Imp	0	1,000,000	1,000,000
Total Appropriation		0	1,000,000	1,000,000

Solid Waste Project

Fund: 455

Solid Waste Equip

(DL1501)

Revenue:

455-0000-391-0530	Series 2014A GO Pub Imp	0	100,000	100,000
Total Revenue		0	100,000	100,000

Appropriation:
 455-0000-601-9006
Total Appropriation

0	100,000	100,000
0	100,000	100,000

Water Proj. Fund: 451
WTP Facility
Improvements
(WA1505)

Revenue:
 451-0000-391-0530 Transfer Series 2014B GO Bonds
Total Revenue

0	1,200,000	1,200,000
0	1,200,000	1,200,000

Appropriation:
 451-0000-605-2023 Arch/Eng/Landscaping
Total Appropriation

0	1,200,000	1,200,000
0	1,200,000	1,200,000

Master Plan WA
Systems Upg(WA1401)

Revenue:
 451-0000-391-0529 Transfer Series 2013B GO Bonds
 451-0000-391-0530 Transfer Series 2014B GO Bonds
 451-0000-391-4500 From Water Fund
Total Revenue

2,110,000	0	2,110,000
0	1,530,000	1,530,000
40,786	0	40,786
2,150,786	1,530,000	3,680,786

Appropriation:
 451-0000-605-2023 Arch/Eng/Landscaping
 451-0000-605-2097 State Reviews & Reviews
 451-0000-605-9001 Land
 451-0000-605-9003 Improvements
Total Appropriations

116,000	0	116,000
5,000	0	5,000
5,000	0	5,000
2,024,786	1,530,000	3,554,786
2,150,786	1,530,000	3,680,786

Water Fund 411:
Revenue

411-0000-392-9916 Series 2014B GO Pub Imp Bonds
Total Revenue

0	2,730,000	2,730,000
0	2,730,000	2,730,000

Expenditure
 411-6999-698-7831 Bond Transfer Series 2014B GO
Total Expenditures

0	2,730,000	2,730,000
0	2,730,000	2,730,000

Sewer Proj Fund:452
Colonial Hgts. Phase 2
(SW1501)

Revenue:
 452-0000-391-0531 Transfer Series 2014B GO Pub Imp
 452-0000-391-4200 From Sewer Fund

0	2,850,000	2,850,000
100,000	0	100,000

Total Revenue		100,000	2,850,000	2,950,000
Appropriation:				
452-0000-606-2023	Arch/Eng/Landscaping	500	350,000	350,500
452-0000-606-9001	Land	99,500	0	99,500
452-0000-606-9003	Improvements	0	2,500,000	2,500,000
Total Appropriation		100,000	2,850,000	2,950,000

**Colonial Hqts Phase3
(SW1502)**

Revenue:				
452-0000-391-0531	Transfer Series 2014BGO Pub Imp	0	1,851,408	1,851,408
Total Revenue		0	1,851,408	1,851,408

Appropriation:				
452-0000-606-2023	Arch/Eng/Landscaping	0	250,000	250,000
452-0000-606-9001	Land	0	200,000	200,000
452-0000-606-9003	Improvements	0	1,401,408	1,401,408
Total Appropriation		0	1,851,408	1,851,408

**Treatment Plant
Equalization Basin
(SW1505)**

Revenue:				
452-0000-391-0531	Transfer Series 2014BGO Pub Imp	0	810,000	810,000
Total Revenue		0	810,000	810,000

Appropriation:				
452-0000-606-2023	Arch/Eng/Landscaping	0	48,600	48,600
452-0000-606-9001	Land	0	100,000	100,000
452-0000-606-9003	Improvements	0	661,400	661,400
Total Appropriation		0	810,000	810,000

**Misc SW Rehab
(SW1401)**

Revenue:				
452-0000-391-0529	Transfer Series 2013B GOPub Imp	300,000	0	300,000
452-0000-391-0531	Transfer Series 2014BGO Pub Imp	0	600,000	600,000
452-0000-391-4200	From Sewer Fund	181,000	0	181,000
Total Revenue		481,000	600,000	1,081,000

Appropriation:				
452-0000-606-2023	Arch/Eng/Landscaping	70,000	0	70,000
452-0000-606-9001	Land	30,000	0	30,000
452-0000-606-9003	Improvements	381,000	600,000	981,000
Total Appropriation		481,000	600,000	1,081,000

**Motor Control Center
Replacement (SW1506)**

Revenue:

452-0000-391-0531	Transfer Series 2014BGO Pub Imp	0	500,000	500,000
Total Revenue		0	500,000	500,000

Appropriation:

452-0000-606-2023	Arch/Eng/Landscaping	0	30,000	30,000
452-0000-606-9003	Improvements	0	470,000	470,000
Total Appropriation		0	500,000	500,000

Sewer Fund:412

412-0000-392-9916	Series 2014B GO Pub Imp Bonds	0	6,611,408	6,611,408
Total Revenue		0	6,611,408	6,611,408

Expenditures

412-6999-698-7831	Bond Transfer Series 2014B GO	0	6,611,408	6,611,408
Total Expenditures		0	6,611,408	6,611,408

SECTION V. 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.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

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AGENDA ACTION FORM

Consideration of a Resolution Approving Updates to the City's Substance Abuse Policy Consistent with Federal Transit Authority Regulations

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

[Handwritten signature of Jeff Fleming]

Action Form No.: AF-306-2014
Work Session: November 17, 2014
First Reading: N/A

Final Adoption: November 18, 2014
Staff Work By: Tommy Hughes
Presentation By: Chris McCartt

Recommendation:

Approve the resolution.

Executive Summary:

Every three years the Federal Transit Authority does an audit to ensure that KATS funding continues. As a result of the audit, it was suggested that the city amend its Federal Transit Authority Substance policy to clarify the requirement for pre-employment substance abuse testing and to update the job titles of employees who are required to participate in the substance abuse testing program.

Changes to the policy are shown in the attached policy shown in red font. The changes are:

- Add as the first paragraph under the subtitle "Pre-Employment Testing the statement,

After obtaining the potential employees written consent, the City of Kingsport will request from DOT regulated employers who have employed the potential employee during any period during the two years before the date of the employees application or transfer the information required on 49 CFR § 40.25(b).

- In the fourth paragraph under the subtitle "Applicability" remove the job title "Transit Program Administrator" from the job categories included in the testing program.

Attachments:

- 1. Resolution
2. FTA Substance Abuse policy with changes

Table with 3 columns: Y, N, O and rows for Clark, George, Hall, McIntire, Parham, Segelhorst, Phillips.

RESOLUTION NO. _____

A RESOLUTION AMENDING THE FEDERAL TRANSIT
AUTHORITY SUBSTANCE ABUSE POLICY FOR CITY
EMPLOYEES

WHEREAS, the city adopted a Federal Transit Substance Abuse Policy by Resolution No. 2008-142, which was effective February 5, 2008; and

WHEREAS, the city would like to amend the Federal Transit Substance Abuse Policy to provide some language suggested by the Federal Transit Authority pertaining to obtaining written consent of potential employees for the city to obtain information from prior Department of Transportation employers for the previous two years and to remove the Transit Program Administrator as a job included in the testing program.

Now, therefore,

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

SECTION I. That the following policy is amended and adopted as the official E Federal Transit Substance Abuse Policy for the City of Kingsport:

CITY OF KINGSPORT
SUBSTANCE ABUSE POLICY AND PROCEDURES
(FTA)

DRUG FREE WORKPLACE

It is the intent and obligation of the City to provide a drug free, healthful, safe, and secure work environment as mandated by the Drug-Free Workplace Act of 1988. Our policy regarding the work-related effects of drug use and the unlawful possession of controlled substances is outlined in detail in the City of Kingsport Substance Abuse Policy and Procedures (General).

Employees must, as a condition of employment, abide by the terms of the above policy and report any conviction under a criminal drug statute for violations occurring on or off City premises while conducting City business. A report of a conviction must be made within five (5) days after the conviction.

Purpose

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the risks posed by the misuse of alcohol and use of prohibited drugs. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. The Federal Transit Authority (FTA) of the U.S. Department of Transportation has published 49 CFR Part 655, as amended that mandates urine drug testing and breath alcohol testing for safety-sensitive positions and prohibits performance of safety-sensitive functions when there is a positive test result. The U.S. Department of Transportation (DOT) has also published 49 CFR Part 40, as amended, which sets standards for the collection and testing of urine and breath specimens. In addition, the Federal government published 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses. This policy incorporates those requirements for safety-sensitive employees.

Applicability

Employees who perform safety-sensitive functions must be included in the substance abuse management program (49 CFR §653.3 and 654.1) and are required to submit to drug and alcohol testing administered in accordance with 49 CFR Part 655 and Part 40.

The FTA has determined that "safety-sensitive" functions are performed by those who (49 CFR §655.4)

Operate revenue service vehicles including when not in revenue service
Operate no revenue service vehicles that require drivers to hold CDLs
Dispatch or control revenue service vehicles
Maintain revenue service vehicles or equipment used in revenue service except for contractors to those who receive funding under 49 U.S.C. 5307 or 5309, is in an area under 200,000 in population; and contracts out such services or receives funding under 49 U.S.C. 5311 and contracts out such services
Provide security and carry a firearm.

These categories include supervisors who perform these functions. Supervisors of employees in these categories but who do not themselves perform these functions are excluded.

Employees with the following specific job titles are included in the testing requirement: Fleet Maintenance Supervisor, Fleet Mechanic, Fleet Small Engine Mechanic, Fleet Service Worker, Transit Bus/Van Driver, and Transit Scheduler/Dispatcher, as well as their successors. Any employee temporarily performing work under these conditions or positions are included.

Prohibited Substances

"Prohibited substances" addressed by this policy include the following:

Illegally Used Controlled Substances or Drugs

The Federal Transit Administration outlines the following drugs for testing under this program: marijuana, amphetamines, opiates, phencyclidine (PCP), and cocaine, as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

Legal Drugs

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to supervisory personnel and medical advice must be sought by the employee, as appropriate, before performing work-related duties.

A legally prescribed drug means that an individual has a prescription or other written approval from a physician for the use of a drug in the course of medical treatment. It must include the patient's name, the name of the substance, quantity/amount to be taken, and the period of authorization. The misuse or abuse of legal drugs while performing City business is prohibited.

Alcohol

The use of beverages containing alcohol or substances including any medication, mouthwash, food, candy, or any other substance such that alcohol is present while performing City business is prohibited. The concentration of alcohol is expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath-testing device.

Prohibited Conduct

"Prohibited conduct" addressed by this policy includes the following:

Manufacture, Trafficking, Possession, and Use

City of Kingsport employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of prohibited or controlled substances on City premises, in CDL vehicles, other City vehicles, in uniform, or while on City business. All property owned or leased by the City of Kingsport is subject to inspection where suspicion exists that a violation has or is occurring. Inspection may be at any time without notice as there is NO expectation of privacy. City property includes, but is not limited to, vehicles, desks, containers, files, and storage lockers. All personnel are admonished that the retention of personal items in such containers or facilities is at the risk of the employee and the City will not be responsible for any losses. Such equipment is subject to entry and inspection without notice, even if the employee has placed a personally owned lock on the City's property. Employees assigned

lockers, whether locked by employees or not, are also subject to inspection by supervision in the presence of the employee if the employee is reasonably available. Employees who violate this provision will be terminated. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.

Intoxication/Under the Influence

Any safety-sensitive employee who is reasonably suspected of being intoxicated, impaired, under the influence of a prohibited substance, or not fit for duty shall be suspended from job duties pending an investigation and verification of condition. Employees found to be under the influence of prohibited substances or who fail to pass a drug or alcohol test shall be removed from duty and terminated. A drug or alcohol test is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49 CFR Part 40, as amended.

Alcohol Use

No safety-sensitive employee shall report for duty or remain on duty when his/her ability to perform assigned safety-sensitive functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.04 or greater. No safety-sensitive employee shall use alcohol while on duty, in uniform, while performing safety-sensitive functions, or just before or just after performing a safety-sensitive function. Violation of these provisions is prohibited and punishable by immediate termination.

Required Hours of Compliance

An employee must not consume alcohol while performing a safety-sensitive function (49 CFR §655.32), four hours prior to performing safety-sensitive function (49 CFR §655.33), and up to eight hours following an accident or until the employee undergoes a post-accident test, whichever occurs first (49 CFR §655.34).

Use and ingestion of prohibited drugs are prohibited at all times.

Compliance with Testing Requirements

All safety-sensitive employees will be subject to urine drug testing and breath alcohol testing. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty and their employment terminated. Test refusal will be defined as any of the following:

- A. Refusal to provide the required breath or to provide the required urine specimen in the specimen cup
- B. Insufficient breath or insufficient urine volume in the specimen cup without a valid medical reason
- C. Specimen tampering, adulterating or substituting any specimen
- D. Failure to appear at the collection facility within a reasonable time as defined by the City
- E. Leaving the scene of an accident without just cause prior to submitting to any required drug and/or alcohol test
- F. Leaving the collection facility prior to test completion
- G. Failure to permit an observed or monitored collection when required
- H. Failure to take a second test when required
- I. Failure to undergo a medical examination when required by the MRO
- J. Failure to cooperate with any part of the testing process
- K. For alcohol testing, failure to sign the required United States DOT Alcohol Testing Form.

Any safety-sensitive employee who is suspected of providing false information in connection with a test, or who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo an observed collection. Verification of these actions will result in the employee's removal from duty and their employment terminated. Refusal can include an inability to provide a sufficient urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior, or physical absence resulting in the inability to conduct the test.

Treatment Requirements

All employees are encouraged to make use of the available resources for treatment for alcohol misuse and illegal drug use problems. Under certain circumstances, employees may be required to undergo treatment for substance abuse or alcohol misuse. Any employee who refuses or fails to comply with requirements for treatment, after care, or return to duty shall be subject to disciplinary action, up to and including termination. The cost of any treatment or rehabilitation services will be paid for directly by the employee or their insurance provider. Employees will be allowed to take accumulated sick leave and vacation leave to participate in the prescribed rehabilitation program.

Proper Application of the Policy

The City of Kingsport is dedicated to assuring equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

Testing Procedures

Confidentiality is maintained throughout the drug/alcohol testing process. All positive results are first forwarded to a Medical Review Officer (MRO) for review. The MRO reviews the individual medical history and affords the employee an opportunity to offer any clarifying information that would explain the positive test. The Risk Management Department will maintain results in the strictest of confidence in a medical file separate from the official personnel file. The testing laboratory, the MRO, the Breath Alcohol Technician (BAT), the Substance Abuse Professional (SAP), and the program manager are the only ones allowed access to the testing records without the tested employee's written permission.

In cases where a disciplinary action results from a positive test, such information is shared only with those in a supervisory capacity involved in that action. The City of Kingsport will carry out this policy in a manner that respects the dignity and confidentiality of those involved.

Analytical urine drug testing and breath testing for alcohol will be conducted when required by Federal regulations. All safety-sensitive employees shall be subject to testing prior to employment. All safety sensitive employees will be tested for reasonable suspicion and following an accident as defined in Section (numbering to be determined upon insertion into the Personnel Policies) of this policy. Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities that have been approved by the U.S. Department of Health and Human Services (DHHS). All testing will be conducted consistent with the procedures put forth in 49 CFR Part 40, as amended.

The drugs that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine. An initial drug screen will be conducted on each urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts present are above the minimum thresholds established in 49 CFR Part 40, as amended.

Test for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA)-approved evidential breath-testing device (EBT) operated by a trained breath alcohol technician (BAT). If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. A safety-sensitive employee who has a confirmed alcohol concentration of greater than 0.02 but less than 0.04 will be removed from his/her position for twenty-four hours unless a retest results in a concentration measure of less than 0.02.

An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy and a violation of the requirements forth for safety-sensitive employees.

Any safety-sensitive employee that has a confirmed positive drug or alcohol test will be removed from his/her position and informed of educational and rehabilitation programs available. A positive drug and/or alcohol test will also result in immediate termination.

The City affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process.

Employee Requested Testing

Any safety-sensitive employee who questions the results of a required drug test under paragraphs (numbering to be determined upon insertion into the Personnel Policies) of this policy may request that an additional test be conducted. This test must be conducted at a different testing DHHS certified laboratory. The test must be conducted on the split sample that was provided by the employee at the same time as the original sample. All costs for such testing are paid by the employee unless the result of the split sample test invalidates the result of the original test. The employee's request for a split sample test must be made to the Medical Review Officer within 72 hours of notice of the original sample verified test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

Pre-Employment Testing

After obtaining the potential employees written consent, the City of Kingsport will request from DOT regulated employers who have employed the potential employee during any period during the two years before the date of the employees application or transfer the information required on 49 CFR § 40.25(b).

All safety-sensitive applicants shall undergo urine drug testing immediately following the offer of employment or transfer into a safety-sensitive position. Receipt by the City of a negative drug test result is required prior to employment. Failure of a pre-employment drug test will disqualify an applicant for employment for a period of one (1) year. Evidence of the absence of drug dependency from a Substance Abuse Professional that meets with the approval of the City and negative pre-employment drug test will be required prior to further consideration for employment. The cost for the assessment and any subsequent treatment will be the sole responsibility of the individual.

Any covered employee or applicant who has not performed a safety -sensitive function for 90 consecutive calendar days regardless of the reason, and the employee has not been in the employer's random selection pool during that time frame, must undergo urine drug testing with a verified negative result prior to returning to the safety sensitive function.

Reasonable Suspicion Testing

All safety-sensitive employees, as well as all other City employees (under city authority), may be subject to a fitness for duty evaluation, and urine and/or breath testing when there are reasons to believe that drug or alcohol use is adversely affecting job performance. (49 CFR § 655.43) A reasonable suspicion referral for testing shall be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee. A supervisor or other company official who is trained in detecting the signs and symptoms of drug use and alcohol misuse must make the required observations. It is noted that accidents never (on their own) constitute reasonable suspicion for testing.

Post-Accident Testing

All safety-sensitive employees will be required to undergo urine and breath testing if they are involved in an accident with a mass transit vehicle that results in a fatality. This includes all surviving safety-sensitive employees that are on-duty whose performance could have contributed to the accident. In addition, (49 CFR §655.44) a post-accident test will be conducted if, in the case of a non-fatal accident, an individual suffers a bodily injury and immediately receives medical treatment away from the scene of an accident; the mass transit vehicle involved is a bus, electric bus, van, or automobile in which one or more vehicles incurs disabling damage as the result of the occurrence and is transported away from the scene by a tow truck or other vehicle; the mass transit vehicle involved is a railcar, trolley car, trolley bus, or vessel, and is removed from revenue service, unless the city determines, using the best information available at the time of the decision, that the covered employee's performance can be completely discounted as a contributing factor to the accident. The City shall also drug and alcohol test any other covered employee whose performance could have contributed to the accident, as determined by the employer using the best information available at the time of the decision.

(49 CFR §655.44) Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a covered employee from

leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

Following an accident, the safety-sensitive employees will be tested as soon as possible, but not to exceed eight hours for alcohol testing and 32 hours for drug testing. Any safety-sensitive employee involved in an accident must refrain from alcohol use for eight hours following the accident or until he/she undergoes a post-accident alcohol test. Any safety-sensitive employee who leaves the scene of the accident without justifiable explanation prior to submission to drug and alcohol testing will be considered to have refused the test and their employment terminated.

Random Testing

Employees in safety-sensitive positions will be subjected to random, unannounced testing. The selection of safety-sensitive employees for random alcohol testing will be made using a scientifically valid method that ensures each covered employee that they will have an equal chance of being selected each time selections are made. (49 CFR §655.45)(e) A covered employee shall only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty. The number of random tests will be equal to at least 25% of all affected employees each year for drug use and 10% of all affected for alcohol. The FTA's random alcohol testing rate may be adjusted based on analysis of positive random test results within the entire transit industry (49 CFR §655 .45).

Dilute Negative Results

If the MRO informs the city that a negative drug test was dilute, the employee will be directed to take another test immediately. Such recollections must not be collected under direct observation, unless there is another basis for use of direct observation according to Section 49 CFR §40.67(b) and (c). If directed to take another test, the employee will be given the minimum possible advance notice that he or she must go to the collection site. If an employee is directed to take another test, the result of the second test—not that of the original test—becomes the test of record, on which the city will rely for purposes of this part.

DRUG AND ALCOHOL ABUSE-WORK PERFORMANCE-NON-VOLUNTARY BASIS

When an employee appears "unfit to work" due to suspected drug and/or alcohol problems, the following procedures should be taken:

1. Move the employee off the job.
2. One supervisor trained in Reasonable Suspicion Detection can make the determination for testing. Arrange for, if practical, at least one other supervisor to observe and evaluate the employee's behavior. Make notations of all actions by the suspected individual. Ask the employee to give an explanation as to why he or she appears to be unfit to perform their job. Do not accuse the employee of being under the influence of alcohol and/or drugs.
3. Appropriate situations for drug, alcohol and controlled substance testing are limited to those situations where "reasonable suspicion" can be established. This includes but is not limited to when an employee exhibits erratic, unsafe or obvious irrational behavior or appears intoxicated or confused. In addition, this includes job-related accidents, serious incidents or non-serious repeat incidences where one has a similar reason to question the physical and emotional condition of the employee.
4. Upon "reasonable suspicion," it is the judgment that testing is required, the manager or supervisor involved should contact the Risk Manager. A consent agreement by the employee will be required prior to testing. If an employee refuses to consent to a test for the presence of drug and/or alcohol, the employee should be informed that refusal to consent may subject him/her to appropriate disciplinary action. The employee should be reminded of the City's policy prohibiting the use or being under the influence of alcohol and/or drugs on City property or worksite. If the employee fails to comply with the management request to either submit to test or sign a release form, it would be determined as insubordination and the employee will be terminated.
5. Discipline/Treatment: If tests determine that the employee is under the influence of alcohol or drugs on the job, the employee will be immediately terminated per the City's zero tolerance substance abuse policy.

SYSTEM CONTACT

Any questions regarding this policy or any other aspect of the drug -free and alcohol-free program should contact the following representatives:

Program Manager: Risk Manager
Address: City of Kingsport
225 West Center Street
Kingsport, TN 37660
Telephone: (423) 224-9401
Fax: (423) 224-2474

Medical Review Officer and Substance Abuse Professional

Name: Nationwide Testing Association, Inc.
Address: P.O. Box 1380
15800 Old Statesville Road
Huntersville, NC 28070
Telephone: (800) 452-0030
Fax: (704) 875-3490

SECTION II. That nothing herein shall be construed to conflict with or supersede any applicable state or federal law.

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 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

CITY OF KINGSPORT
SUBSTANCE ABUSE POLICY AND PROCEDURES
(FTA)

DRUG FREE WORKPLACE

It is the intent and obligation of the City to provide a drug free, healthful, safe, and secure work environment as mandated by the Drug-Free Workplace Act of 1988. Our policy regarding the work-related effects of drug use and the unlawful possession of controlled substances is outlined in detail in the City of Kingsport Substance Abuse Policy and Procedures (General).

Employees must, as a condition of employment, abide by the terms of the above policy and report any conviction under a criminal drug statute for violations occurring on or off City premises while conducting City business. A report of a conviction must be made within five (5) days after the conviction.

Purpose

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the risks posed by the misuse of alcohol and use of prohibited drugs. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. The Federal Transit Authority (FTA) of the U.S. Department of Transportation has published 49 CFR Part 655, as amended that mandates urine drug testing and breath alcohol testing for safety-sensitive positions and prohibits performance of safety-sensitive functions when there is a positive test result. The U.S. Department of Transportation (DOT) has also published 49 CFR Part 40, as amended, which sets standards for the collection and testing of urine and breath specimens. In addition, the Federal government published 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses. This policy incorporates those requirements for safety-sensitive employees.

Applicability

Employees who perform safety-sensitive functions must be included in the substance abuse management program (49 CFR §653.3 and 654.1) and are required to submit to drug and alcohol testing administered in accordance with 49 CFR Part 655 and Part 40.

The FTA has determined that "safety-sensitive" functions are performed by those who (49 CFR §655.4)

Operate revenue service vehicles including when not in revenue service
Operate no revenue service vehicles that require drivers to hold CDLs
Dispatch or control revenue service vehicles
Maintain revenue service vehicles or equipment used in revenue service except for contractors to those who receive funding under 49 U.S.C. 5307 or 5309, is in an area under 200,000 in population; and contracts out such services or receives funding under 49 U.S.C. 5311 and contracts out such services
Provide security and carry a firearm.

These categories include supervisors who perform these functions. Supervisors of employees in these categories but who do not themselves perform these functions are excluded.

Employees with the following specific job titles are included in the testing requirement: Fleet Maintenance Supervisor, Fleet Mechanic, Fleet Small Engine Mechanic, Fleet Service Worker, Transit Bus/Van Driver, ~~Transit Program Administrator~~, and Transit Scheduler/Dispatcher, as well as their successors. Any employee temporarily performing work under these conditions or positions are included.

Prohibited Substances

“Prohibited substances” addressed by this policy include the following:

Illegally Used Controlled Substances or Drugs

The Federal Transit Administration outlines the following drugs for testing under this program: marijuana, amphetamines, opiates, phencyclidine (PCP), and cocaine, as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

Legal Drugs

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to supervisory personnel and medical advice must be sought by the employee, as appropriate, before performing work-related duties.

A legally prescribed drug means that an individual has a prescription or other written approval from a physician for the use of a drug in the course of medical treatment. It must include the patient's name, the name of the substance, quantity/amount to be taken, and the period of authorization. The misuse or abuse of legal drugs while

performing City business is prohibited.

Alcohol

The use of beverages containing alcohol or substances including any medication, mouthwash, food, candy, or any other substance such that alcohol is present while performing City business is prohibited. The concentration of alcohol is expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath-testing device.

Prohibited Conduct

“Prohibited conduct” addressed by this policy includes the following:

Manufacture, Trafficking, Possession, and Use

City of Kingsport employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of prohibited or controlled substances on City premises, in CDL vehicles, other City vehicles, in uniform, or while on City business. All property owned or leased by the City of Kingsport is subject to inspection where suspicion exists that a violation has or is occurring. Inspection may be at any time without notice as there is NO expectation of privacy. City property includes, but is not limited to, vehicles, desks, containers, files, and storage lockers. All personnel are admonished that the retention of personal items in such containers or facilities is at the risk of the employee and the City will not be responsible for any losses. Such equipment is subject to entry and inspection without notice, even if the employee has placed a personally owned lock on the City’s property. Employees assigned lockers, whether locked by employees or not, are also subject to inspection by supervision in the presence of the employee if the employee is reasonably available. Employees who violate this provision will be terminated. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.

Intoxication/Under the Influence

Any safety-sensitive employee who is reasonably suspected of being intoxicated, impaired, under the influence of a prohibited substance, or not fit for duty shall be suspended from job duties pending an investigation and verification of condition. Employees found to be under the influence of prohibited substances or who fail to pass a drug or alcohol test shall be removed from duty and terminated. A drug or alcohol test is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49 CFR Part 40, as amended.

Alcohol Use

No safety-sensitive employee shall report for duty or remain on duty when his/her ability to perform assigned safety-sensitive functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.04 or greater. No safety-sensitive employee shall use alcohol while on duty, in uniform, while performing safety-sensitive functions, or just before or just after performing a safety-sensitive function. Violation of these provisions is prohibited and punishable by immediate termination.

Required Hours of Compliance

An employee must not consume alcohol while performing a safety-sensitive function (49 CFR §655.32), four hours prior to performing safety-sensitive function (49 CFR §655.33), and up to eight hours following an accident or until the employee undergoes a post-accident test, whichever occurs first (49 CFR §655.34).

Use and ingestion of prohibited drugs are prohibited at all times.

Compliance with Testing Requirements

All safety-sensitive employees will be subject to urine drug testing and breath alcohol testing. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty and their employment terminated. Test refusal will be defined as any of the following:

- A. Refusal to provide the required breath or to provide the required urine specimen in the specimen cup
- B. Insufficient breath or insufficient urine volume in the specimen cup without a valid medical reason
- C. Specimen tampering, adulterating or substituting any specimen
- D. Failure to appear at the collection facility within a reasonable time as defined by the City
- E. Leaving the scene of an accident without just cause prior to submitting to any required drug and/or alcohol test
- F. Leaving the collection facility prior to test completion
- G. Failure to permit an observed or monitored collection when required
- H. Failure to take a second test when required
- I. Failure to undergo a medical examination when required by the
MRO
- J. Failure to cooperate with any part of the testing process
- K. For alcohol testing, failure to sign the required United States DOT Alcohol Testing Form.

Any safety-sensitive employee who is suspected of providing false information in connection with a test, or who is suspected of falsifying test results through tampering,

contamination, adulteration, or substitution will be required to undergo an observed collection. Verification of these actions will result in the employee's removal from duty and their employment terminated. Refusal can include an inability to provide a sufficient urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior, or physical absence resulting in the inability to conduct the test.

Treatment Requirements

All employees are encouraged to make use of the available resources for treatment for alcohol misuse and illegal drug use problems. Under certain circumstances, employees may be required to undergo treatment for substance abuse or alcohol misuse. Any employee who refuses or fails to comply with requirements for treatment, after care, or return to duty shall be subject to disciplinary action, up to and including termination. The cost of any treatment or rehabilitation services will be paid for directly by the employee or their insurance provider. Employees will be allowed to take accumulated sick leave and vacation leave to participate in the prescribed rehabilitation program.

Proper Application of the Policy

The City of Kingsport is dedicated to assuring equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

Testing Procedures

Confidentiality is maintained throughout the drug/alcohol testing process. All positive results are first forwarded to a Medical Review Officer (MRO) for review. The MRO reviews the individual medical history and affords the employee an opportunity to offer any clarifying information that would explain the positive test. The Risk Management Department will maintain results in the strictest of confidence in a medical file separate from the official personnel file. The testing laboratory, the MRO, the Breath Alcohol Technician (BAT), the Substance Abuse Professional (SAP), and the program manager are the only ones allowed access to the testing records without the tested employee's written permission.

In cases where a disciplinary action results from a positive test, such information is shared only with those in a supervisory capacity involved in that action. The City of Kingsport will carry out this policy in a manner that respects the dignity and confidentiality of those involved.

Analytical urine drug testing and breath testing for alcohol will be conducted when required by Federal regulations. All safety-sensitive employees shall be subject to testing prior to employment. All safety sensitive employees will be tested for reasonable suspicion and following an accident as defined in Section (numbering to be determined upon insertion into the Personnel Policies) of this policy. Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities that have been approved by the U.S. Department of Health and Human Services (DHHS). All testing will be conducted consistent with the procedures put forth in 49 CFR Part 40, as amended.

The drugs that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine. An initial drug screen will be conducted on each urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts present are above the minimum thresholds established in 49 CFR Part 40, as amended.

Test for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA)-approved evidential breath-testing device (EBT) operated by a trained breath alcohol technician (BAT). If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. A safety-sensitive employee who has a confirmed alcohol concentration of greater than 0.02 but less than 0.04 will be removed from his/her position for twenty-four hours unless a retest results in a concentration measure of less than 0.02.

An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy and a violation of the requirements forth for safety-sensitive employees.

Any safety-sensitive employee that has a confirmed positive drug or alcohol test will be removed from his/her position and informed of educational and rehabilitation programs available. A positive drug and/or alcohol test will also result in immediate termination.

The City affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process.

Employee Requested Testing

Any safety-sensitive employee who questions the results of a required drug test under paragraphs (numbering to be determined upon insertion into the Personnel Policies) of this policy may request that an additional test be conducted. This test must be conducted at a different testing DHHS certified laboratory. The test must be conducted on the split sample that was provided by the employee at the same time as the original

sample. All costs for such testing are paid by the employee unless the result of the split sample test invalidates the result of the original test. The employee's request for a split sample test must be made to the Medical Review Officer within 72 hours of notice of the original sample verified test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

Pre-Employment Testing

Added the statement: After obtaining the potential employees written consent, the City of Kingsport will request from DOT regulated employers who have employed the potential employee during any period during the two years before the date of the employees application or transfer the information required on 49CFR§40.25(b).

All safety-sensitive applicants shall undergo urine drug testing immediately following the offer of employment or transfer into a safety-sensitive position. Receipt by the City of a negative drug test result is required prior to employment. Failure of a pre-employment drug test will disqualify an applicant for employment for a period of one (1) year. Evidence of the absence of drug dependency from a Substance Abuse Professional that meets with the approval of the City and negative pre-employment drug test will be required prior to further consideration for employment. The cost for the assessment and any subsequent treatment will be the sole responsibility of the individual.

Any covered employee or applicant who has not performed a safety -sensitive function for 90 consecutive calendar days regardless of the reason, and the employee has not been in the employer's random selection pool during that time frame, must undergo urine drug testing with a verified negative result prior to returning to the safety sensitive function.

Reasonable Suspicion Testing

All safety-sensitive employees, as well as all other City employees (under city authority), may be subject to a fitness for duty evaluation, and urine and/or breath testing when there are reasons to believe that drug or alcohol use is adversely affecting job performance. (49CFR§655.43) A reasonable suspicion referral for testing shall be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee. A supervisor or other company official who is trained in detecting the signs and symptoms of drug use and alcohol misuse must make the required observations. It is noted that accidents never (on their own) constitute reasonable suspicion for testing.

Post-Accident Testing

All safety-sensitive employees will be required to undergo urine and breath testing if they are involved in an accident with a mass transit vehicle that results in a fatality. This includes all surviving safety-sensitive employees that are on-duty whose performance could have contributed to the accident. In addition, (49 CFR §655.44) a post-accident

test will be conducted if, in the case of a non-fatal accident, an individual suffers a bodily injury and immediately receives medical treatment away from the scene of an accident; the mass transit vehicle involved is a bus, electric bus, van, or automobile in which one or more vehicles incurs disabling damage as the result of the occurrence and is transported away from the scene by a tow truck or other vehicle; the mass transit vehicle involved is a railcar, trolley car, trolley bus, or vessel, and is removed from revenue service, unless the city determines, using the best information available at the time of the decision, that the covered employee's performance can be completely discounted as a contributing factor to the accident. The City shall also drug and alcohol test any other covered employee whose performance could have contributed to the accident, as determined by the employer using the best information available at the time of the decision.

(49 CFR §655.44) Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a covered employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

Following an accident, the safety-sensitive employees will be tested as soon as possible, but not to exceed eight hours for alcohol testing and 32 hours for drug testing. Any safety-sensitive employee involved in an accident must refrain from alcohol use for eight hours following the accident or until he/she undergoes a post-accident alcohol test. Any safety-sensitive employee who leaves the scene of the accident without justifiable explanation prior to submission to drug and alcohol testing will be considered to have refused the test and their employment terminated.

Random Testing

Employees in safety-sensitive positions will be subjected to random, unannounced testing. The selection of safety-sensitive employees for random alcohol testing will be made using a scientifically valid method that ensures each covered employee that they will have an equal chance of being selected each time selections are made.(49 CFR §655.45)(e) A covered employee shall only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty. The number of random tests will be equal to at least 25% of all affected employees each year for drug use and 10% of all affected for alcohol. The FTA's random alcohol testing rate may be adjusted based on analysis of positive random test results within the entire transit industry (49 CFR §655 .45).

Dilute Negative Results

If the MRO informs the city that a negative drug test was dilute, the employee will be directed to take another test immediately. Such recollections must not be collected under direct observation, unless there is another basis for use of direct observation according to Section 49 CFR §40.67(b) and (c). If directed to take another test, the employee will be given the minimum possible advance notice that he or she must go to the collection site. If an employee is directed to take another test, the result of the second test--not that of the original test--becomes the test of record, on which the city will rely for purposes of this part.

DRUG AND ALCOHOL ABUSE-WORK PERFORMANCE-NONVOLUNTARY BASIS

When an employee appears "unfit to work" due to suspected drug and/or alcohol problems, the following procedures should be taken:

1. Move the employee off the job.
2. One supervisor trained in Reasonable Suspicion Detection can make the determination for testing. Arrange for, if practical, at least one other supervisor to observe and evaluate the employee's behavior. Make notations of all actions by the suspected individual. Ask the employee to give an explanation as to why he or she appears to be unfit to perform their job. Do not accuse the employee of being under the influence of alcohol and/or drugs.
3. Appropriate situations for drug, alcohol and controlled substance testing are limited to those situations where "reasonable suspicion" can be established. This includes but is not limited to when an employee exhibits erratic, unsafe or obvious irrational behavior or appears intoxicated or confused. In addition, this includes job-related accidents, serious incidents or non-serious repeat incidences where one has a similar reason to question the physical and emotional condition of the employee.
4. Upon "reasonable suspicion," it is the judgment that testing is required, the manager or supervisor involved should contact the Risk Manager. A consent agreement by the employee will be required prior to testing. If an employee refuses to consent to a test for the presence of drug and/or alcohol, the employee should be informed that refusal to consent may subject him/her to appropriate disciplinary action. The employee should be reminded of the City's policy prohibiting the use or being under the influence of alcohol and/or drugs on City property or worksite. If the employee fails to comply with the management request to either submit to test or sign a release form, it would be determined as insubordination and the employee will be terminated.
5. Discipline/Treatment: If tests determine that the employee is under the influence of alcohol or drugs on the job, the employee will be immediately terminated per the City's zero tolerance substance abuse policy.

