



## BOARD OF MAYOR AND ALDERMEN MEETING AGENDA

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January 22, 2026 - 5:30 P.M.  
Town Hall, 100 Main Street E.

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Welcome from the Mayor
6. Approval and/or Correction of the minutes of the Board of Mayor and Aldermen Meeting dated December 18, 2025, monthly financial report, and department reports.
7. Visitors' Comments:
8. Old Business:
9. New Business:
  - A. FIRST READING: Ordinance 26-544: Budget Amendment
  - B. DISCUSSION AND CONSIDERATION: Resolution 26-666: Opposing Cost Share Proposal from HCECD
  - C. DISCUSSION AND CONSIDERATION: Resolution 26-667: Capitalization Policy
  - D. DISCUSSION AND CONSIDERATION: Resolution 26-668: Debt Management Policy
  - E. DISCUSSION AND CONSIDERATION: Resolution 26-669: Virtual Meeting Attendance
  - F. DISCUSSION AND CONSIDERATION: Acceptance of Bid for LPRF Park Bathroom/Pavillion Construction
  - G. DISCUSSION AND CONSIDERATION: County Candidate Forum
10. Board Comments: Mayor, Vice-Mayor, Aldermen
11. Staff Comments: Town Manager, Asst. Town Manager, Town Attorney
12. Adjourn



## TOWN OF MOUNT CARMEL

### BOARD OF MAYOR AND ALDERMEN MEETING MINUTES

A regularly scheduled meeting of the Town of Mount Carmel, Tennessee Board of Mayor and Aldermen was held at Mount Carmel Town Hall, 100 East Main Street, on December 18, 2025, at 5:30 p.m.

**CALL TO ORDER**

5:30 pm by Mayor John Gibson

**INVOCATION AND PLEDGE OF ALLEGIANCE**

Led by Vice-Mayor Bare and Alderman Shugart

**ROLL CALL:**

BMA	Present	Absent	Town Administration Present
Alderman Darby Patrick	✓		Jim Stables, Town Manager
Alderman James Cross	✓		Tyler Williams, Asst. Town Manager/CFO/Recorder
Alderman Mindy Shugart	✓		Allen Coup, Town Attorney
Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

**WELCOME FROM THE MAYOR**

Mayor Gibson welcomed everyone

**APPROVAL** and/or correction of the November 20, 2025, Board of Mayor and Aldermen meeting minutes, departmental and financial reports.

Motion: Vice-Mayor Bare

Second: Alderman Shugart

Approved: All present voting in favor

**PRESENTATION** of the 2024-2025 audit was given by David M. Ellis, CPA. The Town received a clean audit with no findings or recommendations.

**VISITOR COMMENTS**

Sue Jarrett- complimented Town administration and staff for receiving a clean audit.

**OLD BUSINESS**

A. SECOND READING AND PUBLIC HEARING: Ordinance 25-543: Budget Amendment

PUBLIC HEARING:

Motion to Open: Alderman Shugart

Second: Alderman Binstock

With no public comment given, public hearing was closed.

APPROVAL:

Motion: Alderman Shugart

Second: Alderman Binstock

	AYES	NAYS	OTHER
Alderman Darby Patrick	✓		
Alderman James Cross	✓		
Alderman Mindy Shugart	✓		
Alderman Philip Binstock		✓	
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

**NEW BUSINESS**

A. DISCUSSION AND CONSIDERATION: Resolution 25-665: Financial Literacy Initiative

Motion: Alderman Shugart

Second: Alderman Binstock

	AYES	NAYS	OTHER
Alderman Darby Patrick	✓		
Alderman James Cross	✓		
Alderman Mindy Shugart	✓		
Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

B. DISCUSSION AND CONSIDERATION: Acceptance of Proposal for Financial and Compliance Auditing Services- Mauldin & Jenkins, LLC

Motion: Alderman Shugart  
Second: Alderman Binstock

	AYES	NAYS	OTHER
Alderman Darby Patrick	✓		
Alderman James Cross	✓		
Alderman Mindy Shugart	✓		
Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

**ADJOURN**

Motion: Alderman Shugart at **5:51 P.M.**  
Second: Alderman Binstock  
Approved: *All present voting in favor*

Approve: \_\_\_\_\_  
 John Gibson, Mayor

Attest: \_\_\_\_\_  
 Tyler Williams, Town Recorder



## FINANCIAL REPORT

TOWN OF MOUNT CARMEL, TN

Month ending 12/31/2025

<b><u>GENERAL FUND:</u></b>	<b><u>BALANCE:</u></b>
Checking Account (First Horizon)	\$994,937.72
LGIP Investment Account	\$6,690,250.11
Capital Outlay Savings (First Horizon)	\$1,151.71
<b>TOTAL:</b>	<b>\$7,686,339.54</b>
<b><u>DRUG FUND:</u></b>	<b><u>BALANCE:</u></b>
Drug Fund Checking (First Horizon)	\$16,815.50
Special Drug Fund (First Horizon)	\$0.00
<b>TOTAL:</b>	<b>\$16,815.50</b>
<b><u>SEWER FUND:</u></b>	<b><u>BALANCE:</u></b>
Checking Account (First Horizon)	\$334,560.67
Savings/Sewer Savings 2014 (First Horizon)	\$1,054.22
LGIP Investment Account	\$1,005,243.28
<b>TOTAL:</b>	<b>\$1,340,858.17</b>
<hr/>	
GRAND TOTAL CASH ON HAND:	\$9,044,013.21

Current Savings Rate: 2.45%

Current LGIP Rate: 3.84%

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# Mount Carmel Fire Department

Mitch Walker, Fire Chief

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January 2nd, 2026

To: James Stables, City Manager

Ref: December 2025 Monthly Report

## Volunteer Response Time to Station

- Average: 00:54
- 90<sup>th</sup> Percentile: 1:47

## Apparatus Response Times

- Average: 6:16
- 90<sup>th</sup> Percentile: 10:20

## Volunteer Staff Hours

- Emergency Response Hours: 340 hours, 9 minutes, 12 seconds
- Fire Prevention Hours: 1 hour

## Training Hours

- Total: 54 Hours
  - o Company Level Training – 50 hours
  - o Technical Rescue – 4 hours

## Significant Activities

- Completed fire hydrant flow testing for upcoming ISO inspection
- Prepared call, equipment, testing, and training reports for upcoming ISO inspection
- Staffed a standby crew for Kingsport Fire Department on December 12<sup>th</sup> from 17:30-20:00 for their annual staff awards.
- Participated in the Church Hill Christmas Parade
- Participated in the Surgoinsville Christmas Parade
- Conducted and coordinated the Town of Mount Carmel Christmas Parade
- Conducted and coordinated the Town of Mount Carmel's 60<sup>th</sup> annual Santa Run
- Responded twice as part of Tennessee Fire Mutual Aid System to Carter County for a large landfill fire

- 
- Two new volunteers have been added to the department's staff
  - Funding obtained from the sale of old ladder truck was used to purchase multiple new equipment items for Tower 18
  - Annual fire extinguisher service and maintenance performed at all town facilities
  - Firefighter Michael Clark passed his national registry Advanced EMT certification
  - Firefighter Tyler Peters passed his national registry EMT basic certification
  - Responded to a record 52 calls for service over the month, bringing the grand total for 2025 to 443 calls for service, an increase of 50 calls from 2024.

Custom ▾ Dec 1, 2025 - Dec 31, 2025 ▾

46%

**FIRE**  
Percentage of Total Incidents

54%

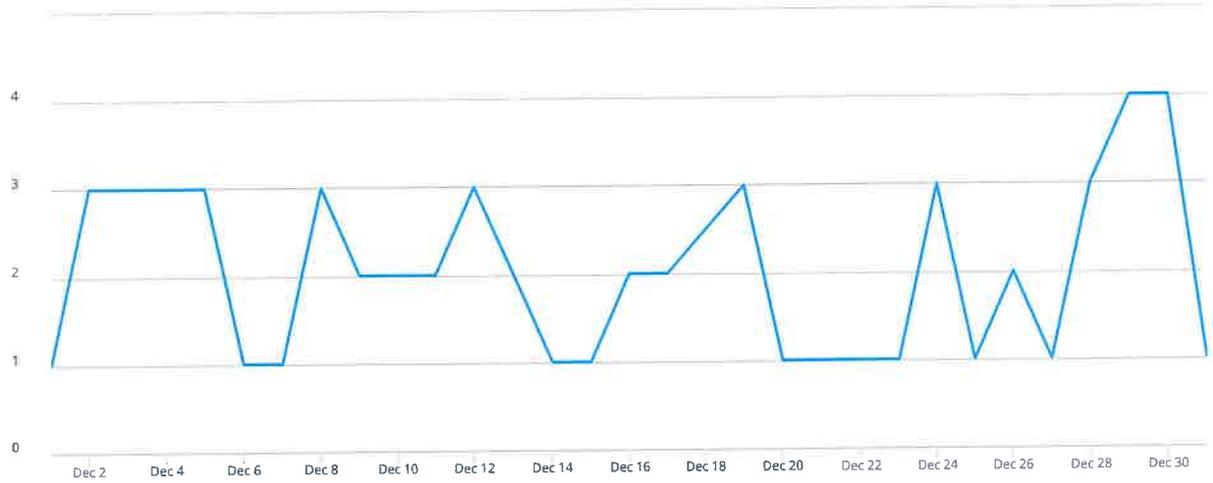
**EMS**  
Percentage of Total Incidents

52

**INCIDENTS**  
In Selected Time Slice

31

**DAYS**  
In Selected Time Slice



Counts % Rows % Columns % All

Week Ending	12/7/25	12/14/25	12/21/25	12/28/25	1/4/26	1/11/26	1/18/26	1/25/26	2/1/26	2/8/26	2/15/26	2/22/26	3/1/26	Total
(11) Structure Fire				1										1
(13) Mobile property (vehicle) fire			1											1
(14) Natural vegetation fire			1											1
(15) Outside rubbish fire		2												2
(31) Medical assist	4	4	3	4	4									19
(32) Emergency medical service (EMS) incident	1	2		3	3									9
(35) Extrication, rescue					1									1
(41) Combustible/f.. spills & leaks	1	1												2
(44) Electrical wiring/equipm. problem	1	1	1											3
(46) Accident, potential accident	1			1	1									3
(57) Cover assignment, standby at fire station, move-up		1												1
(61) Dispatched and canceled en route			2											2
(62) Wrong location, no emergency found				3										3
(65) Steam, other gas mistaken for smoke		1												1

Week Ending	12/7/25	12/14/25	12/21/25	12/28/25	1/4/26	1/11/26	1/18/26	1/25/26	2/1/26	2/8/26	2/15/26	2/22/26	3/1/26	Total
(67) HazMat release investigation w/no HazMat		1												1
(74) Unintentional system/detect... operation (no fire)	1													1
UNK			1											1
<b>Total</b>	<b>9</b>	<b>13</b>	<b>9</b>	<b>12</b>	<b>9</b>									<b>52</b>

**Date:** December 22, 2025  
**To:** Jim Stables, Tyler Williams  
**Copy:** Jason Salyer, Matt Malone  
**From:** Chad Arnold  
**Subject:** October 2025 Management, Operations & Maintenance Report - WWTP

**Executive Summary**

There were zero (0) excursions to the NPDES permit during the month of October 2025.