SYSTEM CONTACT

Any questions regarding this policy or any other aspect of the drug -free and alcohol-free program should contact the following representatives:

Program Manager: Risk Manager
Address: City of Kingsport
225 West Center Street
Kingsport, TN 37660
Telephone: (423) 224-9401
Fax: (423) 224-2474

Medical Review Officer and Substance Abuse Professional

Name: Nationwide Testing Association, Inc.
Address: P.O. Box 1380
15800 Old Statesville Road
Huntersville, NC 28070
Telephone: (800) 452-0030
Fax: (704) 875-3490



AGENDA ACTION FORM

Consideration of a Resolution Amending Kingsport Power Company Easement at Wastewater Treatment Plant Substation for Installation of New Control Building

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

Action Form No.: AF-295-2014
Work Session: November 17, 2014
First Reading: N/A

Final Adoption: November 18, 2014
Staff Work By: Niki Ensor
Presentation By: Niki Ensor

Recommendation:

Approve the resolution

Executive Summary:

In order to maintain reliability in its electrical operations, Kingsport Power Company has found it necessary to install a new control building and associated electrical equipment at the wastewater treatment plant substation. Due to space limitations in the present enclosure, an expansion of the original easement is necessary. Staff has reviewed and approved the additional easement. This additional easement will have no detrimental effects on the current or future operations of the wastewater treatment plant.

Attachments:

1. Resolution with Amendment
2. WWTP Substation Easement Plat

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A SUPPLEMENTAL EASEMENT WITH KINGSPORT POWER COMPANY AT THE WASTEWATER TREATMENT PLANT SUBSTATION FOR THE INSTALLATION OF A NEW CONTROL BUILDING; AUTHORIZING THE MAYOR TO EXECUTE THE SUPPLEMENTAL EASEMENT; AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

WHEREAS, in November, 1979, the city conveyed a right of way and easement to construct, erect, install, operate, maintain, renew and remove electric facilities, including a substation, in, on, along, over, through, across or under lands located at the wastewater treatment plant substation on West Industry Drive, situated in the 11th Civil District of Sullivan County, Tennessee with the Kingsport Power Company; land

WHEREAS, in order to maintain reliability in its electrical operations the Kingsport Power Company has found it necessary to install additional electrical equipment at this site, consisting primarily of the addition of a control building and accessories thereto and therein; and

WHEREAS, due to space limitations in the present enclosure, an expansion of the original area described in the original agreement is necessary, and the city has reviewed Kingsport Power Company's plans; and

WHEREAS, this Supplement Easement Agreement will not affect current or future operations of the Wastewater Treatment Plant.

Now therefore,

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

SECTION I. That the Supplemental Easement Agreement for additional easement and right away to the existing location at the wastewater treatment plant substation on West Industry Drive, with the Kingsport Power Company as described below, 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, the Supplemental Easement Agreement with Kingsport Power Company, and all other documents necessary and proper to effectuate the purpose of the agreement or this resolution, said amendment being generally as follows:

SUPPLEMENTAL EASEMENT AGREEMENT

THIS SUPPLEMENTAL EASEMENT is made this ____ day of _____, 2014, by and between **CITY OF KINGSPORT**, a municipal corporation of the State of Tennessee, hereinafter called "**Grantor**", and **KINGSPORT POWER COMPANY**, a Virginia corporation, whose principal business address is 1 Riverside Plaza, Columbus, Ohio 43215, hereinafter called "**Grantee**".

WITNESSETH

THAT, WHEREAS, by Agreement dated November 30, 1979 (the "Original Agreement") the Grantor conveyed a right of way and easement to construct, erect, install, operate, maintain,

renew and remove electric facilities, including a substation, in, on, along, over, through, across or under lands described therein, situated in the 11th Civil District of Sullivan County, Tennessee; and

WHEREAS, Grantee, in order to maintain reliability in its electrical operations, has found it necessary to install additional electrical equipment at this site, consisting primarily of the addition of a control building and accessories thereto and therein; and

WHEREAS, due to space limitations in the present enclosure, an expansion of the original area as described in the Original Agreement is necessary, and Grantor has reviewed Grantee's plans and has agreed to convey the same right of way and easement as was previously conveyed in the Original Agreement to the following described lands of Grantor, now or hereafter known as the "New Additional Easement Area for Kingsport Wastewater Station", adjacent to the existing substation facilities, and being described as follows:

Beginning at a Corner Post of a chain-link fence and being the southeastern corner of the new easement area and in the line of an existing station easement area; thence N37°12'00"W 8.10 feet to a ½" iron pin set; thence N30°55'08"E 31.92 feet to a ½" iron pin set; thence N52°48'00"E 40.38 feet to a ½" iron pin set; thence S37°12'00"E 20.00 feet to a corner post in chain-link fence found and the northwestern corner of the existing station easement area; thence along the line of the existing station easement area S52°48'00"W 70.00 feet to the Point of Beginning and containing 0.028 acres (1220 square feet). Reference is hereby made to drawing dated October 20, 2014 entitled "Composite Drawing Showing Easement Area to Serve Kingsport Power Company", which drawing is attached hereto and incorporated herein by reference as Exhibit A.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the sum of One and 00/100 Dollars (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants and conveys unto Grantee, its successors and assigns, a permanent and exclusive easement and right of way (the "Easement") with the right to construct, erect, alter, improve, inspect, maintain, operate, patrol, protect, reconstruct, modify, add to, remove, repair, replace, upgrade and/or enlarge an electric substation and electric transmission and distribution lines and facilities, which may consist of towers or poles of varying widths, made of wood, metal, concrete or other materials, wires, guys, anchors, communication lines and associated fixtures and appurtenances, all in variable numbers, and such lines may transmit electricity of any voltage or amperage, on, over, along, across and under lands owned by Grantor, including the lands described above, as well as the lands described in the Original Agreement, to create an expanded facility, hereinafter called the "Easement Area" as depicted on the attached Exhibit A as "Total Easement Area for Kingsport Wastewater Station", and being described as follows:

Beginning at a point in Rte. #355 West Industry Drive and being the southeastern corner of the easement area thence along the right-of-way of Rte. #355 West Industry Drive N37°12'00"W 55.00 feet to a point; thence leaving the right-of-way of Rte. #355 West Industry Drive N52°48'00"E 62.00 feet to a corner post in a chain-link fence found; thence N37°12'00"W 8.10 feet to a ½" iron pin set; thence N30°55'08"E 31.92 feet to a ½" iron pin set; thence N52°48'00"E 40.38 feet to a ½" iron pin set; thence S37°12'00"E passing through a corner post in a chain-link fence at 20.00 feet a total distance of 75.00 feet to a corner post in chain-link fence found; thence S52°48'00"W 132.00 feet to the Point of Beginning and containing 0.195 acres (8494 square feet) .

Grantee is granted the right, in Grantee's discretion, to extend fencing to enclose the substation portion of the Easement Area and to restrict all access thereto. No trees, bushes, vegetation or brush shall be allowed in the Easement Area and Grantee shall be responsible for the removal of same. Grantor may not place any buildings or structures within the Easement Area and if any such buildings, structures or obstructions are found within the Easement Area, Grantee may remove them.

Grantee agrees to repair or pay Grantor for actual damages to Grantor's lands and personal property caused by Grantee and sustained during construction and maintenance of Grantee's facilities, if any.

Except as herein amended and supplemented, all terms and conditions of the Original Agreement shall remain in full force and effect
[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/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 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 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

NOTES:

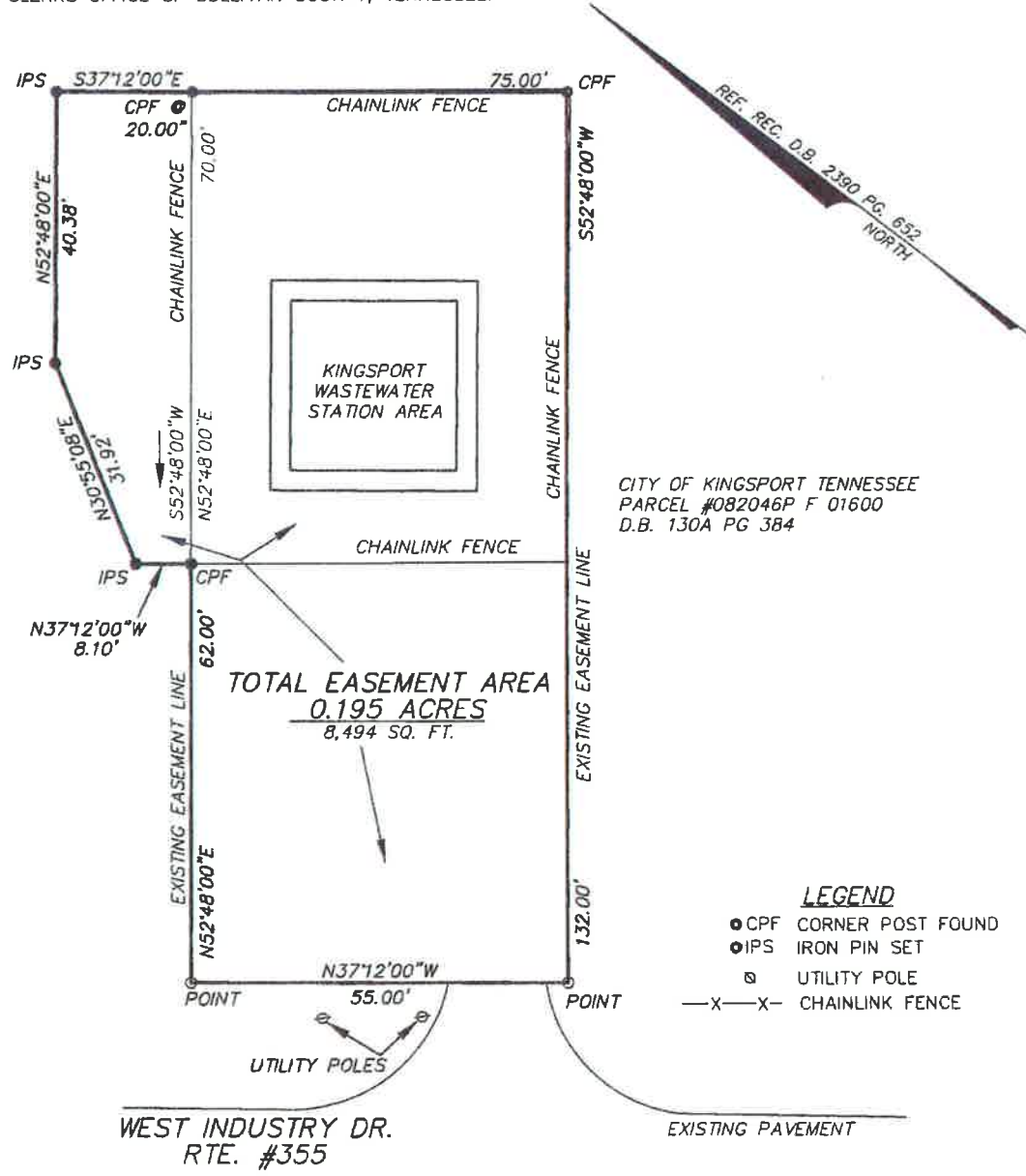
1. THIS COMPOSITE DRAWING HAS BEEN PREPARED FROM AN ACTUAL FIELD SURVEY DONE AS PER DATE OF THIS DRAWING AND THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN.
2. THIS COMPOSITE DRAWING HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND DOES NOT, THEREFORE, NECESSARILY INDICATE ALL ENCUMBRANCES ON THE PROPERTY.
3. THE AREA OF THE ORIGINAL EASEMENT AS DESCRIBED IN D.B. 2390 PG. 649 WAS 0.167 ACRES (7,274 SQ. FT.); THE AREA OF THE NEW EASEMENT BEING ACQUIRED IS 0.028 ACRES (1,220 SQ. FT.); THE COMBINED AREA OF THE TOTAL NEW EASEMENT IS 0.195 ACRES (8,494 SQ. FT.)

SOURCE OF TITLE:

THE EXISTING EASEMENT AREA SHOWN WAS ACQUIRED BY KINGSPORT POWER COMPANY FROM CITY OF KINGSPORT BY DEED DATED NOVEMBER 30, 1979 AS RECORDED IN D.B. 2390 PG. 649 OF THE CIRCUIT COURT CLERKS OFFICE OF SULLIVAN COUNTY, TENNESSEE.

PLAT OF REFERENCE:

PLAT ENTITLED "MAP SHOWING PROPERTY FOR SUB-STATION TO SERVE WASTE WATER TREATMENT PLANT" AND DATED "9-26-79" AS RECORDED IN D.B. 2390 PG. 652 OF THE CIRCUIT COURT CLERKS OFFICE OF SULLIVAN COUNTY, TENNESSEE.



CITY OF KINGSPORT TENNESSEE
 PARCEL #082046P F 01600
 D.B. 130A PG 384

LEGEND

- CPF CORNER POST FOUND
- IPS IRON PIN SET
- UTILITY POLE
- X—X— CHAINLINK FENCE

PROJECT NO. 20141066	FILE NO.	DRAWN BY: BKG	20 10 0 20 40
G.L. NO.	DATE: 10-20-14	CHECKED BY: MBT	GRAPHIC SCALE IN FEET

HURT & PROFFITT SURVEYING & PLANNING
 INCORPORATED
 350 S. 4TH STREET
 WYTHEVILLE VA 24382
 800.242.4906 TOLL FREE
 276.228.0008 MAIN
 276.228.0008 FAX

**COMPOSITE DRAWING SHOWING
 EASEMENT AREA TO SERVE
 KINGSPORT POWER COMPANY
 11TH CIVIL DISTRICT, SULLIVAN COUNTY, TENNESSEE**

Total Easement Area for Kingsport Wastewater Station

Beginning at a point in Rte. #355 West Industry Drive and being the southeastern corner of the easement area thence along the right-of- way of Rte. #355 West Industry Drive N37°12'00"W 55.00 feet to a point; thence leaving the right-of-way of Rte. #355 West Industry Drive N52°48'00"E 62.00 feet to a corner post in a chain-link fence found; thence N37°12'00"W 8.10 feet to a ½" iron pin set; thence N30°55'08"E 31.92 feet to a ½" iron pin set; thence N52°48'00"E 40.38 feet to a ½" iron pin set; thence S37°12'00"E passing through a corner post in a chain-link fence at 20.00 feet a total distance of 75.00 feet to a corner post in chain-link fence found; thence S52°48'00"W 132.00 feet to the Point of Beginning and containing 0.195 acres (8494 square feet) .

New Additional Easement Area for Kingsport Wastewater Station

Beginning at a Corner Post of a chain-link fence and being the southeastern corner of the new easement area and in the line of an existing station easement area; thence N37°12'00"W 8.10 feet to a ½" iron pin set; thence N30°55'08"E 31.92 feet to a ½" iron pin set; thence N52°48'00"E 40.38 feet to a ½" iron pin set; thence S37°12'00"E 20.00 feet to a corner post in chain-link fence found and the northwestern corner of the existing station easement area; thence along the line of the existing station easement area S52°48'00"W 70.00 feet to the Point of Beginning and containing 0.028 acres (1220 square feet).



AGENDA ACTION FORM

Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply and Receive the Assistance to Firefighters (AFG) Grant through the U.S. Fire Administration of the Federal Emergency Management Administration (FEMA) Division of the Department of Homeland Security (DHS)

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

Action Form No.: AF-300-2014
 Work Session: November 17, 2014
 First Reading: N/A

Final Adoption: November 18, 2014
 Staff Work By: Scott Boyd, Morris Baker
 Presentation By: Craig Dye

Recommendation:

Approve the resolution.

Executive Summary:

The Kingsport Fire Department (KFD) is eligible to apply for a FEMA for Assistance to Firefighters Grant (AFG). This program is designed to meet the firefighting and emergency response needs of fire departments and nonaffiliated emergency medical services organizations. The Grant Programs Directorate of the Federal Emergency Management Agency administers the grants in cooperation with the U.S. Fire Administration.

The grant will be for 7 cardiac monitors to replace the outdated monitors with an upgrade in technology and training, and interoperability with other agencies (EMS, Hospitals) at a cost of \$225,000. This shall be accomplished with a combination of a grant and funds from Project account #GP1410 for Equipment. The grant will be for \$225,000 with ten percent (10%) of the matching funds of \$22,500.

Attachments:

- Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ASSISTANCE TO FIREFIGHTERS GRANT FROM THE UNITED STATES FIRE ADMINISTRATION OF THE FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION DIVISION OF THE DEPARTMENT OF HOMELAND SECURITY FOR THE KINGSPORT FIRE DEPARTMENT

WHEREAS, the Federal Emergency Management Administration (FEMA), a division of the U.S. Department of Homeland Security, has Assistance to Firefighters Grants (AFG), available to the Kingsport Fire Department; and

WHEREAS, the grant applied is for \$225,000.00 and would be used to assist in purchasing of 7 cardiac monitors to replace the outdated monitors; and

WHEREAS, the grant will require a local match of ten (10%) percent (\$22,500.00), funds, which are available in the Capital Improvement Plan (GP1410).

Now therefore,

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

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice mayor, is authorized to execute, in a form approved by the city attorney, and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, all documents necessary and proper to apply for and receive a grant from the United States Department of Homeland Security through the Federal Emergency Management Administration (FEMA) for an Assistance to Firefighter Grant (AFG) to assist in purchasing 7 cardiac monitors at an approximate cost of \$225,000.00, and which will require a local match of ten (10%) percent (\$22,500.00), funds, which are available in project account GP1410.

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

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

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

ADOPTED this the 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER


APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution Approving an Agreement with MetLife Insurance Company for FICA Remittance for Employee Long Term Disability Insurance and Authorizing the Mayor to Execute the Same

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

Action Form No.: AF-298-2014
 Work Session: November 17, 2014
 First Reading: N/A

Final Adoption: November 18, 2014
 Staff Work By: Diane Denton
 Presentation By: George DeCroes, Jr.

Recommendation:

Approve the resolution.


Executive Summary:

The agreement, a copy of which is in the attached resolution, provides that MetLife will remit, on behalf of the city, the employer's share of FICA to the IRS, for taxable benefits, when an employee receives long term disability benefits from the group disability policy. This will apply to city and school employees, since they are covered by the one policy. MetLife will make the necessary reporting and tax payments, and it will bill the city quarterly for its tax responsibility, plus a 3% administration fee on applicable taxes. The fee will be a negligible amount; almost always less than \$5.00 per claimant. Generally, there are only a very few claimants each year.

The tax is only applicable for the first six months of disability benefit payments. The agreement includes payment of the tax from January 1, 2014. The agreement will streamline administration of the program for the city, will result in less cost to the city, and will provide greater efficiency.

Attachments:

- 1. Resolution

Funding source appropriate and funds are available: 

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING AN AGREEMENT WITH METLIFE INSURANCE COMPANY FOR FICA REMITTANCE FOR EMPLOYEE LONG TERM DISABILITY INSURANCE AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, MetLife Insurance Company has agreed to remit, on behalf of the city, the employer's share of FICA to the IRS, for taxable benefits, when an employee receives long term disability benefits from the group disability policy; and

WHEREAS, this tax is only applicable for the first six months of disability benefit payments, and this will apply to city and school employees, since they are covered by the one policy; and

WHEREAS, MetLife will make the necessary reporting and tax payments, and it will bill the city quarterly for its tax responsibility, plus a 3% administration fee on applicable taxes; and

WHEREAS, the agreement includes payment of the tax from January 1, 2014, and will streamline administration of the program for the city, which will result in less cost to the city, and will provide greater efficiency.

Now therefore,

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

SECTION I. That an agreement with MetLife Insurance Company for FICA remittance for employee long term disability insurance 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, the agreement with MetLife Insurance Company 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:

Employer Appointment of MetLife as Agent for Insured FICA
Remittance

City of Kingsport, (Employer) hereby appoints Metropolitan Life Insurance Company, (MetLife) on Employer's own behalf and on behalf of any of Employer's subsidiaries or affiliates listed below or set forth on an attachment hereto, to act as its agent for the limited purpose of remitting the employer's share of Federal Insurance Contributions Act taxes ("FICA") with respect to the coverage(s) selected below (the "Appointment"). The Appointment shall be effective as of January 1, 2014. By signing the Appointment, Employer agrees to the terms of this Appointment set forth below and represents that it is authorized to act, and appoint MetLife as agent, on behalf of any subsidiaries or affiliates whose names and Tax ID(s) are listed below or set forth on an attachment hereto.

Coverage

Select the applicable coverage(s):

- Short Term Disability, Customer number _____
Employer Tax ID(s) ** _____
- Long Term Disability, Customer number 153751-1-0. *
Employer Tax ID(s) ** 62-6000323.

*Customer must attach an explanation if the Appointment does not apply with respect to all Employees with the selected coverages.

**Customers with multiple employer names and Tax IDs must attach a list of all employer names and associated Tax IDs.

Employer FICA

Employer hereby, on its own behalf and on behalf of any listed subsidiary or affiliate **appoints MetLife as its agent for the sole purpose of remitting to the IRS** the Employer's, or any listed subsidiary's or affiliate's, share of FICA with respect to taxable benefits paid by MetLife to Employer's or any listed subsidiary's or affiliate's employees ("Employees") pursuant to a group disability income insurance policy issued to the Employer by MetLife (the "Policy"). The Employer also understands that with respect to taxable benefits paid by MetLife to Employees pursuant to the Policy:

- MetLife will withhold from benefit payments and remit to the Internal Revenue Service the Employee's share of FICA.
- As requested by the Employee(s), MetLife will withhold from benefit payments and remit federal and state taxes to the appropriate taxing authorities.
- MetLife will produce W-2s with MetLife's name and Tax ID.
- MetLife does not remit state or federal unemployment taxes, locality taxes*or Virgin Island and Puerto Rico "state" taxes.

*For Certain Customers, MetLife is required to remit the New York Metropolitan Commuter Transportation Mobility tax (MCTMT) if the claimant is a resident of certain New York counties.

Termination

1) The Appointment shall terminate with respect to Employer's or a listed subsidiary's or affiliate's share of FICA:

- a. Immediately in the event that Employer or a listed subsidiary or affiliate becomes insolvent, suspends its business, files a voluntary petition in bankruptcy, or is adjudged bankrupt; or
- b. Immediately upon delivery of written notice (via mail, e-mail or otherwise) by MetLife to Employer if the Employer or a listed subsidiary or affiliate fails, for any reason, to reimburse MetLife for the full amount of a FICA bill generated by MetLife in accordance with the Billing Section of this Appointment within 30 days of the date set forth on such FICA bill. MetLife's failure to deliver such written notice with respect to any particular failure by Employer to pay in the time period required shall not constitute waiver of MetLife's right to do so at a later date and shall be without prejudice to MetLife's right to terminate the Appointment under this provision with respect any other FICA reimbursement due at a later date.

Upon termination pursuant to this paragraph 1, MetLife shall continue to remit to the appropriate taxing authorities any amounts it has already withheld, or that it withholds in the future, with respect to the Employee's share of FICA, or the Employee's state or federal income taxes. Employer shall become solely responsible and liable for the payment of the Employer's or subsidiary's/affiliate's share of FICA for amounts due on or after the termination of this Appointment for itself or any listed subsidiary or affiliate. MetLife may, at its sole discretion, waive its right to terminate under this paragraph. Any such waiver under this paragraph shall be made on the basis of each payment due after termination, and shall be without prejudice to MetLife's right to terminate the Appointment with respect to FICA due from a later payment.

2) This Appointment shall automatically terminate on the date that MetLife discontinues its claims administration services pursuant to the termination for any reason of the Policy.

3) Either party may cancel this Appointment at any time upon advance written notification (via e-mail or otherwise) of termination provided by one party to the other party, for any reason or no reason, effective on the date indicated in the written notification. Upon such notice to either party, MetLife will continue to act as agent until the earlier of the end of the calendar year in which notice is received or the date the Policy is terminated.

4) If this Appointment is terminated for any reason, MetLife will continue to produce W-2s with respect to taxable benefits paid to Employees under the Policy unless otherwise instructed by Employer.

Disclaimer

The Appointment is not intended to, and does not, make MetLife the "employer" of any Employee or other insured individual for any purpose. MetLife assumes no liability or obligation under this Appointment or otherwise (whether to the Employer, Employee, any other entity or employee of an entity covered by this Appointment, a beneficiary or to any taxing or regulatory authority) for any payments, penalties, interest or losses of any kind resulting from the failure to make

payments, or withhold or remit taxes, except that MetLife shall be liable to the Employee or the appropriate taxing authority, as the case may be, up to the actual amount that MetLife withholds from Employees' benefits for FICA, state, and federal taxes as expressly provided for under this Appointment and then fails to refund to the Employee or remit to a taxing authority.

Billing

On a quarterly basis, MetLife will send Employer or subsidiary/affiliate a bill equal to the actual amount of Employer FICA remitted to the IRS by MetLife, plus 3% of the actual amount remitted as a service fee. The Employer or subsidiary/affiliate agrees to reimburse MetLife for the full amount of the FICA bill (amount remitted and service fee) within 30 days of the date set forth on the MetLife FICA bill.

After the 30 day period expires, MetLife may assess interest at the "Applicable Federal Rate" (as published by the IRS on a monthly basis) plus two percentage points, on any amounts due and owing, each month for as long the amounts remain due and owing, and may, at its sole discretion, terminate this appointment pursuant to paragraph 1(b), above.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

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

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

ADOPTED this the 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

ATTEST:


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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution to Approve the Lease Agreement with Alex Stratton 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: Jeff Fleming, City Manager 

Action Form No.: AF-287-2014
 Work Session: November 17, 2014
 First Reading: N/A

Final Adoption: November 18, 2014
 Staff Work By: Lynn Tully, AICP
 Presentation By: Lynn Tully, AICP

Recommendation:

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

Executive Summary:

Mr. Stratton approached the city several months ago with a proposal to use the property currently owned by the city off of Stonebrook Drive for a golf course driving range. The property was used privately for that purpose many years ago and has since been donated to the city for flood control and wetlands mitigation purposes. The city currently maintains the property at an annual cost of approximately \$1,600. There is no additional cost for maintenance of the property and the proposed use would include regular maintenance and security. The lease is proposed for a nominal fee of \$10/month for the first 18 months (allowing the lessee to ready the site and prepare for the spring/summer season and a full year's opening), with \$20/month for the next 18 months, escalating to \$50/month for the following year and \$100/month for the fourth year with any renegotiation of the lease as the city deems necessary. The tenant is responsible for all maintenance, security, utilities, and insurance necessary for the property. The Storm Water Utility Director has reviewed and approved this use as appropriate at this time and no other issues have been identified by city departments regarding use of the property.

Attachments:

1. Resolution to include Lease Agreement
2. Plat identifying the property being leased

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

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

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

WHEREAS, the property was received by donation for future use in flood control and wetlands mitigation; and

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

WHEREAS, part of the consideration of the lease is that the tenant will maintain the property, including mowing, and

WHEREAS, a lease for use as a golf course driving range allow the property to be maintained in a better condition than currently and create a small stream of revenue until necessary for mitigation purposes; and

Now therefore,

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

SECTION I. That an agreement to lease approximately 13.624 acres on property to Alex Stratton for use as a a golf course driving range, is approved.

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

LEASE

This Lease (hereinafter called "Lease") is made effective as of the ___ day of November, 2014 by and between the City of Kingsport, Tennessee, a municipal corporation organized under the laws of state of Tennessee (hereinafter called "Landlord") and Alex Stratton, (hereinafter called "Tenant").

WITNESSETH:

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

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

BEING all of Lot 1, Containing 13.624 acres, more or less, as shown on plat entitled "Division of Four

Leaf Properties, LLC", of record in the Register's Office for Sullivan County, at Blountville, Tennessee in Plat Book 53, Page 354, to all of which reference is hereby expressly made.

This property is located off of Stonebrook Drive.

SECTION 2.

2.1 As part of its rent Tenant keeps the leased Premises mowed to reasonable satisfaction of the Landlord and Tenant and shall make and maintain in good condition certain improvements to the Leased Premises, subject to the requirements of Section 7 herein below. The improvement shall include golf course driving range and its accessory structures, which shall be permanently affixed to the Leased Premises. The improvements must be fully and properly completed to the satisfaction of Landlord within 150 days of the effective date of this Lease. Tenant shall not allow the Leased Premises to be open to the public until the improvements are fully completed to the satisfaction of Landlord. Landlord may, in its sole discretion and for any reason, including esthetics, reject to proposed improvements and Tenant shall be obligated to install improvement satisfactory to Landlord. In addition to the improvements listed in this paragraph 2.1, Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of one hundred twenty Dollars (\$120) per annum payable in advance in equal monthly installments of ten Dollars (\$10) each on the first business day of each month during the first eighteen (18) months of Lease. Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of two hundred forty Dollars (\$240) per annum payable in advance in equal monthly installments of twenty Dollars (\$20) each on the first day of each month during the nineteenth (19th) through the thirtieth (30th) month of Lease. Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of six hundred Dollars (\$600) per annum payable in advance in equal monthly installments of ten Dollars (\$50) each on the first day of each month during the third year of Lease. Tenant shall pay to Landlord, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Leased Premises at the rate of one thousand two hundred Dollars (\$1,200) per annum payable in advance in equal monthly installments of ten Dollars (\$100) each on the first day of each month during the fourth year of Lease.

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

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

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

SECTION 3.

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

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

3.3 Tenant shall not knowingly use or occupy the Leased Premises or any part thereof, or suffer or permit the same to be used or occupied for any business or purpose deemed extra hazardous on account of fire or otherwise; and if, by reason of the use and occupancy of the Leased Premises, the policy covering the Leased Premises (Fire Insurance, Extended Coverage or

Liability) is to be cancelled or the rate of said insurance shall be increased, the Landlord shall have the option of terminating this Lease, or, on demand, Tenant shall pay to Landlord the amount of such increase (but such increase in the rate of insurance shall not be deemed a breach of this covenant by Tenant).

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

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

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

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

SECTION 4.

4.1 The term of this Lease shall begin on the _____ day of November, 2014 and end on the _____ day of November, 2015. It is expressly understood and agreed that this Lease shall be binding upon both parties from the date first written above until the termination or expiration of the term of the Lease. By written mutual agreement of the parties the term of this Lease may be renewed for a one year term for a maximum of nine renewals following the initial term of this Lease.

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

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

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

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

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

alterations made by either party shall inure to Landlord's benefit and shall become a part of the Leased Premises and shall belong to Landlord absolutely as soon as made.

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

SECTION 9.

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

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

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

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

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

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

SECTION 12.

12.1. Tenant shall keep in force at its own expense so long as this Lease remains in effect, public liability insurance covering the Leased Premises with a company or companies acceptable to Landlord and licensed to do business in Tennessee under a policy or policies in a form acceptable Landlord naming the Landlord as an additional insured with minimum limits of \$1,000,000.00 on account of bodily injuries to or death of one person; \$5,000,000.00 on account of bodily injuries to or death of more than one person as the result of any one accident or disaster; and property damage insurance with minimum limits of \$100,000.00. Tenant shall deposit a certified copy of the policy or policies of such insurance, with Landlord not less than five (5) days prior to the

effective date of such policy or policies. The policy or policies of insurance shall contain a provision that they may not be cancelled, changed or non-renewed without first giving thirty (30) days notice to Landlord of any change, cancellation, or non-renewal.

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

12.3. To the extent possible, Tenant shall obtain, for each policy of insurance secured by it, provisions permitting waiver of any claim against Landlord for loss or damage within the scope of the insurance, and Tenant, for itself and its insurers, waives all claims against the Landlord as to such claims covered by such insurance. Nothing herein shall be construed to vary the force and effect of paragraph 12.1 of this Section 12, and nothing contained in this Section 13 shall be deemed to excuse Landlord from its own negligence.

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

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

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

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

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

SECTION 17. Tenant shall permit Landlord, its agents, and employees, upon reasonable notice to enter the Leased Premises and all parts thereof during business hours to inspect the same and to enforce or carry out any provision of this Lease, or to show it to prospective purchasers or tenants; provided that, in the case of emergency, Landlord may enter without notice. No

compensation shall be asked or claim made by Tenant by reason of any inconvenience or annoyance arising from anything that may be done in repairing, altering, working on or protecting the Leased Premises or building, however the necessity may arise, but this Section 18 shall not be construed as imposing any duty on Landlord to make any repairs, alterations or additions.

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

SECTION 19. Tenant covenants and agrees that it shall perform all agreements herein expressed on its part to be performed, and that it shall promptly, upon receipt of written notice specifying Tenant's failure to comply with the terms hereof, commence to comply with such notice. If Tenant shall not commence and proceed diligently to comply with such notice to the reasonable satisfaction of Landlord within five (5) days after delivery thereof, then Landlord may, at its option, enter upon the Leased Premises, and do the things specified in said notice, and Landlord shall have no liability to Tenant for any loss or damage resulting in any way from such action by Landlord, and Tenant agrees to pay promptly upon demand, any reasonable expense incurred by Landlord in taking such action, including Landlord's administrative expenses.

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

SECTION 21. In any case where Landlord has recovered possession of the Leased Premises by reason of Tenant's default, Landlord may at Landlord's option occupy the Leased Premises or cause the Leased Premises to be redecorated, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for reletting, and may relet the Leased Premises or any part thereof as agent of Tenant or otherwise, for a term or terms to expire prior to, at the same time as or subsequent to, the original expiration date of this Lease, at Landlord's option, and receive the rent therefor, applying the same first to the payment of such reasonable expense as Landlord may have incurred in connection with the recovery of possession, redecorating, altering, dividing, consolidating with other adjoining premises, or otherwise changing or preparing for reletting and the reletting, including reasonable brokerage and reasonable attorney's fees,

and then to the payment of damages in amounts equal to the rent hereunder and to the cost and expense of performance of the other covenants of Tenant as herein provided; and Tenant agrees, whether or not Landlord has relet, to pay the Landlord damages equal to the rent and other sums herein agreed to be paid by Tenant, less the net proceeds of the reletting, if any, as ascertained from time to time, and the same shall be payable by Tenant on the several rent days above specified. In reletting the Leased Premises as aforesaid, Landlord may grant rent concessions, and Tenant shall not be credited therewith. No such reletting shall constitute a surrender and acceptance or be deemed evidence thereof. Tenant shall not be entitled to any surplus accruing as a result of any reletting. If Landlord elects pursuant hereto to occupy and use the Leased Premises or any part thereof during any part of the balance of the Term as originally fixed or since extended, there shall be allowed against Tenant's obligation for rent or damages as herein defined, during the period of Landlord's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent herein reserved and such occupancy shall not be construed as a release of Tenant's liability hereunder.

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

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

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

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

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

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

To the Landlord at:

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

With a copy to:

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

To the Tennant at:

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

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

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

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

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

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

SECTION 33.

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement set out herein that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

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

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

ADOPTED this the 18th day of November, 2014.

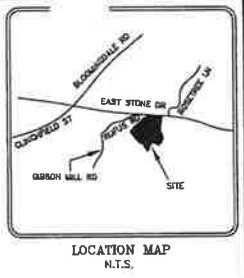
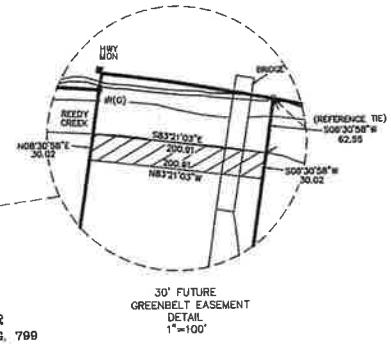
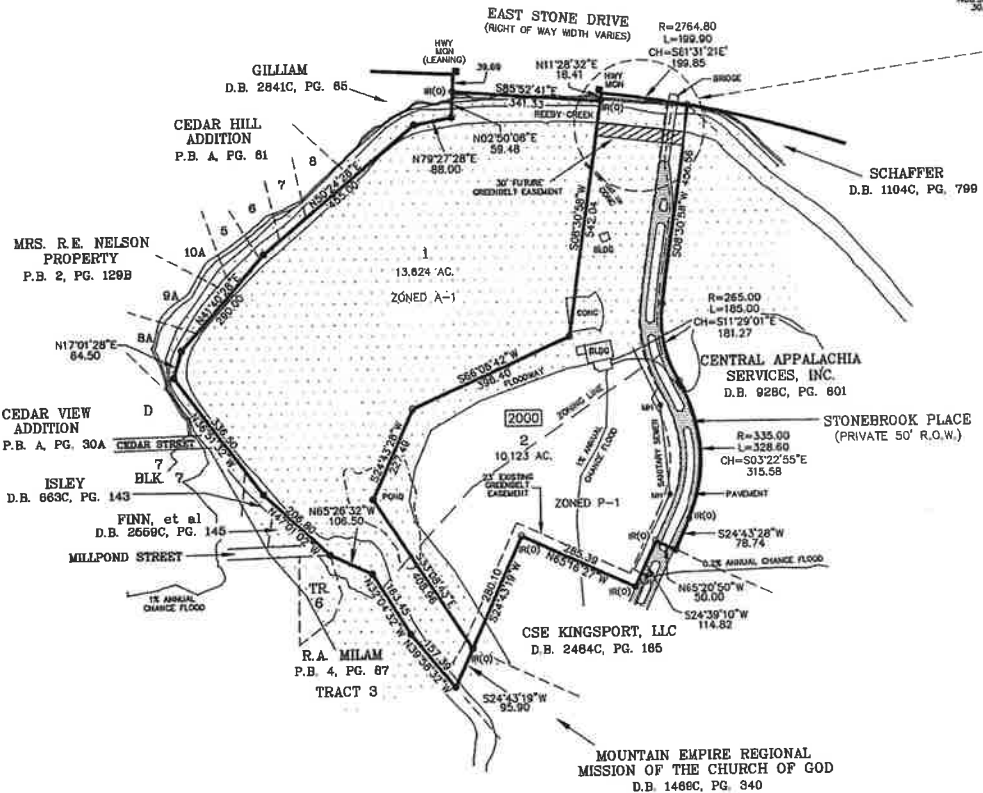
DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



BART LONG
REGISTER OF DEEDS
SULLIVAN COUNTY, TENNESSEE
08 May 2011 TIME 02:25 P
BOOK P0653 PAGE 0354
TAX C CF 2.00
FEE 15.00 TOTAL 17.00
RECEIPT NO. 2011-146498

27846

Slide A-817
BOOK P0653 PAGE 0354

LEGEND

IR(O) IRON ROD, OLD
♦ POINT IN CREEK/POND
DB DEED BOOK
PG PAGE
PB PLAT BOOK
AC ACRES
HWY HIGHWAY
MON MONUMENT
BLDG BUILDING
MH MANHOLE
R.O.W. RIGHT OF WAY
N.T.S. NOT TO SCALE
[23] 911 ADDRESS

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

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

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT I AM ONE AND THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT I HAVE HEREBY ADDED THIS PLAN OF SURVEY WITH MY OWN FREE CONSENT, ESTABLISHED THE BUILDING LINES, AND DEDICATED ALL STREETS, ALLEYS, PAVES, AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE 5-2-11
[Signature]



ALLEY & ASSOCIATES, INC.
SURVEYORS
248 E MARKET STREET
KINGSFORT, TENNESSEE 37660
TELEPHONE (423) 392-9898
FAX: (423) 392-9888

<p>CERTIFICATE OF ACCURACY</p> <p>I HEREBY CERTIFY THAT THE PLAN SHOWN AND DESCRIBED HEREIN IS A TRUE AND CORRECT SURVEY TO THE ACCURACY REQUIRED BY THE KINGSFORT, TENNESSEE REGIONAL PLANNING COMMISSION AND THAT THE NEAREST HAVE BEEN PLACED AS SHOWN HEREIN.</p> <p>DATE 05-03-11 [Signature] REGISTERED SURVEYOR</p>	<p>CERTIFICATE OF THE APPROVAL FOR 911 ADDRESSING ASSESSMENT</p> <p>I HEREBY CERTIFY THAT THE ADDRESSES, AS NOTED ON THE FINAL PLAT, ARE APPROVED AS ASSIGNED.</p> <p>DATE _____ CITY GIS DIVISION DIRECTOR OF 911 ADDRESSING</p>	<p>CERTIFICATE OF THE APPROVAL OF SEWERAGE SYSTEM</p> <p>I HEREBY CERTIFY THAT THE SEWERAGE DISPOSAL SYSTEM INSTALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE TENNESSEE DEPARTMENT OF ENVIRONMENT & CONSERVATION AND IS HEREBY APPROVED AS SHOWN.</p> <p>DATE 5-3-11 KINGSFORT AUTHORIZING AGENT</p>	<p>CERTIFICATE OF APPROVAL OF PUBLIC WATER SYSTEM</p> <p>I HEREBY CERTIFY THAT THE PUBLIC WATER UTILITY SYSTEM DETALLED OR PROPOSED FOR INSTALLATION FULLY MEETS THE REQUIREMENTS OF THE KINGSFORT WATER UTILITY SYSTEM AND IS HEREBY APPROVED AS SHOWN.</p> <p>DATE 5-3-11 KINGSFORT AUTHORIZING AGENT</p>	<p>CERTIFICATE OF APPROVAL FOR RECORDING</p> <p>I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS FOR KINGSFORT, TENNESSEE, WITH THE EXCEPTION OF THE SUCH VARIANCES, IF ANY, AS ARE NOTED IN THE MEMORANDUM OF PLANNING COMMISSION AND THAT IT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE SULLIVAN COUNTY REGISTER. IF REQUIRED, A SURETY BOND IN THE AMOUNT OF \$ _____ HAS BEEN FILED WITH THE KINGSFORT REGIONAL PLANNING COMMISSION TO ASSURE COMPLETION OF ALL REQUIRED IMPROVEMENTS IN CASE OF DEFAULT.</p> <p>DATE 5-5-11 [Signature] SECRETARY, KINGSFORT REGIONAL PLANNING COMMISSION</p>	<p>DIVISION OF FOUR LEAF PROPERTIES, LLC</p> <p>KINGSFORT REGIONAL PLANNING COMMISSION</p> <p>TOTAL ACRES 23.747 TOTAL LOTS 2 ACRES NEW ROAD 0 MILES NEW ROAD 0</p> <p>OWNER FOUR LEAF PROPERTIES, LLC CIVIL DISTRICT 11TH SURVEYOR ALLEY & ASSOCIATES, INC. CLOSURE ERROR J110.990</p> <p>SCALE 1"=200'</p>
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Sewer and water not available for new lot 1.



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute a License Agreement with the Rotary Club of Kingsport Foundation Authorizing the Construction of a Storage Room in Order to Store Clothing Provided Annually to Kingsport City School Students

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

Action Form No.: AF-294-2104
 Work Session: November 17, 2014
 First Reading: NA

Final Adoption: November 18, 2014
 Staff Work By: Billingsley/McCartt
 Presentation By: Chris McCartt

Recommendation:

Approve the resolution.

Executive Summary:

The Rotary Club of Kingsport Foundation has requested use of 258 square feet on the second floor (portion of the unfinished space) of the Chamber/BOE building (400 Clinchfield Street) in order to construct a storage room. The storage room will be used to store clothing which is collected by Rotary and provided to City of Kingsport Students.

Rotary will be responsible for all expenses associated with the construction of this space. Additionally, Rotary agrees that the City of Kingsport can provide them with a 30 day notice to vacate the space should a more permanent use of the space present itself.

Attachments:

1. Resolution/Agreement
2. Supplemental Information

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A REVOCABLE LICENSE AGREEMENT WITH THE ROTARY CLUB OF KINGSPORT FOUNDATION FOR SPACE AT 400 CLINCHFIELD STREET AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, the Rotary Club of Kingsport Foundation has requested the use of 258 square feet of Unit 210, 400 Clinchfield Condominiums to construct a storage room for clothing that is collected by Rotary and provided to City of Kingsport Students; and

WHEREAS, the Rotary Club will be responsible for all expenses associated with the construction of this space; and

WHEREAS, the license provides for termination by either party upon a thirty day notice; and

WHEREAS, the Rotary Club of Kingsport Foundation is a non-profit 501(c)(3) corporation; and

WHEREAS, the Clothes Closet project benefits the children of Kingsport City Schools.

Now therefore,

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

SECTION I. That the Revocable License Agreement with Rotary Club of Kingsport Foundation for storage space in Unity 210 of 400 Clinchfield Condominium for its Clothes Closet 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, the Revocable License Agreement with the Rotary Club of Kingsport Foundation for use of storage space for its Clothes Closet project in Unit 210, 400 Clinchfield Condominiums 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:

REVOCABLE LICENSE AGREEMENT

This License Agreement ("License") is entered into on the ___ day of November, 2014, ("Effective Date") by and between the CITY OF KINGSPORT, ("Licensor"), and Rotary Club of Kingsport Foundation, ("Licensee").

RECITALS:

- A. Licensor is the owner of that certain real property known as Unit 210 in 400 Clinchfield Condominium that is a currently vacant.
- B. Licensee is a non-profit 501(c)(3) service organization serving the citizens of Kingsport, which includes a program ("Clothes Closet") providing clothing for homeless and underprivileged children in the Kingsport City School system.
- C. Licensee needs a small area in which to store some of the clothing.

D. Licensee desires to obtain a license from Licensor to construct a 17'6" by 14'9" closet area for such storage.

E. Licensor is willing to grant a license to Licensee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for valuable consideration paid by the Licensee to the Licensor, the receipt of which is acknowledged, and the Recitals set out above, the Parties agree as follows:

Section 1. Grant of License

1.1 Licensor grants to Licensee, subject to the conditions and covenants of this License, a revocable license ("License") for an area 17'6" by 14'9", 258 square feet ("Property"), for purposes of constructing, repairing, maintaining, and using, at Licensee sole expense, a closet for clothes storage for its Clothes Closet project, together with necessary rights of ingress and egress to a small portion of Unit 210 in 400 Clinchfield within an area designated by Licensor. No other use of the Property shall be permitted. A representative drawing of the closet is attached as Exhibit A for the purpose of generally showing the type of improvement proposed.

1.2 The Licensor reserves the right, in its sole discretion, to restrict and limit (a) the time of day the Property can be used; (b) the individuals who are permitted access to the Property; and provide for any other regulation Licensor deems necessary to provide security and control of the building.

Section 2. Nonexclusive License

2.1 This License is nonexclusive. Licensor continues to maintain and control the Property, including, without limitation, the granting of additional licenses.

Section 3. Prior Rights

3.1 This License is made subject and subordinate to the prior and continuing right of Licensor, its successors and assigns, to use the Property for its needs. There is reserved unto Licensor, its successors and assigns, the right to construct, reconstruct, maintain, and use existing and future facilities and appurtenances, in, upon, over, under, across, and along the Property. Further, this License is made subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, and claims of title which may affect the Property. Nothing in this License shall be construed as a covenant against the existence of any of these.

Section 4. Term of License and Condition Precedent

4.1 As a condition precedent and prior to entry on the Property by Licensee, Licensee shall provide satisfactory proof of insurance as set out in Section 10, and shall have had a site specific work plan approved by Licensor. The term of this License shall commence on the Effective Date. This License shall continue until it is terminated as set forth herein:

(a) Either party may terminate this License by giving the non-terminating party written notice at least thirty (30) days before the effective date of termination. Said termination will not be deemed a breach by either party. Upon such termination, neither party will have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

(b) Upon Licensee's discontinuance of the use of the Property for three (3) months or abandonment and removal of the clothing. In removing the clothing from the Property or upon termination of this License for any reason, Licensee agrees to restore the Property to its condition prior to installation of the closet.

(c) Failure of Licensee to perform, keep or fulfill any of the covenants, undertakings, obligations or conditions set forth in this License is a default by Licensee, and if the Licensee fails to correct such default within thirty (30) days after receipt of notice from Licensor to do so, Licensor may immediately terminate this License by notice to Licensee.

4.2 Upon termination of the License for any reason, Licensee shall, at its own cost and within thirty (30) days after the date of the date the License is deemed terminated, remove the improvements it made from the Property and restore the Property to the condition that it was in as of the date Licensee entered the Property to commence construction of the closet. If Licensee fails to remove the closet and restore the Property, Licensor may remove the closet and restore the Property at the expense of Licensee, and Licensee agrees to pay to Licensor for such upon demand. Licensee's indemnity obligations set forth in Section 8 and Section 10 shall survive termination of the License.

Section 5. Lapse of Agreement

5.1 The rights granted by this License to Licensee shall lapse and become void if the construction of the closet is not commenced within three (3) months of Effective Date of this License.

Section 6. Performing the Work, Repair and Maintenance

6.1 Licensee shall bear the entire cost and expense of operating, repairing, and maintaining the closet on the Property. This maintenance obligation shall survive the termination of this License. Licensee agrees that all work upon or in connection with the closet shall be done at such times

and in such manner so that it will not interfere in any way whatsoever with the operations of Licensor, its tenants or licensees. The plans for constructing the closet and its location shall be subject to the approval of Licensor. Approval by Licensor shall not constitute a warranty by Licensor for any purpose, including that such plans are in conformance with applicable federal, state, and/or local codes and regulations.

6.2 Licensee agrees to provide Licensor ten (10) calendar days of written notice prior to commencement of any work on the closet, except emergency repairs, in which event Licensee shall notify Licensor's day to day contact in Section 12 by telephone. Licensee shall contact Licensor to make arrangements to ensure the safe performance of any work. Licensee agrees to keep the Property and the closet in a good and safe condition, free from waste, so far as affected by Licensee's operations, to the reasonable satisfaction of Licensor. If Licensee fails to keep the Property or the closet in good and safe condition, free from waste, then Licensor may perform the necessary work at the expense of Licensee, which expense Licensee agrees to pay to Licensor upon demand. Additionally, Licensor may terminate this License pursuant to Section 4 without limiting its remedies.

6.3 All work by Licensee upon the Property shall be performed in a good and workman-like manner satisfactory to Licensor. Any open holes shall be satisfactorily covered at all times when Licensee's forces are not physically working in the actual vicinity. Upon completion of work, all holes will be filled in to meet the surrounding ground level with clean, compacted, earthen material and the Property left in a neat and safe condition reasonably satisfactory to Licensor.

6.4 All plans and inspections of the Work must be approved by the City of Kingsport Building Official.

6.5 Licensee agrees to reimburse Licensor for the cost and expense to Licensor of furnishing any materials or performing any labor in connection with the construction, maintenance or removal of the closet. Prior to incurring any cost or expense, Licensor shall reasonably notify Licensee of the same. Said reimbursement shall be paid by Licensee to Licensor within thirty (30) days after demand.

6.6 Licensee shall fully pay for all materials joined or affixed to the Property, and shall pay in full all persons who perform labor on Property. As Licensor is a public entity, its Property is not subject to mechanics' or materialmen's liens, and nothing in this License shall be construed to make the Property subject to such liens. In the event any such liens are filed, Licensee shall immediately remove them at Licensee's own expense, and shall pay any judgment which may be entered. Should Licensee fail, neglect, or refuse to do so, after forty-eight (48) hours prior notice to Licensee, Licensor shall have the right to pay any amount required to release any such liens, or to defend any action brought, and to pay any judgment entered. Licensee shall be liable to Licensor for all costs, damages, reasonable attorneys' fees, and any amounts expended in defending any proceedings or in the payment of any of said liens or any judgment.

6.7 Licensee shall cooperate with Licensor in making any tests Licensor requires of any installation or condition which in Licensor's reasonable judgment may have an adverse effect on any of the facilities of Licensor. All costs incurred by the tests, or any corrections required as a result of such tests, shall be paid by Licensee.

6.8 Any damage to the Property resulting from the closet or Licensee's operations will be repaired or replaced by Licensor, at Licensee's sole cost and expense, which Licensee shall pay to Licensor promptly upon demand.

6.9 Licensee shall notify Licensor the date the construction or installation of the closet is completed. Upon such completion, Licensee shall promptly remove from the Property all tools, equipment, and materials placed thereon by Licensee or its agents. Except for the construction and improvements authorized herein, Licensee shall restore the Property to the same state and condition as when Licensee entered thereon and shall leave the Property in a clean and presentable condition.

Section 7. Fees

7.1 Licensee shall pay all costs associated with permitting, construction, installation, upkeep or other expense for the Work.

Section 8. Hazardous Materials

8.1 As used in this License, the term "Hazardous Materials" shall mean any substances defined as or included within the definition of "hazardous air pollutants", "hazardous constituents", "hazardous substances", "solid waste", "hazardous pollutants", "hazardous materials", "oil", or "toxic pollutants", as those terms are used in or defined in regulations promulgated pursuant to the Resource Conservation and Recovery Act (42 U.S.C. §. 9601 et seq.) and including those chemicals listed in Appendix IX of 40 C.F.R. Part 264 adopted thereunder; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, (42 U.S.C. § 6901 et seq.) as amended by the Superfund Amendments and Reauthorization Act in 1986, Toxic Substances

Control Act (15 U.S.C. § 2601 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Clean Water Act (33 U.S.C. § 1251 et seq.); or the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq. (including the definition at 49 C.F.R. § 172.101); any "PCB's" or "PCB items" (including the definition at 40 C.F.R. § 761.3); or any "asbestos" (including the definition at 40 C.F.R. § 763.63). All such laws and like statutes or regulations relating to protection of human health, the environment, or worker health and safety are collectively referred to herein as "Environmental Laws."

8.2 Other than minor amounts of materials necessary for the Work to be performed on the Property, no hazardous materials shall be handled or stored at any time upon the Property. In the event of leakage or spillage from the Work or any vehicle in the control or custody of Licensee or any contractor or agent for Licensee ("Leakage"), Licensee shall, at its own expense, promptly clean the Property to the satisfaction of Licensor, the Tennessee Department of Environment and Conservation, and any public body having jurisdiction in the matter. Any expense of required compliance with federal, state, or local environmental regulations incurred by Licensor or Licensee as a result of any Leakage or breach of this section shall be borne by Licensee, including any fines and judgments levied against Licensor or the Property.

8.3 Licensee covenants and agrees from the date hereof and for so long as this License shall remain in effect not to cause or permit the presence, use, generation, release, threat of release, discharge, storage, disposal or transportation of any Hazardous Materials on, under, in, about, near, to or from, the Property, except in compliance with all Environmental Laws.

8.4 Licensee, to the maximum extent provided by Tennessee law, agrees to exonerate, indemnify, pay and protect, defend (with counsel reasonably approved by Licensor) and save Licensor, harmless from and against and to reimburse Licensor for all claims (including, without limitation, third party claims whether for personal injury or real or personal property damage or otherwise), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses, including reasonable attorney and paralegal fees and expenses, consultant fees and expert fees, together with all other costs and expenses of any kind or nature (collectively, the "Costs") that arise at any time from the release, threat of release or suspected release by Licensee of any Hazardous Materials in or into the air, soil, groundwater or surface water at, on, about, under, from or within the Property. In the event Licensor shall suffer or incur any such Costs, Licensee shall pay such Costs to Licensor upon demand. This obligation, including the indemnity, shall survive termination of this License.

8.5 If at any time any investigation or monitoring of site conditions or any cleanup, containment, restoration, removal or other remedial work due to Licensee's actions and/or activities at the Property during the term of the License (collectively, the "Remedial Work") is required under any applicable federal, state or local law or regulation, by any judicial order, or by any governmental entity, or in order to comply with any laws, regulations, orders or agreements affecting the Property, Licensee shall either perform or cause to be performed the Remedial Work in compliance with such law, regulation, order or agreement, or shall promptly reimburse Licensor for the cost of such Remedial Work. All costs and expenses of such Remedial Work shall be paid by Licensee. Prior to the implementation of any Remedial Work, Licensee shall provide Licensor with written proposed plans, work plans, sampling location maps and schedules for Licensor's review and approval, such approval not to be unreasonably withheld. If Licensee shall fail to timely commence, or cause to be commenced, or fail to diligently pursue to completion such Remedial Work, Licensor may cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall be Costs. All such Costs shall be due and payable upon demand therefor by Licensor. This obligation shall survive termination of this License.

8.6 Licensee shall promptly notify Licensor in the event of the discovery of Hazardous Materials on or at the Property.

8.7 Licensee shall further promptly forward to Licensor copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge, spillage, use, or the discovery of Hazardous Materials or any other matters relating to any Environmental Laws as they may affect the Property, directly or indirectly.

8.8 In the event Licensee is required to report any environmental matters, including discharges, spills and releases, or such reporting is advisable, Licensee shall first inform Licensor of such incident and shall cooperate with Licensor on the best way to address the environmental matter and how to structure any report to the proper authorities.

Section 9. Assumption of Risk

9.1 Licensee shall assume all risk of damage to the closet and appurtenances and to any other property of Licensee, or any property under the control or custody of Licensee while upon or near

the Property incident to the construction or maintenance of the closet, caused by or contributed to in any way by the construction, operation, maintenance or presence of Licensor's operations on the Property; provided, however, such assumption by Licensee shall not include any damage caused by the sole negligence and/or willful misconduct of Licensor, its agents or employees. Licensee releases Licensor from any liability, including claims for damages or extra compensation, arising from construction delays due to Licensor's operations.

Section 10. Indemnity and Insurance

10.1 Licensee shall release, defend (with counsel reasonable satisfactory to Licensor) and indemnify Licensor, its successors and assigns and their directors, officers, employees, and agents (collectively, "Indemnitees") from and against all liability, cost, and expense for loss of, or damage to, property and for injuries to, or death of, any person (including, but not limited to, the property and employees of each party) when arising or resulting from the use of the Property by Licensee, its agents, employees, contractors, subcontractors, or invitees; or Licensee's breach of the provisions of this License. It is the express intent of the parties under this Section 10 that Licensee shall, to the maximum extent permitted by Tennessee law, indemnify and hold harmless the Indemnitees from any and all claims, suits, or actions arising from any cause whatsoever as set forth above, other than the sole negligence, willful misconduct, or criminal acts of the Indemnitees. Licensee waives any and all rights to any type of express or implied indemnity against the Indemnitees arising out of Licensee's use of or activities on the Property. This indemnity shall survive termination of this License. In the event any part or term of this section 10 is found to be void or unenforceable, it is the intent of the parties that the remainder of the provision and this section shall remain in full force and effect.

10.2 Prior to entry upon the Property, Licensee shall provide Licensor with satisfactory evidence, in the form of a Certificate of Insurance, that Licensee is insured in accordance with this Section 10, which insurance shall remain in effect throughout the term of this License

10.3 At all times during the term of this License, Licensee shall maintain in full force and effect a policy(ies) of contractual and commercial general liability insurance, including public liability and broad form property damage, for not less than a Combined Single Limit for Bodily Injury (including death), Property Damage, and Personal Injury Liability of \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policy or policies shall name Licensor as an additional insured thereunder. All of such insurance shall insure the performance by Licensee of this 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 Licensor and shall contain a provision that Licensor, named or not named as an insured, shall nevertheless be entitled to recover under said policy for any loss, injury or damage to Licensor, its agents and employees or the property of such persons, by reason, in whole or in part, of the negligence of Licensee. Such policy(ies) shall waive any right of subrogation against Licensor. Such policy(ies) shall expressly provide that such policy(ies) shall not be canceled or altered without thirty (30) days prior written notice to Licensor. Licensor shall be named as an additional insured on all such policies.

10.4 Licensee further agrees that each such policy of insurance, and all other policies of insurance on the Property, including, without in any way limiting the generality of the foregoing, workmen's compensation, general liability and business interruption insurance, if obtained by Licensee, whether required by the provisions of this License or not, shall be made expressly subject to the provisions of this Section 10, and shall provide (to the extent such a waiver can be obtained) that Licensee's insurers thereunder waive any right of subrogation against Licensor. All such policies shall provide that the same may not be canceled or altered without thirty (30) days prior written notice to the Licensor.

10.5 Licensee, prior to the commencement of the Work on the Property, shall provide Licensor with a certified copy of the policies of insurance, declaration page and all endorsements thereto, required by this License, and which endorsements must provide Licensor the coverage set out herein and be acceptable to Licensor. Licensee also shall provide Licensor with a certificate of insurance for each policy required under this License showing that the coverages 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 Licensor or, if such thirty (30) day period of notice is not obtainable on a commercially reasonable basis, upon such notice as is commercially reasonable. Additionally, Licensee shall provide certified copies of the policies of insurance required by this Lease and all endorsements thereto when requested by Licensor, but no less than annually during the term of this License.

10.6 The endorsements and certificate(s) of insurance shall stipulate:

(a) That the policy(ies) is Primary Insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim which Licensee is

liable for under Section 8 and Section 10, up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the Licensor. (b) The inclusion of the Licensor as an additional insured shall not in any way affect its rights either as respects any claim, demand, suit or judgment made, brought or recovered against Licensee. Such policy(ies) shall protect Licensee and the Licensor in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

10.7 All insurance provided for in this Section 10, 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 License becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding, Licensee shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meet the requirements of this License.

Section 11. Compliance with Laws

11.1 Licensee shall comply, at Licensee's expense, with all applicable laws, regulations, rules, and orders with respect to the use of the Property, regardless of when they become or became effective, including, without limitation, those relating to construction, grading, signage, health, safety, noise, environmental protection, hazardous materials, waste disposal, and water and air quality. Licensee shall furnish satisfactory evidence of such compliance upon request of Licensor. Licensee shall also obtain, at Licensee's expense, any and all permits required for construction and operation of the Work.

Section 12. Notices

12.1 All notices required or permitted to be given under this License shall be in writing and sent either by U. S. mail postage prepaid, by personal delivery, by overnight courier, or by email to the appropriate address indicated below or at such other place or places as either Licensor or Licensee may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served upon personal delivery or receipt by email that the email transmission has been received, such an automatic "read receipt", or four (4) days after the date of mailing, or one (1) day after delivery to an overnight courier.

To Licensee: Rotary Club of Kingsport Foundation

To: Licensor: Kingsport, Tennessee 3766__
City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660
Attention: City Attorney

Day-to-day communications to Licensor regarding this License should be directed to:
City of Kingsport, Tennessee

225 West Center Street
Kingsport, Tennessee 37660
423-229-_____
Email address _____

12.2 As an alternative, notices may be given by facsimile transmission, provided that a hard copy of said transmission shall be delivered to the addressee by nationally recognized overnight delivery service by no later than the second (2nd) business day following such transmission. Facsimiles shall be deemed delivered on the date of such transmission, if received during the receiving party's normal business hours or, if not received during the receiving party's normal business hours, then on the next succeeding date on which the receiving party is open for normal business.

Section 13. Relocation of License

13.1 In the event Licensor shall at any time require relocation, alteration or removal of the Work, Licensee, at Licensee's sole cost and expense, shall relocate, alter, or remove the Work within thirty (30) calendar days of receipt of written notice from Licensor to do so or such longer period as approved by Licensor. Licensor shall designate the location for Licensee to relocate the Work, if on property owned by Licensor. Any necessary property interests shall be obtained at Licensee's sole cost and expense. Licensee shall perform such relocation, alteration or removal in a manner and at such time satisfactory to Licensor. If Licensee fails to perform such, Licensor may perform such relocation, alteration or removal without any liability to Licensee and at the

expense of Licensee, which expense shall, upon demand, be paid by Licensee. The provisions of this License shall apply to all work Licensee performs under this section 13.

Section 14. Successors and Assigns

14.1 The license granted herein is personal to Licensee and no right hereunder may be assigned or sublet, in whole or in part, and Licensee shall not permit any other person, firm, or corporation to use, in whole or in part, any of the rights or privileges granted pursuant to this License, without first obtaining the written consent of Licensor. Licensor may withhold its consent for any reason.

Section 15. No Waiver

15.1 No waiver of any default or breach of any covenant of this License by either party shall be implied from any omission by either party to take action on account of such default, if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and then the waiver shall be operative only for the time and to the extent stated. Waivers of any covenant, term, or condition by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by either party to or of any act by either party requiring further consent or approval shall not be deemed to waive or render unnecessary their consent or approval to or of any subsequent similar acts.

Section 16. Partial Invalidity and Severability

16.1 In the event that any provision or portion of this License is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this License will not affect the validity or enforceability of any other provision or portion of the License.

Section 17. Attorneys' Fees

17.1 If any legal proceeding should be instituted by either party to enforce the terms of this License or to determine the rights of the parties under this License, the prevailing party in the proceeding shall receive, in addition to all court costs, reasonable attorneys' fees.

Section 18. Condemnation

18.1 In the event all or any portion of the Property is condemned for public use, Licensee shall not be entitled to any compensation from Licensor and any compensation for damages for taking the Property, and any damages for Licensee's license interest thereon awarded to Licensee shall be assigned to Licensor.

Section 19. Governing Law

19.1 The rights and liability of the parties under this License shall be interpreted in accordance with the laws of the State of Tennessee, excepting any conflict of law provisions which would serve to defeat application of State of Tennessee substantive law.

Section 20. Entire Agreement

20.1 This License constitutes the complete expression of the agreement between the parties and supersedes any prior agreements, whether written or oral, concerning the subject of this License. Any modification of or addition to this License must be in a writing signed by both parties.

Section 21. Counterparts

21.1 This License may be executed in counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same agreement.

Section 22. Jurisdiction, Waiver of Jury Trial, Venue.

22.1 If a dispute arises between the parties concerning any aspect of this License, 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 Kingsport, Sullivan County, Tennessee.

22.2 The parties waive their right to a jury trial.

22.3 Mandatory and exclusive venue and jurisdiction for any disputes shall be in state courts or federal for Kingsport, Sullivan County, Tennessee.

Section 23. License Not a Lease

23.1 This License is not a lease, but a revocable license and Licensee is limited to the use of the Property expressly and specifically described above. Licensee disclaims any interest that when coupled with the license herein granted would render it irrevocable.

Section 24. Time of Essence

24.1 Time is and shall be of the essence of this License and of each and every provision contained in this License.

Section 25. No Third Party Beneficiaries

25.1 Nothing contained in this License shall be construed to create and the parties do not intend to create any rights in third parties.

Section 26. Construction of Agreement

26.1 The provisions in this License shall be construed and given effect in a manner that avoids any violation of statute, regulation, or law. Licensor and Licensee agree that in the event any

provision in this License is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision in this License.

26.2 Licensee and Licensor acknowledge that they have each contributed to the making of this License and that, in the event of a dispute over the interpretation of this License, the language of the License will not be construed against one party in favor of the other. This Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Agreement differs in any respect from any previous draft hereof.

26.3 Licensee and Licensor further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this License.

Section 27. Relationship

27.1 The parties intend by this License to establish the relationship of licensor and licensee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of licensor and licensee.

Section 28. Captions

28.1 The captions in this License are for convenience only and are not a part of this License. The captions do not in any way limit or amplify the provisions hereof, and shall have no effect upon the construction or interpretation of any part hereof.

IN WITNESS WHEREOF, the parties have executed this License by their duly authorized representatives.

[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 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

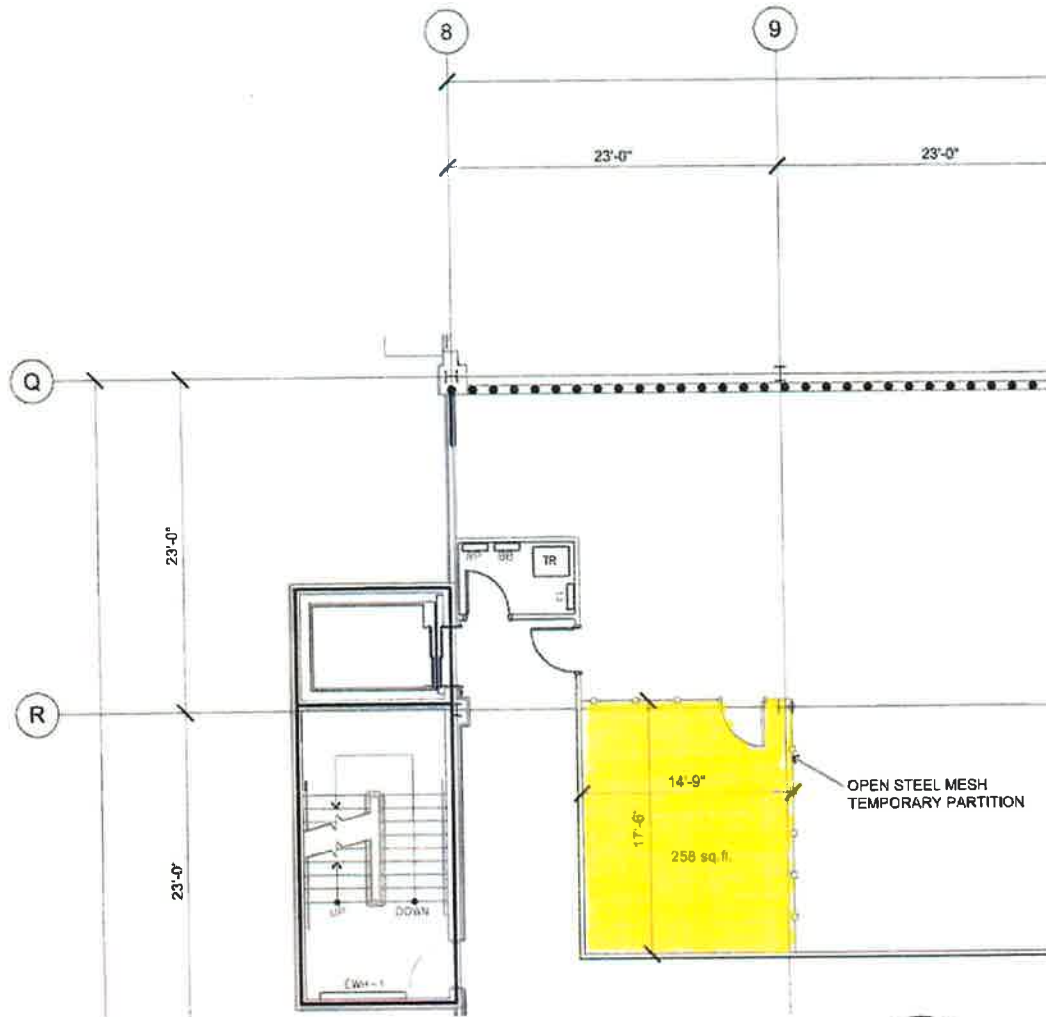
ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

plotted:10/14/2014 2:18:14 PM file:DS-2_SECOND FLOOR PLAN_201131.DWG

THIS DRAWING AS PREPARED BY CONSULTANT ARCHITECT SHALL BE USED FOR THE SPECIFIC DESCRIBED PROJECT ONLY. THIS DRAWING IS THE PROPERTY OF CONSULTANT ARCHITECT AND SHALL BE RETURNED PER THE REQUEST.



PARTIAL SECOND FLOOR PLAN

SCALE : 1/8" = 1'-0"

F.F.E. 1227'-4"



NO.	DATE	CHANGE	BY
1	10/14/14	ISSUE	SD

400 Clinchfield Street
Kingsport, Tennessee

Architectural Services

Cain
Rash
West
Architects

130 Regional Park Dr
Kingsport, TN 37660
Phn (423) 349-7780
Fax (423) 349-7413
www.gdcrc.com

FOR REFERENCE ONLY
NOT FOR CONSTRUCTION

designed	SD-14-14
checked	
approved by	
drawn by	SD
project no	
drawing name	PARTIAL PLAN

A-12



AGENDA ACTION FORM

Consideration of Approval of Offer for Additional Easements and Right-of-Ways for Phase 2 of the Hidden Acres/Peppertree Sanitary Sewer Extension Project

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

Action Form No.: AF-305-2014
 Work Session: November 17, 2014
 First Reading: N/A
 Final Adoption: November 18, 2014
 Staff Work By: R. Trent, H. Clabaugh
 Presentation By: R. McReynolds

Recommendation:
 Approve the offers.

Executive Summary:

In order to continue to extend sanitary sewer services to the Peppertree Drive area of Rock Springs, the Public Works Department has requested additional right-of-ways and easements across affected property. An appraisal has been prepared in accordance with the City of Kingsport's Real Property Acquisition Policies & Procedures and indicates the fair market value as per the below property owners.

This project is funded under #SW1306.