There were zero (0) Sanitary Sewer Overflows or Releases during the month of October 2025.

Overall, the plant is stable and operating efficiently. Dewatering operations, utilizing the rental volute press, are keeping the solids concentration at levels that can be consistently clarified.

Landfill disposal continues at the Carter Valley Landfill through Republic, but better pricing has been negotiated with Waste Management at their Eco Safe Landfill in Blountville and we are preparing to make this transition.

**Operations**

Loading and percent removal as follows:

Parameter	Influent, mg/L	Effluent *mg/L / lbs/day	Reduction % Monthly (85% minimum)	Reduction % Daily (40% minimum)
BOD average	284	10 / 14	96%	93%
TSS average	326	5 / 7	98%	98%

\* NPDES Effluent Limit (Monthly Average) – 30 mg/L / 119 lbs/day

Flow as follows:

Flow*	MGD
Influent Flow Average, monthly	0.223 MGD*
Effluent Flow Average, monthly	0.163 MGD

\*Mt Carmel STP is rated at **0.472 MGD**.

Please refer to the attachments for the state operating report.

**Biosolids Dewatering & Disposal**

- Dewatering
  - Dewatered 135,093 gallons.
  - 1 load was transported to Carters Valley Landfill in October 2025.
    - 11.2 wet tons disposed
    - Not all sludge that was dewatered was disposed of at the Carters Valley Landfill. We have been holding sludge in the drying beds awaiting confirmation from Waste Management to start disposal with them and acquire a better rate.

Biosolids Wet Tons Disposed via Landfill

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2025	0	0	0	0	0	39.8	0	36.4	40.1	11.2	0	0	127.5

**Residential Lift Stations Maintenance Summary**

- Inframark’s Maintenance Team responded to twenty-two (22) recorded residential lift station calls during the month of October 2025.
- Five (5) residential lift station pump replacements were recorded during the month of October 2025.

Residential Lift Station Pumps Replaced

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2025	?	?	?	?	?	4	4	5	3	5	0	0	21

**Major Maintenance Items - WWTP**

- Preventative maintenance was performed on Blower 2. After reassembly it was found that the bearings in the blower unit are going bad. The belts were very loose before disassembly, which would have masked the sound of the bad bearings. When new belts were installed and properly tensioned, the problem showed itself. Looking into rebuild options.

**Major Maintenance Items – Main Sewer Lift Stations**

- Received Lift Station 10 pump 2 replacement. Will install as soon as possible.

**Maintenance Opportunities**

- An internal Asset Review/CIP was done by Daniel Packwood and Chad Arnold. I received the completed report from Daniel, and I will provide it to the town in the coming days.

## **Financial Update**

Type	Month	Fiscal Year	Remaining Balance (1)
Repair & Maintenance Cap	\$32,154.32	\$66,965.40	\$33,034.60
Chemical Cap	\$4,220.50	\$13,346.90	\$8,971.10
Sludge Cap	\$0.00	\$0.00	\$118,025.00

- (1) Annual Repair & Maintenance Budget - \$100,000.00  
Annual Sludge Cap Budget - \$118,025.00  
Annual Chemical Budget - \$22,318.00

**NOTE: Expenses are applied to the Caps once Inframark has paid the invoices.**

## **Capital Expenditures Procured by the Town of Mount Carmel**

Type	Month	Fiscal Year
Residential Pump Maintenance	\$28,895.00	\$136,148.00
WWTP Maintenance	\$0	\$55,123.90
Machinery & Equipment Rental	\$0	\$109,500.00
TOTAL	\$0	\$300,771.90

Please refer to the attachments for the operational and maintenance tracking financial reports.

## **Health & Safety**

- There were no recordable injuries for the month giving a 2025 calendar year total of zero and FY25 total of zero.
- Safety training is assigned to each team member individually and is completed on-line.

## **Personnel**

We have been fully staffed since September 8<sup>th</sup>. Training the maintenance team in the safe installation of new residential Barnes pump systems and troubleshooting the older systems has been a high priority. Along with this comes a continued effort of courteous interactions with the citizens of Mount Carmel.

**Date:** December 22, 2025  
**To:** Jim Stables, Tyler Williams  
**Copy:** Jason Salyer, Matt Malone  
**From:** Chad Arnold  
**Subject:** November 2025 Management, Operations & Maintenance Report - WWTP

**Executive Summary**

There were zero (0) excursions to the NPDES permit during the month of November 2025.

There were two (2) Sanitary Sewer Releases from Residential Lift Stations during the month of November 2025. Both releases were reported to TDEC.

11/05/2025 – 425 Holly St.  
 11/18/2025 – 861 Nantucket Ave.

Overall, the plant is stable and operating efficiently. Dewatering operations, utilizing the rental volute press, are keeping the solids concentration at levels that can be consistently clarified.

Landfill disposal at the Carter Valley Landfill through Republic was stopped after the last load was taken on 11/6/25. Waste Management hauled the first load to Eco-Safe Landfill on 11/4/25. The Eco-Safe Landfill through Waste Management is now our primary disposal site.

**Operations**

Loading and percent removal as follows:

Parameter	Influent, mg/L	Effluent *mg/L / lbs/day	Reduction % Monthly (85% minimum)	Reduction % Daily (40% minimum)
BOD average	294	12 / 17	96%	95%
TSS average	312	6 / 9	98%	97%

\* NPDES Effluent Limit (Monthly Average) – 30 mg/L / 119 lbs/day

Flow as follows:

Flow*	MGD
Influent Flow Average, monthly	0.245 MGD*
Effluent Flow Average, monthly	0.173 MGD

\*Mt Carmel STP is rated at **0.472 MGD**.

Please refer to the attachments for the state operating report.

**Biosolids Dewatering & Disposal**

- Dewatering
  - Dewatered 146,918 gallons.
  - 1 load was transported to Carters Valley Landfill in November 2025.
  - 3 loads were transported to Eco-Safe Landfill in November 2025.
    - 49.8 wet tons disposed.

**Biosolids Wet Tons Disposed via Landfill**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2025</b>	0	0	0	0	0	39.8	0	36.4	40.1	11.2	49.8	0	<b>177.3</b>

**Residential Lift Stations Maintenance Summary**

- Inframark’s Maintenance Team responded to 18 (18) recorded residential lift station calls during the month of November 2025.
- Three (3) residential lift station pump replacements were recorded during the month of November 2025.

**Residential Lift Station Pumps Replaced**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2025</b>	?	?	?	?	?	4	4	5	3	5	3	0	<b>24</b>

**Major Maintenance Items - WWTP**

- Quotes were received from United Blower regarding the bearing rebuild for Blower 2. They are the vendor for the original installation. The quote for repair came back at over 50% of the cost of a new blower. Our Maintenance Team in Bristol has experience rebuilding blowers and we are reaching out to them to attempt a rebuild in-house. This would be a great monetary benefit for the Town if possible.
- The transition to hauling and disposing of sludge with Waste Management has gone smoothly. They have been very responsive when scheduling empties and returns of the roll offs.
- The Digesters in the plant have sludge feed valves that provide sludge flow to the press room. Since our arrival, Digesters 2 and 4 sludge feed valves have been broken and unable to supply flow to the press. This has resulted in continuous transferring of digested sludge from Digesters 2 and 4 to Digesters 1 and 3 utilizing gas transfer pumps. This month we entered the digesters and fixed the sludge feed valves for both Digester 2 and 4. This has streamlined the dewatering process even further and reduced the amount of labor for a simple task.

**Major Maintenance Items – Lift Stations**

- A residential lift station at 322 Pine St. required assistance from Public Works to fix. The iron discharge line had become blocked due to corrosion. It was dug up and replaced with PVC.
- Door Hangers for contact with customers have been received. This will provide another means of communication with the community.

**Maintenance Opportunities**

- An internal Asset Review/CIP was done by Daniel Packwood and Chad Arnold. I made a few updates to items that had changed since the Review was done and the evaluation was provided to the Town.

**Financial Update**

Type	Month	Fiscal Year	Remaining Balance (1)
Repair & Maintenance Cap	\$8,533.38	\$75,498.78	\$24,501.22
Chemical Cap	\$1,346.40	\$14,693.30	\$7,624.70
Sludge Cap	\$0.00	\$0.00	\$118,025.00

- (1) Annual Repair & Maintenance Budget - \$100,000.00  
Annual Sludge Cap Budget - \$118,025.00  
Annual Chemical Budget - \$22,318.00

**NOTE: Expenses are applied to the Caps once Inframark has paid the invoices.**

**Capital Expenditures Procured by the Town of Mount Carmel**

Type	Month	Fiscal Year
Residential Pump Maintenance	\$0	\$136,148.00
WWTP Maintenance	\$0	\$55,123.90
Machinery & Equipment Rental	\$0	\$109,500.00
TOTAL	\$0	\$300,771.90

Please refer to the attachments for the operational and maintenance tracking financial reports.

**Health & Safety**

- There were no recordable injuries for the month giving a 2025 calendar year total of zero and FY25 total of zero.
- Safety training is assigned to each team member individually and is completed on-line.

**Personnel**

- The employees at Mount Carmel STP are developing very quickly. I always make time to talk with the crew and see if they have any questions or concerns. We have safety tailgate meetings daily. Everyone enjoys working with one another and I am proud of the crew we have built here in Mount Carmel.



# MOUNT CARMEL

*A place to put down roots*

## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**THRU:**

**FROM:** James Stables, Town Administrator/Manager

**DATE:** January 22, 2026

**RE:** **DISCUSSION & CONSIDERATION FOR ACTION ON  
ORDINANCE 26-544 BUDGET AMENDMENT: Police Department Staffing**

**SUMMARY:**

The purpose of this discussion and consideration request is to address the collective desire of the Board of Mayor and Aldermen for staffing and funding of police patrol personnel that will accommodate safe and sustainable 24-hour shift coverage daily in the Town year-round.

Members of the Board of Mayor and Aldermen have thoroughly discussed this subject and their constituents' desires on this matter, and staff believes that we are at the point to address the situation with purposeful forethought and long-term strategy for sustainability.

Currently, we have patrol coverage 24 hours a day from 11:00 pm Sunday through 11:00 pm on Friday or 120 hours (71.4%) of the 168 hours available in a week. Mount Carmel officers provide coverage through 11:00pm on Friday, and resume at 11:00 pm on Sunday, with our current staffing availability. During the 48 hours (28.6%) of time that Town patrol officers are not on duty, the Hawkins County Sheriff's Department provides the necessary law enforcement coverage, with a much greater response time to our residents' needs than our Town patrol personnel.

Chief Larson has just recently hired the sixth budgeted officer position with an anticipated start date soon. Once the new officer is hired, time will be required for on boarding and/or orientation period to ensure that the officer knows the Mount Carmel ways regardless of their experience level or background.

To achieve proper police officer patrol staffing in the Town, while supporting community members and officer safety a budget amendment is proposed taking from fund balance this fiscal year, that either allocates added overtime funds mid-year for patrol staffing through the fiscal year, or to, approve a mid-year increase to the police department budget, which will fund two additional patrol positions, providing them with vehicles and equipment, and allowing staff to implement a 12 hour shift for daily 24 hour coverage. A long-term funding strategy for the future fiscal year must be developed for either of these actions, as we are using non-recurrent revenue in fund balance to fund repeating expenses in either scenario, which will continue to grow as a liability in future fiscal years.

**We have also met with our neighboring authorities to see about collaboration on multi-jurisdictional joint policing initiatives. However, this solution will take much more deliberation and consideration, and generally a longer time frame to implement.**

**REQUESTING DEPARTMENT(S):  
Administration & Police**

**FISCAL IMPACT:**

**OPTION 1**

**Approve a budget amendment using fund balance to fund in this fiscal year added overtime funds to provide proper coverage of the unstaffed 48 hours for the remaining 22 weeks, or 11 pay periods from the pay period beginning February 2, 2026, of the current fiscal year. With an estimated maximum cost of:**

<b>Overtime</b>	<b>\$ 74,701</b>
<b>Taxes &amp; social security</b>	<b>\$ 8,750</b>
<b>Benefits &amp; fringe</b>	<b>\$ 11,200</b>
<b>Fuel</b>	<b>\$ 7,500</b>
<b>Total</b>	<b>\$ 102,151</b>

**OPTION 2**

**Approve a budget amendment using fund balance to fund in this fiscal year two (2) more budgeted patrol personnel (supervisors), and their vehicles and equipment for the remaining maximum of 22 weeks, or 11 pay periods from the pay period beginning February 2, 2026. With an estimated maximum cost of:**

	<b>Patrol Personnel</b>
<b>salaries</b>	<b>\$ 48,662</b>
<b>taxes &amp; social security</b>	<b>\$ 10,000</b>
<b>benefits &amp; fringe</b>	<b>\$ 21,300</b>
<b>vehicles, fuel &amp; equipment</b>	<b>\$ 154,046</b>
<b>Total</b>	<b>\$ 234,008</b>

**STAFF RECOMMENDATION:**

**Staff recommendation is to increase patrol positions to appropriately and safely cover 24 hours with Option 2. Remaining mindful that a long-term funding strategy for the recurring personnel expenses must be developed and implemented in future fiscal years.**

**ATTACHMENTS:**

**Budget Amendment 26-544 Option 1 & Option 2**



## **ORDINANCE # 26-544**

### **AN ORDINANCE AMENDING THE FISCAL YEAR 2025-2026 BUDGET AS PASSED BY ORDINANCE # 25-540 OF THE TOWN OF MOUNT CARMEL, TENNESSEE**

**WHEREAS**, the Town of Mount Carmel adopted the fiscal year 2025-2026 budget by passage of Ordinance #25-540 on May 22, 2025, and amended said budget by passage of Ordinance #25-543 on December 18, 2025; and,

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

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

**WHEREAS**, projected revenues and expenditures for FY 2025-2026 have evolved;

### **NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL, TENNESSEE THAT CHANGES BE MADE TO THE FISCAL YEAR 2025-2026 BUDGET AS FOLLOWS:**

SECTION 1. Ordinances #25-540 and #25-543 are hereby amended by the following for Revenues:

<b>General Fund</b>	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Total Revenue	\$4,802,290.00	\$4,818,990.00

SECTION 2. Ordinances #25-540 and #25-543 are hereby amended by the following for Expenditures:

<b>General Fund</b>	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Total Appropriations:	\$5,541,640.00	\$5,643,791.00

Option 1

	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Fund Balance – Appropriated	\$739,350.00	\$824,801.00

SECTION 3. The Board of Mayor and Alderman authorizes the Town Recorder to make said changes in the accounting system.

SECTION 4. This ordinance shall take effect upon publication after its final passage in a newspaper of general circulation, the public welfare requiring it.

Voting by the Board, as follows, January 22, 2026, First Reading:

	AYES	NAYS	OTHER
Alderman Darby Patrick			
Alderman James Cross			
Alderman Mindy Shugart			
Alderman Philip Binstock			
Alderman Jim Gilliam			
Vice-Mayor Jim Bare			
Mayor John Gibson			

Voting by the Board, as follows, \_\_\_\_\_, 2026, Second Reading and Public Hearing:

	AYES	NAYS	OTHER
Alderman Darby Patrick			
Alderman James Cross			
Alderman Mindy Shugart			
Alderman Philip Binstock			
Alderman Jim Gilliam			
Vice-Mayor Jim Bare			
Mayor John Gibson			

\_\_\_\_\_  
John Gibson, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Tyler S. Williams, Town Recorder

\_\_\_\_\_  
Allen Coup, Town Attorney



## **ORDINANCE # 26-544**

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

**WHEREAS**, projected revenues and expenditures for FY 2025-2026 have evolved;

### **NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL, TENNESSEE THAT CHANGES BE MADE TO THE FISCAL YEAR 2025-2026 BUDGET AS FOLLOWS:**

SECTION 1. Ordinances #25-540 and #25-543 are hereby amended by the following for Revenues:

<b>General Fund</b>	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Total Revenue	\$4,802,290.00	\$4,818,990.00

SECTION 2. Ordinances #25-540 and #25-543 are hereby amended by the following for Expenditures:

<b>General Fund</b>	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Total Appropriations:	\$5,541,640.00	\$5,775,648.00

Option 2

	<b>FY 2025-2026 Original Budget</b>	<b>FY 2025-2026 Amended Budget</b>
Fund Balance – Appropriated	\$739,350.00	\$956,658.00

SECTION 3. The Board of Mayor and Alderman authorizes the Town Recorder to make said changes in the accounting system.

SECTION 4. This ordinance shall take effect upon publication after its final passage in a newspaper of general circulation, the public welfare requiring it.

Voting by the Board, as follows, January 22, 2026, First Reading:

	AYES	NAYS	OTHER
Alderman Darby Patrick			
Alderman James Cross			
Alderman Mindy Shugart			
Alderman Philip Binstock			
Alderman Jim Gilliam			
Vice-Mayor Jim Bare			
Mayor John Gibson			

Voting by the Board, as follows, \_\_\_\_\_, 2026, Second Reading and Public Hearing:

	AYES	NAYS	OTHER
Alderman Darby Patrick			
Alderman James Cross			
Alderman Mindy Shugart			
Alderman Philip Binstock			
Alderman Jim Gilliam			
Vice-Mayor Jim Bare			
Mayor John Gibson			

\_\_\_\_\_  
John Gibson, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Tyler S. Williams, Town Recorder

\_\_\_\_\_  
Allen Coup, Town Attorney



## **LEGISLATIVE MEMORANDUM**

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**THRU:**

**FROM:** James Stables, Town Administrator/Manager

**DATE:** January 22, 2026

**RE:** **RESOLUTION NO. 26-666 OPPOSING THE COST SHARE  
FUNDING PROPOSAL FROM THE HAWKINS COUNTY-EMERGENCY  
COMMUNICATION DISTRICT**

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*SUMMARY:*

This 9-1-1 enhanced dispatch funding issue has been on-going for decades, and the solutions have not evolved to a better place in over 30 years. The important functions accomplished by the Hawkins County-Emergency Communication District are not in dispute. A regional approach to 9-1-1 call taking and dispatching is a proven model that creates an economy of scale for success. However, the decision-making on spending and funding continues to be disputed.

*REQUESTING DEPARTMENT(S):*  
Town Administrator/Manager

*FISCAL IMPACT:*  
None

*STAFF RECOMMENDATION:*  
Staff offers no recommendation

*ATTACHMENTS:*

- (1) Town of Mount Carmel, TN, Resolution 95-118 A RESOLUTION REGARDING "PAYING TWICE" FOR CENTRAL DISPATCH IN HAWKINS COUNTY (2 pages)
- (2) TN Department of Commerce & Insurance, Emergency Communication Board, 911 Revenue Standards (6 pages)
- (3) Undated (per fire chief 04/05/24) letter re: Request for Municipal Funding to Director Campbell HC-ECD from Surgoinsville, Church Hill, and Mount Carmel (1 page)
- (4) Letter and supporting documents dated 10/28/2025 from HC-ECD Director to Town Manager re: HC-ECD upcoming fiscal year and sustainable funding structure for dispatching services (5 pages)



# MOUNT CARMEL

*A place to put down roots*

## RESOLUTION 26-666

### OPPOSING THE COST SHARE FUNDING PROPOSAL FROM THE HAWKINS COUNTY-EMERGENCY COMMUNICATION DISTRICT

BEFORE THE MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL,  
TENNESSEE

*WHEREAS, pursuant to the establishment of the "Emergency Communications District Law-Tennessee Code Annotated Title 7, Chapter 86" Hawkins County-Emergency Communication District was established in 1993, at the sole discretion of Hawkins County, to provide a regional 9-1-1 enhanced service to the users of emergency telephone services in Hawkins County: Residents and visitors, primarily owners of taxable property in Hawkins County; and,*

*WHEREAS, in the sole discretion of the HC-ECD adopted the direct dispatch method of emergency communication service, and a central dispatch for Hawkins County was formed to provide emergency communication services to residents and visitors, primarily owners of taxable property in Hawkins County; and,*