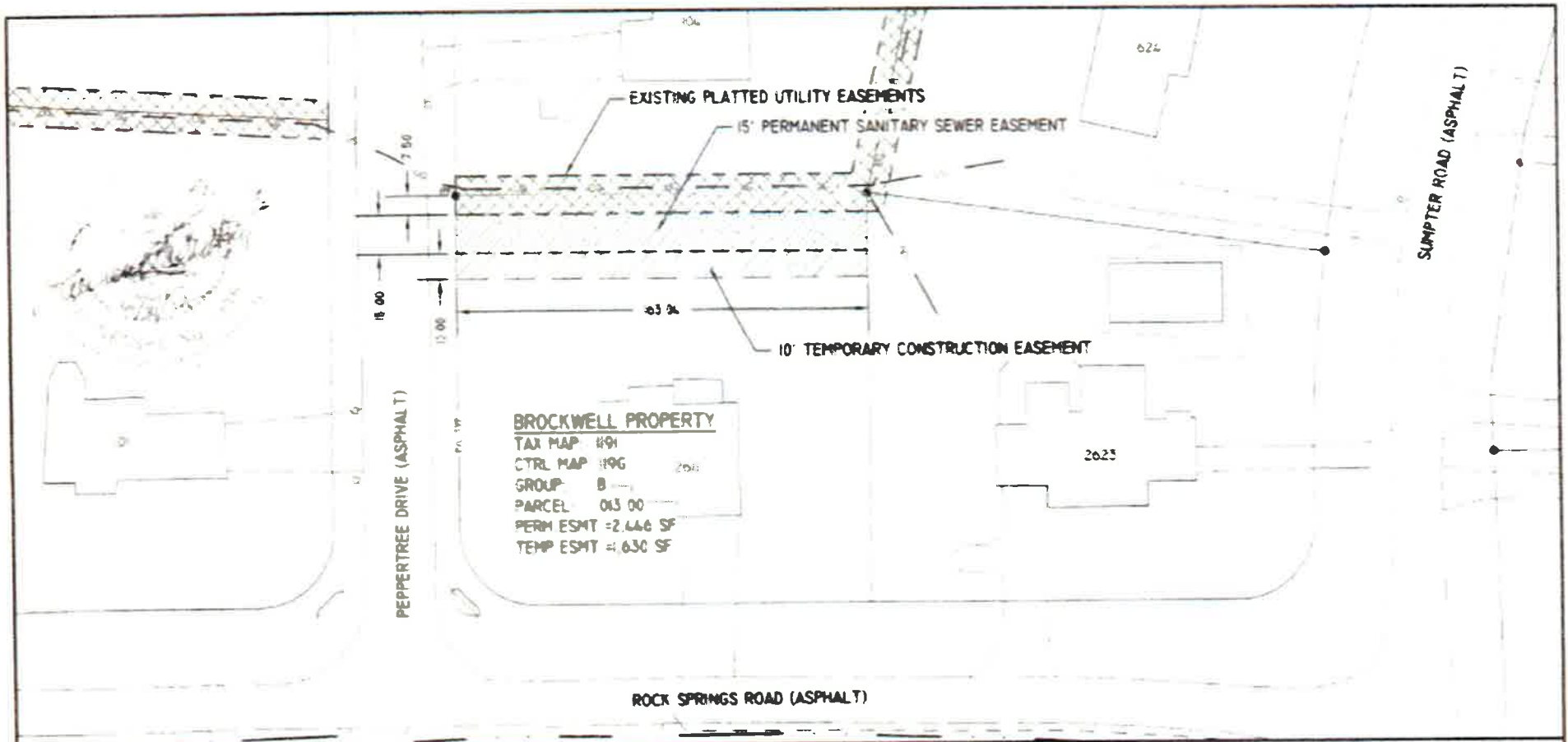
<u>Tax Map/Parcel</u>	<u>Property Owner</u>	<u>Easement Area</u>	<u>Appraised Value</u>
119-G; B-013.00	Mark & Gerri Brockwell 2611 Rock Springs Road Kingsport, TN 37664	Perm. 2,446 sq. ft. Temp. 1,630 sq. ft.	\$1,087.00 \$543.00

Attachments:

- 1. Location Map

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—



ALL BEARINGS FROM
 KINGSFORT GEODETIC
 REFERENCE NETWORK



**SANITARY SEWER EASEMENTS
 ACROSS**

G MARK & GERRI S BROCKWELL PROPERTY

Located in the 13th Civil District of Sullivan Co., TN

OFFICE OF THE CITY ENGINEER
 31 OCTOBER 2014

KINGSFORT, TN
 SCALE: 1"=50'
N-2487



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Sign All Documents Necessary and Proper to Enter Into an Agreement with the Kingsport Chamber Foundation to Lease with an Option to Purchase Unfinished Space Located at 400 Clinchfield Street

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

Action Form No.: AF-307-2014
Work Session: November 17, 2014
First Reading: NA

Final Adoption: November 18, 2014
Staff Work By: Billingsley/McCartt
Presentation By: Chris McCartt

Recommendation:

Approve the resolution.

Executive Summary:

Earlier this year the Board of Mayor and Aldermen approved a resolution stating their intent to enter into an agreement with the Kingsport Chamber Foundation which would allow them to construct and ultimately lease space to the Administrative Office of the Courts (State of Tennessee), located in an unfinished section on the second floor at 400 Clinchfield Street (BOE/Chamber Building). Since that resolution was approved the Chamber Foundation has finalized their agreement with the Administrative Office of the Courts and our now ready to begin construction of the office suite (refer to the supplemental information attached to this action form).

Approval of this resolution will allow the Chamber Foundation to begin construction on the 1471 square foot office suite. Additionally, the Chamber Foundation will be responsible for purchasing the space at a cost of \$60,000 however the purchase can be made at any time during the term of the agreement which is ten years.

Attachments:

- 1. Resolution
- 2. Supplemental Information

	Y	N	O
Clark	—	—	—
George	—	—	—
Hall	—	—	—
McIntire	—	—	—
Parham	—	—	—
Segelhorst	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH THE KINGSPORT CHAMBER FOUNDATION FOR SPACE LOCATED IN UNIT 210, 400 CLINCHFIELD CONDOMINIUMS AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

WHEREAS, earlier this year the board approved a resolution stating its intent to enter into an agreement with the Kingsport Chamber Foundation that would allow it to construct and lease space to the State of Tennessee Administrative Office of the Courts, located in part of an unfinished portion of Unit 210, 400 Clinchfield Condominiums, which is on the second floor; and

WHEREAS, the Chamber Foundation has now finalized its agreement with the Administrative Office of the Courts and is now ready to begin construction of the office suite; and

WHEREAS, the Chamber Foundation, at its expense and as part of the rent, is required to build out the space for professional offices for the Honorable Robert H. Montgomery, Jr.

WHEREAS, the term of the lease is for ten (10) years and the Chamber has the option to purchase the space, subject to certain terms and condition during the term of the lease for \$60,000.00.

Now therefore,

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

SECTION I. That a lease agreement to lease part of an unfinished portion of Unit 210, 400 Clinchfield Condominiums to the Kingsport Chamber Foundation for a term of up to ten years, with an option to purchase the space for \$60,000 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, the lease agreement to lease part of an unfinished portion of Unit 210, 400 Clinchfield Condominiums to the Kingsport Chamber Foundation, for a term of up to ten years, with an option to purchase the space for \$60,000, 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:

LEASE

This Lease entered into the date of the acknowledgement of the LESSOR by and between the City of Kingsport, a Tennessee municipal corporation (herein LESSOR) and Kingsport Chamber Foundation, a Tennessee non-profit corporation, (LESSEE).

WITNESSETH:

NOW, THEREFORE, in consideration of the promises and mutual covenants of the parties contained herein, the parties agree as follows:

SECTION 1. PREMISES. In consideration of the rents to be paid and the covenants and agreements to be performed and observed by the LESSEE, LESSOR does hereby lease to the LESSEE and the LESSEE does hereby lease and take from the LESSOR the following property (the "Premises") and all improvements located thereon:

The front part of Unit 210 of in 400 Clinchfield Condominium facing Clinchfield Street, being the easterly most part of the unit and being 1,471 square feet and as generally shown in the diagrams attached hereto as Exhibit A.

SECTION 2. LEASE TERM. The term of this Lease shall begin on November ____, 2014 at noon and shall terminate on November ____, 2024 at noon, unless sooner terminated as herein provided.

SECTION 3. RENT. As part of its rent LESSEE shall make and maintain in good condition certain improvements to the Premises, subject to the requirements of Section 7 herein below. The improvements the construction of office space as generally shown in the diagrams attached as Exhibit A, which shall be permanently affixed to the Premises. The improvements must be fully and properly completed to the satisfaction of LESSOR within 150 days of the date the term of this Lease begins. LESSEE shall not allow the Premises to be used for office space or open to the public until the improvements are fully completed to the satisfaction of LESSOR. LESSOR may, in its sole discretion and for any reason, including esthetics, reject to proposed improvements and LESSEE shall be obligated to install improvements satisfactory to LESSOR. The failure of LESSEE to make the improvements within the time set forth above or any approved extension thereof by LESSOR shall be a material breach of this Lease and LESSOR may terminate the Lease for such breach, in addition to recovery of any damages for such breach. In addition to the improvements listed in this Section 3, LESSEE shall pay to LESSOR, without previous demand therefor and without any setoff or deduction whatsoever, except as may be specifically provided herein, rent for the Premises at the rate of \$ _____ U.S. dollars per year, payable in advance in monthly installments of \$ __ _____ 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 LESSEE's execution of this Lease. All payments shall be made to LESSOR 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 LESSOR. It is the intention of the LESSOR and LESSEE that the rent herein specified shall be strictly net to the LESSOR 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, including part of the common elements expenses of 400 Clinchfield Condominium in proportion to the square footage of the Premises to the remainder of Unit 210, which may arise or become due during the term of this Lease shall be paid by LESSEE and the LESSOR shall be indemnified by LESSEE and is hereby so indemnified by LESSEE against such costs, charges, expenses, and obligations. The square footage of Unit 210 is 5,878. The square footage of the Premises is 1,471. At the date of this Lease the percentage of the common elements expenses of Unit 210, 400 Clinchfield Condominium was 12.3 percent. Based on the square footage of the Unit and the square footage of the Premises, the LESSEE will pay LESSOR has it becomes due and payable 25.03 percent of the common elements expenses of Unit 210, 400 Clinchfield Condominium.

SECTION 4. OPTION TO PURCHASE. It is anticipated that once the improvements required in Section 3 are completed by LESSEE the Premises will be subdivided into a separate condominium unit in 400 Clinchfield Condominium. The parties recognize that the subdivision is subject to the approval of the Owners of the existing condominiums in 400 Clinchfield Condominium. When the subdivision is complete and the Premises is a separate condominium unit, LESSEE shall have an option to purchase the Premises subject to the following conditions precedent and the terms and conditions. The option to purchase is subject to the following conditions precedent to the granting of the option to purchase: (i) LESSEE has completed the improvements required of it in Section 3 in a timely manner and to the satisfaction of LESSOR; (ii) the Lease has not been terminated for any reason; or (iii) LESSEE is not in default in the performance of any material obligation under this Lease. Provided the Premises is a separate condominium unit and the conditions precedent are fully complied with by LESSEE, it may purchase the Premises, at any time prior to the expiration or termination of this Lease, subject to the following terms and conditions:

(a) The purchase price for the Premises shall be \$60,000.

(b) If LESSEE elects to exercise the option to purchase, LESSEE shall notify LESSOR in writing of its exercise of this option prior to the expiration or termination of this Lease, provided such notice is given at least sixty (60) days prior to the end of the termination of this Lease. The closing of the purchase will be held in Kingsport, Tennessee within sixty (60) days after such notice to LESSOR. If this Lease expires before the time for closing, this Lease shall be extended to the date of closing provided herein, for the same rental and other terms as are in effect on the expiration date.

(c) In the event of the purchase of the Premises by LESSEE pursuant to this option to purchase, LESSOR shall convey to Lessee or its designee by quitclaim deed, subject only to (i) all matters of record in the Register's Office for Sullivan County, Tennessee; (ii) all restrictions contained in the deed between Quebecor World Kingsport, Inc. and the City of Kingsport Tennessee and recorded in Deed Book 2613C, page 0419 in the Office of the Register of Deeds for Sullivan County, Tennessee at Blountville, a copy of which is attached hereto as Exhibit B; (iii) the Brownfield Voluntary Agreement & Administrative Settlement between the City of Kingsport, Tennessee and the Tennessee Department of Environment and Conservation in 2007, a copy of which is attached hereto as Exhibit C; and (iv) real estate taxes that are not delinquent. The purchase price shall be paid in cash at the time of the closing. LESSEE shall pay the costs of any title insurance and the cost of recording the

deed, including transfer taxes. LESSOR shall pay only for the preparation of the deed and its closing costs, if any. Each party shall be responsible for the fees of its respective counsel. Upon the completion of any such purchase, but not prior thereto (whether or not any delay in the completion of or the failure to complete such purchase shall be the fault of LESSOR), this Lease and all obligations hereunder, except those obligations that survive termination as set out in the Lease, shall terminate with respect to the Premises.

SECTION 5. USE OF PREMISES. LESSEE shall use the Premises solely for professional office use and for no other purpose or use. LESSEE 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. LESSEE shall not permit the sale, service, use, consumption, display, storage or presence of alcoholic beverages, wine, or beer, including brown bagging, on the Premises at any time. LESSEE shall not use the Premises that is any way in violation of the restrictions contained in the deed between Quebecor World Kingsport, Inc. and the City of Kingsport Tennessee and recorded in Deed Book 2613C, page 0419 in the Office of the Register of Deeds for Sullivan County, Tennessee at Blountville, all matters of record in the Register's Office for County, Tennessee any other recorded restrictions and easement and encumbrances of record and the Brownfield Voluntary Agreement & Administrative Settlement between the City of Kingsport, Tennessee and the Tennessee Department of Environment and Conservation in 2007. LESSEE shall not use the Premises so as to interfere in any way with the use and enjoyment of other portions of the same or neighboring condominiums or buildings by others by reason of odors, smoke, exhaust, smells, vibrations, noise, pets, accumulation of garbage or trash, vermin or other pests, or otherwise. LESSEE shall at its expense employ a professional pest control service, if determined necessary by LESSOR.

SECTION 6. UTILITIES. During the term of this Lease, the LESSEE 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. LESSEE 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, LESSEE 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 LESSEE in facilities specifically for garbage collection. LESSEE shall further comply with all local ordinances and regulations imposed by the LESSOR relating to maintaining the Premises in a clean and sanitary condition and collection of garbage and similar debris.

SECTION 8. MAINTENANCE. It shall be LESSEE'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. LESSEE 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, at the sole cost and expense of LESSEE. LESSEE shall comply with all requirements of law, ordinance and otherwise, affecting the Premises. If LESSEE refuses or neglects to commence and to complete repairs promptly and adequately, LESSOR may declare the LESSEE in breach of this Lease. LESSEE 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, LESSEE 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 10. ALTERATIONS. The LESSEE shall have the right, at its sole expense, from time to time, to make improvements to the interior of the Premises and to make such non-structural alterations and changes in such parts thereof as LESSEE 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. LESSEE 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. LESSEE 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. LESSEE agrees that it shall procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable.

SECTION 11. SURRENDER OF PREMISES. Subject to the exercise of the option to purchase contained in this Lease, on the expiration or earlier termination of this Lease pursuant to its terms, LESSEE shall peaceably and quietly leave and surrender the Premises to the LESSOR, in good order, condition and repair, broom clean, reasonable wear and tear excepted and free and clear of all liens.

SECTION 12. TAXES. LESSEE, in addition to the rent provided herein, shall pay to LESSOR 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 13. CONDITION OF PREMISES. LESSEE 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 LESSOR as to the nature, condition or usability thereof, or as to t

SECTION 14. 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, LESSOR 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 LESSEE may elect to terminate this Lease if: (a) LESSOR fails to give written notice within 30 days after said fire, casualty or taking of its intention to restore the Premises; or (b) LESSOR 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 LESSEE, its agents, employees, contractors or others acting on its behalf, or from the carelessness, negligence, or intentional or other conduct of LESSEE's customers, guest or visitors, LESSEE shall have the full liability and responsibility for repairing and/or rebuilding from such casualty loss and for other damages and losses incurred by LESSOR. LESSOR reserves all rights for damages or injury to the Premises for any taking by eminent domain, except for damage to LESSEE's property or equipment.

SECTION 15. FIRE INSURANCE. LESSEE 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, LESSOR's insurer or any similar entity. LESSEE shall on demand reimburse LESSOR all extra insurance premiums caused by LESSEE's use of the Premises. LESSEE shall not vacate the Premises or permit same to be unoccupied other than during LESSEE's customary non-business days or hours, or cause or allow the utilities serving the Premises to be terminated.

SECTION 16. SIGNS. LESSEE 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 LESSEE.

SECTION 17. ASSIGNMENT OR SUBLEASE. LESSEE may sublet the Premises to the State of Tennessee for use as office space for the Honorable Robert H. Montgomery, Jr. Otherwise, LESSEE 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 LESSOR's prior written consent, which may be withheld for any or no reason. If LESSEE notifies LESSOR in writing of its desire to assign this Lease or sublet the Premises, LESSOR shall have the option to terminate this Lease, at an effective date to be determined by LESSOR, upon written notice to LESSEE. Notwithstanding LESSOR's consent to any assignment or sublease, LESSEE and GUARANTOR shall remain liable to LESSOR 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 18. LESSOR'S ACCESS. LESSOR, its agents and designates, may examine and inspect the Premises at reasonable times. LESSEE shall permit LESSOR to enter the Premises to inspect such repairs, improvements, alterations or additions thereto as may be required under the provisions of this Lease. In the event of an emergency, LESSOR, its agents and other representatives, may enter at any time, without notice and without the presence of LESSEE. No compensation shall be asked or claim made by LESSEE 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 18 shall not be construed as imposing any duty on LESSOR to make any repairs, alterations or additions.

SECTION 19. LIABILITY. LESSEE 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. LESSEE shall be solely responsible as between LESSOR and LESSEE 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 LESSEE or its sublessee, except for death, personal injuries or property damage directly resulting from the sole negligence of LESSOR. LESSEE agrees to indemnify and hold harmless LESSOR 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. The provisions of this Section 19 are enforceable only to the extent permitted by Tennessee law and survive termination of this Lease.

SECTION 20. INSURANCE. LESSEE shall, during the entire term of this Lease, keep in full force and effect at its own expense the following insurance:

Comprehensive General Liability Coverage. At all times during the Term of this Lease, LESSEE 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 a Combined Single Limit for Bodily Injury (including death), Property Damage, and Personal Injury Liability of \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policy or policies shall name LESSOR as an additional insured thereunder. All of such insurance shall insure the performance by LESSEE 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 LESSOR and shall contain a provision that LESSOR, named or not named as an insured, shall nevertheless be entitled to recover under said policy for any loss, injury or damage to LESSOR, its agents and employees or the property of such persons, by reason of the negligence of LESSEE. Such policy shall expressly provide that such policy shall not be canceled or altered without thirty (30) days prior written notice to LESSOR. LESSOR 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, LESSEE shall maintain, at its cost and expense, broad form all-risk casualty insurance (with appropriate endorsements for risks or perils ordinarily included in a the LESSOR's policy) insuring the improvements on the Premises. LESSOR 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. LESSEE 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 LESSEE, whether required by the provisions of this Lease or not, shall be made expressly subject to the provisions of this Section 20, and shall provide (to the extent such a waiver can be obtained) that LESSEE's insurers thereunder waive any right of subrogation against LESSOR. All such policies shall provide that the same may not be canceled or altered without thirty (30) days prior written notice to the LESSOR. 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 and Certified Copies of Policies and Endorsements. As of the commencement of this Lease LESSEE shall provide LESSOR with a certificate of insurance for each policy required under this Lease showing that the coverages required hereunder are in force with premiums paid and that such policies are noncancellable and may not be materially modified except upon thirty (30) days prior notice to LESSOR (or, if such thirty (30) day period of notice is not obtainable on a commercially reasonable basis, upon such notice as is commercially reasonable). LESSEE shall, before occupying the Premises, provide LESSOR with a certified copy of the policies of insurance required by this Lease and all endorsements thereto, which endorsements must provide LESSOR the coverage set out herein and be acceptable to LESSOR. LESSEE shall provide certified copies of the policies of insurance required by this Lease and all endorsements thereto when requested by LESSOR, but no less than annually during the term of this Lease.

(d) All insurance provided for in this Section 20, 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, Lessee shall, in each instance, obtain a like policy issued by another insurer, which insurer and policy meet the requirements of this Lease.

(e) LESSEE's Release. LESSEE hereby releases LESSOR 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 LESSEE. To the extent obtainable, LESSEE's insurance policies shall include appropriate clauses waiving all rights of subrogation against LESSOR to LESSEE, 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 20(b) shall be used to pay for the cost to restore the improvements so damaged or destroyed.

(g) Blanket Insurance. Nothing in this Section 20 shall prevent LESSEE from taking out insurance of the kind and in the amounts provided for under Sections 20(a) and 20(b) under a blanket insurance policy or policies which can cover other improvements on the Premises.

SECTION 21. 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 LESSEE or LESSEE's property or (b) LESSEE shall default in the observance or performance of any of LESSEE's covenants, agreements or obligations hereunder and such default shall not be corrected within 10 days after written notice thereof, then LESSOR 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 LESSEE'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 LESSEE defaults in the payment of the security deposit, rent, taxes or substantial invoice from LESSOR or LESSOR'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 LESSEE, then, in addition to any other remedies, the net present value of the entire balance of rent due hereunder as of the date of LESSOR's notice, using the published prime rate then in effect, shall immediately become due and payable as liquidated damages. No actions taken by LESSOR under this section shall terminate LESSEE's obligation to pay rent under this Lease, as liquidated damages or otherwise. Any sums received by LESSOR from or on behalf of LESSEE at any time shall be applied first to offset any unpaid invoice or other payment due to LESSOR and then to unpaid rent. LESSEE shall pay any invoice within 10 days after receipt. If any rent and/or other payment is not received by LESSOR when due, then LESSEE shall pay LESSOR a late charge for each past due payment equal to one percent of such overdue amount or \$35, whichever is greater. LESSEE shall also pay LESSOR 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 LESSOR) is employed or directed to collect or enforce the monetary or other obligations evidenced by this Lease or to assist either LESSOR in connection with its exercise of any right, power, privilege, or remedy referred to herein, the parties hereby agree that the LESSEE shall pay promptly all costs incurred by LESSOR with respect to collection or enforcement including reasonable attorney's fees and court costs.

SECTION 22. WASTE OR NUISANCE. LESSEE shall not commit or suffer to be committed any waste upon the Premises, and LESSEE shall not use or permit the use of any medium that might constitute a nuisance.

SECTION 23. NOTICE. All notices required or permitted to be given under this Lease shall be in writing and sent either by U. S. mail postage prepaid, by personal delivery, by overnight courier, or by email to the appropriate address indicated below or at such other place or places as either LESSOR or LESSEE may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served upon personal delivery or receipt by email that the email transmission has been received, such an automatic "read receipt", or four (4) days after the date of mailing, or one (1) day after delivery to an overnight courier. As an alternative, notices may be given by facsimile transmission, provided that a hard copy of said transmission shall be delivered to the addressee by nationally recognized overnight delivery service by no later than the second (2nd) business day following such transmission. Facsimiles shall be deemed delivered on the date of such transmission, if received during the receiving party's normal business hours or, if not received during the receiving party's normal business hours, then on the next succeeding date on which the receiving party is open for normal business. Time is of the essence in the service of any notice.

LESSOR:

City of Kingsport, Tennessee
225 West Center Street
Kingsport, Tennessee 37660
Attention City Manager
Fax number 423-229-9350
Email address jeffleming@kingsporttn.gov
With copy to
City Attorney
225 West Center Street
Kingsport, Tennessee 37660
Fax number 423-224-2417
Email address mikebillingsley@kingsporttn.gov

LESSEE:

Kingsport Chamber Foundation

Kingsport, Tennessee 3766__
Attention _____
Fax number 423-_____
Email address _____

SECTION 24. OCCUPANCY. If LESSEE takes possession of the Premises prior to the start of the lease term, LESSEE shall perform and observe all of its covenants under this Lease from the date upon which it takes possession. If LESSEE continues to occupy, control or encumber all or any part of the Premises after the termination of this Lease without the written permission of LESSOR, LESSEE shall be liable to LESSOR for any and all loss, damages or expenses incurred by LESSOR, 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 LESSOR'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 LESSEE and of greater rental value. LESSEE'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 LESSEE's occupancy for an entire additional month, and increased payment as provided in this section shall be due and payable immediately in advance. LESSOR's acceptance of any payments from LESSEE during such extended occupancy shall not alter LESSEE's status as a tenant at sufferance. LESSOR may require LESSEE to relocate to another similar facility at any time during the lease term upon prior written notice to LESSEE and on terms comparable to those herein, and LESSEE shall be liable to LESSOR for any loss, damages or expenses incurred by LESSOR if LESSEE fails to relocate as required herein.

SECTION 25. FIRE PREVENTION. LESSEE 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, LESSOR's insurer or any similar entity.

SECTION 26. ENVIRONMENTAL MATTERS. The following shall set out certain environmental matters:

(a) As used in this Lease, the term "Hazardous Materials" shall mean any substances defined as or included within the definition of "hazardous air pollutants", "hazardous constituents", "hazardous substances", "solid waste", "hazardous pollutants", "hazardous materials", "oil", or "toxic pollutants", as those terms are used in or defined in regulations promulgated pursuant to the Resource Conservation and Recovery Act (42 U.S.C. §. 9601 et seq.) and including those chemicals listed in Appendix IX of 40 C.F.R. Part 264 adopted thereunder; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, (42 U.S.C. § 6901 et seq.) as amended by the Superfund Amendments and Reauthorization Act in 1986, Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Clean Water Act (33 U.S.C. § 1251 et seq.); or the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq. (including the definition at 49 C.F.R. § 172.101); any "PCB's" or "PCB items" (including the definition at 40 C.F.R. § 761.3); or any "asbestos" (including the definition at 40 C.F.R. § 763.63). All such laws and like statutes or regulations relating to protection of human health, the environment, or worker health and safety are collectively referred to herein as "Environmental Laws."

(b) Other than minor amounts of materials necessary for the Work to be performed on the Premises, no hazardous materials shall be handled or stored at any time upon the Premises. In the event of leakage or spillage from the Work or any vehicle in the control or custody of LESSEE or any contractor or agent for LESSEE ("Leakage"), LESSEE shall, at its own expense, promptly clean the Premises to the satisfaction of LESSOR, the Tennessee Department of Environment and Conservation, and any public body having jurisdiction in the matter. Any expense of required compliance with federal, state, or local environmental regulations incurred by LESSOR or LESSEE as a result of any Leakage or breach of this section shall be borne by LESSEE, including any fines and judgments levied against LESSOR or the Premises.

(c) LESSEE covenants and agrees from the date hereof and for so long as this Lease shall remain in effect not to cause or permit the presence, use, generation, release, threat of release, discharge, storage, disposal or transportation of any Hazardous Materials on, under, in, about, near, to or from, the Premises, except in compliance with all Environmental Laws.

(d) LESSEE, to the maximum extent provided by Tennessee law, agrees to exonerate, indemnify, pay and protect, defend (with counsel reasonably approved by LESSOR) and save LESSOR, harmless from and against and to reimburse LESSOR for all claims (including, without limitation, third party claims whether for personal injury or real or personal property damage or otherwise), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses, including reasonable attorney and paralegal fees and expenses, consultant fees and expert fees, together with all other costs and expenses of any kind or nature (collectively, the "Costs") that arise at any time from the release, threat of release or suspected release by LESSEE of any Hazardous Materials in or into the air, soil, groundwater or surface water at, on, about, under, from or within the Premises. In the event LESSOR shall suffer or incur any such Costs, LESSEE shall pay such Costs to LESSOR upon demand. This obligation, including the indemnity, shall survive termination of this Lease.

(e) If at any time any investigation or monitoring of site conditions or any cleanup, containment, restoration, removal or other remedial work due to LESSEE's actions and/or activities at the Premises during the term of the Lease (collectively, the "Remedial Work") is required under any applicable federal, state or local law or regulation, by any judicial order, or by any governmental entity, or in order to comply with any laws, regulations, orders or agreements affecting the Premises, LESSEE shall either perform or cause to be performed the Remedial Work in compliance with such law,

regulation, order or agreement, or shall promptly reimburse LESSOR for the cost of such Remedial Work. All costs and expenses of such Remedial Work shall be paid by LESSEE. Prior to the implementation of any Remedial Work, LESSEE shall provide LESSOR with written proposed plans, work plans, sampling location maps and schedules for LESSOR's review and approval, such approval not to be unreasonably withheld. If LESSEE shall fail to timely commence, or cause to be commenced, or fail to diligently pursue to completion such Remedial Work, LESSOR may cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall be Costs. All such Costs shall be due and payable upon demand therefor by LESSOR. This obligation shall survive termination of this Lease.

(f) LESSEE shall promptly notify LESSOR in the event of the discovery of Hazardous Materials on or at the Premises.

(h) LESSEE shall further promptly forward to LESSOR copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge, spillage, use, or the discovery of Hazardous Materials or any other matters relating to any Environmental Laws as they may affect the Premises, directly or indirectly.

(i) In the event LESSEE is required to report any environmental matters, including discharges, spills and releases, or such reporting is advisable, LESSEE shall first inform LESSOR of such incident and shall cooperate with LESSOR on the best way to address the environmental matter and how to structure any report to the proper authorities.

SECTION 27. RESPONSIBILITY. LESSOR shall not be liable to LESSEE or anyone for, nor shall LESSEE'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 LESSOR's immediate control.

SECTION 28. SURRENDER. Subject to the exercise of the option to purchase contained in this Lease, on or before the termination of this Lease, LESSEE shall remove all of LESSEE's goods and effects from the Premises, and shall deliver to LESSOR actual and exclusive possession of the Premises and all keys and locks thereto, 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 LESSEE, LESSOR 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, LESSEE shall, if requested by LESSOR, remove or tag for future use any and all wiring and cabling installed and/or used by LESSEE. LESSEE 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 LESSOR's written consent, reasonable wear and tear only excepted, and LESSEE shall be deemed to be encumbering the Premises until it delivers the Premises to LESSOR in the condition required under this Lease. Any of LESSEE's property that remains in the Premises upon termination of the Lease shall be deemed abandoned and shall be disposed of as LESSOR sees fit, with no liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE. LESSOR may remove and store any such property at LESSEE's expense; retain same under LESSOR's control; sell 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 LESSOR 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 LESSOR.

SECTION 29. HOLDING OVER. In the event LESSEE occupies the Premises after the expiration or termination of this Lease with the consent of the LESSOR, 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. LESSEE 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 30. LOSS AND DAMAGE TO TENANT'S PROPERTY. LESSOR shall not be responsible or liable to LESSEE 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 LESSEE 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 31. NOTICE BY LESSEE. LESSEE shall give immediate notice to LESSOR 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 32. 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 LESSOR 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 LESSEE unless the assignment to such assignee has been approved by LESSOR in writing as provided in Section 17 herein.

SECTION 33. 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 LESSEE 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, LESSOR makes no warranty, express or implied, concerning the suitability of the Premises for LESSEE's intended use;

(f) LESSEE agrees that if LESSOR does not deliver possession of the Premises as herein provided for any reason, LESSOR shall not be liable for any damages to LESSEE for such failure, but LESSOR agrees to use reasonable efforts to deliver possession to LESSEE at the earliest practical date. A proportionate abatement of rent, excluding the cost of any amortized improvements to the Premises, for such time as LESSEE may be deprived of possession of the Premises shall be LESSEE's sole remedy, except where a delay in delivery is caused in any way by LESSEE;

(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) LESSOR nor LESSEE 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 LESSEE on any check, nor LESSOR's deposit of any full or partial payment, shall bind LESSOR in any way or limit LESSOR's rights under this Lease;

(k) LESSEE shall conform to all rules and regulations now or hereafter made by LESSOR 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 LESSEE;

(l) LESSEE's covenants under this Lease shall be independent of LESSOR's covenants, and LESSOR's failure to perform any of its covenants under this Lease, including a covenant constituting a significant inducement to LESSEE to enter into this Lease, shall not excuse the payment of rent or any other charges by LESSEE or allow LESSEE to terminate this Lease; and

(m) LESSOR and LESSEE 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 34. WAIVERS, ETC. No consent or waiver, express or implied, by LESSOR to or of any breach of any covenant, condition or duty of LESSEE 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 LESSEE is several persons, corporations, or other legal entities, or a partnership, or some combination thereof, LESSEE's obligations are joint and several. Unless repugnant to the context, "LESSOR" and "LESSEE" mean the person or persons, natural or corporate, named above as LESSOR and as LESSEE respectively, and their respective heirs, executors, administrators, successors and assigns.

SECTION 35. TIME. Time is of the essence in this Lease.

SECTION 36. SURVIVAL OF TERMS. Wherever in this Lease either LESSEE or LESSOR 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 LESSEE and LESSOR.

IN WITNESS WHEREOF, the Parties hereto executed this Lease in duplicate originals.

[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.

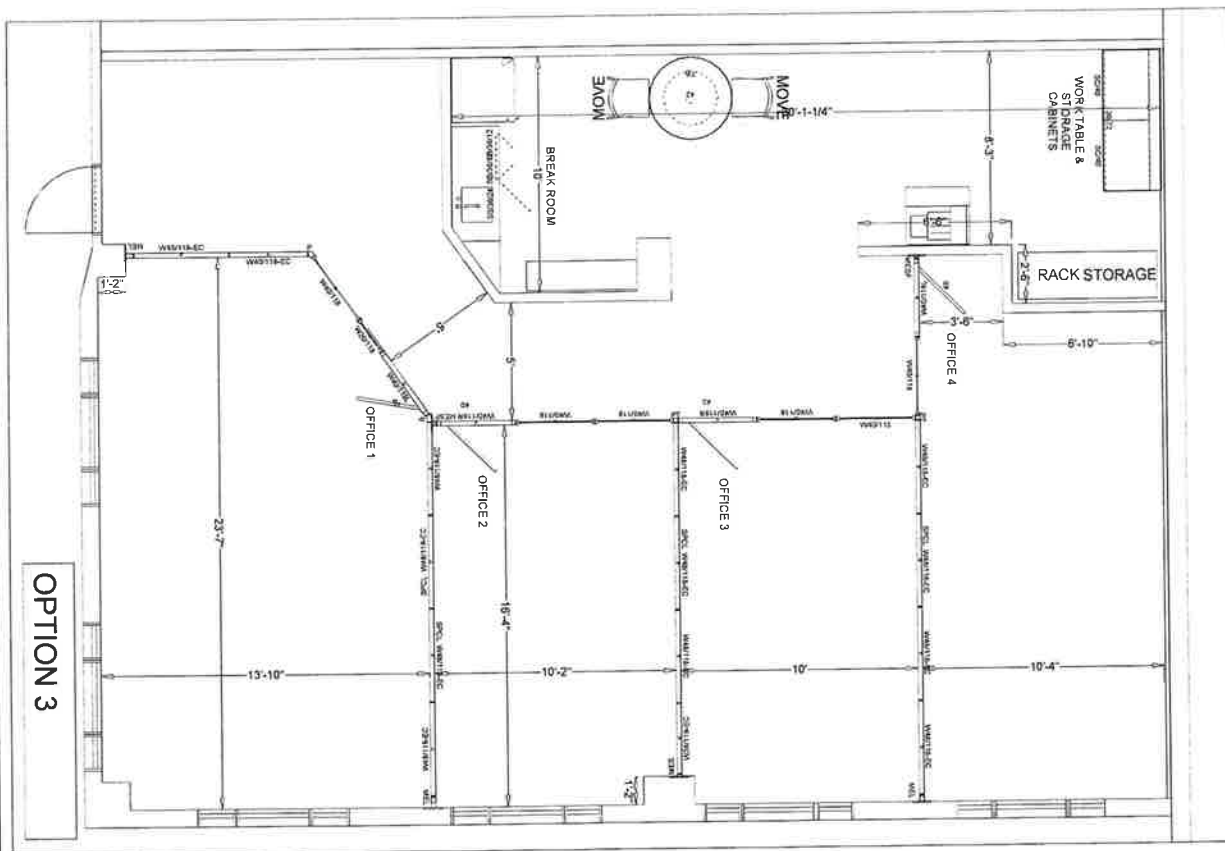
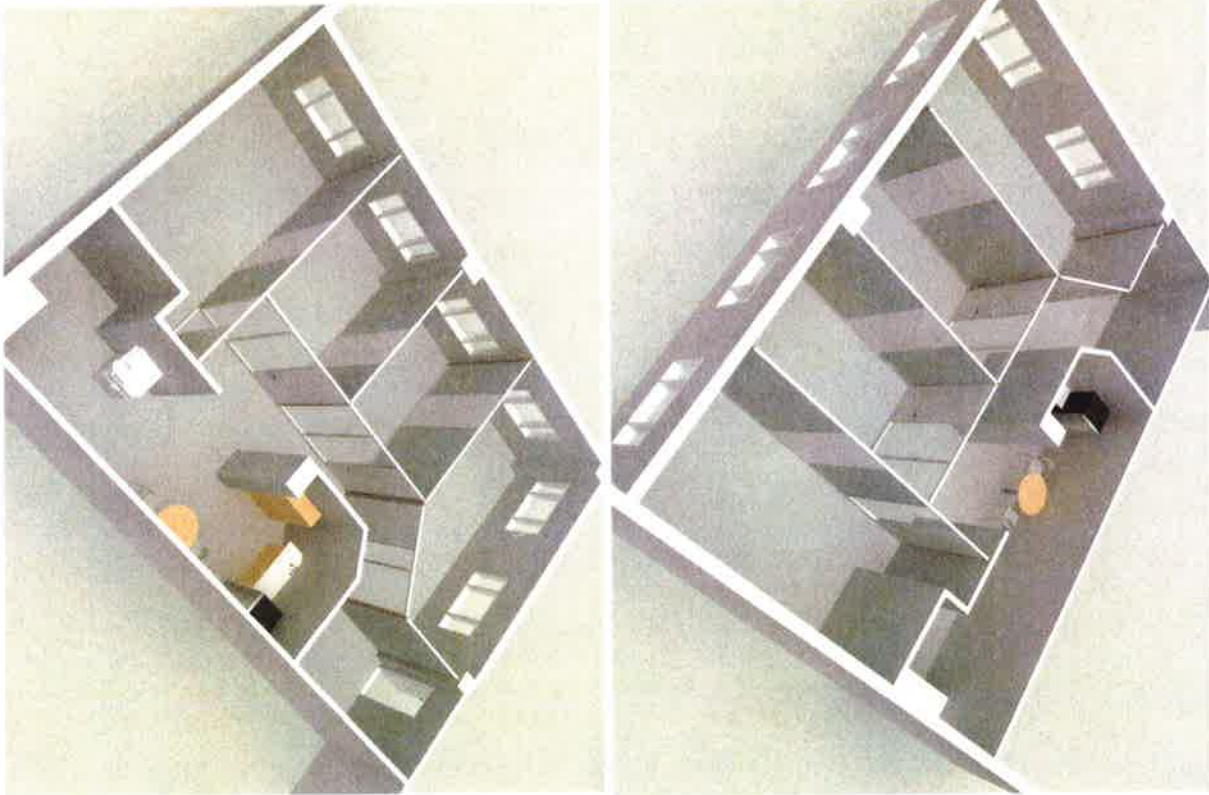
ADOPTED this the 18th day of November, 2014.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

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

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

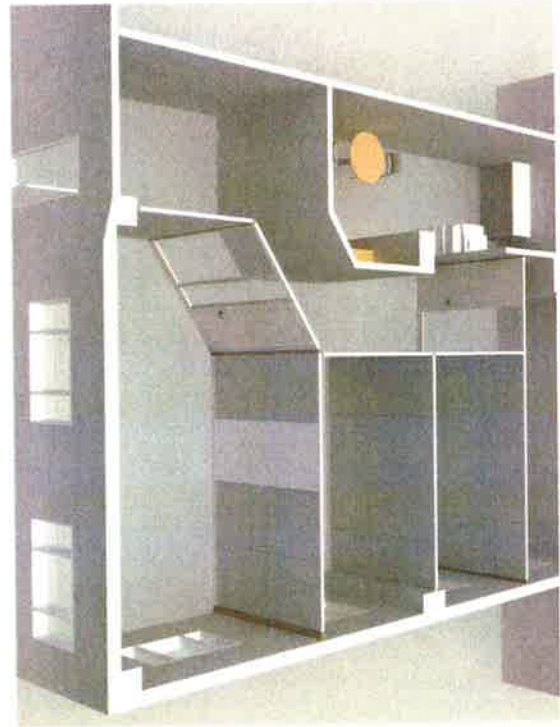


FF-3	SCALE: 1/8" = 1'-0"
	LAST REVISION: 08/28/14
	DESIGNED BY: AG
	DRAWN BY: EICKLEBERG

JUDGE MONTGOMERY SUITE
KINGSPORT CHAMBER
 CLINCHFIELD ST
 KINGSPORT, TN

workspace interiors
 design solutions
 www.workspaceinteriors.com

3000 W. MARKET ST. SUITE 100
 KINGSBURY, TN 37053
 615-833-1111
 615-833-1112
 615-833-1113
 615-833-1114
 615-833-1115
 615-833-1116
 615-833-1117
 615-833-1118
 615-833-1119
 615-833-1120



OPTION 3

FF-3B	SCALE: NTS
	LAST REVISION: 08-08-14
	ORIGINAL DATE: 08-01-14
	DESIGNED BY: TSK PROJECT MGR: AG


JUDGE MONTGOMERY SUITE
KINGSPORT CHAMBER
 CLINCHFIELD ST
 KINGSPORT, TN

workspace interiors
 design solutions

10001 W. ...
 ...
 ...
 ...
 ...

MEMORANDUM

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

FROM: James H. Demming, City Recorder/CFO 

DATE: November 6, 2014

SUBJECT: Presentation of Submission to the State of Tennessee the Reports on Debt Obligations (State Form CT-0253)

The City conducted two successful competitive bond issues during October and completed their closings on October 31, 2014. The first was a \$15,605,000 General Obligation Public Improvement Bond, Series A issue with the proceeds used to fund the City's FY2015 Capital Improvement Plan. The City received electronic bids from 5 firms, with the winning public bid for the 20 year, fixed rate bonds submitted by FTN Financial Capital Markets with a true interest cost (TIC) of 2.69%.