*WHEREAS, residents, visitors, and users of emergency telephone services pay a statewide service charge which is used to primarily finance 9-1-1 central dispatch operations in Hawkins County; and,*

*WHEREAS, Hawkins County is the only authority that has taxing authority for every resident in both the unincorporated and incorporated areas of Hawkins County, with a current tax rate approximately 61% higher than the Town of Mount Carmel's tax rate (\$.96490 more per \$100 valuation), which should primarily be for regional essential service initiatives such as schools, law enforcement, emergency management, emergency medical services, and enhanced 9-1-1 emergency communications; and,*

*WHEREAS, HC-ECD has created and managed a deficit budget in the previous two fiscal years and is subject to state intervention if they go to a third year in deficit budgeting. Their actions and initiatives, which were solely decided on and chosen by them and codified by their Board of Directors, have brought them to their deficit; and,*

*WHEREAS, HC-ECD Board of Director members are appointed by the County Mayor, within legislative guidelines at his sole discretion, upon recommendations from the HC-ECD Director. A board of which we currently have no representation, has proposed again to charge*

*a cost share for the municipalities, which results in a “taxation without representation” situation and “double taxation” on the municipal resident taxpayers; and,*

*WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel believe that the HC-ECD and the County have created an acceptable solution for regional 9-1-1 dispatching the funding mechanism as proposed is flawed; and,*

*WHEREAS, the HC-ECD and Hawkins County have a spending priority problem, not necessarily a revenue problem, and should look to an economy of scale solution for this issue, funded by countywide tax dollars; and,*

***NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN, as follows,***

- 1. That the Mount Carmel Board of Mayor and Aldermen go on record vehemently opposing any additional charges to the municipalities, and by extension their residents, of funding for any regional service initiatives of Hawkins County.**
- 2. That if HC-ECD denies 9-1-1 central dispatch services, and Hawkins County refuses to fund the operation to Town of Mount Carmel residents and visitors, and by extension service fee payers and taxpaying citizens, those same residents shall receive a pro-rated credit and/or refund towards their annual Hawkins County General Tax Levy upon all taxable property in the Town of Mount Carmel of Hawkins County.**
- 3. That if HC-ECD denies 9-1-1 central dispatch services to the citizens, owners of taxable property, and users of emergency telephone services who reside in the Town of Mount Carmel, that they shall receive a pro-rated reduction of that portion of their emergency telephone service charge that finances the direct dispatch method of emergency communication service.**
- 4. That a copy of this resolution be given to the members of the Hawkins County Commission representing the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in the Town of Mount Carmel.**
- 5. That the members of the Hawkins County Commission representing the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel express to the full commission that a fair, equitable and economy of scale solution requires that taxes and telephone service charges have uniform application and should be enacted and imposed throughout the entire jurisdiction to the greatest extent possible in conformity with the availability of services within the jurisdiction. To the extent central dispatch is paid for by a general tax levy, the service should be available to all citizens, owners of taxable property, and users of emergency telephone services in Hawkins County**

**without regard to whether they reside inside or outside of any municipality in Hawkins County.**

***BE IT FURTHER RESOLVED,***

- 1. That a copy of this resolution be given to our state legislators representing our area, and to further request their attention and help in addressing this issue through enhanced legislation that allows for proper funding of all emergency communications districts, but more specifically the HC-ECD. The states narrow focus on 9-1-1 call taking requires broadening to address the complete 9-1-1 process from call initiation through dispatching appropriate resources and providing necessary data closeout.**

This Resolution was duly considered and adopted by the Board of Mayor and Aldermen, in and for the Town of Mount Carmel, Tennessee, this **22<sup>nd</sup>** day of **January 2026**.

\_\_\_\_\_  
John Gibson, Mayor

Attest:

\_\_\_\_\_  
Tyler Williams, Town Recorder

\_\_\_\_\_ approved as to form  
Allen Coup, Town Attorney

RESOLUTION NO. 118

A RESOLUTION REGARDING "PAYING  
TWICE" FOR CENTRAL DISPATCH IN  
HAWKINS COUNTY

WHEREAS, pursuant to the "Emergency Communications District Law", the Hawkins County Emergency Communications District was established to provide 911 service to the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County; and,

WHEREAS, the Hawkins County Emergency Communications District adopted the direct dispatch method of emergency communications service, and a central dispatch was formed to implement that service to the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County; and,

WHEREAS, the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County pay an emergency telephone service charge which is used to finance central dispatch operations; and,

WHEREAS, the Hawkins County Commission has made an appropriation out of its General Tax Levy upon all taxable property in Hawkins County to finance central dispatch operations for the benefit of all the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County; and,

WHEREAS, the Emergency Communications District of Hawkins County has informed the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County that the cost it incurs to provide central dispatch service to all citizens, owners of taxable property, and users of emergency telephone services in Hawkins County, exceeds the amount of the emergency telephone service charge and the present appropriation from the General Tax Levy upon all taxable property in Hawkins County; and,

WHEREAS, on March 13, 1995, some of those citizens, owners of taxable property, and users of emergency telephone services in Hawkins County -- those who happen to live within the boundaries of municipalities -- were asked to pay a separate and additional charge out of their municipal tax levy in order to receive the central dispatch services which the remaining citizens, owners of taxable property, users of emergency telephone services in Hawkins County would continue to receive.

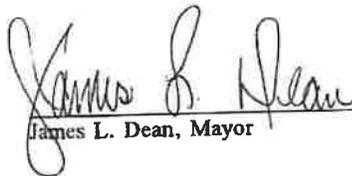
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

1. That this Board go on record as opposing the imposition of an additional charge upon the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel, over and above the emergency telephone service charge and appropriation from the General Tax Levy upon all taxable property in Hawkins County.
2. That if central dispatch service is denied to the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel, that they receive a credit on their Hawkins County General Tax Levy for their pro rata share of the appropriation to finance central dispatch operations.

3. That if central dispatch service is denied to the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel, that they receive a pro rata reduction of that portion of their emergency telephone service charge that finances the direct dispatch method of emergency communications service.
4. That a copy of this Resolution be given to the members of the Hawkins County Commission representing the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel.
5. That the members of the Hawkins County Commission representing the citizens, owners of taxable property, and users of emergency telephone services in Hawkins County who reside in Mount Carmel express to the full commission that fairness requires that taxes and telephone service charges have uniform application and should be imposed throughout the entire jurisdiction to the greatest extent possible in conformity with the availability of services within the jurisdiction. To the extent central dispatch is paid for by a general tax levy, the service should be available to all citizens, owners of taxable property, and users of emergency telephone services in Hawkins County without regard to whether they reside in or outside of any municipal corporation in Hawkins County.

ADOPTED BY THE BOARD OF MAYOR AND ALDERMEN  
ON THIS THE        DAY OF MARCH, 1995.

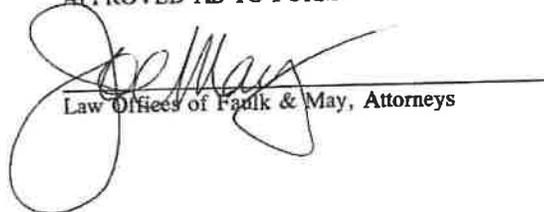
AYES: 5  
NAYS: 0  
ABSENT: 1

  
James L. Dean, Mayor

ATTEST:

  
Nancy F. Carter, Recorder

APPROVED AS TO FORM:

  
Law Offices of Faulk & May, Attorneys



STATE OF TENNESSEE  
TENNESSEE EMERGENCY COMMUNICATIONS BOARD  
DEPARTMENT OF COMMERCE & INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-0582  
615-253-2164

## 911 REVENUE STANDARDS

Pursuant to Tenn. Code Ann. § 7-86-306(a)(11), The Tennessee Emergency Communications Board is required to establish operating standards concerning acceptable uses of revenue for emergency communications districts ("ECDs"). Accordingly, the board hereby establishes the following required, permissible and prohibited uses of 911 revenue in order to ensure the appropriate expenditure and use of 911 funds by ECDs.

All funds received by ECDs are public funds and are limited to purposes for the furtherance of 911, as set forth in Title 7, Chapter 86, Part 1 of the Tennessee Code Annotated. See Tenn. Code Ann. § 7-86-102(d). Funds received by ECDs should only be used to obtain emergency services for law enforcement and other public service efforts requiring emergency notification of public service personnel. Funds received from all sources shall be used exclusively in the operation of the ECD. *Id.*

"Operation of the ECD" includes, among other things, providing "911 service," which means regular 911 service, enhanced universal emergency number service, or enhanced 911 service that is a telephone exchange communications service whereby a public safety answering point may receive telephone calls dialed to the telephone number 911. See Tenn. Code Ann. § 7-86-103(1). "911 service" also includes the lines, and may include the equipment, necessary for the answering, transferring and dispatching of public emergency telephone calls originated by persons within the serving area who dial 911. *Id.*

## **Required Uses of 911 Revenue**

The following items are required uses of 911 surcharge revenue necessary to provide 911 service. These expenditures must be provided for before an ECD may consider spending revenue on other permissible items, goods or services.

- 1. Lease, purchase, modification, upgrade and/or maintenance of equipment, systems, services and devices necessary to provide reliable and up-to-date 911 service. ECDs shall routinely maintain and/or upgrade such equipment to ensure equipment is in good working condition so as to prevent any degradation of 911 service. Such items include necessary hardware, software, equipment and other services to ensure compliance with the TECB Minimum Technical Operating Standards, which includes, but is not limited to, the following:**
  - a. Controller/Telephone System, including, where applicable, Next Generation 911 (NG-911) components or other equipment necessary to support Emergency Services IP network (ESInet) related technologies, including Text-to-911 capabilities.**
  - b. GIS Mapping System**
  - c. Emergency Generator & Uninterruptible Power Supply**
  - d. TTD or Other Equipment Necessary to Provide Hard-of-Hearing Services**
  - e. A recording system that, at a minimum, provides audio recording, recall and archiving capabilities for all 911 audio traffic and may include additional data, such as text-to-911, video, and photographic data.**
- 2. Annual audits, pursuant to Tennessee Code Annotated § 7-86-113.**
- 3. Premiums on bonds, pursuant to Tenn. Code Ann. § 7-86-119.**
- 4. Acquisition and maintenance of insurance.**
- 5. Public meeting notices or other legal notices required by the Open Meetings Act (Tenn. Code Ann. Title 8, Chapter 44, et seq.)**
- 6. Translation and/or interpretation services.**
- 7. Cybersecurity measures.**
- 8. All other expenditures required by law.**

## **Permissible Uses of 911 Revenue**

The following items are permissible uses of 911 surcharge revenue. Such items may be used in the provision of 911 service, provided they are only used exclusively in the operation of the ECD. These items are permissible for ECD affiliated PSAPs. The Permissible Uses of 911 Revenue presume an ECD has the budgetary resources, and that such expenditures are provided for within the ECD's annual budget.

The order of the items in this list does not constitute any priority that should be given to the items and this list is not exhaustive of all permissible expenditures of 911 surcharge revenue that may be used exclusively in the operation of the ECD.

- 1. Lease, purchase, maintenance and/or upgrade of additional equipment, hardware, software, systems etc. for additional/backup PSAPs.**
- 2. Equipment and software necessary for the operation of the ECD, including but not limited to the following:**
  - a. Radio Equipment**
  - b. Computer Aided Dispatch ("CAD") Equipment**
  - c. Geographical Information System ("GIS")/Addressing Equipment**
  - d. Furniture and Fixtures**
  - e. Other necessary equipment and/or supplies**
  - f. Quality Assurance/Quality Improvement**
- 3. Employment and/or retention of employees, experts, or consultants hired by the Board of Directors of an Emergency Communications District pursuant to Tenn. Code Ann. § 7-86-105(g) and (h).**
- 4. Construction, lease, purchase and/or maintenance of buildings or other facilities.**
- 5. Payments of debt service pursuant to Tenn. Code Ann. §§ 7-86-114 and 7-86-121.**
- 6. Addressing, mapping, master street address guides and location related equipment and systems related to providing 911 service.**
- 7. 911 education and outreach, including promotional materials and items.**
- 8. Reasonable board meeting expenses.**
- 9. Employee uniforms.**
- 10. Pagers, cell phones, and other personal communication devices.**
- 11. Licensing fees.**
- 12. Lawsuit settlement expenses and other legal expenses.**

13. **Dues and memberships to professional organizations for employees of an ECD and board members of an ECD. Dues and membership to Chamber of Commerce for the ECD.**
14. **Issuance of bonds and notes for legal, engineering, fiscal services, and interest during construction and for six months after the estimated date of completion of construction, pursuant to Tenn. Code Ann. § 7-86-114(a).**
15. **Travel expenses pursuant to Tenn. Code Ann. § 7-86-125.**
16. **Service recognition awards and ceremonies for members of an ECD Board of Directors, employees of an ECD or ECD affiliated PSAP and members of the public. Awards shall be plaques, trophies or similar items.**
17. **Expenditures for CJIS/NCIC/TBI/TIES and associated costs are permissible, if and only if, an ECD is providing law enforcement dispatch services pursuant to an interlocal agreement between the ECD and a law enforcement services provider in accordance with the Interlocal Cooperation Act, Tenn. Code Ann. § 12-9-101, et seq.**
18. **Contracts, interlocal agreements and other agreements to the extent permitted by applicable law.**
19. **Responder and dispatch surveys.**
20. **Facility Relocation.**
21. **Training ECD board members and ECD employees.**
22. **Impact payments made pursuant to an interlocal agreement.**
23. **Radio/communications and location equipment for emergency response agencies direct dispatched by the ECD.**
24. **Vending Machines. Provided, however, that all proceeds from vending operations shall be deposited to the ECD's official bank account in the same manner as all other receipts. All disbursements related to vending operations shall be paid by official check of the ECD in the same manner as all other disbursements. The machines shall be operated on at least a break-even basis. Provided further that, in all cases involving vending facilities, the Tennessee Department of Human Services (DHS) shall be contacted to determine requirements for compliance with Tenn. Code Ann. § 71-4-501, et seq., and any other applicable state or federal laws.**
25. **Emergency notification systems (e.g., reverse 9-1-1, etc.) used to perform broadcasts of public warnings issued by various government agencies.**

- 26. Weather Radios, weather radar, and other civil emergency and weather warning products for installation in a PSAP to be used for alerting 911 personnel of impending dangers and warnings issued by various government agencies.**
- 27. Any other equipment, goods or services used exclusively in the operation of the district.**

## **Prohibited Uses of 911 Revenue**

The following items represent prohibited expenditures not related to the operation of the ECD, regardless of the source of revenue or the budgetary resources of an ECD. This list is not exhaustive.

- 1. Emergency response equipment or emergency response personnel that are not necessary for dispatching "911 Service," as defined in Tenn. Code Ann. § 7-86-103(1).**
- 2. Purchase or lease of emergency response vehicles, law enforcement vehicles, vehicles for public safety emergency services providers, as defined in Tenn. Code Ann. § 7-86-103(19), other political subdivision vehicles, and any other vehicles not designated for exclusive use for or by an ECD.**
- 3. Purchasing, installation, and maintenance of public or private road signs.**
- 4. Gifts, gift cards and flowers, other than those deemed permissible under Permissible Uses, above.**
- 5. Entertainment expenses, other than those deemed permissible under Permissible Uses, above.**
- 6. Civic Club Dues, other than those deemed permissible under Permissible Uses, above.**
- 7. Purchasing, installation, and maintenance of outdoor warning sirens.**
- 8. Alcohol.**

---

**Town of Mount Carmel**  
100 Main St. E  
Mount Carmel, TN 37645

**Town of Surgoinsville**  
1710 Main St.  
Surgoinsville, Tn 37873

**City of Church Hill**  
100 Main St W  
Church Hill, TN 37642

RE: Request for Municipal Funding

Mr. Campbell,

According to the letter sent to the four municipalities receiving services from the Hawkins County Communications District, the board unanimously voted to implement fees for municipalities utilizing their dispatching services. We have reviewed the most recent audit and see that the fund balance has grown over \$1 million dollars over the course of one fiscal year. Growing a fund balance at that rate certainly does not demonstrate a need for additional funding for one staff member.

Representatives from Mount Carmel, Church Hill, and Surgoinsville have discussed the funding request and determined the need for additional information. To assist in the consideration of such a substantial amount of funding, we would like to request the following items:

- Detailed line-item budget for FY21, FY23, FY24, and if available FY25,
- Board composition and by-laws,
- Minutes from the October 2023 board meeting where the above-mentioned item was passed,
- List of all sources of revenue and specifically how much funding revenues are generated from 911 surcharge,
- Additionally, please provide a detailed course of action if this funding request is not accepted by any or all municipalities.

We would request that you add a discussion and consideration item to the next monthly board meeting agenda so that a representative from each municipality mentioned above can address the board on this action.

Thank you,

  
Murrell Graham, Surgoinsville Mayor

  
Emily Wood, Mount Carmel Town Administrator

  
Chad Mosley, Church Hill Police Chief

  
Mitch Walker, Mount Carmel Fire Chief

# HAWKINS COUNTY EMERGENCY COMMUNICATIONS DISTRICT

2291 East Main Street • Rogersville, TN 37857



**MEREDITH BACHMAN**  
*Chairwoman, Board of Directors*

**ROBERT L. CAMPBELL**  
*Executive Director*

**TERESA WHITAKER**  
*Deputy Director*

October 28, 2025

Jim Stables  
Town Manager  
100 E. Main St., Mount Carmel, TN 37645

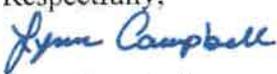
Mr. Stables,

On behalf of the Hawkins County Emergency Communications District, I invite you (or your designee) to attend a meeting on **Wednesday, November 19, 2025, at 4:00 PM to discuss the upcoming fiscal year budget and the potential establishment of dispatch service fees for agencies served by HCECD.**

## Meeting Details

- **Date/Time:** Wednesday, November 19, 2025 • 4:00 PM
- **Location:** **Hawkins County EMS Administrative Office – Training Room**  
100 N. Depot Street, Rogersville, TN 37857
- **Purpose:** To discuss HCECD's upcoming fiscal year budget and explore options for developing a sustainable funding structure for dispatching services. Discussion will include various cost-sharing formulas, potential methodologies for determining equitable fees, and next steps in coordinating interlocal agreements with partner agencies.

This meeting will provide an opportunity for open dialogue, questions, and feedback from our county and municipal partners. Your participation is vital as we work collaboratively to ensure continued public safety communications for all Hawkins County residents. If you are unable to attend, you may designate an alternate representative from your organization.

Respectfully,  
  
Lynn Campbell

**Population Based Formula – Based on 2020 Census**

Total Dispatcher Cost - \$1,243,935.86

Total Population – 52,050 (Rogersville removed)

- County 37,697 (Includes Bulls Gap)
- Surgoinsville 1,882
- Church Hill 6,998
- Mount Carmel 5,473

Entity	Population %	Cost Share
Hawkins County	72%	\$895,634.00
Surgoinsville	4%	\$49,757.00
Church Hill	13%	\$161,712.00
Mount Carmel	11%	\$136,833.00
<b>Total</b>		<b>\$1,243,936</b>

• ESTIMATE ONLY

**Population/Call Volume Based Formula – Based on 2020 Census, Previous Year Call Volume**

**CTAS FORMULA**

Total Dispatcher Cost - \$1,243,935.86

Total Population – 52,050 (Rogersville removed)

- County 37,697 (Includes Bulls Gap)
- Surgoinsville 1,882
- Church Hill 6,998
- Mount Carmel 5,473

Entity	Population %	CFS	CFS %	Weighted %	Cost Share
Hawkins County	72%	37,470	85.64%	78.82%	\$980,470.00
Surgoinsville	4%	903	2.06%	3.03%	\$37,691.00
Church Hill	13%	3,835	8.76%	10.88%	\$135,340.00
Mount Carmel	11%	1,547	3.54%	7.27%	\$90,434.00
<b>TOTAL</b>	<b>100%</b>	<b>43,755</b>	<b>100%</b>	<b>100%</b>	<b>\$1,243,935</b>

• ESTIMATE ONLY

**Total CFS**

Total Dispatcher Cost - \$1,243,935.86

Total CFS -- 43,755

Entity	CFS	CFS %	Cost Share
Hawkins County	37,470	85.64%	\$1,065,307
Surgoinsville	903	2.06%	\$25,625
Church Hill	3,835	8.76%	\$108,969
Mount Carmel	1,547	3.54%	\$44,035
<b>TOTAL</b>	<b>43,755</b>	<b>100%</b>	<b>\$1,243,936</b>

- ESTIMATE ONLY

**Total Cost per CFS – Entities would need to agree on who is responsible for CFS when a patrolman is not in-service and the county is dispatched to a City CFS. Below is solely based on previous year CFS of each entity.**

Total Dispatcher Cost - \$1,243,935.86

Total CFS – 43,755

Total Cost per CFS - \$28.43

<b>Entity</b>	<b>CFS</b>	<b>X CPC</b>	<b>Cost Share</b>
Hawkins County	37,470	\$28.43	\$1,065,272
Surgoinsville	903	\$28.43	\$25,672
Church Hill	3,835	\$28.43	\$109,029
Mount Carmel	1,547	\$28.43	\$43,981
<b>TOTAL</b>	<b>43,755</b>		<b>\$1,243,954</b>

• ESTIMATE ONLY



## **LEGISLATIVE MEMORANDUM**

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**FROM:** Tyler Williams, Assistant Town Manager/CFO

**DATE:** January 22, 2025

**RE:** **DISCUSSION/CONSIDERATION:** Resolution 26-667: Capitalization Policy

---

### **SUMMARY:**

The Town of Mount Carmel currently follows established accounting practices for capitalizing and expensing assets in accordance with generally accepted municipal standards. These practices are consistently applied by staff; however, they have not previously been formalized through an officially adopted capitalization policy.