The second bond issue was a \$9,300,000 General Obligation Public Improvement Bond, Series 2014 B with the proceeds to be used to fund a variety of capital projects associated with the City's Water and Sewer Systems. A total of 5 electronic bids were received with the lowest and best bid submitted by Robert W. Baird & Co., Inc. with a TIC of 2.73%.

In addition, during October, the City was awarded a \$15,000,000 loan from the State of Tennessee's Drinking Water State Revolving Fund. The term of the loan is 20 years and has a fixed interest rate of 1.78%. The proceeds of this loan will fund improvements to the City's Water System.

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

A copy of the Final Financing Report for the sale of the bonds is also provided for your information. This report was prepared by the City Financial Advisor – Raymond James, Morgan Keegan and includes more detailed information about these bond issues.

If additional information is needed, please advise.

REPORT ON DEBT OBLIGATION

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

1. Public Entity:	
Name:	<u>City of Kingsport, Tennessee</u>
Address:	<u>225 West Center Street</u> <u>Kingsport, Tennessee</u>
Debt Issue Name:	<u>General Obligation Public Improvement Bonds, Series 2014A</u>
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	
2. Face Amount: <u>\$ 15,805,000.00</u>	
Premium/Discount:	<u>\$ 1,834,075.80</u>
3. Interest Cost: <u>2.7272 %</u> <input checked="" type="checkbox"/> Tax-exempt <input type="checkbox"/> Taxable	
<input checked="" type="checkbox"/> TIC <input type="checkbox"/> NIC	
<input type="checkbox"/> Variable: Index _____ plus _____ basis points; or	
<input type="checkbox"/> Variable: Remarketing Agent _____	
<input type="checkbox"/> Other: _____	
4. Debt Obligation:	
<input type="checkbox"/> TRAN <input type="checkbox"/> RAN <input type="checkbox"/> CON	
<input type="checkbox"/> BAN <input type="checkbox"/> CRAN <input type="checkbox"/> GAN	
<input checked="" type="checkbox"/> Bond <input type="checkbox"/> Loan Agreement <input type="checkbox"/> Capital Lease	
If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").	
5. Ratings:	
<input type="checkbox"/> Unrated	
Moody's <u>Aa2</u>	Standard & Poor's <u>AA</u> Fitch <u>n/a</u>
6. Purpose:	
	BRIEF DESCRIPTION
<input checked="" type="checkbox"/> General Government <u>100.00 %</u>	<u>various public works projects</u>
<input type="checkbox"/> Education _____ %	_____
<input type="checkbox"/> Utilities _____ %	_____
<input type="checkbox"/> Other _____ %	_____
<input type="checkbox"/> Refunding/Renewal _____ %	_____
7. Security:	
<input checked="" type="checkbox"/> General Obligation <input type="checkbox"/> General Obligation + Revenue/Tax	
<input type="checkbox"/> Revenue <input type="checkbox"/> Tax Increment Financing (TIF)	
<input type="checkbox"/> Annual Appropriation (Capital Lease Only) <input type="checkbox"/> Other (Describe): _____	
8. Type of Sale:	
<input checked="" type="checkbox"/> Competitive Public Sale <input type="checkbox"/> Interfund Loan _____	
<input type="checkbox"/> Negotiated Sale <input type="checkbox"/> Loan Program _____	
<input type="checkbox"/> Informal Bid _____	
9. Date:	
Dated Date: <u>10/31/2014</u>	Issue/Closing Date: <u>10/31/2014</u>

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

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2015	\$ 245,000.00	2.0000 %	2026	\$ 850,000.00	4.0000 %
2016	\$ 280,000.00	3.0000 %	2027	\$ 885,000.00	4.0000 %
2017	\$ 580,000.00	4.0000 %	2028	\$ 920,000.00	4.0000 %
2018	\$ 600,000.00	2.0000 %	2029	\$ 955,000.00	4.0000 %
2019	\$ 620,000.00	5.0000 %	2030	\$ 995,000.00	4.0000 %
2020	\$ 650,000.00	5.0000 %	2031	\$ 1,030,000.00	3.0000 %
2021	\$ 685,000.00	5.0000 %	2032	\$ 1,060,000.00	3.0000 %
2022	\$ 710,000.00	2.0000 %	2033	\$ 1,095,000.00	3.0000 %
2023	\$ 735,000.00	5.0000 %	2034	\$ 1,130,000.00	3.0000 %
2024	\$ 770,000.00	5.0000 %		\$	%
2025	\$ 810,000.00	5.0000 %		\$	%

If more space is needed, attach an additional sheet.

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

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

11. Cost of Issuance and Professionals:

No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 28,509	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 28,198	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 940	Regions Bank
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 21,930	Moody's and Standard & Poors
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount <u>0.84</u> %		
Take Down	\$ 131,394	FTN Financial Capital Markets
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 1,410	i-Deal Prospectus
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
TOTAL COSTS	\$ 212,380	

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

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar	500.00	Regions Bank
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other		

13. Disclosure Document / Official Statement:

None Prepared

EMMA link <http://emma.msrb.org/IssueView/IssueDetails.aspx?id=ER363436> or

Copy attached

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due June 30

Name and title of person responsible for compliance James H. Demming, City Recorder/CFO

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 11/15/2011

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 10/31/2014 and presented at public meeting held on 11/18/2014

Copy to Director to OSLF: on 11/19/2014 either by:

Mail to: 505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

OR Email to: StateAndLocalFinance,PublicDebtForm@cot.tn.gov

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Dennis R. Phillips</u>	<u>Cynthia M. Barnett, Esq.</u>
Title	<u>Mayor</u>	<u>Bond Counsel</u>
Firm	<u>City of Kingsport, Tennessee</u>	<u>Adams and Reese LLP</u>
Email	<u>DennisPhillips@kingsporttn.gov</u>	<u>cindy.barnett@arlaw.com</u>
Date	<u>10/31/2014</u>	<u>10/31/2014</u>

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

1. Public Entity:
 Name: City of Kingsport, Tennessee
 Address: 225 West Center Street
Kingsport, Tennessee
 Debt Issue Name: General Obligation Public Improvement Bonds, Series 2014B
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 9,300,000.00
 Premium/Discount: \$ 223,155.55

3. Interest Cost: 2.7342 % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: _____

4. Debt Obligation:
 TRAN RAN CON
 BAN CRAN GAN
 Bond Loan Agreement Capital Lease
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the encumbered notes with the filing with the Office of State and Local Finance ("OSLF").

5. Ratings:
 Unrated
 Moody's Aa2 Standard & Poor's AA Fitch n/a

6. Purpose:

	PERCENTAGE	BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %	<u>water and sewer systems</u>
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan _____
 Negotiated Sale Loan Program _____
 Informal Bid

9. Date:
 Dated Date: 10/31/2014 Issue/Closing Date: 10/31/2014

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

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2016	\$390,000.00	2.0000 %	2027	\$510,000.00	3.0000 %
2017	\$395,000.00	2.0000 %	2028	\$525,000.00	3.0000 %
2018	\$405,000.00	2.0000 %	2029	\$535,000.00	3.0000 %
2019	\$415,000.00	3.0000 %	2031	\$1,120,000.00	3.0000 %
2020	\$425,000.00	2.0000 %	2032	\$585,000.00	3.0000 %
2021	\$430,000.00	2.0000 %	2033	\$605,000.00	3.0000 %
2022	\$445,000.00	2.0000 %	2034	\$625,000.00	3.0000 %
2023	\$450,000.00	2.0000 %		\$	%
2024	\$465,000.00	3.0000 %		\$	%
2025	\$480,000.00	3.0000 %		\$	%
2026	\$495,000.00	3.0000 %		\$	%

If more space is needed, attach an additional sheet.

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

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

11. Cost of Issuance and Professionals:

No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 16,991	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 16,804	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 560	Regions Bank
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 13,070	Moody's and Standard & Poors
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount 1.44 %		
Take Down	\$ 133,483	Robert W. Baird & Co., Inc.
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 840	I-Deal Prospectus
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
TOTAL COSTS	\$ 181,747	

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

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Dashes points/¢)	FIRM NAME (if different from #11)
Remarketing Agent		
Paying Agent / Registrar	500.00	Regions Bank
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other		

13. Disclosure Document / Official Statement:

None Prepared

EMMA link <http://emma.msrb.org/ER805447-ER627023-ER1028589.pdf> or

Copy attached

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due June 30

Name and title of person responsible for compliance James H. Demming, City Recorder/CFO

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 11/15/2011

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 10/31/2014 and presented at public meeting held on 11/18/2014

Copy to Director to OSLF: on 11/19/2014 either by:

Mail to: 505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

OR Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Dennis R. Phillips</u>	<u>Cynthia M. Barnett, Esq.</u>
Title	<u>Mayor</u>	<u>Bond Counsel</u>
Firm	<u>City of Kingsport, Tennessee</u>	<u>Adams and Reese LLP</u>
Email	<u>DennisPhillips@kingsporttn.gov</u>	<u>cindy.barnett@arlaw.com</u>
Date	<u>10/31/2014</u>	<u>10/31/2014</u>

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

1. Public Entity:
 Name: City of Kingsport
 Address: 225 West Center Street
Kingsport, TN 37660
 Debt Issue Name: Kingsport DWF 14-140
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$15,000,000
 Premium/Discount: \$ _____

3. Interest Cost: 1.78 % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: _____

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

5. Ratings:
 Unrated
 Moody's _____ Standard & Poor's _____ Fitch _____

6. Purpose:

<input type="checkbox"/> General Government _____ %	BRIEF DESCRIPTION <u>Water System Improvements</u>
<input type="checkbox"/> Education _____ %	
<input checked="" type="checkbox"/> Utilities _____ %	
<input type="checkbox"/> Other _____ %	
<input type="checkbox"/> Refunding/Renewal _____ %	

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan _____
 Negotiated Sale Loan Program _____
 Informal Bid _____

9. Date:
 Dated Date: 10/8/2014 Issue/Closing Date: 10/8/2014

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

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%
\$		%	\$		%

If more space is needed, attach an additional sheet. * See Attachment #1 *

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

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

11. Cost of Issuance and Professionals:

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 0	
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
_____	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____%		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 0	
TOTAL COSTS	\$ 0	

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

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis point/s)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin	.08%	State of Tennessee
Other		

13. Disclosure Document / Official Statement:

None Prepared

EMMA link _____ or

Copy attached _____

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due _____

Name and title of person responsible for compliance _____

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 11-15-11

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 11/18/14 and presented at public meeting held on 11/18/14

Copy to Director to OSLF: on 11/20/14 either by:

Mail to: 505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

OR Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Dennis Phillips</u>	<u>James H. Demming</u>
Title	<u>Mayor</u>	<u>City Recorder</u>
Firm	<u>City of Kingsport</u>	<u>City of Kingsport</u>
Email	<u>DennisPhillips@KingsportTN.gov</u>	<u>JamesDemming@KingsportTN.gov</u>
Date	<u>11/12/14</u>	<u>11/12/14</u>

RAYMOND JAMES



Final Financing Report

\$15,605,000 General Obligation Public Improvement Bonds, Series 2014A

\$9,300,000 General Obligation Public Improvement Bonds, Series 2014B

October 31, 2014

**Nashville Public Finance // Debt Investment Banking
One Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800.764.1002**

EXECUTIVE SUMMARY

Overview. Pursuant to authority granted by Section 9-21-101, *et seq.*, *Tennessee Code Annotated*, as amended (the “Act”), the City of Kingsport, Tennessee (the “City”) authorized, issued and delivered its \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A (the “Series 2014A Bonds”) and its \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B (the “Series 2014B Bonds”) on October 31, 2014 (the “Series 2014B Bonds”) (the Series 2014A Bonds and the Series 2014B Bonds are sometimes collectively referred to herein as the “Bonds”).

The Series 2014A Bonds were issued to finance: (i) certain public works projects, consisting of the acquisition of public art; acquisition, construction, improvement and renovation of public school facilities; street, parking, and sidewalk construction, improvement and expansion; acquisition, construction and improvement of a fire training ground and fire protection upgrades; acquisition, construction, and improvement of public recreational facilities, including development and construction of a softball and baseball complex and a tennis complex; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including HVAC improvements; construction of landfill cell; acquisition of public works equipment, including fire ladder trucks, public safety vehicles, gas boy and fuel dispensers, and street lighting improvements; the acquisition of all property real and personal, appurtenant thereto or connected with such work (collectively, the “Series 2014A Project”); and to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Series 2014A Bonds.

The Series 2014B Bonds are being issued to finance certain public works projects, consisting of the acquisition of public art; construction, expansion and improvement of the Municipality’s water system; construction, expansion and improvement of the Municipality’s sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work, to pay legal, fiscal, administrative, and engineering costs, to reimburse the Municipality for the costs of any of the above projects, to pay capitalized interest, and to pay costs incident to the issuance and sale of the Series 2014B Bonds.

Transaction Preparation. As required by the Act, the Board of Mayor and Aldermen of the City (the “BOMA”) formally considered and approved on September 2, 2014 formal detailed bond resolutions prepared by Adams and Reese, LLP, Nashville, Tennessee (“Bond Counsel”) authorizing the sale and issuance of the Bonds. Following formal publication by the City of the initial resolutions previously adopted by the BOMA and during the allowed for 20 day voter review period required by such resolutions and the Act, numerous materials, documents and related data were prepared and collected by Raymond James & Associates, Nashville, Tennessee (the “Financial Advisor”). This information was subsequently provided to Moody’s Investors Service, Inc., a division of Moody’s Corp. (“Moody’s”) and Standard & Poor’s Corporation, a Division of The McGraw – Hill Companies, Inc. (“S&P”) seeking credit reviews for the City and rating assignments for the Bonds. As is usual and customary, “due diligence” calls were conducted among City officials, the Financial Advisor and analysts for Moody’s and S&P in order to provide additional information and answer questions regarding the City, the region and the Bonds. Following their general obligation rating criteria and standard analytical processes, Moody’s affirmed the City’s underlying rating and assigned the Bonds a rating of “Aa2 (Negative Outlook)”. S&P’s credit committee affirmed their outstanding rating of “AA (Stable)”.

Bond Sale. The Series 2014A Bonds and the Series 2014B Bonds were offered separately for sale at competitive public bidding on October 20, 2014 at 11:00 and 11:30 a.m., EDT, respectively. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated October 7, 2014. The *Preliminary Official Statement* was distributed nationally through the electronically facilities of i-dealprospectus by the Financial Advisor to potential underwriters and other interested parties approximately 2 weeks prior to the scheduled sale date along with appropriate bidding information and a summary notice of sale required by the Act.

Through IPREO's BiDCOMP®/Parity® system, 5 of the original 7 firms which indicated an interest in bidding for the Bonds submitted proposals ranging from a high bid of 2.695012 percent on a true interest cost basis ("TIC") to 3.031210 percent.

The successful bidder for the Series 2014A Bonds was an account led by FTN Financial Capital Markets, New York, New York (the "Underwriter") who contracted with the Municipality, subject to the conditions and permitted adjustments set forth in the Detailed Notice of Sale to purchase the Series 2014A Bonds at a purchase price of \$17,107,681.70 (consisting of the par amount of the Series 2014A Bonds, plus a premium of \$1,634,075.80, less an underwriter's discount of \$131,394.10, or a bid price of 109.629 percent of par.

Through IPREO's BiDCOMP®/Parity® system, 5 of the original 6 firms which indicated an interest in bidding for the Series 2014B Bonds submitted proposals ranging from a high bid of 2.730208 percent on a true interest cost basis ("TIC") to 2.975624 percent.

The successful bidder for the Series 2014B Bonds was an account led by Robert W. Baird & Co., Incorporated, Red Bank, New Jersey (the "Underwriter") who contracted with the Municipality, subject to permitted adjustments and conditions set forth in the Detailed Notice of Sale to purchase the Series 2014B Bonds purchase price of \$9,389,672.64 (consisting of the par amount of the Series 2014B Bonds, plus a net premium of \$223,155.55, less an underwriter's discount of \$133,482.91) or a bid price of 100.964 percent of par.

Summary. The attractiveness of the City's credit ratings was clearly appealing to investors as witnessed by the relatively low yields ultimately received for the Series 2014A Bonds and the Series 2014B Bonds, respectively and the number of bidders participating for each transaction under volatile, uncertain market conditions. The final, adjusted all-inclusive cost ("AIC") (i.e., including all transaction costs) for the Series 2014A Bonds was 2.776824 percent and the weighted average maturity ("WAM") was 11.822 years. The AIC for the Series 2014B Bonds was 2.7877969 percent and the WAM was 11.524 years.

RAYMOND JAMES®

MEMORANDUM - VIA EMAIL

To: Underwriter – FTN Financial Capital Markets (“FTN”)

Mary Ann Bohne
Vincent Pietanza

From: Financial Advisor – Raymond James & Associates, Inc. (“Raymond James”)

Rick Dulaney
Elizabeth Zuelke

Date: October 27, 2014

Re: Closing Wiring Instructions - \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A (the “Bonds”) of the City of Kingsport, Tennessee (the “City”) dated October 31, 2014.

cc: James Demming, Cindy Barnett, Esq., Joni Southwell, Elizabeth Zuelke, Tracy Johnson

The following information provides an itemization of the wiring instructions relating to the Bonds which will close on October 31, 2014 at 8:00 a.m. or as soon as possible thereafter.

Previously, FTN wired a good faith deposit totaling \$312,100.00 to Raymond James to be held on behalf of the City which will be applied to the purchase price of the Bonds at closing. In order to provide for the remaining balance due, please wire or transfer \$16,795,581.70 to the City which together with the good faith deposit will total the purchase price of \$17,107,681.70.

First Tennessee Bank, Memphis
Routing No: 084000026
For Further Credit to: Kingsport Account
Account No: 100041379
Account Name: City of Kingsport Deposits Clearing

After completing the wire transfer, please e-mail (richard.dulaney@raymondjames.com) or call 800.764.1002 with the Fed Reference Number and time. If you have any questions regarding these instructions, please contact us.

RAYMOND JAMES®

MEMORANDUM - VIA EMAIL

To: Underwriter – Robert W. Baird & Co., Inc. (“Baird”)

Charles Galarza
Charles Massaro

From: Financial Advisor – Raymond James & Associates, Inc. (“Raymond James”)

Rick Dulaney
Elizabeth Zuelke

Date: October 27, 2014

Re: Closing Wiring Instructions - \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B (the “Bonds”) of the City of Kingsport, Tennessee (the “City”) dated October 31, 2014.

cc: James Demming, Cindy Barnett, Esq., Joni Southwell, Elizabeth Zuelke, Tracy Johnson

The following information provides an itemization of the wiring instructions relating to the Bonds which will close on October 31, 2014 at 8:00 a.m. or as soon as possible thereafter.

Previously, Baird wired a good faith deposit totaling \$186,000.00 to Raymond James to be held on behalf of the City which will be applied to the purchase price of the Bonds at closing. In order to provide for the remaining balance due, please wire \$9,203,672.64 to the City which together with the good faith deposit will total the purchase price of \$9,389,672.64.

First Tennessee Bank, Memphis
Routing No: 084000026
For Further Credit to: Kingsport Account
Account No: 100041379
Account Name: City of Kingsport Deposits Clearing

After completing the wire transfer, please e-mail (richard.dulaney@raymondjames.com) or call 800.764.1002 with the Fed Reference Number and time. If you have any questions regarding these instructions, please contact us.

RAYMOND JAMES®

MEMORANDUM - VIA EMAIL

To: Joni Southwell

From: Rick Dulaney
Elizabeth Zuelke

Date: October 28, 2014

Re: Closing Wiring Instructions - \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A (the "Series 2014A Bonds") and \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B (the "Series 2014B Bonds") of the City of Kingsport, Tennessee (the "City"), dated October 31, 2014.

cc: James Demming, Cindy Barnett, Esq., Elizabeth Zuelke, Tracy Johnson

The following information provides an itemization of the wire instructions relating to the Series 2014A Bonds and the Series 2014B Bonds (collectively, the "Bonds") which will close on October 31, 2014 at 8:00 a.m. or as soon as possible thereafter.

Previously, FTN Financial Capital Markets ("FTN") wired a good faith deposit totaling \$312,100.00 to Raymond James to be held on behalf of the City and applied to the purchase price of the Series 2014A Bonds at closing. In order to provide for the remaining balance due, FTN will wire \$16,795,581.70 directly to the City which together with the good faith deposit will total the purchase price paid by FTN of \$17,107,681.70.

Robert W. Baird & Co., Inc. ("Baird") also wired a good faith deposit totaling \$186,000.00 to Raymond James for the benefit of the City to be applied to the purchase price of the Series 2014B -1500Bonds at closing. In order to provide for the remaining balance due, Baird will wire \$9,203,672.64 directly to the City which together with the good faith deposit will total the purchase price of \$9,389,672.64.

From the total combined sum of \$498,100.00 representing the good faith deposits for the Series 2014A Bonds (\$312,100) and the Series 2014B Bonds (\$186,000), please execute the following closing transactions:

1. Please wire \$45,000.00 to Adams and Reece LLP for services rendered as bond counsel:

Regions Bank
New Orleans, LA
ABA No. 062005690
Further credit to Regions Bank - New Orleans, La. Main Office
Account: Adams and Reese LLP General Account
Account No. 41-0516-3927
File No. 613386 - 000009
Cindy Barnett, Billing Attorney

2. Please wire \$1,500.00 to I-deal LLC representing POS electronic distribution fee as follows:

JPMorganChase, New York, NY
ABA No. 021000021
Credit: I-deal LLC
Account No. 066603161
SWIFT CODE: CHASUS33

3. Please wire \$17,500.00 to Standard & Poors representing the rating fee for the Bonds as follows:

Bank of America
San Francisco, CA
ABA No. 0260-0959-3
Credit: Standard and Poor's
Account No. 12334-02500
Re: Invoice No.: 10356837

4. Please wire Moody's Investor's Service, Inc. \$17,500.00 representing the rating fee for the Bonds as follows:

SunTrust Bank
Transit Routing # 061000104
ACH # 061000104
Moody's Account # 8801939847
Invoice: P0136435

5. Please wire \$1,500.00 to Regions Bank Corporate Trust Services department representing the registration, paying and dissemination agent initial fees for the Bonds as follows:

Regions Bank
ABA No. 062005690
For Credit to Wealth Management A/C# 0017541387
For Further Credit: KINGSPORTGO14AB
ATTN: Elizabeth Lance

6. Please transfer interally the sum of \$46,250.00 representing the net Financial Advisory Fee (\$45,500.00) and payment of the POS/OS printing reimbursement (\$750.00).

7. Following the forgoing disbursement, please wire the balance of \$368,850.00 composed of \$231,114.39 from the Series 2014A Bonds and \$137,735.61 from the Series 2014B Bonds to the City of Kingsport, Tennessee as follows:

First Tennessee Bank, Memphis
Routing No: 084000026
For Further Credit to: Kingsport Account
Account No: 100041379
Account Name: City of Kingsport Deposits Clearing

After completing the wire transfers, please please e-mail (richard.dulaney@raymondjames.com)
or call 800.764.1002 with the Fed Reference Numbers and times. If you have any questions
regarding these instructions, please contact us.



Attorneys at Law

Alabama
Florida
Louisiana
Mississippi
South Carolina
Tennessee
Texas
Washington, DC

October 31, 2014

Mr. James H. Demming
City of Kingsport
City Recorder
225 West Center Street
Kingsport, Tennessee 37660

Office: 615-259-1450
Fax: 615-259-1470

STATEMENT

613386-000009

FOR PROFESSIONAL SERVICES:

Legal services as bond counsel to the City of Kingsport, Tennessee, including drafting documents, reviewing documents, revision of documents, telephone calls, bond counsel opinions, etc., in connection with the issuance of those certain \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A and those certain \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B, including out of pocket expenses.

Total \$ 45,000.00

Wire Instructions:

Regions Bank
New Orleans, LA
ABA # 062005690
Further credit to Regions Bank - New Orleans, La. Main Office
Account: Adams and Reese LLP General Account
Account # 41-0516-3927

[Please include the following information to aid in identification:

File number 613386-000009
Cindy Barnett, Billing Attorney]

THANK YOU

Invoice Number	10026775
Date	9/30/2014
Payment Terms	Due Upon Receipt
Customer No.	RAYMONTN



ipreo LLC
ipreo Data Inc.
Marketpipe
CapitalBridge

Federal Tax ID # 47-1492236

Bill To:

Raymond James & Associates
Tracy Johnson
1 Burton Hills Boulevard
Suite 225
Nashville TN 37215-6104

\$26,300,000.00
City of Kingsport, Tennessee
GO Public Improvement Bonds
Series 2014 A&B

Service(s) Rendered	Description	Deal Date
---------------------	-------------	-----------

ELECTRONIC DISTR. OF POS/OS

Please send remittance to:
ipreo LLC
P.O. Box 26886
New York, NY 10087-6886
or Via Wire Transfer to:
JPMorganChase, New York, NY
ABA # 021000021
Acct # 066603161
SWIFT CODE: CHASUS33

Subtotal	\$1,500.00
Sales Tax	\$0.00
Total Due	\$1,500.00

Questions? Email Acctsrec@ipreo.com

1359 Broadway 2nd Fl New York, NY 10018
Tel. 800-850-7422 Tel. 212-849-5000 Fax. 212-812-4447
www.ipreo.com



INVOICE

CORPORATE TRUST SERVICES
 150 4th Ave. North, Suite 900
 Nashville, Tennessee 37219
 Phone (615) 770-4362 Fax (615) 770-4350

DATE: October 27, 2014
Administrator: Elizabeth Lance
Invoice #: 1014-004

Bill To:
 City of Kingsport, Tennessee
 Attn: James H. Demming, Finance Director
 225 West Center Street
 Kingsport, TN 37660

RE:
\$15,605,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2014A
\$9,300,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2014B

DESCRIPTION	AMOUNT
2014A First Year's Annual Administration Fee (10/31/14 through 11/1/15)	\$ 500.00
2014B First Year's Annual Administration Fee (10/31/14 through 11/1/15)	\$ 500.00
First Year's Dissemination Agent Fee (10/31/14 through 11/1/15) (This fee covers all bond issues for the Issuer)	\$ 500.00
TOTAL	\$ 1,500.00

Make all checks payable to **Regions Bank**
 If you have any questions concerning this invoice,
 contact your Trust Officer or Administrator.

THANK YOU FOR YOUR BUSINESS!

MR. JAMES H. DEMMING
FINANCE DIRECTOR
KINGSPORT (CITY OF) TN
225 WEST CENTER STREET
KINGSPORT, TN 37660

Invoice

Recipient	Invoice No.:	P0136435
KINGSPORT (CITY OF) TN 225 WEST CENTER STREET KINGSPORT, TN 37660	Customer No.:	300102909
	Invoice Date:	October 23, 2014

For Professional Services:		
Total Net Value:	USD	17,500.00
State and Local Taxes:	USD	0.00
Invoice Amount:	USD	17,500.00

Inquiries Contact

Jude Piezema
Phone: 212-553-2853 Fax:
Email: jude.piezema-non-empl@moodys.com

Moody's Investors Service, Inc. Taxpayer ID#: 13-1959883

Please do not contact your Analytic Team regarding this or any other fee-related matter.

Return This Portion With Your Payment

Invoice No.: P0136435
Moodys Ref No.: P0136435
Customer No.: 300102909
Invoice Date: October 23, 2014

Invoice Amount: USD 17,500.00
Invoice Payable in USD

Wire Payment with Invoice Number to

SunTrust Bank
Transit Routing # 061000104
ACH # 061000104
Moody's Account # 8801939847
For Customers wiring outside the U.S.: Swift Code: SNTRUS3A

Mail Payment with Invoice Stub To

Moody's Investors Service, Inc.
P.O. BOX 102597
ATLANTA, GEORGIA 30368-0597
USA

PAYMENT DUE UPON RECEIPT

Moody's Investors Service, Inc.
7WTC AT 250 GREENWICH STREET
NEW YORK, NY 10007
USA

Invoice No.: P0136435
Invoice Date: October 23, 2014

Invoice Supporting Detail

For Professional Services:

Local Governments, Initial Fee:

USD 17,500

USD 15,605,000 KINGSPORT (CITY OF) TN-City of Kingsport, TN, KINGSPORT (CITY OF) TN-City of Kingsport, TN, General Obligation Public Improvement Bonds, Series 2014A

USD 17,500

USD 9,300,000 KINGSPORT (CITY OF) TN-City of Kingsport, TN, KINGSPORT (CITY OF) TN-City of Kingsport, TN, General Obligation Public Improvement Bonds, Series 2014B

USD 0

Total: USD 17,500



**STANDARD & POOR'S
RATINGS SERVICES**

McGraw Hill Financial

Standard & Poor's Financial Services, LLC
Federal I.D.: 26-3740348

Invoice No.: 10356837
Customer No.: 1000062805
Invoice Date: 10/23/14

Page No.: 1
Print Date: 10/27/14

0201

RICHARD T. DULANEY
RAYMOND JAMES & ASSOCIATES INC
ONE BURTON HILLS BLVD
SUITE 225
NASHVILLE TN 37215-6299

101011 ANALYTICAL SERVICES RENDERED IN CONNECTION WITH: \$17,500.00
US\$15,605,000 City of Kingsport, Tennessee,
General Obligation Public Improvement Bonds,
Series 2014A, dated: Date of delivery, due:
September 01, 2034 US\$9,300,000 City of
Kingsport, Tennessee, General Obligation Public
Improvement Bonds, Series 2014B, dated: Date of
Delivery, due: September 01, 2034

FOR INQUIRIES PLEASE CONTACT: SANTOSHI VYRAGARAM
SANTHOSHI.VYRAGARAM@STANDARDANDPOORS.COM
PHONE: 1-800-767-1896 EXT #5
FAX: 1-212-438-5178

For inquiries contact the client services representative listed on this invoice. Do not return
it or direct any inquiries about the invoice to credit ratings analysts. S&P maintains
a separation of commercial and analytical activities. Please note that our credit ratings
analysts are not permitted to communicate, negotiate, arrange or collect credit rating fees.

PLEASE REFERENCE INVOICE OR STATEMENT NUMBER ON ALL CHECKS AND WIRE TRANSFERS

This Invoice Due and Payable As Of: 10/23/14 INVOICE TOTAL \$17,500.00 USD

Make Checks Payable To:
 **STANDARD & POOR'S
RATINGS SERVICES**
McGraw Hill Financial

Standard & Poor's Financial Services, LLC
Federal I.D.: 26-3740348

Invoice No.: 10356837
Customer No.: 1000062805
Invoice Date: 10/23/14

0201 Billed To:
RICHARD T. DULANEY
RAYMOND JAMES & ASSOCIATES INC
ONE BURTON HILLS BLVD
SUITE 225
NASHVILLE TN 37215-6299

Wire Transfer To:
Please include invoice #
Bank of America-San Francisco CA
Standard & Poor's
Account # 12334-02500
ABA # 0260-0959-3
Or E-mail: cashapps@mhfi.com

Remit To:
STANDARD AND POOR'S
2542 COLLECTION CENTER DRIVE
CHICAGO, IL 60693

10000628051 10356837 01750000 1 700 10 07 1014 5

TOTAL AMOUNT DUE:
\$17,500.00 USD
AMOUNT ENCLOSED:

RAYMOND JAMES®

October 31, 2014

City of Kingsport, Tennessee
Attn: James H. Demming, CPA
Chief Financial Officer
City Hall
225 W. Center Street
Kingsport, Tennessee 37660

For services rendered in accordance with the executed Financial Advisory Agreement between the City of Kingsport, Tennessee (the "City") and Raymond James & Associates relating to the authorization, sale and issuance of its \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A and \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B dated October 31, 2014 (the "Bonds") including the payment of all expenses as depicted in Exhibit A related thereto..... \$129,250.00

Exhibit A
CITY OF KINGSPORT, TENNESSEE

\$15,605,000 General Obligation Public Improvement Bonds, Series 2014A

\$9,300,000 General Obligation Public Improvement Bonds, Series 2014B

Consistent with the terms of the Issuer’s formally adopted Debt Management Policy and in the interest of full transparency, the following disclosure is made with respect to the sale and issuance of the \$15,605,000 General Obligation Public Improvement Bonds, Series 2014A and the \$9,300,000 General Obligation Public Improvement Bonds, Series 2014B of the City of Kingsport, Tennessee (collectively, the “Bonds”).

The services, service providers and estimated costs related to the sale and issuance of the Bonds are as follows:

<u>Service</u>	<u>Provider/Other</u>	<u>Estimated Total⁽¹⁾</u>	<u>Adjusted*</u>
Municipal Advisor (per agreement”):	Raymond James & Associates, Inc.	\$45,500	\$45,500
Bond Counsel (per agreement):	Adams and Reese LLP	40,000	45,000
Rating Agencies:	Moody’s	17,500	17,500
	Standard & Poor’s	17,500	17,500
POS/OS Dissemination; Legal Advertising; Printing; etc.	I-deal prospectus; UPS Store; RJ	2,250	2,250
Registration, Paying and Dissemination Agent:	Regions Corporate Trust	1,000	1,500
Other (Estimated):	Miscellaneous	<u>500</u>	<u>0</u>
Total:		<u>\$124,250</u>	<u>\$129,250</u>

⁽¹⁾ Estimated and subject to adjustment and revision based on final sizing and invoices, etc.

*Final

RAYMOND JAMES



FINAL SCHEDULES

\$15,605,000 General Obligation Public Improvement Bonds, Series 2014A
\$9,300,000 General Obligation Public Improvement Bonds, Series 2014B

October 20, 2014

Nashville Public Finance // Debt Investment Banking
One Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800.764.1002

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Table of Contents

Report

ISSUE SUMMARY

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Operation Of Capitalized Interest Fund	15

10 YR AMORT GENERAL

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20 YR AMORT NON-INSPIRE

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\$9,300,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014B
(Water & Sewer Portion)

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Report

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WATER FUND

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\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Total Issue Sources And Uses

Dated 10/31/2014 | Delivered 10/31/2014

	20 yr Amort Inspire	10 yr Amort General	20 yr Amort Non-Inspire	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$8,345,000.00	\$1,515,000.00	\$5,745,000.00	\$15,605,000.00
Reoffering Premium	895,404.30	210,079.60	528,591.90	1,634,075.80
Total Sources	\$9,240,404.30	\$1,725,079.60	\$6,273,591.90	\$17,239,075.80
Uses Of Funds				
Deposit to Project Construction Fund	8,540,000.00	1,700,000.00	6,200,000.00	16,440,000.00
Deposit to Capitalized Interest (CIF) Fund	585,994.86	-	-	585,994.86
Total Underwriter's Discount (0.842%)	70,264.90	12,756.30	48,372.90	131,394.10
Costs of Issuance	43,308.22	7,862.44	29,814.95	80,985.61
Rounding Amount	836.32	4,460.86	(4,595.95)	701.23
Total Uses	\$9,240,404.30	\$1,725,079.60	\$6,273,591.90	\$17,239,075.80

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Detail Costs Of Issuance

Dated 10/31/2014 | Delivered 10/31/2014

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$28,509.44
Bond Counsel	\$28,196.15
Moody's fee	\$10,965.17
S&P fee	\$10,965.17
POS/Official Statement	\$1,409.81
Registration and Paying Agent	\$939.87
TOTAL	\$80,985.61

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2015	Serial Coupon	2.000%	0.230%	245,000.00	101.472%	-	-	-	248,606.40
09/01/2016	Serial Coupon	3.000%	0.450%	280,000.00	104.650%	-	-	-	293,020.00
09/01/2017	Serial Coupon	4.000%	0.700%	580,000.00	109.241%	-	-	-	633,597.80
09/01/2018	Serial Coupon	2.000%	0.930%	600,000.00	104.019%	-	-	-	624,114.00
09/01/2019	Serial Coupon	5.000%	1.160%	620,000.00	117.996%	-	-	-	731,575.20
09/01/2020	Serial Coupon	5.000%	1.400%	650,000.00	120.096%	-	-	-	780,624.00
09/01/2021	Serial Coupon	5.000%	1.650%	685,000.00	121.562%	-	-	-	832,699.70
09/01/2022	Serial Coupon	2.000%	1.840%	710,000.00	101.161%	-	-	-	718,243.10
09/01/2023	Serial Coupon	5.000%	1.950%	735,000.00	124.636%	-	-	-	916,074.60
09/01/2024	Serial Coupon	5.000%	2.040%	770,000.00	126.249%	-	-	-	972,117.30
09/01/2025	Serial Coupon	5.000%	2.120%	810,000.00	125.438%	c 2.329%	09/01/2024	100.000%	1,016,047.80
09/01/2026	Serial Coupon	4.000%	2.350%	850,000.00	114.409%	c 2.579%	09/01/2024	100.000%	972,476.50
09/01/2027	Serial Coupon	4.000%	2.450%	885,000.00	113.469%	c 2.747%	09/01/2024	100.000%	1,004,200.65
09/01/2028	Serial Coupon	4.000%	2.530%	920,000.00	112.723%	c 2.878%	09/01/2024	100.000%	1,037,051.60
09/01/2029	Serial Coupon	4.000%	2.580%	955,000.00	112.260%	c 2.972%	09/01/2024	100.000%	1,072,083.00
09/01/2030	Serial Coupon	4.000%	2.640%	995,000.00	111.707%	c 3.061%	09/01/2024	100.000%	1,111,484.65
09/01/2031	Serial Coupon	3.000%	3.000%	1,030,000.00	100.000%	-	-	-	1,030,000.00
09/01/2032	Serial Coupon	3.000%	3.040%	1,060,000.00	99.449%	-	-	-	1,054,159.40
09/01/2033	Serial Coupon	3.000%	3.080%	1,095,000.00	98.860%	-	-	-	1,082,517.00
09/01/2034	Serial Coupon	3.000%	3.130%	1,130,000.00	98.087%	-	-	-	1,108,383.10
Total	-	-	-	\$15,605,000.00	-	-	-	-	\$17,239,075.80

Bid Information

Par Amount of Bonds	\$15,605,000.00
Reoffering Premium or (Discount)	1,634,075.80
Gross Production	\$17,239,075.80
Total Underwriter's Discount (0.842%)	\$(131,394.10)
Bid (109.629%)	17,107,681.70
Total Purchase Price	\$17,107,681.70
Bond Year Dollars	\$187,912.51
Average Life	12.042 Years
Average Coupon	3.6720706%
Net Interest Cost (NIC)	2.8723997%
True Interest Cost (TIC)	2.7271572%

\$16.340 MM 2015 New Money | Issue Summary | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	198,255.14	198,255.14	-
06/30/2015	-	-	-	-	198,255.14
09/01/2015	245,000.00	2.000%	294,925.00	539,925.00	-
03/01/2016	-	-	292,475.00	292,475.00	-
06/30/2016	-	-	-	-	832,400.00
09/01/2016	280,000.00	3.000%	292,475.00	572,475.00	-
03/01/2017	-	-	288,275.00	288,275.00	-
06/30/2017	-	-	-	-	860,750.00
09/01/2017	580,000.00	4.000%	288,275.00	868,275.00	-
03/01/2018	-	-	276,675.00	276,675.00	-
06/30/2018	-	-	-	-	1,144,950.00
09/01/2018	600,000.00	2.000%	276,675.00	876,675.00	-
03/01/2019	-	-	270,675.00	270,675.00	-
06/30/2019	-	-	-	-	1,147,350.00
09/01/2019	620,000.00	5.000%	270,675.00	890,675.00	-
03/01/2020	-	-	255,175.00	255,175.00	-
06/30/2020	-	-	-	-	1,145,850.00
09/01/2020	650,000.00	5.000%	255,175.00	905,175.00	-
03/01/2021	-	-	238,925.00	238,925.00	-
06/30/2021	-	-	-	-	1,144,100.00
09/01/2021	685,000.00	5.000%	238,925.00	923,925.00	-
03/01/2022	-	-	221,800.00	221,800.00	-
06/30/2022	-	-	-	-	1,145,725.00
09/01/2022	710,000.00	2.000%	221,800.00	931,800.00	-
03/01/2023	-	-	214,700.00	214,700.00	-
06/30/2023	-	-	-	-	1,146,500.00
09/01/2023	735,000.00	5.000%	214,700.00	949,700.00	-
03/01/2024	-	-	196,325.00	196,325.00	-
06/30/2024	-	-	-	-	1,146,025.00
09/01/2024	770,000.00	5.000%	196,325.00	966,325.00	-
03/01/2025	-	-	177,075.00	177,075.00	-

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	1,143,400.00
09/01/2025	810,000.00	5.000%	177,075.00	987,075.00	-
03/01/2026	-	-	156,825.00	156,825.00	-
06/30/2026	-	-	-	-	1,143,900.00
09/01/2026	850,000.00	4.000%	156,825.00	1,006,825.00	-
03/01/2027	-	-	139,825.00	139,825.00	-
06/30/2027	-	-	-	-	1,146,650.00
09/01/2027	885,000.00	4.000%	139,825.00	1,024,825.00	-
03/01/2028	-	-	122,125.00	122,125.00	-
06/30/2028	-	-	-	-	1,146,950.00
09/01/2028	920,000.00	4.000%	122,125.00	1,042,125.00	-
03/01/2029	-	-	103,725.00	103,725.00	-
06/30/2029	-	-	-	-	1,145,850.00
09/01/2029	955,000.00	4.000%	103,725.00	1,058,725.00	-
03/01/2030	-	-	84,625.00	84,625.00	-
06/30/2030	-	-	-	-	1,143,350.00
09/01/2030	995,000.00	4.000%	84,625.00	1,079,625.00	-
03/01/2031	-	-	64,725.00	64,725.00	-
06/30/2031	-	-	-	-	1,144,350.00
09/01/2031	1,030,000.00	3.000%	64,725.00	1,094,725.00	-
03/01/2032	-	-	49,275.00	49,275.00	-
06/30/2032	-	-	-	-	1,144,000.00
09/01/2032	1,060,000.00	3.000%	49,275.00	1,109,275.00	-
03/01/2033	-	-	33,375.00	33,375.00	-
06/30/2033	-	-	-	-	1,142,650.00
09/01/2033	1,095,000.00	3.000%	33,375.00	1,128,375.00	-
03/01/2034	-	-	16,950.00	16,950.00	-
06/30/2034	-	-	-	-	1,145,325.00
09/01/2034	1,130,000.00	3.000%	16,950.00	1,146,950.00	-
06/30/2035	-	-	-	-	1,146,950.00
Total	\$15,605,000.00	-	\$6,900,280.14	\$22,505,280.14	-

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$187,912.51
Average Life	12.042 Years
Average Coupon	3.6720706%
Net Interest Cost (NIC)	2.8723997%
True Interest Cost (TIC)	2.7271572%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.7768324%

IRS Form 8038

Net Interest Cost	2.5840842%
Weighted Average Maturity	11.822 Years

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	198,255.14	198,255.14
06/30/2016	245,000.00	2.000%	587,400.00	832,400.00
06/30/2017	280,000.00	3.000%	580,750.00	860,750.00
06/30/2018	580,000.00	4.000%	564,950.00	1,144,950.00
06/30/2019	600,000.00	2.000%	547,350.00	1,147,350.00
06/30/2020	620,000.00	5.000%	525,850.00	1,145,850.00
06/30/2021	650,000.00	5.000%	494,100.00	1,144,100.00
06/30/2022	685,000.00	5.000%	460,725.00	1,145,725.00
06/30/2023	710,000.00	2.000%	436,500.00	1,146,500.00
06/30/2024	735,000.00	5.000%	411,025.00	1,146,025.00
06/30/2025	770,000.00	5.000%	373,400.00	1,143,400.00
06/30/2026	810,000.00	5.000%	333,900.00	1,143,900.00
06/30/2027	850,000.00	4.000%	296,650.00	1,146,650.00
06/30/2028	885,000.00	4.000%	261,950.00	1,146,950.00
06/30/2029	920,000.00	4.000%	225,850.00	1,145,850.00
06/30/2030	955,000.00	4.000%	188,350.00	1,143,350.00
06/30/2031	995,000.00	4.000%	149,350.00	1,144,350.00
06/30/2032	1,030,000.00	3.000%	114,000.00	1,144,000.00
06/30/2033	1,060,000.00	3.000%	82,650.00	1,142,650.00
06/30/2034	1,095,000.00	3.000%	50,325.00	1,145,325.00
06/30/2035	1,130,000.00	3.000%	16,950.00	1,146,950.00
Total	\$15,605,000.00	-	\$6,900,280.14	\$22,505,280.14

Yield Statistics

Bond Year Dollars	\$187,912.51
Average Life	12.042 Years
Average Coupon	3.6720706%
Net Interest Cost (NIC)	2.8723997%
True Interest Cost (TIC)	2.7271572%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.7768324%

IRS Form 8038

Net Interest Cost	2.5840842%
Weighted Average Maturity	11.822 Years

\$16,340 MM 2015 New Money | Issue Summary | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Net Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
10/31/2014	-	-	-	-	-	-	-
03/01/2015	-	-	198,255.14	198,255.14	(107,269.86)	90,985.28	-
06/30/2015	-	-	-	-	-	-	90,985.28
09/01/2015	245,000.00	2.000%	294,925.00	539,925.00	(159,575.00)	380,350.00	-
03/01/2016	-	-	292,475.00	292,475.00	(159,575.00)	132,900.00	-
06/30/2016	-	-	-	-	-	-	513,250.00
09/01/2016	280,000.00	3.000%	292,475.00	572,475.00	(159,575.00)	412,900.00	-
03/01/2017	-	-	288,275.00	288,275.00	-	288,275.00	-
06/30/2017	-	-	-	-	-	-	701,175.00
09/01/2017	580,000.00	4.000%	288,275.00	868,275.00	-	868,275.00	-
03/01/2018	-	-	276,675.00	276,675.00	-	276,675.00	-
06/30/2018	-	-	-	-	-	-	1,144,950.00
09/01/2018	600,000.00	2.000%	276,675.00	876,675.00	-	876,675.00	-
03/01/2019	-	-	270,675.00	270,675.00	-	270,675.00	-
06/30/2019	-	-	-	-	-	-	1,147,350.00
09/01/2019	620,000.00	5.000%	270,675.00	890,675.00	-	890,675.00	-
03/01/2020	-	-	255,175.00	255,175.00	-	255,175.00	-
06/30/2020	-	-	-	-	-	-	1,145,850.00
09/01/2020	650,000.00	5.000%	255,175.00	905,175.00	-	905,175.00	-
03/01/2021	-	-	238,925.00	238,925.00	-	238,925.00	-
06/30/2021	-	-	-	-	-	-	1,144,100.00
09/01/2021	685,000.00	5.000%	238,925.00	923,925.00	-	923,925.00	-
03/01/2022	-	-	221,800.00	221,800.00	-	221,800.00	-
06/30/2022	-	-	-	-	-	-	1,145,725.00
09/01/2022	710,000.00	2.000%	221,800.00	931,800.00	-	931,800.00	-
03/01/2023	-	-	214,700.00	214,700.00	-	214,700.00	-
06/30/2023	-	-	-	-	-	-	1,146,500.00
09/01/2023	735,000.00	5.000%	214,700.00	949,700.00	-	949,700.00	-
03/01/2024	-	-	196,325.00	196,325.00	-	196,325.00	-
06/30/2024	-	-	-	-	-	-	1,146,025.00
09/01/2024	770,000.00	5.000%	196,325.00	966,325.00	-	966,325.00	-
03/01/2025	-	-	177,075.00	177,075.00	-	177,075.00	-

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Net Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/30/2025	-	-	-	-	-	-	1,143,400.00
09/01/2025	810,000.00	5.000%	177,075.00	987,075.00	-	987,075.00	-
03/01/2026	-	-	156,825.00	156,825.00	-	156,825.00	-
06/30/2026	-	-	-	-	-	-	1,143,900.00
09/01/2026	850,000.00	4.000%	156,825.00	1,006,825.00	-	1,006,825.00	-
03/01/2027	-	-	139,825.00	139,825.00	-	139,825.00	-
06/30/2027	-	-	-	-	-	-	1,146,650.00
09/01/2027	885,000.00	4.000%	139,825.00	1,024,825.00	-	1,024,825.00	-
03/01/2028	-	-	122,125.00	122,125.00	-	122,125.00	-
06/30/2028	-	-	-	-	-	-	1,146,950.00
09/01/2028	920,000.00	4.000%	122,125.00	1,042,125.00	-	1,042,125.00	-
03/01/2029	-	-	103,725.00	103,725.00	-	103,725.00	-
06/30/2029	-	-	-	-	-	-	1,145,850.00
09/01/2029	955,000.00	4.000%	103,725.00	1,058,725.00	-	1,058,725.00	-
03/01/2030	-	-	84,625.00	84,625.00	-	84,625.00	-
06/30/2030	-	-	-	-	-	-	1,143,350.00
09/01/2030	995,000.00	4.000%	84,625.00	1,079,625.00	-	1,079,625.00	-
03/01/2031	-	-	64,725.00	64,725.00	-	64,725.00	-
06/30/2031	-	-	-	-	-	-	1,144,350.00
09/01/2031	1,030,000.00	3.000%	64,725.00	1,094,725.00	-	1,094,725.00	-
03/01/2032	-	-	49,275.00	49,275.00	-	49,275.00	-
06/30/2032	-	-	-	-	-	-	1,144,000.00
09/01/2032	1,060,000.00	3.000%	49,275.00	1,109,275.00	-	1,109,275.00	-
03/01/2033	-	-	33,375.00	33,375.00	-	33,375.00	-
06/30/2033	-	-	-	-	-	-	1,142,650.00
09/01/2033	1,095,000.00	3.000%	33,375.00	1,128,375.00	-	1,128,375.00	-
03/01/2034	-	-	16,950.00	16,950.00	-	16,950.00	-
06/30/2034	-	-	-	-	-	-	1,145,325.00
09/01/2034	1,130,000.00	3.000%	16,950.00	1,146,950.00	-	1,146,950.00	-
06/30/2035	-	-	-	-	-	-	1,146,950.00
Total	\$15,605,000.00	-	\$6,900,280.14	\$22,505,280.14	(585,994.86)	\$21,919,285.28	-

\$15,605,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

Operation Of Capitalized Interest Fund

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
10/31/2014	-	-	-	-	-
03/01/2015	107,269.86	-	107,269.86	107,269.86	-
09/01/2015	159,575.00	-	159,575.00	159,575.00	-
03/01/2016	159,575.00	-	159,575.00	159,575.00	-
09/01/2016	159,575.00	-	159,575.00	159,575.00	-
Total	\$585,994.86	-	\$585,994.86	\$585,994.86	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	585,994.86
Total Cost of Investments	\$585,994.86
Target Cost of Investments at bond yield	\$569,398.10
Actual positive or (negative) arbitrage	(16,596.76)
Yield to Receipt	2.67E-15
Yield for Arbitrage Purposes	2.5151722%

Composition Of Initial Deposit

Original Bond Proceeds	585,994.86
Accrued Interest	-
Cash Contribution and Prior Issue Transfers	-

\$8,345,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014A
(Inspire Projects)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	107,269.86	107,269.86	-
06/30/2015	-	-	-	-	107,269.86
09/01/2015	-	-	159,575.00	159,575.00	-
03/01/2016	-	-	159,575.00	159,575.00	-
06/30/2016	-	-	-	-	319,150.00
09/01/2016	-	-	159,575.00	159,575.00	-
03/01/2017	-	-	159,575.00	159,575.00	-
06/30/2017	-	-	-	-	319,150.00
09/01/2017	320,000.00	4.000%	159,575.00	479,575.00	-
03/01/2018	-	-	153,175.00	153,175.00	-
06/30/2018	-	-	-	-	632,750.00
09/01/2018	330,000.00	2.000%	153,175.00	483,175.00	-
03/01/2019	-	-	149,875.00	149,875.00	-
06/30/2019	-	-	-	-	633,050.00
09/01/2019	345,000.00	5.000%	149,875.00	494,875.00	-
03/01/2020	-	-	141,250.00	141,250.00	-
06/30/2020	-	-	-	-	636,125.00
09/01/2020	360,000.00	5.000%	141,250.00	501,250.00	-
03/01/2021	-	-	132,250.00	132,250.00	-
06/30/2021	-	-	-	-	633,500.00
09/01/2021	380,000.00	5.000%	132,250.00	512,250.00	-
03/01/2022	-	-	122,750.00	122,750.00	-
06/30/2022	-	-	-	-	635,000.00
09/01/2022	390,000.00	2.000%	122,750.00	512,750.00	-
03/01/2023	-	-	118,850.00	118,850.00	-
06/30/2023	-	-	-	-	631,600.00
09/01/2023	405,000.00	5.000%	118,850.00	523,850.00	-
03/01/2024	-	-	108,725.00	108,725.00	-
06/30/2024	-	-	-	-	632,575.00
09/01/2024	425,000.00	5.000%	108,725.00	533,725.00	-
03/01/2025	-	-	98,100.00	98,100.00	-

\$16.340 MM 2015 New Money | 20 yr Amort Inspire | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$8,345,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Inspire Projects)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	631,825.00
09/01/2025	450,000.00	5.000%	98,100.00	548,100.00	-
03/01/2026	-	-	86,850.00	86,850.00	-
06/30/2026	-	-	-	-	634,950.00
09/01/2026	470,000.00	4.000%	86,850.00	556,850.00	-
03/01/2027	-	-	77,450.00	77,450.00	-
06/30/2027	-	-	-	-	634,300.00
09/01/2027	490,000.00	4.000%	77,450.00	567,450.00	-
03/01/2028	-	-	67,650.00	67,650.00	-
06/30/2028	-	-	-	-	635,100.00
09/01/2028	510,000.00	4.000%	67,650.00	577,650.00	-
03/01/2029	-	-	57,450.00	57,450.00	-
06/30/2029	-	-	-	-	635,100.00
09/01/2029	530,000.00	4.000%	57,450.00	587,450.00	-
03/01/2030	-	-	46,850.00	46,850.00	-
06/30/2030	-	-	-	-	634,300.00
09/01/2030	550,000.00	4.000%	46,850.00	596,850.00	-
03/01/2031	-	-	35,850.00	35,850.00	-
06/30/2031	-	-	-	-	632,700.00
09/01/2031	570,000.00	3.000%	35,850.00	605,850.00	-
03/01/2032	-	-	27,300.00	27,300.00	-
06/30/2032	-	-	-	-	633,150.00
09/01/2032	590,000.00	3.000%	27,300.00	617,300.00	-
03/01/2033	-	-	18,450.00	18,450.00	-
06/30/2033	-	-	-	-	635,750.00
09/01/2033	605,000.00	3.000%	18,450.00	623,450.00	-
03/01/2034	-	-	9,375.00	9,375.00	-
06/30/2034	-	-	-	-	632,825.00
09/01/2034	625,000.00	3.000%	9,375.00	634,375.00	-
06/30/2035	-	-	-	-	634,375.00
Total	\$8,345,000.00	-	\$3,809,544.86	\$12,154,544.86	-

\$8,345,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Inspire Projects)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$103,627.35
Average Life	12.418 Years
Average Coupon	3.6761965%
Net Interest Cost (NIC)	2.8799400%
True Interest Cost (TIC)	2.7351276%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.7833680%

IRS Form 8038

Net Interest Cost	2.5925444%
Weighted Average Maturity	12.164 Years

\$8,345,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014A
(Inspire Projects)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	107,269.86	107,269.86
06/30/2016	-	-	319,150.00	319,150.00
06/30/2017	-	-	319,150.00	319,150.00
06/30/2018	320,000.00	4.000%	312,750.00	632,750.00
06/30/2019	330,000.00	2.000%	303,050.00	633,050.00
06/30/2020	345,000.00	5.000%	291,125.00	636,125.00
06/30/2021	360,000.00	5.000%	273,500.00	633,500.00
06/30/2022	380,000.00	5.000%	255,000.00	635,000.00
06/30/2023	390,000.00	2.000%	241,600.00	631,600.00
06/30/2024	405,000.00	5.000%	227,575.00	632,575.00
06/30/2025	425,000.00	5.000%	206,825.00	631,825.00
06/30/2026	450,000.00	5.000%	184,950.00	634,950.00
06/30/2027	470,000.00	4.000%	164,300.00	634,300.00
06/30/2028	490,000.00	4.000%	145,100.00	635,100.00
06/30/2029	510,000.00	4.000%	125,100.00	635,100.00
06/30/2030	530,000.00	4.000%	104,300.00	634,300.00
06/30/2031	550,000.00	4.000%	82,700.00	632,700.00
06/30/2032	570,000.00	3.000%	63,150.00	633,150.00
06/30/2033	590,000.00	3.000%	45,750.00	635,750.00
06/30/2034	605,000.00	3.000%	27,825.00	632,825.00
06/30/2035	625,000.00	3.000%	9,375.00	634,375.00
Total	\$8,345,000.00	-	\$3,809,544.86	\$12,154,544.86

Yield Statistics

Bond Year Dollars	\$103,627.35
Average Life	12.418 Years
Average Coupon	3.6761965%
Net Interest Cost (NIC)	2.8799400%
True Interest Cost (TIC)	2.7351276%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.7833680%

IRS Form 8038

Net Interest Cost	2.5925444%
Weighted Average Maturity	12.164 Years

\$16,340 MM 2015 New Money | 20 yr Amort Inspire | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$8,345,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Inspire Projects)

Operation Of Capitalized Interest Fund

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
10/31/2014	-	-	-	-	-
03/01/2015	107,269.86	-	107,269.86	107,269.86	-
09/01/2015	159,575.00	-	159,575.00	159,575.00	-
03/01/2016	159,575.00	-	159,575.00	159,575.00	-
09/01/2016	159,575.00	-	159,575.00	159,575.00	-
Total	\$585,994.86	-	\$585,994.86	\$585,994.86	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	585,994.86
Total Cost of Investments	\$585,994.86
Target Cost of Investments at bond yield	\$569,398.10
Actual positive or (negative) arbitrage	(16,596.76)
Yield to Receipt	2.67E-15
Yield for Arbitrage Purposes	2.5151722%

Composition Of Initial Deposit

Original Bond Proceeds	585,994.86
Accrued Interest	-
Cash Contribution and Prior Issue Transfers	-

\$1,515,000

City of Kingsport, Tennessee
 General Obligation Public Improvement Bonds, Series 2014A
 (Equipment)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	19,746.53	19,746.53	-
06/30/2015	-	-	-	-	19,746.53
09/01/2015	130,000.00	2.000%	29,375.00	159,375.00	-
03/01/2016	-	-	28,075.00	28,075.00	-
06/30/2016	-	-	-	-	187,450.00
09/01/2016	130,000.00	3.000%	28,075.00	158,075.00	-
03/01/2017	-	-	26,125.00	26,125.00	-
06/30/2017	-	-	-	-	184,200.00
09/01/2017	135,000.00	4.000%	26,125.00	161,125.00	-
03/01/2018	-	-	23,425.00	23,425.00	-
06/30/2018	-	-	-	-	184,550.00
09/01/2018	140,000.00	2.000%	23,425.00	163,425.00	-
03/01/2019	-	-	22,025.00	22,025.00	-
06/30/2019	-	-	-	-	185,450.00
09/01/2019	145,000.00	5.000%	22,025.00	167,025.00	-
03/01/2020	-	-	18,400.00	18,400.00	-
06/30/2020	-	-	-	-	185,425.00
09/01/2020	155,000.00	5.000%	18,400.00	173,400.00	-
03/01/2021	-	-	14,525.00	14,525.00	-
06/30/2021	-	-	-	-	187,925.00
09/01/2021	160,000.00	5.000%	14,525.00	174,525.00	-
03/01/2022	-	-	10,525.00	10,525.00	-
06/30/2022	-	-	-	-	185,050.00
09/01/2022	165,000.00	2.000%	10,525.00	175,525.00	-
03/01/2023	-	-	8,875.00	8,875.00	-
06/30/2023	-	-	-	-	184,400.00
09/01/2023	175,000.00	5.000%	8,875.00	183,875.00	-
03/01/2024	-	-	4,500.00	4,500.00	-
06/30/2024	-	-	-	-	188,375.00
09/01/2024	180,000.00	5.000%	4,500.00	184,500.00	-
06/30/2025	-	-	-	-	184,500.00
Total	\$1,515,000.00	-	\$362,071.53	\$1,877,071.53	-

Yield Statistics

Bond Year Dollars	\$8,576.71
Average Life	5.661 Years
Average Coupon	4.2215675%
Net Interest Cost (NIC)	1.9208795%
True Interest Cost (TIC)	1.7562893%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	1.8459873%

IRS Form 8038

Net Interest Cost	1.5122225%
Weighted Average Maturity	5.826 Years

\$16.340 MM 2015 New Money | 10 yr Amort General | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$1,515,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Equipment)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	19,746.53	19,746.53
06/30/2016	130,000.00	2.000%	57,450.00	187,450.00
06/30/2017	130,000.00	3.000%	54,200.00	184,200.00
06/30/2018	135,000.00	4.000%	49,550.00	184,550.00
06/30/2019	140,000.00	2.000%	45,450.00	185,450.00
06/30/2020	145,000.00	5.000%	40,425.00	185,425.00
06/30/2021	155,000.00	5.000%	32,925.00	187,925.00
06/30/2022	160,000.00	5.000%	25,050.00	185,050.00
06/30/2023	165,000.00	2.000%	19,400.00	184,400.00
06/30/2024	175,000.00	5.000%	13,375.00	188,375.00
06/30/2025	180,000.00	5.000%	4,500.00	184,500.00
Total	\$1,515,000.00	-	\$362,071.53	\$1,877,071.53

Yield Statistics

Bond Year Dollars	\$8,576.71
Average Life	5.661 Years
Average Coupon	4.2215675%
Net Interest Cost (NIC)	1.9208795%
True Interest Cost (TIC)	1.7562893%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	1.8459873%

IRS Form 8038

Net Interest Cost	1.5122225%
Weighted Average Maturity	5.826 Years

\$5,745,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Other Projects)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	71,238.75	71,238.75	-
06/30/2015	-	-	-	-	71,238.75
09/01/2015	115,000.00	2.000%	105,975.00	220,975.00	-
03/01/2016	-	-	104,825.00	104,825.00	-
06/30/2016	-	-	-	-	325,800.00
09/01/2016	150,000.00	3.000%	104,825.00	254,825.00	-
03/01/2017	-	-	102,575.00	102,575.00	-
06/30/2017	-	-	-	-	357,400.00
09/01/2017	125,000.00	4.000%	102,575.00	227,575.00	-
03/01/2018	-	-	100,075.00	100,075.00	-
06/30/2018	-	-	-	-	327,650.00
09/01/2018	130,000.00	2.000%	100,075.00	230,075.00	-
03/01/2019	-	-	98,775.00	98,775.00	-
06/30/2019	-	-	-	-	328,850.00
09/01/2019	130,000.00	5.000%	98,775.00	228,775.00	-
03/01/2020	-	-	95,525.00	95,525.00	-
06/30/2020	-	-	-	-	324,300.00
09/01/2020	135,000.00	5.000%	95,525.00	230,525.00	-
03/01/2021	-	-	92,150.00	92,150.00	-
06/30/2021	-	-	-	-	322,675.00
09/01/2021	145,000.00	5.000%	92,150.00	237,150.00	-
03/01/2022	-	-	88,525.00	88,525.00	-
06/30/2022	-	-	-	-	325,675.00
09/01/2022	155,000.00	2.000%	88,525.00	243,525.00	-
03/01/2023	-	-	86,975.00	86,975.00	-
06/30/2023	-	-	-	-	330,500.00
09/01/2023	155,000.00	5.000%	86,975.00	241,975.00	-
03/01/2024	-	-	83,100.00	83,100.00	-
06/30/2024	-	-	-	-	325,075.00
09/01/2024	165,000.00	5.000%	83,100.00	248,100.00	-
03/01/2025	-	-	78,975.00	78,975.00	-

\$5,745,000

City of Kingsport, Tennessee
 General Obligation Public Improvement Bonds, Series 2014A
 (Other Projects)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	327,075.00
09/01/2025	360,000.00	5.000%	78,975.00	438,975.00	-
03/01/2026	-	-	69,975.00	69,975.00	-
06/30/2026	-	-	-	-	508,950.00
09/01/2026	380,000.00	4.000%	69,975.00	449,975.00	-
03/01/2027	-	-	62,375.00	62,375.00	-
06/30/2027	-	-	-	-	512,350.00
09/01/2027	395,000.00	4.000%	62,375.00	457,375.00	-
03/01/2028	-	-	54,475.00	54,475.00	-
06/30/2028	-	-	-	-	511,850.00
09/01/2028	410,000.00	4.000%	54,475.00	464,475.00	-
03/01/2029	-	-	46,275.00	46,275.00	-
06/30/2029	-	-	-	-	510,750.00
09/01/2029	425,000.00	4.000%	46,275.00	471,275.00	-
03/01/2030	-	-	37,775.00	37,775.00	-
06/30/2030	-	-	-	-	509,050.00
09/01/2030	445,000.00	4.000%	37,775.00	482,775.00	-
03/01/2031	-	-	28,875.00	28,875.00	-
06/30/2031	-	-	-	-	511,650.00
09/01/2031	460,000.00	3.000%	28,875.00	488,875.00	-
03/01/2032	-	-	21,975.00	21,975.00	-
06/30/2032	-	-	-	-	510,850.00
09/01/2032	470,000.00	3.000%	21,975.00	491,975.00	-
03/01/2033	-	-	14,925.00	14,925.00	-
06/30/2033	-	-	-	-	506,900.00
09/01/2033	490,000.00	3.000%	14,925.00	504,925.00	-
03/01/2034	-	-	7,575.00	7,575.00	-
06/30/2034	-	-	-	-	512,500.00
09/01/2034	505,000.00	3.000%	7,575.00	512,575.00	-
06/30/2035	-	-	-	-	512,575.00
Total	\$5,745,000.00	-	\$2,728,663.75	\$8,473,663.75	-

\$5,745,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Other Projects)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$75,708.46
Average Life	13.178 Years
Average Coupon	3.6041729%
Net Interest Cost (NIC)	2.9698726%
True Interest Cost (TIC)	2.8435530%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.8901784%

IRS Form 8038

Net Interest Cost	2.7048416%
Weighted Average Maturity	12.965 Years

\$5,745,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014A

(Other Projects)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	71,238.75	71,238.75
06/30/2016	115,000.00	2.000%	210,800.00	325,800.00
06/30/2017	150,000.00	3.000%	207,400.00	357,400.00
06/30/2018	125,000.00	4.000%	202,650.00	327,650.00
06/30/2019	130,000.00	2.000%	198,850.00	328,850.00
06/30/2020	130,000.00	5.000%	194,300.00	324,300.00
06/30/2021	135,000.00	5.000%	187,675.00	322,675.00
06/30/2022	145,000.00	5.000%	180,675.00	325,675.00
06/30/2023	155,000.00	2.000%	175,500.00	330,500.00
06/30/2024	155,000.00	5.000%	170,075.00	325,075.00
06/30/2025	165,000.00	5.000%	162,075.00	327,075.00
06/30/2026	360,000.00	5.000%	148,950.00	508,950.00
06/30/2027	380,000.00	4.000%	132,350.00	512,350.00
06/30/2028	395,000.00	4.000%	116,850.00	511,850.00
06/30/2029	410,000.00	4.000%	100,750.00	510,750.00
06/30/2030	425,000.00	4.000%	84,050.00	509,050.00
06/30/2031	445,000.00	4.000%	66,650.00	511,650.00
06/30/2032	460,000.00	3.000%	50,850.00	510,850.00
06/30/2033	470,000.00	3.000%	36,900.00	506,900.00
06/30/2034	490,000.00	3.000%	22,500.00	512,500.00
06/30/2035	505,000.00	3.000%	7,575.00	512,575.00
Total	\$5,745,000.00	-	\$2,728,663.75	\$8,473,663.75

Yield Statistics

Bond Year Dollars	\$75,708.46
Average Life	13.178 Years
Average Coupon	3.6041729%
Net Interest Cost (NIC)	2.9698726%
True Interest Cost (TIC)	2.8435530%
Bond Yield for Arbitrage Purposes	2.5151722%
All Inclusive Cost (AIC)	2.8901784%

IRS Form 8038

Net Interest Cost	2.7048416%
Weighted Average Maturity	12.965 Years

\$16.340 MM 2015 New Money | 20 yr Amort Non-Inspire | 10/20/2014 | 11:32 AM

RAYMOND JAMES

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Total Issue Sources And Uses

Dated 10/31/2014 | Delivered 10/31/2014

	Sewer Fund	Water Fund	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$6,585,000.00	\$2,715,000.00	\$9,300,000.00
Reoffering Premium	158,025.70	65,129.85	223,155.55
Total Sources	\$6,743,025.70	\$2,780,129.85	\$9,523,155.55
Uses Of Funds			
Deposit to Project Construction Fund	6,610,000.00	2,730,000.00	9,340,000.00
Total Underwriter's Discount (1.435%)	94,514.51	38,968.40	133,482.91
Costs of Issuance	34,174.30	14,090.09	48,264.39
Rounding Amount	4,336.89	(2,928.64)	1,408.25
Total Uses	\$6,743,025.70	\$2,780,129.85	\$9,523,155.55