The proposed Capitalization Policy codifies the Town's existing practices into a written policy document and establishes uniform standards for identifying, classifying, and reporting capital assets. The policy is structured to comply with accounting standards established by the Governmental Accounting Standards Board (GASB) and aligns with guidance from the Tennessee Comptroller of the Treasury and the Municipal Technical Advisory Service (MTAS).

Formal adoption of this policy does not represent a change in practice, but rather documents and memorializes procedures already in use.

Adoption of a formal capitalization policy is necessary at this time to support the ongoing sewer rate study currently being conducted by MTAS for the Town's Sewer Fund.

The proposed Capitalization Policy establishes uniform standards for capital asset accounting, including:

- Capital Asset Classifications, including land, buildings, improvements, infrastructure, machinery and equipment, furniture and fixtures, vehicles, and construction in progress (CIP).
- Capitalization Thresholds, generally set at \$5,000 per asset for buildings, improvements, infrastructure, machinery and equipment, furniture and fixtures, and vehicles. Land is capitalized at purchase price.
- Infrastructure Assets, including water distribution systems, sewer collection systems, wastewater treatment facilities, streets, sidewalks, drainage systems, and related improvements.

- **Construction in Progress (CIP) procedures to accumulate project costs until assets are placed into service.**
- **Depreciation Standards, utilizing straight-line depreciation over estimated useful lives, with depreciation beginning upon placement into service.**
- **Useful Life Schedules consistent with municipal norms, including extended useful lives for water and wastewater infrastructure and systems.**
- **Capital Asset Cost Treatment, distinguishing capital improvements from routine maintenance and repairs.**
- **Surplus Property and Asset Disposition procedures in accordance with state law.**

*REQUESTING DEPARTMENT(S):*

**Administration**

*FISCAL IMPACT:*

**None**

*STAFF RECOMMENDATION:*

**Staff recommends approval**

*ATTACHMENTS:*

**Resolution 26-667**

**Capitalization Policy**



## **RESOLUTION 26-667**

### **A RESOLUTION OF THE TOWN OF MOUNT CARMEL BOARD OF MAYOR AND ALDERMEN ADOPTING A CAPITALIZATION POLICY**

**WHEREAS**, the Town of Mount Carmel is responsible for maintaining accurate and consistent financial records in accordance with generally accepted accounting principles and applicable state law; and

**WHEREAS**, the Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for state and local governments; and

**WHEREAS**, the Town has historically followed standard accounting practices for capitalizing and expensing assets but has not previously adopted a formal, written capitalization policy; and

**WHEREAS**, adoption of a written capitalization policy is considered a best practice in municipal financial management and is recommended by the Tennessee Comptroller of the Treasury and the Municipal Technical Advisory Service (MTAS); and

**WHEREAS**, the Town is currently participating in a sewer rate study evaluation being conducted by MTAS, which requires consistent classification and documentation of capital and operating expenditures within the Sewer Fund; and

**WHEREAS**, adoption of a formal capitalization policy will codify the Town's existing practices, promote consistency and transparency in financial reporting, and support long-term capital planning and infrastructure management;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 22<sup>nd</sup> day of January, 2026, that

SECTION 1. The Capitalization Policy attached hereto and incorporated herein by reference is hereby adopted as the official capitalization policy of the Town of Mount Carmel.

SECTION 2. The policy shall apply town-wide to all departments and funds and shall govern the capitalization, depreciation, and disposition of capital assets for budgeting, accounting, financial reporting, and audit purposes.

SECTION 3. Adoption of this policy is intended to formalize and document existing capitalization practices and does not constitute a substantive change to current accounting procedures.

This Resolution shall take effect immediately, the public welfare requiring it.

ADOPTED this 22<sup>nd</sup> day of January, 2026

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**John Gibson, Mayor**

**Attest:**

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**Tyler Williams, Town Recorder**



## **Town of Mount Carmel Capitalization Policy**

### **Purpose**

This Capitalization Policy is designed to ensure a uniform understanding of the Town of Mount Carmel's capitalization practices for assets. This policy establishes the method of maintaining fixed asset information and the minimum cost (capitalization amount) that shall be used to determine the fixed assets that are to be reported in the financial statements in accordance with standards established by the Governmental Accounting Standards Board (GASB).

### **Capital Asset Classifications**

- **Land** - Land is the surface on earth, which may be used to support structures. Land improvements consist of betterments, site preparation, and site improvements (other than buildings) of a permanent nature that ready the land for its intended use. The costs associated with improvements to land are added to the cost of the land. Land and land improvements are inexhaustible assets and do not depreciate over time.
- **Buildings** - A structure that is permanently attached to the land and is not intended to be transportable or moveable. Building improvements are capital events that materially extend the useful life of a building, increase the value of a building, or both. A building improvement should be capitalized and recorded as an increase to the value of the existing building if the cost of the improvement meets or exceeds the capitalization threshold and increases the estimated useful life.
- **Improvements other than Buildings**- Include depreciable improvements and betterments made to land of a permanent nature, other than buildings that add value to land, but do not have an indefinite useful life.
- **Machinery and Equipment** - An apparatus, tool, or conglomeration of pieces to form a tool, or purchased equipment, used in operations. These items can be fixed or movable tangible assets. They will stand alone and not become a part of a basic structure or building.
- **Furniture and Fixtures** - Represents items that are not permanently affixed to a building and are easily removable.
- **Vehicles** - Vehicles for which title and license must be obtained such as cars, trucks, boats, road-going trailers, etc.
- **Infrastructure** - Long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets include drainage, water distribution, and sewer collection system rehabilitation, streets and parking lots, curbs and gutters, streetscape enhancements, bridges and tunnels, sidewalks, traffic signals and streetlights.

- **Construction in Progress** - Represents the temporary accumulation of costs, such as labor, materials, equipment, and any ancillary charges directly attributable to the construction of the project. The accumulation of costs continues in the CIP account until the project is complete. Once the asset is complete and placed into service, the costs are transferred from CIP to the appropriate capital asset category.

**Capitalization Thresholds**

Assets purchased, constructed, or received through capital lease or donation must be uniformly grouped into capital asset types. The following table summarizes the capitalization thresholds for the town’s capital asset types. Amounts are capitalized when the individual cost equals or exceeds the applicable threshold amount.

Type	Threshold Amount
Land	Purchase Price
Buildings	\$5,000
Improvements	\$5,000
Infrastructure	\$5,000
Mach & Equipment	\$5,000
Furniture & Fixtures	\$5,000
Vehicles	\$5,000

**Capital Asset Costs**

Capital assets are stated at historical cost or, in some instances, estimated historical cost. Donated capital assets are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset’s life is not capitalized.

Capital assets, except for land, land improvements and intangible assets with an indefinite useful life are depreciated over their estimated useful lives.

**Depreciation**

Depreciation is the systematic and rational allocation of net cost (cost less estimated residual value) over the depreciable asset’s estimated useful life. Depreciation is calculated on a straight-line basis over the estimated useful life. Depreciation begins in the first month of use for a full month, or if the starting month is not known, depreciation is assumed for half of the fiscal year of implementation.

Residual value is the estimate of what an asset may be sold for at the end of its service life. The town utilizes capital assets until they are deemed worthless, so a residual value of zero (0) is assigned to all capital assets.

### **Useful Life**

The useful life of an asset is that period during which the asset provides benefits. Estimates of useful life consider factors such as physical wear and tear and technological changes that bear on the economic usefulness of the asset. They typically have a useful life of more than one year. The city uses straight-line depreciation over the estimated useful life of the capital asset. Listed below is schedule used for its capital assets.

<b>Type</b>	<b>Est Life (Years)</b>
Land	Not Depreciated
Buildings	20 - 50
Improvements	20 - 50
Infrastructure	30 - 50
Water & Wastewater	
Pumps & Treatment	15 - 20
Transportation Equip	5 - 10
Lines and Storage	40 - 50
Well/Dam	Engineer Estimate
Wastewater System	40 - 50
Mach & Equipment	5 - 20
Furniture & Fixtures	7 - 10
Vehicles	5 - 10

### **Surplus Property- Disposition of Capital Fixed Assets**

Surplus property is defined as assets retained by the city that are not currently in use. Once an asset is determined to be surplus, it is the responsibility of the governing body to declare the property as surplus and determine the method of disposal, which should be consistent with methods allowed under state law.

### **Procedures and Exceptions**

The Finance Department will implement procedures that are in accordance with this policy. If a capital assets situation arises that is not covered within this policy, the governing body may authorize the method of handling. Assets not meeting the requirements above will be inventoried for tracking purposes to reduce the risk of loss.



## **LEGISLATIVE MEMORANDUM**

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**FROM:** Tyler Williams, Assistant Town Manager/CFO

**DATE:** January 22, 2025

**RE:** **DISCUSSION/CONSIDERATION: Resolution 26-668: Debt Management Policy**

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### ***SUMMARY:***

The Town of Mount Carmel currently manages debt obligations in accordance with state law, Comptroller guidance, and sound financial practices. While these practices have been consistently followed, the Town has not previously adopted a comprehensive, written Debt Management Policy formally approved by the governing body.

The proposed Debt Management Policy consolidates and formalizes existing practices into a single policy document that establishes clear parameters for the planning, issuance, management, and reporting of debt obligations.

The purpose of the Debt Management Policy is to ensure that the Town undertakes debt in a disciplined, transparent, and legally compliant manner while minimizing financial risk and avoiding conflicts of interest.

Adoption of a formal debt management policy is necessary at this time to support the ongoing sewer rate study currently being conducted by MTAS for the Town's Sewer Fund.

The proposed Debt Management Policy establishes comprehensive guidance in the following areas:

- **Definition of Debt, including bonds, notes, loans, financing leases, and interfund obligations**
- **Approval and Oversight, requiring review and approval by the State of Tennessee Comptroller's Division of Local Government Finance and the Board of Mayor and Aldermen, as applicable**
- **Transparency Requirements, including public notice, disclosure of all costs, debt service schedules, and clear communication of terms and impacts**
- **Role and Appropriate Use of Debt, limiting long-term debt to capital purposes and prohibiting its use for ongoing operations**

- **Types and Limits of Debt, including a policy goal to limit total outstanding debt to no more than 20% of assessed taxable property value, excluding certain categories of debt**
- **Debt Structure Guidelines, favoring level or declining debt service and discouraging back-loaded or non-traditional repayment structures except when justified and approved**
- **Heightened Risk Debt, establishing safeguards, disclosure requirements, Comptroller approval, and a policy limit of no more than 5% of total outstanding debt**
- **Prohibition on Derivatives, unless expressly authorized by future amendment and governing body approval**
- **Debt Refinancing and Refundings, with criteria for evaluating savings, restructuring opportunities, and compliance with legal and arbitrage requirements**
- **Professional Services and Conflicts of Interest, requiring disclosure, engagement agreements, and separation of advisory and underwriting roles**

*REQUESTING DEPARTMENT(S):*

**Administration**

*FISCAL IMPACT:*

**None**

*STAFF RECOMMENDATION:*

**Staff recommends approval**

*ATTACHMENTS:*

**Resolution 26-668**

**Debt Management Policy**



**RESOLUTION 26-668**

**A RESOLUTION OF THE TOWN OF MOUNT CARMEL BOARD OF MAYOR AND ALDERMEN ADOPTING A DEBT MANAGEMENT POLICY**

**WHEREAS**, the Town of Mount Carmel, Tennessee, is authorized under state law to issue debt for lawful municipal purposes and is responsible for managing such obligations in a prudent, transparent, and fiscally responsible manner; and

**WHEREAS**, Tennessee law and guidance from the Tennessee Comptroller of the Treasury require local governments to adopt a formal debt management policy governing the issuance and management of debt obligations; and

**WHEREAS**, the Town has historically managed debt in accordance with applicable law, Comptroller guidance, and sound financial practices, but has not previously adopted a comprehensive written debt management policy approved by the governing body; and

**WHEREAS**, the Municipal Technical Advisory Service (MTAS) and the Government Finance Officers Association (GFOA) recommend adoption of a written debt management policy as a best practice in municipal financial management; and

**WHEREAS**, the Town is currently participating in a sewer rate study evaluation being conducted by MTAS, which requires the adoption of formal financial governance policies, including a debt management policy, in order to evaluate existing obligations, debt service requirements, and long-term financial impacts on utility rates; and

**WHEREAS**, adoption of a Debt Management Policy will formalize the Town's existing practices, promote consistency and transparency, minimize financial risk, and provide a clear framework for future debt decisions;;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 22<sup>nd</sup> day of January, 2026, that

SECTION 1. The Debt Management Policy attached hereto and incorporated herein by reference is hereby adopted as the official Debt Management Policy of the Town of Mount Carmel.

SECTION 2. The policy shall apply to all debt obligations of the Town, including general obligation debt, revenue debt, notes, loans, financing leases, and any other debt permitted by law, and shall govern the planning, issuance, management, and reporting of such obligations.

SECTION 3. Adoption of this policy is intended to formalize and document existing debt management practices and does not, by itself, authorize the issuance of new debt or constitute a material change to current procedures.

This Resolution shall take effect immediately, the public welfare requiring it.

ADOPTED this 22<sup>nd</sup> day of January, 2026

\_\_\_\_\_  
**John Gibson, Mayor**

**Attest:**

\_\_\_\_\_  
**Tyler Williams, Town Recorder**



**Town of Mount Carmel  
Debt Management Policy**

The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the Town of Mount Carmel, TN. This policy reinforces the commitment of the Town and its officials to manage the financial affairs of the Town to minimize risk, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the Town. A debt management policy signals to the public and the rating agencies that the Town is using a disciplined and defined approach to financing operating and capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

Definition of Debt: All obligations of the Town to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of Town resources. This includes but is not limited to notes, bond issues, financing leases, and loans of any type (*whether from an outside source such as a bank or from another internal fund*).

Approval of Debt: Bond anticipation notes, capital outlay notes, grant anticipation notes, tax and revenue anticipation notes (including any interfund loans) and certain non-exempt financing leases will be submitted to the State of Tennessee Comptroller's Division of Local Government Finance and the Board of Mayor & Aldermen prior to adoption of the authorizing resolution for capital outlay notes and prior to issuance or entering into all other notes. A plan for refunding debt issues will also be submitted to the Comptroller's Office prior to adoption of the authorizing resolution by the governing body and issuance.

Transparency:

- The Town shall comply with legal requirements for notice and for public meetings related to debt issuance.
- All notices shall be posted in the customary and required posting locations, including as required local newspapers, bulletin boards, and websites.
- All costs (including principal, interest, issuance, continuing, and one-time) shall be clearly presented and disclosed to the citizens, Board of Mayor & Aldermen, and other stakeholders in a timely manner.

- The terms and life of each debt issue shall be clearly presented and disclosed to the citizens/members, Board of Mayor & Aldermen, and other stakeholders in a timely manner.
- A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, Board of Mayor & Aldermen, and other stakeholders in a timely manner.

#### Role of Debt:

- Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the Town will minimize the use of short-term cash flow borrowings by maintaining adequate working capital for enterprise funds, available cash for governmental funds, and close budget management.
- In accordance with Generally Accepted Accounting Principles and state law,
  1. The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed 30 years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices.
  2. Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.

#### Types and Limits of Debt:

- The Town will seek to limit total outstanding debt obligations to 20% of the assessed value of the taxable property of the Town according to the most recent complete assessment, excluding overlapping debt, enterprise debt, and revenue debt.
- The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.
- The Town's total outstanding debt obligation will be monitored and reported to the Board of Mayor & Aldermen by the Chief Financial Officer (CFO). The CFO shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The CFO shall also report to the Board of Mayor & Aldermen any matter that adversely affects the credit or financial integrity of the Town.
- The Town is authorized to issue General Obligation bonds, Revenue bonds, TIFs, loans, notes, financing leases, and other debt allowed by law. The Town has determined it currently will not issue complex debt instruments such as swaps or derivatives.
- The Town will seek to structure debt with *level or declining* debt service payments

- over the life of each individual bond issue, loan, or other debt obligation.
- As a rule, the Town will not backload, use “wrap-around” techniques, balloon payments or other exotic formats to pursue *the financing of* projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur, the Town may utilize non-level debt methods. However, the use of such methods must be thoroughly discussed in a public meeting and the mayor and governing body must determine such use is justified and in the best interest of the town, as well as submitted to the Comptroller’s Office for approval.
- The Town may use financing leases (formerly called capital leases) to finance projects. The Town will follow the guidance established by the Comptroller of the Treasury, Division of Local Government Finance when assessing potential financing leases. This guidance is pursuant to TCA 9-24-101 “Uniformity in Local Government Lease Financing Act of 2021” and the Division of Local Government Finance’s Debt Manual. ([Tennessee Debt Manual for Local Governments](#))
- Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The Town may use its General Obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the Town. The Board of Mayor & Aldermen and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the Town’s General Fund.

Use of Heightened Risk Debt:

- As defined in state law, heightened risk debt is debt that contains: a variable interest rate; an interest rate reset provision; or a put option where the holder of the debt can demand repayment with a certain notice. The Town recognizes the value of heightened risk debt obligations and that municipalities have greatly benefitted from the use of heightened risk debt in the financing of needed infrastructure and capital improvements.
- However, the Town also recognizes there are inherent risks associated with the use of heightened risk debt and will implement steps to mitigate these risks, including:
  1. When considering heightened risk debt, municipal officials will:
    - Use such obligations only when they fully understand the associated risks; and
    - Evaluate alternative financing options that avoid heightened-risk terms.
  2. The Town will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.
  3. Prior to entering into any heightened risk debt obligation that is backed by insurance and secured by a liquidity provider, the Board of Mayor & Aldermen shall be informed of the potential effect on rates as well as any additional costs that might be incurred should the insurance fail.
  4. Prior to entering into any heightened risk debt obligation that is backed by

a letter of credit provider, the Board of Mayor & Aldermen shall be informed of the potential effect on rates as well as any additional costs that might be incurred should the letter of credit fail.

5. Prior to entering into any heightened risk debt obligation, the Board of Mayor & Aldermen will be informed of any terms, conditions, fees, or other costs associated with the prepayment of heightened risk debt obligations.
6. The Town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any heightened risk debt obligation.
7. The Town will not consider any debt obligation with a put option, as defined in TCA 9-21-409, unless the put option date is clearly stated in the obligation and the obligation requires at least 120 days' notice of ability to force repayment before the final maturity.
8. The Town will not consider any debt obligation with an interest rate reset provision as defined in TCA 9-21-409, unless the interest rate reset date or interval is clearly stated in the obligation and the obligation requires at least 60 days' notice of an interest rate change.
9. Prior to entering into any heightened risk debt obligation, the Town shall obtain approval from the Comptroller's Office.
10. The State Funding Board suggests that public entities may wish to include a maximum amount, level, or percentage of heightened risk debt that the public entity is willing to have outstanding at any time. We, the Town of Mount Carmel, believe that heightened risk debt should not exceed 5% of our total debt.

#### Use of Derivatives:

- The Town chooses not to use derivative or other exotic financial structures in the management of the Town's debt portfolio.
- Prior to any reversal of this provision:
  1. A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the Board of Mayor & Aldermen; and
  2. The Board of Mayor & Aldermen must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the State Funding Board Guidelines.

#### Costs of Debt:

- All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the Board of Mayor & Aldermen in accordance with

- the notice requirements stated above.
- In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.
  - Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e., General Obligations bonds in context of the General Fund, Revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes).