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Detail Costs Of Issuance

Dated 10/31/2014 | Delivered 10/31/2014

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$16,990.56
Bond Counsel	\$16,803.85
Moody's fee	\$6,534.83
S&P fee	\$6,534.83
POS/Official Statement	\$840.19
Registration and Paying Agent	\$560.13
TOTAL	\$48,264.39

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2016	Serial Coupon	2.000%	0.400%	390,000.00	102.919%	-	-	-	401,384.10
09/01/2017	Serial Coupon	2.000%	0.650%	395,000.00	103.783%	-	-	-	409,942.85
09/01/2018	Serial Coupon	2.000%	0.900%	405,000.00	104.135%	-	-	-	421,746.75
09/01/2019	Serial Coupon	3.000%	1.120%	415,000.00	108.820%	-	-	-	451,603.00
09/01/2020	Serial Coupon	2.000%	1.350%	425,000.00	103.633%	-	-	-	440,440.25
09/01/2021	Serial Coupon	2.000%	1.580%	430,000.00	102.709%	-	-	-	441,648.70
09/01/2022	Serial Coupon	2.000%	1.780%	445,000.00	101.600%	-	-	-	452,120.00
09/01/2023	Serial Coupon	2.000%	1.900%	450,000.00	100.808%	-	-	-	453,636.00
09/01/2024	Serial Coupon	2.000%	2.000%	465,000.00	108.884%	-	-	-	506,310.60
09/01/2025	Serial Coupon	3.000%	2.200%	480,000.00	107.037%	c 2.264%	09/01/2024	100.000%	513,777.60
09/01/2026	Serial Coupon	3.000%	2.400%	495,000.00	105.225%	c 2.487%	09/01/2024	100.000%	520,863.75
09/01/2027	Serial Coupon	3.000%	2.600%	510,000.00	103.448%	c 2.680%	09/01/2024	100.000%	527,584.80
09/01/2028	Serial Coupon	3.000%	2.800%	525,000.00	101.706%	c 2.850%	09/01/2024	100.000%	533,956.50
09/01/2029	Serial Coupon	3.000%	2.900%	535,000.00	100.847%	c 2.929%	09/01/2024	100.000%	539,531.45
09/01/2031	Term 1 Coupon	3.000%	3.000%	1,120,000.00	100.000%	-	-	-	1,120,000.00
09/01/2032	Serial Coupon	3.000%	3.050%	585,000.00	99.313%	-	-	-	580,981.05
09/01/2033	Serial Coupon	3.000%	3.100%	605,000.00	98.578%	-	-	-	596,396.90
09/01/2034	Serial Coupon	3.000%	3.150%	625,000.00	97.797%	-	-	-	611,231.25
Total				\$9,300,000.00					\$9,523,155.55

Bid Information

Par Amount of Bonds	\$9,300,000.00
Reoffering Premium or (Discount)	223,155.55
Gross Production	\$9,523,155.55
Total Underwriter's Discount (1.435%)	\$(133,482.91)
Bid (100.964%)	9,389,672.64
Total Purchase Price	\$9,389,672.64
Bond Year Dollars	\$108,195.83
Average Life	11.634 Years
Average Coupon	2.8495953%
Net Interest Cost (NIC)	2.7667153%
True Interest Cost (TIC)	2.7342467%

\$9 MM 2015 New Money Sewer | Issue Summary | 10/20/2014 | 11:29 AM

RAYMOND JAMES

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	83,893.33	83,893.33	-
06/30/2015	-	-	-	-	83,893.33
09/01/2015	-	-	124,800.00	124,800.00	-
03/01/2016	-	-	124,800.00	124,800.00	-
06/30/2016	-	-	-	-	249,600.00
09/01/2016	390,000.00	2.000%	124,800.00	514,800.00	-
03/01/2017	-	-	120,900.00	120,900.00	-
06/30/2017	-	-	-	-	635,700.00
09/01/2017	395,000.00	2.000%	120,900.00	515,900.00	-
03/01/2018	-	-	116,950.00	116,950.00	-
06/30/2018	-	-	-	-	632,850.00
09/01/2018	405,000.00	2.000%	116,950.00	521,950.00	-
03/01/2019	-	-	112,900.00	112,900.00	-
06/30/2019	-	-	-	-	634,850.00
09/01/2019	415,000.00	3.000%	112,900.00	527,900.00	-
03/01/2020	-	-	106,675.00	106,675.00	-
06/30/2020	-	-	-	-	634,575.00
09/01/2020	425,000.00	2.000%	106,675.00	531,675.00	-
03/01/2021	-	-	102,425.00	102,425.00	-
06/30/2021	-	-	-	-	634,100.00
09/01/2021	430,000.00	2.000%	102,425.00	532,425.00	-
03/01/2022	-	-	98,125.00	98,125.00	-
06/30/2022	-	-	-	-	630,550.00
09/01/2022	445,000.00	2.000%	98,125.00	543,125.00	-
03/01/2023	-	-	93,675.00	93,675.00	-
06/30/2023	-	-	-	-	636,800.00
09/01/2023	450,000.00	2.000%	93,675.00	543,675.00	-
03/01/2024	-	-	89,175.00	89,175.00	-
06/30/2024	-	-	-	-	632,850.00
09/01/2024	465,000.00	3.000%	89,175.00	554,175.00	-
03/01/2025	-	-	82,200.00	82,200.00	-

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	636,375.00
09/01/2025	480,000.00	3.000%	82,200.00	562,200.00	-
03/01/2026	-	-	75,000.00	75,000.00	-
06/30/2026	-	-	-	-	637,200.00
09/01/2026	495,000.00	3.000%	75,000.00	570,000.00	-
03/01/2027	-	-	67,575.00	67,575.00	-
06/30/2027	-	-	-	-	637,575.00
09/01/2027	510,000.00	3.000%	67,575.00	577,575.00	-
03/01/2028	-	-	59,925.00	59,925.00	-
06/30/2028	-	-	-	-	637,500.00
09/01/2028	525,000.00	3.000%	59,925.00	584,925.00	-
03/01/2029	-	-	52,050.00	52,050.00	-
06/30/2029	-	-	-	-	636,975.00
09/01/2029	535,000.00	3.000%	52,050.00	587,050.00	-
03/01/2030	-	-	44,025.00	44,025.00	-
06/30/2030	-	-	-	-	631,075.00
09/01/2030	550,000.00	3.000%	44,025.00	594,025.00	-
03/01/2031	-	-	35,775.00	35,775.00	-
06/30/2031	-	-	-	-	629,800.00
09/01/2031	570,000.00	3.000%	35,775.00	605,775.00	-
03/01/2032	-	-	27,225.00	27,225.00	-
06/30/2032	-	-	-	-	633,000.00
09/01/2032	585,000.00	3.000%	27,225.00	612,225.00	-
03/01/2033	-	-	18,450.00	18,450.00	-
06/30/2033	-	-	-	-	630,675.00
09/01/2033	605,000.00	3.000%	18,450.00	623,450.00	-
03/01/2034	-	-	9,375.00	9,375.00	-
06/30/2034	-	-	-	-	632,825.00
09/01/2034	625,000.00	3.000%	9,375.00	634,375.00	-
06/30/2035	-	-	-	-	634,375.00
Total	\$9,300,000.00	-	\$3,083,143.33	\$12,383,143.33	-

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$108,195.83
Average Life	11.634 Years
Average Coupon	2.8495953%
Net Interest Cost (NIC)	2.7667153%
True Interest Cost (TIC)	2.7342467%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7877969%

IRS Form 8038

Net Interest Cost	2.6059936%
Weighted Average Maturity	11.524 Years

\$9,300,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014B
(Water & Sewer Portion)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	83,893.33	83,893.33
06/30/2016	-	-	249,600.00	249,600.00
06/30/2017	390,000.00	2.000%	245,700.00	635,700.00
06/30/2018	395,000.00	2.000%	237,850.00	632,850.00
06/30/2019	405,000.00	2.000%	229,850.00	634,850.00
06/30/2020	415,000.00	3.000%	219,575.00	634,575.00
06/30/2021	425,000.00	2.000%	209,100.00	634,100.00
06/30/2022	430,000.00	2.000%	200,550.00	630,550.00
06/30/2023	445,000.00	2.000%	191,800.00	636,800.00
06/30/2024	450,000.00	2.000%	182,850.00	632,850.00
06/30/2025	465,000.00	3.000%	171,375.00	636,375.00
06/30/2026	480,000.00	3.000%	157,200.00	637,200.00
06/30/2027	495,000.00	3.000%	142,575.00	637,575.00
06/30/2028	510,000.00	3.000%	127,500.00	637,500.00
06/30/2029	525,000.00	3.000%	111,975.00	636,975.00
06/30/2030	535,000.00	3.000%	96,075.00	631,075.00
06/30/2031	550,000.00	3.000%	79,800.00	629,800.00
06/30/2032	570,000.00	3.000%	63,000.00	633,000.00
06/30/2033	585,000.00	3.000%	45,675.00	630,675.00
06/30/2034	605,000.00	3.000%	27,825.00	632,825.00
06/30/2035	625,000.00	3.000%	9,375.00	634,375.00
Total	\$9,300,000.00	-	\$3,083,143.33	\$12,383,143.33

Yield Statistics

Bond Year Dollars	\$108,195.83
Average Life	11.634 Years
Average Coupon	2.8495953%
Net Interest Cost (NIC)	2.7667153%
True Interest Cost (TIC)	2.7342467%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7877969%

IRS Form 8038

Net Interest Cost	2.6059936%
Weighted Average Maturity	11.524 Years

\$9 MM 2015 New Money Sewer | Issue Summary | 10/20/2014 | 11:29 AM

RAYMOND JAMES

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Net Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
10/31/2014	-	-	-	-	-	-
03/01/2015	-	-	83,893.33	83,893.33	83,893.33	-
06/30/2015	-	-	-	-	-	83,893.33
09/01/2015	-	-	124,800.00	124,800.00	124,800.00	-
03/01/2016	-	-	124,800.00	124,800.00	124,800.00	-
06/30/2016	-	-	-	-	-	249,600.00
09/01/2016	390,000.00	2.000%	124,800.00	514,800.00	514,800.00	-
03/01/2017	-	-	120,900.00	120,900.00	120,900.00	-
06/30/2017	-	-	-	-	-	635,700.00
09/01/2017	395,000.00	2.000%	120,900.00	515,900.00	515,900.00	-
03/01/2018	-	-	116,950.00	116,950.00	116,950.00	-
06/30/2018	-	-	-	-	-	632,850.00
09/01/2018	405,000.00	2.000%	116,950.00	521,950.00	521,950.00	-
03/01/2019	-	-	112,900.00	112,900.00	112,900.00	-
06/30/2019	-	-	-	-	-	634,850.00
09/01/2019	415,000.00	3.000%	112,900.00	527,900.00	527,900.00	-
03/01/2020	-	-	106,675.00	106,675.00	106,675.00	-
06/30/2020	-	-	-	-	-	634,575.00
09/01/2020	425,000.00	2.000%	106,675.00	531,675.00	531,675.00	-
03/01/2021	-	-	102,425.00	102,425.00	102,425.00	-
06/30/2021	-	-	-	-	-	634,100.00
09/01/2021	430,000.00	2.000%	102,425.00	532,425.00	532,425.00	-
03/01/2022	-	-	98,125.00	98,125.00	98,125.00	-
06/30/2022	-	-	-	-	-	630,550.00
09/01/2022	445,000.00	2.000%	98,125.00	543,125.00	543,125.00	-
03/01/2023	-	-	93,675.00	93,675.00	93,675.00	-
06/30/2023	-	-	-	-	-	636,800.00
09/01/2023	450,000.00	2.000%	93,675.00	543,675.00	543,675.00	-
03/01/2024	-	-	89,175.00	89,175.00	89,175.00	-
06/30/2024	-	-	-	-	-	632,850.00
09/01/2024	465,000.00	3.000%	89,175.00	554,175.00	554,175.00	-
03/01/2025	-	-	82,200.00	82,200.00	82,200.00	-

\$9,300,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water & Sewer Portion)

Net Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
06/30/2025	-	-	-	-	-	636,375.00
09/01/2025	480,000.00	3.000%	82,200.00	562,200.00	562,200.00	-
03/01/2026	-	-	75,000.00	75,000.00	75,000.00	-
06/30/2026	-	-	-	-	-	637,200.00
09/01/2026	495,000.00	3.000%	75,000.00	570,000.00	570,000.00	-
03/01/2027	-	-	67,575.00	67,575.00	67,575.00	-
06/30/2027	-	-	-	-	-	637,575.00
09/01/2027	510,000.00	3.000%	67,575.00	577,575.00	577,575.00	-
03/01/2028	-	-	59,925.00	59,925.00	59,925.00	-
06/30/2028	-	-	-	-	-	637,500.00
09/01/2028	525,000.00	3.000%	59,925.00	584,925.00	584,925.00	-
03/01/2029	-	-	52,050.00	52,050.00	52,050.00	-
06/30/2029	-	-	-	-	-	636,975.00
09/01/2029	535,000.00	3.000%	52,050.00	587,050.00	587,050.00	-
03/01/2030	-	-	44,025.00	44,025.00	44,025.00	-
06/30/2030	-	-	-	-	-	631,075.00
09/01/2030	550,000.00	3.000%	44,025.00	594,025.00	594,025.00	-
03/01/2031	-	-	35,775.00	35,775.00	35,775.00	-
06/30/2031	-	-	-	-	-	629,800.00
09/01/2031	570,000.00	3.000%	35,775.00	605,775.00	605,775.00	-
03/01/2032	-	-	27,225.00	27,225.00	27,225.00	-
06/30/2032	-	-	-	-	-	633,000.00
09/01/2032	585,000.00	3.000%	27,225.00	612,225.00	612,225.00	-
03/01/2033	-	-	18,450.00	18,450.00	18,450.00	-
06/30/2033	-	-	-	-	-	630,675.00
09/01/2033	605,000.00	3.000%	18,450.00	623,450.00	623,450.00	-
03/01/2034	-	-	9,375.00	9,375.00	9,375.00	-
06/30/2034	-	-	-	-	-	632,825.00
09/01/2034	625,000.00	3.000%	9,375.00	634,375.00	634,375.00	-
06/30/2035	-	-	-	-	-	634,375.00
Total	\$9,300,000.00	-	\$3,083,143.33	\$12,383,143.33	\$12,383,143.33	-

\$6,585,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Sewer Fund)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	59,407.64	59,407.64	-
06/30/2015	-	-	-	-	59,407.64
09/01/2015	-	-	88,375.00	88,375.00	-
03/01/2016	-	-	88,375.00	88,375.00	-
06/30/2016	-	-	-	-	176,750.00
09/01/2016	275,000.00	2.000%	88,375.00	363,375.00	-
03/01/2017	-	-	85,625.00	85,625.00	-
06/30/2017	-	-	-	-	449,000.00
09/01/2017	280,000.00	2.000%	85,625.00	365,625.00	-
03/01/2018	-	-	82,825.00	82,825.00	-
06/30/2018	-	-	-	-	448,450.00
09/01/2018	285,000.00	2.000%	82,825.00	367,825.00	-
03/01/2019	-	-	79,975.00	79,975.00	-
06/30/2019	-	-	-	-	447,800.00
09/01/2019	295,000.00	3.000%	79,975.00	374,975.00	-
03/01/2020	-	-	75,550.00	75,550.00	-
06/30/2020	-	-	-	-	450,525.00
09/01/2020	300,000.00	2.000%	75,550.00	375,550.00	-
03/01/2021	-	-	72,550.00	72,550.00	-
06/30/2021	-	-	-	-	448,100.00
09/01/2021	305,000.00	2.000%	72,550.00	377,550.00	-
03/01/2022	-	-	69,500.00	69,500.00	-
06/30/2022	-	-	-	-	447,050.00
09/01/2022	315,000.00	2.000%	69,500.00	384,500.00	-
03/01/2023	-	-	66,350.00	66,350.00	-
06/30/2023	-	-	-	-	450,850.00
09/01/2023	320,000.00	2.000%	66,350.00	386,350.00	-
03/01/2024	-	-	63,150.00	63,150.00	-
06/30/2024	-	-	-	-	449,500.00
09/01/2024	330,000.00	3.000%	63,150.00	393,150.00	-
03/01/2025	-	-	58,200.00	58,200.00	-

\$6,585,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Sewer Fund)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	451,350.00
09/01/2025	340,000.00	3.000%	58,200.00	398,200.00	-
03/01/2026	-	-	53,100.00	53,100.00	-
06/30/2026	-	-	-	-	451,300.00
09/01/2026	350,000.00	3.000%	53,100.00	403,100.00	-
03/01/2027	-	-	47,850.00	47,850.00	-
06/30/2027	-	-	-	-	450,950.00
09/01/2027	360,000.00	3.000%	47,850.00	407,850.00	-
03/01/2028	-	-	42,450.00	42,450.00	-
06/30/2028	-	-	-	-	450,300.00
09/01/2028	370,000.00	3.000%	42,450.00	412,450.00	-
03/01/2029	-	-	36,900.00	36,900.00	-
06/30/2029	-	-	-	-	449,350.00
09/01/2029	380,000.00	3.000%	36,900.00	416,900.00	-
03/01/2030	-	-	31,200.00	31,200.00	-
06/30/2030	-	-	-	-	448,100.00
09/01/2030	390,000.00	3.000%	31,200.00	421,200.00	-
03/01/2031	-	-	25,350.00	25,350.00	-
06/30/2031	-	-	-	-	446,550.00
09/01/2031	405,000.00	3.000%	25,350.00	430,350.00	-
03/01/2032	-	-	19,275.00	19,275.00	-
06/30/2032	-	-	-	-	449,625.00
09/01/2032	415,000.00	3.000%	19,275.00	434,275.00	-
03/01/2033	-	-	13,050.00	13,050.00	-
06/30/2033	-	-	-	-	447,325.00
09/01/2033	430,000.00	3.000%	13,050.00	443,050.00	-
03/01/2034	-	-	6,600.00	6,600.00	-
06/30/2034	-	-	-	-	449,650.00
09/01/2034	440,000.00	3.000%	6,600.00	446,600.00	-
06/30/2035	-	-	-	-	446,600.00
Total	\$6,585,000.00	-	\$2,183,532.64	\$8,768,532.64	-

\$6,585,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Sewer Fund)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$76,625.79
Average Life	11.636 Years
Average Coupon	2.8496053%
Net Interest Cost (NIC)	2.7667205%
True Interest Cost (TIC)	2.7342622%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7878014%

IRS Form 8038

Net Interest Cost	2.6060170%
Weighted Average Maturity	11.527 Years

\$6,585,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014B
(Sewer Fund)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	59,407.64	59,407.64
06/30/2016	-	-	176,750.00	176,750.00
06/30/2017	275,000.00	2.000%	174,000.00	449,000.00
06/30/2018	280,000.00	2.000%	168,450.00	448,450.00
06/30/2019	285,000.00	2.000%	162,800.00	447,800.00
06/30/2020	295,000.00	3.000%	155,525.00	450,525.00
06/30/2021	300,000.00	2.000%	148,100.00	448,100.00
06/30/2022	305,000.00	2.000%	142,050.00	447,050.00
06/30/2023	315,000.00	2.000%	135,850.00	450,850.00
06/30/2024	320,000.00	2.000%	129,500.00	449,500.00
06/30/2025	330,000.00	3.000%	121,350.00	451,350.00
06/30/2026	340,000.00	3.000%	111,300.00	451,300.00
06/30/2027	350,000.00	3.000%	100,950.00	450,950.00
06/30/2028	360,000.00	3.000%	90,300.00	450,300.00
06/30/2029	370,000.00	3.000%	79,350.00	449,350.00
06/30/2030	380,000.00	3.000%	68,100.00	448,100.00
06/30/2031	390,000.00	3.000%	56,550.00	446,550.00
06/30/2032	405,000.00	3.000%	44,625.00	449,625.00
06/30/2033	415,000.00	3.000%	32,325.00	447,325.00
06/30/2034	430,000.00	3.000%	19,650.00	449,650.00
06/30/2035	440,000.00	3.000%	6,600.00	446,600.00
Total	\$6,585,000.00	-	\$2,183,532.64	\$8,768,532.64

Yield Statistics

Bond Year Dollars	\$76,625.79
Average Life	11.636 Years
Average Coupon	2.8496053%
Net Interest Cost (NIC)	2.7667205%
True Interest Cost (TIC)	2.7342622%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7878014%

IRS Form 8038

Net Interest Cost	2.6060170%
Weighted Average Maturity	11.527 Years

S9 MM 2015 New Money Sewe | Sewer Fund | 10/20/2014 | 11:29 AM

\$2,715,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water Fund)

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/31/2014	-	-	-	-	-
03/01/2015	-	-	24,485.69	24,485.69	-
06/30/2015	-	-	-	-	24,485.69
09/01/2015	-	-	36,425.00	36,425.00	-
03/01/2016	-	-	36,425.00	36,425.00	-
06/30/2016	-	-	-	-	72,850.00
09/01/2016	115,000.00	2.000%	36,425.00	151,425.00	-
03/01/2017	-	-	35,275.00	35,275.00	-
06/30/2017	-	-	-	-	186,700.00
09/01/2017	115,000.00	2.000%	35,275.00	150,275.00	-
03/01/2018	-	-	34,125.00	34,125.00	-
06/30/2018	-	-	-	-	184,400.00
09/01/2018	120,000.00	2.000%	34,125.00	154,125.00	-
03/01/2019	-	-	32,925.00	32,925.00	-
06/30/2019	-	-	-	-	187,050.00
09/01/2019	120,000.00	3.000%	32,925.00	152,925.00	-
03/01/2020	-	-	31,125.00	31,125.00	-
06/30/2020	-	-	-	-	184,050.00
09/01/2020	125,000.00	2.000%	31,125.00	156,125.00	-
03/01/2021	-	-	29,875.00	29,875.00	-
06/30/2021	-	-	-	-	186,000.00
09/01/2021	125,000.00	2.000%	29,875.00	154,875.00	-
03/01/2022	-	-	28,625.00	28,625.00	-
06/30/2022	-	-	-	-	183,500.00
09/01/2022	130,000.00	2.000%	28,625.00	158,625.00	-
03/01/2023	-	-	27,325.00	27,325.00	-
06/30/2023	-	-	-	-	185,950.00
09/01/2023	130,000.00	2.000%	27,325.00	157,325.00	-
03/01/2024	-	-	26,025.00	26,025.00	-
06/30/2024	-	-	-	-	183,350.00
09/01/2024	135,000.00	3.000%	26,025.00	161,025.00	-
03/01/2025	-	-	24,000.00	24,000.00	-

\$2,715,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water Fund)

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2025	-	-	-	-	185,025.00
09/01/2025	140,000.00	3.000%	24,000.00	164,000.00	-
03/01/2026	-	-	21,900.00	21,900.00	-
06/30/2026	-	-	-	-	185,900.00
09/01/2026	145,000.00	3.000%	21,900.00	166,900.00	-
03/01/2027	-	-	19,725.00	19,725.00	-
06/30/2027	-	-	-	-	186,625.00
09/01/2027	150,000.00	3.000%	19,725.00	169,725.00	-
03/01/2028	-	-	17,475.00	17,475.00	-
06/30/2028	-	-	-	-	187,200.00
09/01/2028	155,000.00	3.000%	17,475.00	172,475.00	-
03/01/2029	-	-	15,150.00	15,150.00	-
06/30/2029	-	-	-	-	187,625.00
09/01/2029	155,000.00	3.000%	15,150.00	170,150.00	-
03/01/2030	-	-	12,825.00	12,825.00	-
06/30/2030	-	-	-	-	182,975.00
09/01/2030	160,000.00	3.000%	12,825.00	172,825.00	-
03/01/2031	-	-	10,425.00	10,425.00	-
06/30/2031	-	-	-	-	183,250.00
09/01/2031	165,000.00	3.000%	10,425.00	175,425.00	-
03/01/2032	-	-	7,950.00	7,950.00	-
06/30/2032	-	-	-	-	183,375.00
09/01/2032	170,000.00	3.000%	7,950.00	177,950.00	-
03/01/2033	-	-	5,400.00	5,400.00	-
06/30/2033	-	-	-	-	183,350.00
09/01/2033	175,000.00	3.000%	5,400.00	180,400.00	-
03/01/2034	-	-	2,775.00	2,775.00	-
06/30/2034	-	-	-	-	183,175.00
09/01/2034	185,000.00	3.000%	2,775.00	187,775.00	-
06/30/2035	-	-	-	-	187,775.00
Total	\$2,715,000.00	-	\$899,610.69	\$3,614,610.69	-

\$2,715,000

City of Kingsport, Tennessee

General Obligation Public Improvement Bonds, Series 2014B

(Water Fund)

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$31,570.04
Average Life	11.628 Years
Average Coupon	2.8495708%
Net Interest Cost (NIC)	2.7667028%
True Interest Cost (TIC)	2.7342089%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7877860%

IRS Form 8038

Net Interest Cost	2.6059367%
Weighted Average Maturity	11.518 Years

\$2,715,000

City of Kingsport, Tennessee
General Obligation Public Improvement Bonds, Series 2014B
(Water Fund)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/30/2015	-	-	24,485.69	24,485.69
06/30/2016	-	-	72,850.00	72,850.00
06/30/2017	115,000.00	2.000%	71,700.00	186,700.00
06/30/2018	115,000.00	2.000%	69,400.00	184,400.00
06/30/2019	120,000.00	2.000%	67,050.00	187,050.00
06/30/2020	120,000.00	3.000%	64,050.00	184,050.00
06/30/2021	125,000.00	2.000%	61,000.00	186,000.00
06/30/2022	125,000.00	2.000%	58,500.00	183,500.00
06/30/2023	130,000.00	2.000%	55,950.00	185,950.00
06/30/2024	130,000.00	2.000%	53,350.00	183,350.00
06/30/2025	135,000.00	3.000%	50,025.00	185,025.00
06/30/2026	140,000.00	3.000%	45,900.00	185,900.00
06/30/2027	145,000.00	3.000%	41,625.00	186,625.00
06/30/2028	150,000.00	3.000%	37,200.00	187,200.00
06/30/2029	155,000.00	3.000%	32,625.00	187,625.00
06/30/2030	155,000.00	3.000%	27,975.00	182,975.00
06/30/2031	160,000.00	3.000%	23,250.00	183,250.00
06/30/2032	165,000.00	3.000%	18,375.00	183,375.00
06/30/2033	170,000.00	3.000%	13,350.00	183,350.00
06/30/2034	175,000.00	3.000%	8,175.00	183,175.00
06/30/2035	185,000.00	3.000%	2,775.00	187,775.00
Total	\$2,715,000.00	-	\$899,610.69	\$3,614,610.69

Yield Statistics

Bond Year Dollars	\$31,570.04
Average Life	11.628 Years
Average Coupon	2.8495708%
Net Interest Cost (NIC)	2.7667028%
True Interest Cost (TIC)	2.7342089%
Bond Yield for Arbitrage Purposes	2.5778100%
All Inclusive Cost (AIC)	2.7877860%

IRS Form 8038

Net Interest Cost	2.6059367%
Weighted Average Maturity	11.518 Years

\$9 MM 2015 New Money Sewer | Water Fund | 10/20/2014 | 11:29 AM

Upcoming Calendar

Future Submit Screen

Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A

The following bidders intend to submit bids on this issue:

Bidder	Contact	Telephone
FTN Financial Capital Markets	Vincent Pietanza	212-418-5005
Hutchinson, Shockey, Erley & Co.	Jim VanMetre	312-443-1555
J.P. Morgan Securities LLC	Steve Mitacek	212-834-7155
Morgan Stanley & Co, LLC	Daniel Kelly	212-761-1541
Robert W. Baird & Co., Inc.	charles massaro	732-576-4410
Robert W. Baird & Co., Inc.	Peter Anderson	414-765-7331
Citigroup Global Markets Inc.	Charles Reed	212-723-7093
SunTrust Robinson Humphrey	Dara Smith	404-588-7982

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10:01:25 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
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Bid Results

**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	FTN Financial Capital Markets	2.695012
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.770746
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.818527
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.890938
<input type="checkbox"/>	Morgan Stanley & Co, LLC	3.031210

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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10:08:39 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
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Bid Results

**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	FTN Financial Capital Markets	2.695012
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.770746
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.818527
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.890938
<input type="checkbox"/>	Morgan Stanley & Co, LLC	3.031210

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Upcoming Calendar	Overview	Result	Excel
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FTN Financial Capital Markets - New York , NY's Bid

**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

For the aggregate principal amount of \$16,750,000.00, we will pay you \$18,398,585.16, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2015	305M	2.0000	0.2300	101.472
09/01/2016	315M	3.0000	0.4500	104.650
09/01/2017	735M	4.0000	0.7000	109.241
09/01/2018	745M	2.0000	0.9300	104.019
09/01/2019	755M	5.0000	1.1600	117.996
09/01/2020	765M	5.0000	1.4000	120.096
09/01/2021	780M	5.0000	1.6500	121.562
09/01/2022	800M	2.0000	1.8400	101.161
09/01/2023	815M	5.0000	1.9500	124.636
09/01/2024	840M	5.0000	2.0400	126.249
09/01/2025	860M	5.0000	2.1200	125.438
09/01/2026	885M	4.0000	2.3500	114.409
09/01/2027	910M	4.0000	2.4500	113.469
09/01/2028	940M	4.0000	2.5300	112.723
09/01/2029	970M	4.0000	2.5800	112.260
09/01/2030	1,000M	4.0000	2.6400	111.707
09/01/2031	1,030M	3.0000	3.0000	100.000
09/01/2032	1,065M	3.0000	3.0400	99.449
09/01/2033	1,100M	3.0000	3.0800	98.860
09/01/2034	1,135M	3.0000	3.1300	98.087

Total Interest Cost: \$7,202,579.72
 Premium: \$1,648,585.16
 Net Interest Cost: \$5,553,994.56
 TIC: 2.695012
 Time Last Bid Received On: 10/20/2014 10:59:48 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: FTN Financial Capital Markets, New York , NY
 Contact: Vincent Pietanza
 Title: Senior Vice Presiden
 Telephone: 212-418-5005
 Fax: 212-418-7999

Issuer Name: City of Kingsport

Company Name: _____

Result

FTN Financial Capital Markets's Reoffering Scale



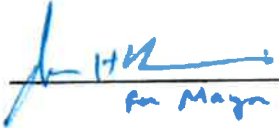
**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
09/01/2015	305M	2.0000	0.2300	101.472	
09/01/2016	315M	3.0000	0.4500	104.650	
09/01/2017	735M	4.0000	0.7000	109.241	
09/01/2018	745M	2.0000	0.9300	104.019	
09/01/2019	755M	5.0000	1.1600	117.996	
09/01/2020	765M	5.0000	1.4000	120.096	
09/01/2021	780M	5.0000	1.6500	121.562	
09/01/2022	800M	2.0000	1.8400	101.161	
09/01/2023	815M	5.0000	1.9500	124.636	
09/01/2024	840M	5.0000	2.0400	126.249	
09/01/2025	860M	5.0000	2.1200	125.438	09/01/2024
09/01/2026	885M	4.0000	2.3500	114.409	09/01/2024
09/01/2027	910M	4.0000	2.4500	113.469	09/01/2024
09/01/2028	940M	4.0000	2.5300	112.723	09/01/2024
09/01/2029	970M	4.0000	2.5800	112.260	09/01/2024
09/01/2030	1,000M	4.0000	2.6400	111.707	09/01/2024
09/01/2031	1,030M	3.0000	3.0000	100.000	
09/01/2032	1,065M	3.0000	3.0400	99.449	
09/01/2033	1,100M	3.0000	3.0800	98.860	
09/01/2034	1,135M	3.0000	3.1300	98.087	

Accrued Interest: \$0.00

Gross Production: \$18,539,672.65

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Accepted By:  for Maura Phillips

Accepted By: _____

Date: 10/20/14

Date: _____

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Upcoming Calendar	Overview	Result	Excel
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Robert W. Baird & Co., Inc. - Red Bank , NJ's Bid



**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

For the aggregate principal amount of \$16,750,000.00, we will pay you \$16,918,821.55, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2015	305M	2.0000	0.3000	101.413
09/01/2016	315M	2.0000	0.4000	102.919
09/01/2017	735M	2.0000	0.6500	103.783
09/01/2018	745M	2.0000	0.9000	104.135
09/01/2019	755M	3.0000	1.1200	108.820
09/01/2020	765M	2.0000	1.3500	103.633
09/01/2021	780M	2.0000	1.5800	102.709
09/01/2022	800M	2.0000	1.7800	101.600
09/01/2023	815M	3.0000	1.9000	108.904
09/01/2024	840M	3.0000	2.0000	108.884
09/01/2025	860M	3.0000	2.2000	107.037
09/01/2026	885M	3.0000	2.4000	105.225
09/01/2027	910M	3.0000	2.6000	103.448
09/01/2028	940M	3.0000	2.8000	101.706
09/01/2029	970M	3.0000	2.9000	100.847
09/01/2030	1,000M	3.0000	3.0000	100.000
09/01/2031	1,030M	3.0000	3.0500	99.343
09/01/2032	1,065M	3.0000	3.1000	98.635
09/01/2033	1,100M	3.0000	3.1500	97.878
09/01/2034	1,135M	3.0000	3.2000	97.077

Total Interest Cost: \$5,638,630.69
 Premium: \$168,821.55
 Net Interest Cost: \$5,469,809.14
 TIC: 2.770746
 Time Last Bid Received On:10/20/2014 10:48:03 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Red Bank , NJ
 Contact: charles massaro
 Title: director
 Telephone:732-576-4410
 Fax: 732-576-4420

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
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J.P. Morgan Securities LLC - New York , NY's Bid



**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

For the aggregate principal amount of \$16,750,000.00, we will pay you \$18,365,323.35, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2015	305M	3.0000	0.2000	102.330
09/01/2016	315M	5.0000	0.4300	108.335
09/01/2017	735M	5.0000	0.6900	112.071
09/01/2018	745M	5.0000	0.9300	115.290
09/01/2019	755M	5.0000	1.1800	117.893
09/01/2020	765M	5.0000	1.4700	119.662
09/01/2021	780M	5.0000	1.7500	120.843
09/01/2022	800M	5.0000	1.9600	121.973
09/01/2023	815M	5.0000	2.0800	123.448
09/01/2024	840M	5.0000	2.1900	124.734
09/01/2025	860M	5.0000	2.2700	123.935
09/01/2026	885M	4.0000	2.5600	112.445
09/01/2027	910M	4.0000	2.6300	111.799
09/01/2028	940M	4.0000	2.6800	111.341
09/01/2029	970M	4.0000	2.7300	110.884
09/01/2030	1,000M	3.0000	3.0000	100.000
09/01/2031	1,030M	3.0000	3.0760	99.000
09/01/2032	1,065M	3.0000	3.1470	98.000
09/01/2033	1,100M	3.0000	3.2130	97.000
09/01/2034	1,135M	3.1250	3.2630	98.000

Total Interest Cost: \$7,381,127.90
 Premium: \$1,615,323.35
 Net Interest Cost: \$5,765,804.55
 TIC: 2.818527
 Time Last Bid Received On: 10/20/2014 10:56:52 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: J.P. Morgan Securities LLC, New York , NY
 Contact: Steve Mitacek
 Title: Vice President
 Telephone: 212-834-7155
 Fax: 212-834-6739

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
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Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid



**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

For the aggregate principal amount of \$16,750,000.00, we will pay you \$18,347,957.69, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2015	305M	3.0000	0.2500	102.287
09/01/2016	315M	4.0000	0.4500	106.473
09/01/2017	735M	5.0000	0.6800	112.101
09/01/2018	745M	5.0000	0.8500	115.618
09/01/2019	755M	2.0000	1.1700	103.888
09/01/2020	765M	4.0000	1.4100	114.453
09/01/2021	780M	4.0000	1.6800	114.916
09/01/2022	800M	4.0000	1.9100	115.136
09/01/2023	815M	5.0000	2.0400	123.812
09/01/2024	840M	5.0000	2.1200	125.438
09/01/2025	860M	3.0000	2.4000	105.225
09/01/2026	885M	4.0000	2.4800	113.188
09/01/2027				
09/01/2028	1,850M	3.0000	3.0800	99.101
09/01/2029				
09/01/2030	1,970M	4.0000	2.8100	110.159
09/01/2031				
09/01/2032	2,095M	4.0000	2.9400	108.991
09/01/2033				
09/01/2034	2,235M	4.0000	3.0500	108.015

Total Interest Cost: \$7,597,822.50
 Premium: \$1,597,957.69
 Net Interest Cost: \$5,999,864.81
 TIC: 2.890938
 Time Last Bid Received On: 10/20/2014 10:58:02 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL
 Contact: Jim VanMetre
 Title:
 Telephone: 312-443-1555
 Fax: 312-443-7225