#### Refinancing Outstanding Debt:

- The Town will refund debt when it is in the best financial interest of the Town to do so, and the CFO shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Comptroller's Office must review the refunding plan prior to the decision being approved by the governing body, and all plans for current or advance refunding (no longer tax- exempt) of debt must be in compliance with state laws and regulations.
- The CFO will consider the following issues when analyzing possible refunding opportunities:
  1. Onerous Restrictions – Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.
  2. Restructuring for Economic Purposes – The Town will refund debt when it is in the best financial interest of the Town to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the CFO if the refunding generates positive present value savings, and the CFO must establish a minimum present value savings threshold for any refinancing.
  3. Term of Refunding Issues – The Town will refund bonds within the term of the originally issued debt. However, the CFO may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The CFO may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.
  4. Escrow Structuring – The Town shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Town from its own account.
  5. Arbitrage – The Town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

### Professional Services:

The Town shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the Town and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.

- Counsel: The Town shall enter into an engagement letter agreement with each lawyer or law firm representing the Town in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of the Town or lawyer or law firm which is under a general appointment or contract to serve as counsel to the Town. The Town does not need an engagement letter with counsel not representing the Town, such as underwriters’ counsel.)*
- Financial Advisor: The Town shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Written agreements with a financial advisor should be limited to a specific transaction; or, if the Town desires to maintain an ongoing relationship with a financial advisor, then the agreement should be reviewed by the governing body annually. The written agreement should define a clear notice period for termination by either party.
  - Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the Town.
- Underwriter: The Town shall require the Underwriter to clearly identify itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the Town with respect to that issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm’s-length commercial transaction and that it has financial and other interests that differ from those of the Entity. The Underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity in advance of the pricing of the debt. Underwriter relationship will be reviewed at each new issuance of debt by the Town.

### Conflicts:

- Professionals involved in a debt transaction hired or compensated by the Town shall be required to disclose to the Town existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the Town to appreciate the significance of the relationships.

- Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Review of Policy:

This policy shall be reviewed at least every five (5) years by the Board of Mayor & Aldermen. Any amendments shall be considered and approved in the same process as the initial adoption of this Policy.

Compliance:

Town Administration is responsible for ensuring compliance with this policy.

*References:*

T.C.A. §§ 7-51-901 thru 911 - Contracts, Leases, and Lease Purchase Agreements  
T.C.A. § 9, Part 21 – Local Government Public Obligations Law  
T.C.A. § 9-24-101 - Uniformity in Local Government Lease Financing Act of 2021  
Government Finance Officers Association (GFOA) [Debt Management Policy \(gfoa.org\)](http://gfoa.org)

Version 1.0- January 2026



## **LEGISLATIVE MEMORANDUM**

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**FROM:** John Gibson, Mayor

**THRU:** Tyler Williams, Assistant Town Manager/CFO

**DATE:** January 22, 2025

**RE:** **DISCUSSION/CONSIDERATION: Resolution 26-669: Virtual Meeting Attendance**

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**SUMMARY:**

The purpose of this resolution is to formally adopt a local policy—pursuant to *(T.C.A.) § 6-54-149*—authorizing members to participate in municipal meetings electronically under limited, well-defined circumstances.

The enabling legislation allows such participation only when specific hardships prevent a member from attending in person. The intention of the statute is to preserve transparency, maintain the integrity of public meetings, and ensure that electronic participation is used sparingly.

**Key Points:**

The policy allows members of the BMA to attend meetings electronically (such as through video call) only in special circumstances. These include:

- A family or medical emergency
- Being called into military service
- Dangerous weather preventing safe travel

The member must notify the Town Recorder of his or her absence by 5:00pm the day prior to the meeting.

At least a majority of board members must still be physically present for the meeting to be held.

Only two members may participate electronically per meeting.

Board members can use electronic attendance no more than twice per year.

**REQUESTING DEPARTMENT(S):**

Mayor

*FISCAL IMPACT:*

**None**

*STAFF RECOMMENDATION:*

**Staff recommends approval**

*ATTACHMENTS:*

**Resolution 26-669**

## RESOLUTION NO. 26-669

**A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE ESTABLISHING A POLICY ALLOWING GOVERNING BODY MEMBERS TO PARTICIPATE IN MEETINGS BY ELECTRONIC MEANS UNDER SPECIFIC CIRCUMSTANCES.**

**WHEREAS**, Public Chapter 411, Acts of 2025, was passed by the Tennessee General Assembly during the 2025 legislative session and signed by Governor Lee on May 9, 2025; and

**WHEREAS**, the governing body wishes to allow electronic participation in meetings under specified circumstances;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee that:

### **SECTION 1. Electronic Participation in Municipal Legislative Body Meetings.**

(1) Having adopted Tennessee Code Annotated § 6-54-149 by a two-thirds (2/3) majority vote, a member of the Board of Mayor and Alderman (hereinafter “governing body”) may participate in a scheduled governing body meeting by electronic means, including, but not limited to, videoconferencing or other web-based media, but only for the following reasons:

- (a.) The member of the governing body is dealing with a family or medical emergency;
- (b.) The member of the governing body has been called into military service; or
- (c.) The member of the governing body is unable to attend a meeting due to inclement weather.

(2). Such determination shall be made on a case by case basis at the start of the meeting by a majority vote of the governing body members constituting a quorum present at the physical location of the meeting.

**SECTION 2. Member Requirements to Participate Electronically.** Any member who is absent shall only participate in a meeting through electronic means if the member meets the following requirements:

- (1) The member must be visually identified by the Mayor, or in their absence, the Vice-Mayor or other Chairman of the meeting, as required by Tennessee Code Annotated §6-54-149.
- (2) The member shall notify the Town Recorder by 5:00 p.m. the day prior to the meeting of the member’s intent to participate electronically. The member shall state in the notice to the Town Recorder that the member has a family emergency, medical emergency, military service, and/or inclement weather condition qualifying the member for electronic participation.
- (3) The member shall have the ability to log into the virtual meeting platform using their own computer equipment. In order to speak, the member shall use their computer’s microphone, a headset, or phone for sound.

- (4) The member shall keep their microphones muted unless they are actively speaking.
- (5) During the calling of the roll, the member shall un-mute their microphone and announce their name as an electronic participant. The Town Recorder shall record this person as present for voting purposes, but not for quorum purposes.

**SECTION 3. In-Person Quorum.** The legislative body shall not conduct a meeting that includes electronic participation unless a quorum of the governing body is present at the physical location of the meeting. No more than two (2) members may participate electronically in each meeting.

**SECTION 4. Annual Limitation.** A member of the governing body shall not participate electronically in meetings more than two (2) times per calendar year.

**SECTION 5. Public Access.**

(1) All meetings of the governing body conducted by electronic means under this section must remain open and accessible to the public by providing real-time, live audio or video access to the public.

(2) A clear audio or video recording of the meeting shall be made available to the public as soon as practicable following the meeting, and in no event more than two (2) business days after the meeting.

**SECTION 6. Public Notice.** In the public notice required by the Tennessee code Annotated § 8-44-103, the governing body shall provide information regarding how the public can obtain real-time, live access to, or a broadcast of, the meeting, and the governing body shall provide an agenda for the meeting in such notice.

**SECTION 7. Staff Facilitation of Electronic Access.** Upon notice of electronic participation by a member of the governing body, the town recorder shall facilitate the implementation of electronic access to the member by setting up appropriate equipment and providing electronic access instructions to the member no later than one (1) hour prior to the meeting. The first two (2) members to notify the Town Recorder of an intent to participate electronically shall receive the necessary information allowing them to participate electronically.

**SECTION 8. Effective Date.** This resolution shall take effect immediately upon passage, the public welfare requiring it.

Approved by Two-Thirds (2/3) Majority Vote on \_\_\_\_\_

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Town Recorder



## **LEGISLATIVE MEMORANDUM**

**TO:** Honorable Mayor Gibson, Vice Mayor Bare, and Alderman Gilliam,  
Alderman Patrick, Alderman Shugart, Alderman Binstock, Alderman Cross

**FROM:** Tyler Williams, Assistant Town Manager/CFO

**DATE:** January 22, 2026

**RE:** DISCUSSION AND CONSIDERATION: Acceptance of Bid for LPRF Park  
Bathroom/Pavillion Construction

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### **SUMMARY:**

The purpose of this memorandum is to request acceptance of the construction bid for the Mount Carmel Park Bathroom and Pavilion Project, funded in part through the Local Parks and Recreation Fund (LPRF) Grant.

Bids were opened on 1/15/26 and reviewed, and Construction Partners, LLC was identified as the apparent low bidder with a total bid amount of \$408,000.

The project was budgeted at \$340,000, resulting in a \$68,000 difference between the budgeted amount and the apparent low bid.

Staff has identified the following options to address the \$68,000 funding gap:

- 1. Request Additional Grant Funding:**  
The Town has formally requested additional funding from the State through the LPRF program to cover the difference. A response is pending.
- 2. Negotiate with the Contractor:**  
Staff may negotiate with Construction Partners, LLC to reduce the bid amount by adjusting or modifying specific project components or materials, provided such changes remain compliant with grant requirements and do not materially reduce the scope or quality of the project.
- 3. Utilize Fund Balance:**  
Staff may seek approval to pay \$68,000 difference using available Town fund balance to fully fund the project and allow construction to proceed without delay.

### **REQUESTING DEPARTMENT(S):**

**Parks & Recreation**

### **FISCAL IMPACT:**

**Potential use of \$32,000 fund balance reserve**

*STAFF RECOMMENDATION:*

**Staff recommends a three-step approach to address the budget variance while awarding the bid to Construction Partners, LLC. First, continue pursuing additional grant funding from the State to cover the \$68,000 difference. Second, authorize staff to negotiate with the contractor to adjust project components or materials in order to reduce costs without compromising the project scope or grant compliance. Third, if necessary, allocate the remaining difference from the Town's fund balance to ensure the project can proceed on schedule.**

*ATTACHMENTS:*

**Tabulation of Bids**



**TABULATION OF BIDS**  
**TOWN OF MOUNT CARMEL, TENNESSEE**  
**JANUARY 15, 2025- 2:00 PM**

**MOUNT CARMEL PARK IMPROVEMENTS-LPRF GRANT**

<b>Frizzell Construction</b>	<b>\$587,092.00</b>
<b>Construction Partners, LLC</b>	<b>\$408,000.00</b>
<b>Skilled Services</b>	<b>\$714,959</b>

Staff recommends acceptance of the low bid, highlighted above.

Tyler Williams, Assistant Town Manager/CFO