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
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Morgan Stanley & Co, LLC - New York , NY's Bid



**Kingsport
\$16,750,000 General Obligation Public Improvement
Bonds, Series 2014A**

For the aggregate principal amount of \$16,750,000.00, we will pay you \$17,981,537.10, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2015	305M	4.0000	0.3000	103.076
09/01/2016	315M	4.0000	0.5500	106.284
09/01/2017	735M	4.0000	0.8000	108.946
09/01/2018	745M	4.0000	1.0500	111.054
09/01/2019	755M	4.0000	1.3000	112.607
09/01/2020	765M	4.0000	1.5500	113.612
09/01/2021	780M	4.0000	1.8000	114.084
09/01/2022	800M	4.0000	2.0000	114.432
09/01/2023	815M	2.0000	2.2000	98.401
09/01/2024	840M	4.0000	2.3500	114.409
09/01/2025	860M	4.0000	2.4500	113.469
09/01/2026	885M	2.5000	2.6480	98.500
09/01/2027	910M	5.0000	2.5800	120.896
09/01/2028				
09/01/2029	1,910M	5.0000	2.7800	118.982
09/01/2030	1,000M	5.0000	2.8400	118.415
09/01/2031	1,030M	3.0000	3.2320	97.000
09/01/2032	1,065M	3.1250	3.2740	98.000
09/01/2033	1,100M	3.2500	3.3580	98.500
09/01/2034	1,135M	3.3750	3.4450	99.000

Total Interest Cost: \$7,421,648.37
 Premium: \$1,231,537.10
 Net Interest Cost: \$6,190,111.27
 TIC: 3.031210
 Time Last Bid Received On: 10/20/2014 10:59:43 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Morgan Stanley & Co, LLC, New York , NY
 Contact: Daniel Kelly
 Title: Executive Director
 Telephone: 212-761-1541
 Fax: 212-507-2510

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar

Future Submit Screen

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

The following bidders intend to submit bids on this issue:

Bidder	Contact	Telephone
Fidelity Capital Markets	Dan Noonan	617-563-7691
FTN Financial Capital Markets	Vincent Pietanza	212-418-5005
Hutchinson, Shockey, Erley & Co.	Jim VanMetre	312-443-1555
J.P. Morgan Securities LLC	Steve Mitacek	212-834-7155
Robert W. Baird & Co., Inc.	charles massaro	732-576-4410
Robert W. Baird & Co., Inc.	Peter Anderson	414-765-7331
Citigroup Global Markets Inc.	Charles Reed	212-723-7093

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10:30:22 a.m. CDST Deal Sale Time: 11:30AM EDST Countdown Clock: 00:00:00

Upcoming Calendar Overview Result Refresh

Incoming Bid Screen

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

Bidder	Time Submitted (EDST)
FTN Financial Capital Markets	11:29:56AM
Hutchinson, Shockey, Erley & Co.	11:29:43AM
Fidelity Capital Markets	11:28:23AM
J.P. Morgan Securities LLC	11:27:56AM
Robert W. Baird & Co., Inc.	11:23:01AM

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10:30:46 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
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Bid Results

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.730208
<input type="checkbox"/>	FTN Financial Capital Markets	2.782533
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.820333
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.888183
<input type="checkbox"/>	Fidelity Capital Markets	2.975624

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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10:37:03 a.m. CDST	Upcoming Calendar	Overview	Compare	Summary
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Bid Results

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	Robert W. Baird & Co., Inc.	2.730208
<input type="checkbox"/>	FTN Financial Capital Markets	2.782533
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.820333
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.888183
<input type="checkbox"/>	Fidelity Capital Markets	2.975624

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Upcoming Calendar	Overview	Result	Excel
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Robert W. Baird & Co., Inc. - Red Bank , NJ's Bid

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

For the aggregate principal amount of \$9,550,000.00, we will pay you \$9,643,086.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2016	425M	2.0000	0.4000	102.919
09/01/2017	425M	2.0000	0.6500	103.783
09/01/2018	430M	2.0000	0.9000	104.135
09/01/2019	430M	3.0000	1.1200	108.820
09/01/2020	440M	2.0000	1.3500	103.633
09/01/2021	445M	2.0000	1.5800	102.709
09/01/2022	450M	2.0000	1.7800	101.600
09/01/2023	460M	2.0000	1.9000	100.808
09/01/2024	475M	3.0000	2.0000	108.884
09/01/2025	485M	3.0000	2.2000	107.037
09/01/2026	500M	3.0000	2.4000	105.225
09/01/2027	515M	3.0000	2.6000	103.448
09/01/2028	530M	3.0000	2.8000	101.706
09/01/2029	545M	3.0000	2.9000	100.847
09/01/2030				
09/01/2031	1,145M	3.0000	3.0000	100.000
09/01/2032	600M	3.0000	3.0500	99.313
09/01/2033	615M	3.0000	3.1000	98.578
09/01/2034	635M	3.0000	3.1500	97.797

Total Interest Cost: \$3,143,185.42
 Premium: \$93,086.80
 Net Interest Cost: \$3,050,098.62
 TIC: 2.730208
 Time Last Bid Received On: 10/20/2014 11:23:01 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Red Bank , NJ
 Contact: charles massaro
 Title: director
 Telephone: 732-576-4410
 Fax: 732-576-4420

Issuer Name: City of Kingsport

Company Name: _____

Bid Form

**Robert W. Baird & Co., Inc.'s Sinking Fund of Term Bond
Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2030	565M			
09/01/2031	580M	3.0000	3.0000	100.000

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Result

Robert W. Baird & Co., Inc.'s Reoffering Scale



Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
09/01/2016	425M	2.0000	0.4000	102.919	
09/01/2017	425M	2.0000	0.6500	103.783	
09/01/2018	430M	2.0000	0.9000	104.135	
09/01/2019	430M	3.0000	1.1200	108.820	
09/01/2020	440M	2.0000	1.3500	103.633	
09/01/2021	445M	2.0000	1.5800	102.709	
09/01/2022	450M	2.0000	1.7800	101.600	
09/01/2023	460M	2.0000	1.9000	100.808	
09/01/2024	475M	3.0000	2.0000	108.884	
09/01/2025	485M	3.0000	2.2000	107.037	09/01/2024
09/01/2026	500M	3.0000	2.4000	105.225	09/01/2024
09/01/2027	515M	3.0000	2.6000	103.448	09/01/2024
09/01/2028	530M	3.0000	2.8000	101.706	09/01/2024
09/01/2029	545M	3.0000	2.9000	100.847	09/01/2024
09/01/2030					
09/01/2031	1,145M	3.0000	3.0000	100.000	
09/01/2032	600M	3.0000	3.0500	99.313	
09/01/2033	615M	3.0000	3.1000	98.578	
09/01/2034	635M	3.0000	3.1500	97.797	

Accrued Interest: \$0.00

Gross Production: \$9,780,159.30

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Upcoming Calendar	Overview	Result	Excel
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FTN Financial Capital Markets - New York , NY's Bid

**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

For the aggregate principal amount of \$9,550,000.00, we will pay you \$10,486,606.45, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2016	425M	2.0000	0.4500	102.826
09/01/2017	425M	2.0000	0.7000	103.640
09/01/2018	430M	4.0000	0.9300	111.533
09/01/2019	430M	3.0000	1.1600	108.623
09/01/2020	440M	3.0000	1.4000	108.931
09/01/2021	445M	2.0000	1.6500	102.252
09/01/2022	450M	5.0000	1.8400	122.951
09/01/2023	460M	5.0000	1.9500	124.636
09/01/2024	475M	5.0000	2.0400	126.249
09/01/2025	485M	5.0000	2.1200	125.438
09/01/2026	500M	5.0000	2.2800	123.836
09/01/2027	515M	5.0000	2.3800	122.846
09/01/2028	530M	5.0000	2.4300	122.355
09/01/2029	545M	5.0000	2.4800	121.866
09/01/2030				
09/01/2031	1,145M	3.0000	3.0000	100.000
09/01/2032	600M	3.0000	3.0400	99.449
09/01/2033	615M	3.0000	3.0800	98.860
09/01/2034	635M	3.0000	3.1300	98.087

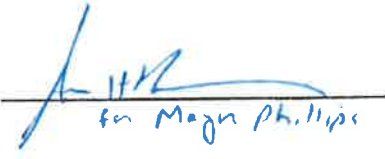
Total Interest Cost: \$4,187,083.47
 Premium: \$936,606.45
 Net Interest Cost: \$3,250,477.02
 TIC: 2.782533
 Time Last Bid Received On: 10/20/2014 11:29:56 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: FTN Financial Capital Markets, New York , NY
 Contact: Vincent Pietanza
 Title: Senior Vice Presiden
 Telephone: 212-418-5005
 Fax: 212-418-7999

Issuer Name: City of Kingsport

Company Name: _____

Accepted By:  for Magn Phillips

Accepted By: _____

Date: 10/20/14

Date: _____

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Upcoming Calendar	Overview	Result	Excel
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J.P. Morgan Securities LLC - New York , NY's Bid



**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

For the aggregate principal amount of \$9,550,000.00, we will pay you \$10,471,849.30, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2016	425M	5.0000	0.4300	108.335
09/01/2017	425M	5.0000	0.6900	112.071
09/01/2018	430M	5.0000	0.9300	115.290
09/01/2019	430M	5.0000	1.1800	117.893
09/01/2020	440M	5.0000	1.4700	119.662
09/01/2021	445M	5.0000	1.7500	120.843
09/01/2022	450M	5.0000	1.9600	121.973
09/01/2023	460M	5.0000	2.0800	123.448
09/01/2024	475M	5.0000	2.1900	124.734
09/01/2025	485M	5.0000	2.2700	123.935
09/01/2026	500M	4.0000	2.5600	112.445
09/01/2027	515M	4.0000	2.6300	111.799
09/01/2028	530M	4.0000	2.6800	111.341
09/01/2029	545M	4.0000	2.7300	110.884
09/01/2030	565M	3.0000	3.0000	100.000
09/01/2031	580M	3.0000	3.0760	99.000
09/01/2032	600M	3.0000	3.1470	98.000
09/01/2033	615M	3.0000	3.2130	97.000
09/01/2034	635M	3.1250	3.2630	98.000

Total Interest Cost: \$4,183,630.19
 Premium: \$921,849.30
 Net Interest Cost: \$3,261,780.89
 TIC: 2.820333
 Time Last Bid Received On: 10/20/2014 11:27:56 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: J.P. Morgan Securities LLC, New York , NY
 Contact: Steve Mitacek
 Title: Vice President
 Telephone: 212-834-7155
 Fax: 212-834-6739

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
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Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid



**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

For the aggregate principal amount of \$9,550,000.00, we will pay you \$10,457,098.50, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2016	425M	5.0000	0.4000	108.393
09/01/2017	425M	5.0000	0.6500	112.191
09/01/2018	430M	3.0000	0.9000	107.894
09/01/2019	430M	1.5000	1.2000	101.404
09/01/2020	440M	4.0000	1.4000	114.513
09/01/2021	445M	4.0000	1.6500	115.125
09/01/2022	450M	5.0000	1.8800	122.624
09/01/2023	460M	5.0000	2.0000	124.178
09/01/2024	475M	5.0000	2.0800	125.843
09/01/2025	485M	3.0000	2.4000	105.225
09/01/2026	500M	4.0000	2.4500	113.469
09/01/2027				
09/01/2028	1,045M	3.0000	3.0800	99.101
09/01/2029				
09/01/2030	1,110M	4.0000	2.8500	109.798
09/01/2031				
09/01/2032	1,180M	4.0000	3.0000	108.457
09/01/2033				
09/01/2034	1,250M	4.0000	3.1000	107.574

Total Interest Cost: \$4,297,405.56
 Premium: \$907,098.50
 Net Interest Cost: \$3,390,307.06
 TIC: 2.888183
 Time Last Bid Received On: 10/20/2014 11:29:43 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL
 Contact: Jim VanMetre
 Title:
 Telephone: 312-443-1555
 Fax: 312-443-7225

Issuer Name: City of Kingsport

Company Name: _____

Upcoming Calendar	Overview	Result	Excel
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Fidelity Capital Markets - Boston , MA's Bid



**Kingsport
\$9,550,000 General Obligation Public Improvement
Bonds, Series 2014B**

For the aggregate principal amount of \$9,550,000.00, we will pay you \$10,086,638.25, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
09/01/2016	425M	3.0000	0.5000	104.556
09/01/2017	425M	4.0000	0.7500	109.093
09/01/2018	430M	4.0000	1.0500	111.054
09/01/2019	430M	4.0000	1.3000	112.607
09/01/2020	440M	4.0000	1.5500	113.612
09/01/2021	445M	5.0000	1.8300	120.272
09/01/2022	450M	5.0000	2.0600	121.164
09/01/2023	460M	5.0000	2.2200	122.184
09/01/2024	475M	5.0000	2.3500	123.142
09/01/2025	485M	2.2500	2.4500	98.105
09/01/2026	500M	4.0000	2.6000	112.076
09/01/2027	515M	4.0000	2.6800	111.341
09/01/2028	530M	4.0000	2.7300	110.884
09/01/2029	545M	3.0000	3.0300	99.641
09/01/2030	565M	3.0000	3.1000	98.753
09/01/2031				
09/01/2032	1,180M	3.0000	3.2300	96.897
09/01/2033				
09/01/2034	1,250M	3.2500	3.3500	98.556

Total Interest Cost: \$3,912,322.33
 Premium: \$536,638.25
 Net Interest Cost: \$3,375,684.08
 TIC: 2.975624
 Time Last Bid Received On: 10/20/2014 11:28:23 EDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Fidelity Capital Markets, Boston , MA
 Contact: Dan Noonan
 Title: Vice-President
 Telephone: 617-563-7691
 Fax: 617-692-5949

Issuer Name: City of Kingsport

Company Name: _____

MOODY'S

INVESTORS SERVICE

* World Trade Center
250 Greenwich Street
New York, NY 10007
www.moody's.com

October 2, 2014

Mr. James Demming
City of Kingsport, TN
225 West Center Street
Kingsport, TN 37660

Dear Mr. Demming:

We wish to inform you that on September 29, 2014, Moody's Investors Service reviewed and assigned a rating of Aa2 to City of Kingsport, TN, General Obligation Public Improvement Bonds, Series 2014A and B.

In assigning such rating, Moody's has relied upon the truth, accuracy and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, on an ongoing basis, continue to provide Moody's with updated information necessary for the purposes of monitoring the rating, including current financial and statistical information.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time in the future.

The rating, as well as any revisions or withdrawals thereof, will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's Rating Desk.

In accordance with our usual policy, assigned ratings are subject to revision or withdrawal by Moody's at any time, without notice, in the sole discretion of Moody's. For the most current rating, please visit www.moody's.com.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, Jennifer Diercksen at 212-553-4346.

Sincerely,


Julie Beglin
VP-Sr Credit Officer/Manager

CC: Mr. Richard Dulaney
Raymond James & Associates, Inc.
One Burton Hills Blvd., Suite 225
Nashville, TN 37215-6299

New Issue: Moody's assigns Aa2 to Kingsport, TN's \$26.4M GO Bonds, Series 2014A and 2014B; Outlook is negative

Global Credit Research - 29 Sep 2014

Affirms Aa2 affecting \$205.6M in outstanding GO debt

KINGSPORT (CITY OF) TN
Cities (including Towns, Villages and Townships)
TN

Moody's Rating

ISSUE	RATING
General Obligation Public Improvement Bonds, Series 2014A	Aa2
Sale Amount	\$16,750,000
Expected Sale Date	09/30/14
Rating Description	General Obligation
General Obligation Public Improvement Bonds, Series 2014B	Aa2
Sale Amount	\$9,550,000
Expected Sale Date	09/30/14
Rating Description	General Obligation

Moody's Outlook NEG

Opinion

NEW YORK, September 29, 2014 –Moody's Investors Service has assigned a Aa2 rating to the City of Kingsport's (TN) \$16.8 million General Obligation Public Improvement Bonds, Series 2014A and \$9.6 million General Obligation Public Improvement Bonds, Series 2014B. The bonds are a direct general obligation of the city, for which the full faith and credit have been irrevocably pledged. Concurrently, Moody's affirms the Aa2 rating on approximately \$205.6 million in previously rated General Obligation bonds. The city's outlook remains negative.

Proceeds from the Series 2014A and 2014B bonds will fund various general government, water, and sewer capital projects.

SUMMARY RATINGS RATIONALE

The Aa2 rating incorporates the city's stable economy with significant taxpayer concentration and adequate financial position despite a steady decline in reserves over the last six fiscal years. The rating also reflects an above average, but manageable debt burden.

The negative outlook reflects six years of audited General Fund operating deficits, which have limited the city's financial flexibility and resulted in below average reserve levels when compared to like-rated entities. Despite this negative trend, management increased the tax rate (from its certified rate) in fiscal 2014 and 2015, as well as eliminated the appropriation of fund balance within both budgets. As a result, the city is expecting a small surplus in fiscal 2014. Going forward, the city does not anticipate appropriating fund balance in future budgets and we would expect that reserves would continue to increase in the near-term closer to the Aa2 median. While we believe that the city's General Fund and Fleet Maintenance Fund reserves through fiscal 2013 are adequate at the current rating level, additional declines in General Fund reserves in fiscal 2014 or fiscal 2015, as well as continued declines in available reserves within the Fleet Maintenance Fund beyond anticipated 2014 levels, would result in further negative pressure on the Aa2 rating.

STRENGTHS

- Sizeable tax base with continue growth expected in the near-term
- Adoption of tax rate increases in fiscal 2014 and 2015 to help support return to structural balance

CHALLENGES

- Six years of audited General Fund balance declines
- Above average debt burden
- Significant taxpayer concentration

DETAILED CREDIT DISCUSSION

GENERAL FUND RESERVES REMAIN ADEQUATE DESPITE CONSECUTIVE OPERATING DEFICITS; ADDITIONAL FLEXIBILITY IN INTERNAL SERVICE FUNDS

The city's financial position will continue to be challenged over the near term, driven by consecutive years of declining reserves, limiting the city's financial flexibility. These declines are somewhat offset by still adequate General Fund reserves and additional monies available to support General Fund operations in the Internal Service Funds. While the city has had a history of conservative budgeting and General Fund balance in excess of 30% of annual revenues, reserves have declined over the last six years due in part to internally financed capital projects, as well as underperformance of various economically sensitive revenues. From fiscal 2007 through fiscal 2013, the city's General Fund reserves declined by approximately 45% to \$11.6 million from \$20.9 million.

Most recently, the fiscal 2013 year ended with a \$938,000 decline in General Fund balance to \$11.6 million or an adequate 17.3% of General Fund revenues. In addition, the city's unassigned fund balance at \$11.5 million (17.1% of General Fund revenues) remained just above the city's formal policy of \$11.4 million. While the city had originally appropriated \$640,000, due to a delay in timing on various land sales, the draw on reserves was greater than anticipated.

In addition to General Fund reserves, the city maintains monies in a Fleet Maintenance Fund (an Internal Service Fund). Reserves within this fund are generated from user charges billed to each department that deploys any type of rolling stock. The Fleet Maintenance Fund had \$3.8 million in accumulated funds as of June 30, 2013, which at the discretion of the Board of Mayor and Alderman, can be designated for any purpose, including General Fund operating expenses. Since these funds could be transferred over to the General Fund as a short-term loan, we believe this gives the city added financial flexibility (Available fund balance of \$15.4 million or 22.9% of General Fund revenues) in the event of a fiscal crisis. The city's largest revenue source, property taxes (49.9% of annual General Fund revenues) continues to remain strong and with continued development is expected to increase in fiscal 2014.

The fiscal 2014 budget represents a minimal 0.4% increase from the previous year and does not include any appropriation of fund balance. The budget also included a \$0.06 (per \$100 of assessed valuation) property tax rate increase, as well as savings from revisions to the city's health plan and instituting a defined contribution pension plan for new employees. Preliminary estimates for fiscal 2014 project a \$300,000 increase in General Fund balance to \$11.9 million, or 17.0% of General Fund revenues, still well below the Aa2 national median of 33% of General Fund revenues. Overall, revenues tracked slightly over budget due to the positive performance of sales taxes, while expenditures ended relatively close to budget. The city also anticipates that reserves in the Fleet Maintenance Fund will decrease to \$2.8 million, which would result in an available General Fund balance of \$14.7 million (21.0% of General Fund revenues).

The fiscal 2015 budget represents a 3.7% increase from fiscal 2014. In addition, the budget does not include any appropriation of fund balance, a practice that city management expects to continue. The budget also incorporates a \$0.13 (per \$100 of assessed valuation) property tax rate increase that is expected to generate \$2.2 million in new revenue. These additional funds helped to offset a 1% salary increase for all employees, a number of new positions, and increased debt service costs. Moody's will continue to monitor the city's General Fund reserve levels over the next 18 months, however continued use of General Fund balance in fiscal 2014 or 2015, as well as continued declines in Fleet Maintenance Fund reserves beyond anticipated fiscal 2014 levels, would result in additional negative pressure on the city's rating.

REGIONALLY IMPORTANT ECONOMIC BASE WITH LOCAL ECONOMY DOMINATED BY EASTMAN

CHEMICAL COMPANY

Kingsport continues to benefit from a sizable \$5.8 billion tax base and significant commercial and industrial employment base. The tax base is dominated by Eastman Chemical Company (senior unsecured rating of Baa2 stable) which represents approximately 24.4% of total taxable value. The current headquarters facility consists of more than 500 buildings on approximately 6,000 acres of land. Over the last five years, Eastman has spent an estimated \$1.3 billion to expand production capacity, and has recently announced another \$1.7 billion expansion that will go through 2020. The new expansion is expected to generate 300 direct jobs and 1,000 contractor and construction jobs. In addition, Leclerc Foods recently completed a \$15.7 million expansion that created 30 new jobs, while Portola Packaging finished a \$12 million expansion that generated 40 new jobs.

Commercial and retail sectors continue to be strong, with high occupancy rates as well as the addition of several new restaurants and a new theater complex. Another positive for the retail sector is the recent passing of the Border Region Retail Tourism legislation by the Tennessee General Assembly. The new legislation would allow the city to recapture approximately 59% of all state sales taxes within a specific 950 acre special district designed to incent and attract super regional retailers to the Kingsport market. While the majority of the site still remains a green field, grading is well under way on 100 acres that will be ready for future retail and big box building pads. Once the site is fully developed, management believes it will add tremendous value through additional sales tax revenues.

The city has experienced assessed value growth averaging 6.4% over the past five years, driven by a combination of annexation, commercial and residential development, and reappraisal. Full value has grown at a slightly higher rate of 6.6% over the same five year period. Unemployment within the city was 7.7% in July 2014, slightly below state (7.8%) and above national (6.5%) averages. Wealth levels remain in line with Tennessee averages with per capita income of 106.2% of the state and median family income of 101.1% of the state. Full value per capita is also strong at \$112,832.

DEBT BURDEN IS ABOVE-AVERAGE BUT MANAGEABLE DUE TO SELF SUPPORTING NATURE OF WATER AND SEWER DEBT

Kingsport's debt position is expected to remain manageable in the near-term given the self-supporting nature of the city's water and sewer system and average retirement of principal. Kingsport's direct debt burden is high but manageable at 2.9% of full valuation and increases to a higher 3.6% when taking into account the overlapping debt of local counties. This debt burden is net of \$83.2 million of outstanding debt that is self-supporting by water and sewer system revenues. In addition, approximately \$32.7 million in additional debt issued for the Aquatic Center, Conference Center, and Golf course is supported by the Regional Sales Tax Fund. The city has a policy to amortize non-school and non-self-supporting debt over 15 years, with the exception of moneys issued for buildings, which it amortizes over 20 years. This has led to an average repayment of debt - approximately 61.2% of principal is repaid within ten years. The city's variable rate debt exposure is minimal with approximately 3.0% of total debt and consists of two loans from the Tennessee Municipal Bond Fund (TMBF). The city is not party to any interest rate swaps.

The city currently maintains a \$173.2 million five-year (2015-2019) Capital Improvement Plan, including \$148.3 million in additional bonds. While more than half of the new money debt will be for water and sewer purposes (\$62.2 million), the city typically secures the debt with a secondary General Obligation Unlimited Tax pledge. Taking into consideration the new money debt, the city's debt burden is expected to increase beyond the already above-average levels. Moody's will monitor the city's debt burden over the upcoming years with the expectation that levels will still remain affordable, however if debt levels rise significantly, additional rating pressure could result.

The city currently participates in the Political Subdivision Pension Plan (PSPP) and the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), both of which are multi-employer defined benefit plans administered by the Tennessee Consolidated Retirement System. The Annual Required Contribution (ARC) for PSPP was \$6.3 million (5.5% of operations expenditures) and \$2.8 million (2.4% of operating expenditures) for SETHEPP in fiscal 2013. The city consistently contributes 100% of the annual pension cost for both plans. The city's adjusted pension liability, under Moody's methodology for adjusting reported pension data, is \$109.4 million or an average 0.96 times of operating revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. In addition, the city voted to adopt a defined contribution plan for all new employees, which is expected to save the city on retirement costs going forward.

The city also provides Other Post-Employment Benefits (OPEB) to employees. The total ARC for the city's OPEB plan totaled \$5.9 million (5.2% of operating expenditures) and the city contributed 23.7% of the ARC (\$1.3 million or 1.1% of operating expenditures) in fiscal 2013. Fixed costs including annual pension, OPEB and debt service expenditures summed to a moderate 18.3% of fiscal 2013 expenditures.

OUTLOOK

The negative outlook reflects six years of audited General Fund operating deficits, which have limited the city's financial flexibility and resulted in below average reserve levels when compared to like-rated entities. Despite this negative trend, management increased the tax rate (from its certified rate) in fiscal 2014 and 2015, as well as eliminated the appropriation of fund balance within both budgets. As a result, the city is expecting a small surplus in fiscal 2014. Going forward, the city does not anticipate appropriating fund balance in future budgets and we would expect that reserves would continue to increase in the near-term closer to the Aa2 median. While we believe that the city's General Fund and Fleet Maintenance Fund reserves through fiscal 2013 are adequate at the current rating level, additional declines in General Fund reserves in fiscal 2014 or fiscal 2015, as well as continued declines in available reserves within the Fleet Maintenance Fund beyond anticipated 2014 levels, would result in further negative pressure on the Aa2 rating.

WHAT COULD MAKE THE RATING GO UP (REMOVAL OF THE NEGATIVE OUTLOOK)

- Return to structural balance
- Increased General Fund reserves to levels more in line with Aa2 rating category
- Continued diversification of top taxpayers (decreased concentration in Eastman Chemical Company)
- Decline in debt burden

WHAT COULD MAKE THE RATING GO DOWN

- Continued declines in General Fund reserves in fiscal 2014 and 2015
- Further declines in reserves in Fleet Maintenance Fund beyond anticipated fiscal 2014 levels
- Sizeable reduction in tax base
- Significant increase in debt burden
- Reduced operations or financial distress of the city's largest taxpayer, Eastman Chemical Company

KEY STATISTICS

2014 Tax Base Size - Full Value (in 000s): \$5,784,232

2014 Full Value Per Capita: \$112,832

2010 Median Family Income as % of US median: 85.70%

2013 Fund Balance as % of Revenues: 13.04%

Five-Year Dollar Change in Fund Balance as % of Revenues: -3.71%

2013 Cash Balance as % of Revenues: 12.80%

Five-Year Dollar Change in Cash Balance as % of Revenues: -4.20%

Institutional Framework: Aaa

Operating History - Five-Year Average of Operating Revenues/ Operating Expenditures: 0.98x

Net Direct Debt/Full Value: 2.87%

Net Direct Debt/Operating Revenues: 1.46x

Three-Year Average of Moody's Adjusted Net Pension Liability/Full Value: 1.77%

Three-Year Average of Moody's Adjusted Net Pension Liability/Operating Revenues: 0.89x

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Moody's Investors Service, Inc.
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New York, NY 10007
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INVESTORS SERVICE

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500 North Akard Street
Lincoln Plaza, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.:739715

October 16, 2014

Revised

City of Kingsport
225 West Center Street
Kingsport, TN 37660--4285
Attention: Mr. Jeff Fleming, City Manager

Re: *US\$15,605,000 City of Kingsport, Tennessee, General Obligation Public Improvement Bonds, Series 2014A, dated: Date of delivery, due: September 01, 2034*

US\$9,300,000 City of Kingsport, Tennessee, General Obligation Public Improvement Bonds, Series 2014B, dated: Date of delivery, due: September 01, 2034

Dear Mr. Fleming:

Pursuant to your request for a Standard & Poor's Ratings Services ("Ratings Services") rating on the above-referenced obligations, Ratings Services has assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

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Please send hard copies to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

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Sincerely yours,

A handwritten signature in cursive script that reads "Standard & Poor's".

Standard & Poor's Ratings Services

cm
enclosures

cc: Ms. Cynthia M. Barnett, Esq.
Mr. James H. Demming, Jr.
Mr. Richard T. Dulaney
Ms. Tracy Johnson



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Summary:

Kingsport, Tennessee; General Obligation

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Summary:

Kingsport, Tennessee; General Obligation

Credit Profile

US\$16.75 mil GO pub imp bnds ser 2014A due 09/01/2034

LongTermRating

AA/Stable

New

US\$9.55 mil GO pub imp bnds ser 2014B due 09/01/2034

LongTermRating

AA/Stable

New

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to Kingsport, Tenn.'s series 2014A and 2014B general obligation (GO) public improvement bonds. At the same time, Standard & Poor's affirmed its 'AA' long-term rating and underlying rating (SPUR) on the city's previously issued GO debt. The outlook is stable.

The bonds are secured by the city's full faith and credit. The series 2014A bond proceeds will be used to finance certain public works projects, consisting of the acquisition of public art; acquisition, construction, improvement and renovation of public school facilities; construction, improvement, and expansion relating to streets, parking, and sidewalks; acquisition, construction, and improvement of a fire training ground and fire protection upgrades; and acquisition and development of public recreational facilities. The series 2014B bonds are further secured by revenue from the operation of the city's water and sewer system. Officials will use the 2014B bond proceeds for construction, expansion, and improvement relating to the water and sewer system.

The ratings reflect our assessment of the following factors for the city:

- Strong economy as one of the cities in the Tri-Cities metropolitan statistical area (MSA);
- Very strong budgetary flexibility, with 2013 audited reserves at 20.3% of general fund expenditures;
- Adequate budgetary performance, with projected surpluses in fiscal years 2014 and 2015;
- Very strong liquidity providing very strong cash to cover both debt service and expenditures;
- Very strong management with strong financial policies; and
- Very weak debt and contingent liability position, mostly as a result of the city's high net direct debt.

Strong economy

We consider Kingsport's economy strong with access throughout the broad and diverse economy of the Tri-Cities MSA (Kingsport, Johnson City, and Bristol). Traditionally, county unemployment has tracked the national unemployment rate (measuring 7.5% in 2013 in comparison with the nation's 7.4%).

The city has projected per capita effective buying income (EBI) is 83.5% of the national level. Per capita market value for the city was \$113,027 for fiscal 2014. The city's per capita EBI is strong, in our view, reflective of some residents' access to jobs in neighboring areas.

The MSA has historically had a strong manufacturing and industrial presence, and has continued to diversify into the

education, health care, and retail sectors.

Eastman Chemical Co., a Fortune 500 company with approximately 6,737 employees and about 3,000 contractors in Kingsport, is the second-largest private employer in Tennessee, and the largest regional employer and largest taxpayer in the MSA. In early September 2014, Eastman Chemical entered into a definitive agreement to acquire Taminco Corp., a global specialty chemical company. The total value of this transaction is \$2.8 billion. The acquisition of Taminco strengthens Eastman's presence in markets such as food, feed, and agriculture, and has added roughly 3,400 jobs to the area.

The city's taxable assessed value (AV) has remained stable, and officials anticipate 2% annual increases in AV for the next several years. Taxable AV reached approximately \$1.8 billion in fiscal 2014; estimated full market value for fiscal 2014 was \$5.8 billion. We believe the tax base is moderately concentrated with the top 10 taxpayers accounting for roughly 34.5% of total AV.

Very strong budget flexibility

In our opinion, the city's budgetary flexibility remains very strong, with reserves exceeding 20% of expenditures for the past several years and no plans to significantly spend them down. The city anticipates a surplus of about \$338,000 in the general fund for unaudited fiscal 2014. For audited fiscal 2013, reserves were \$12 million, or 20.3% of expenditures.

Adequate budgetary performance

The city's budgetary performance has been adequate overall, in our view, despite a deficit of about 1.6% in the general fund after counting recurring transfers for school district operations (in the amount of about \$12.8 million annually) as an operating expense rather than a below-the-line transfer. Although we treat this transfer as an operating expense for our analysis, the city actually has a surplus of about \$19.68 million before transfers.

Finally, net of all transfers, the actual general fund deficit amounted to approximately \$938,000, resulting in an ending general fund balance of approximately \$11.6 million, or what we consider an adequate 26.3% of expenditures for audited fiscal 2013.

The total governmental funds operating result was about negative 1.6% after adjustment for expenditures for the spending down of previously deposited bond proceeds. About 56% of the city's operating revenue is from property taxes, with about 34% from sales tax revenue.

The city is anticipating a small surplus of \$320,000 for fiscal 2014 as a result of higher-than-budgeted revenue, bringing the unaudited general fund balance to roughly \$12 million, or a projected 26.6% of expenditures. The adopted fiscal 2015 budget reflects an \$11.8 million fund balance. Management attributes the small decline to one-time capital expenditures.

Given the city's historical budget-to-actual performance, we do not anticipate a change in our assessment of the city's general fund performance. Property tax collections have remained healthy, with collections totaling above 96% each year. Sales tax revenue increased steadily during the past three years, by about 1.42% in fiscal 2013, 5.68% in fiscal 2012, and 4.17% in fiscal 2011. We anticipate that sales taxes will remain at least level if not continue to grow, and with property tax revenue remaining stable, the city will be in a good position to maintain its strong performance.

Very strong liquidity

Supporting the city's finances is liquidity we consider very strong, with total government available cash at more than 25% of total governmental fund expenditures and more than 355% of debt service. We believe the city has exceptional access to external liquidity. The city has two letters of credit in place for a total of \$8 million. Because liquidity is so strong, coverage would exceed 3.5x. The city has frequently issued bonds, including GO bonds, revenue bonds, and sales tax bonds, during the past 15 years.

Very strong management conditions

We view the city's management conditions as very strong, with strong financial practices. The city utilizes historical data as well as national and state conditions to create its revenue and expenditure assumptions. Management provides the board with monthly reports on its budget to actuals, and can amend the budget if needed. The city performs long-term planning for both capital and financial needs, both of which go out five years. In addition, the city maintains a formal debt policy and a formal investment policy with investment updates provided quarterly. The city also maintains a reserve policy of four months of operations.

Very weak debt and contingent liability profile

In our opinion, the city's debt and contingent liability profile is very weak, with total governmental fund debt service at 7.5% of total governmental fund expenditures, and with net direct debt at 126.6% of total governmental fund revenue. After accounting for self-support from the water and sewer system, we believe that overall net debt is moderate at 3.8% of market value. Amortization is average with roughly 60.4% of debt retired in 10 years.

The city has entered into two direct purchase agreements with a total principal amount of about \$8 million. These agreements allow for acceleration payable in less than 180 days, and we do not consider the termination events consistent with our published criteria for standby bond purchase agreement termination events. Debt is transferrable to another party, but there is no most-favored-nation clause. In addition, the agreements allow the holder to accelerate principal if any holder or credit enhancer of indebtedness of the borrower or any counterparty under any related swap agreement causes such obligation to become immediately due and payable. We understand the city has no other obligations outstanding with acceleration provisions that, if triggered, could lead to acceleration under the agreements. The city plans to issue roughly \$13.3 million in fiscal 2016, primarily for water and sewer system improvements.

The city participates in the Tennessee Consolidated Retirement System (TCRS) to provide pension benefits for employees. The required contribution is determined by actuarial valuation and may be amended by the TCRS Board of Trustees. The city also provides other postemployment benefits (OPEBs) on a pay-as-you-go basis. The combined annual required contribution pension costs and OPEB pay-as-you-go costs for fiscal 2013 were 5% of expenditures, and the city does not anticipate that these costs will increase substantially in the near term. The city's pension liability is 84.3% funded.

Very strong institutional framework

We consider the Institutional Framework score for Tennessee cities very strong.

Outlook

The stable outlook reflects our anticipation that Kingsport's financial and capital management policies will continue to provide stability for the next two years. We believe the strength and diversity of the city's core economic structure will allow it to maintain significant financial flexibility and overall rating stability. We do not anticipate changing the rating during our two-year horizon, based on our anticipation that the city will maintain strong reserves.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Tennessee Local Governments

Ratings Detail (As Of October 17, 2014)

Kingsport GO

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed
<i>Long Term Rating</i>	AA/Stable	Affirmed

Many issues are enhanced by bond insurance.

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