



BOARD OF MAYOR AND ALDERMEN MEETING AGENDA

May 21, 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 April 23, 2026, monthly financial report, and department reports.
7. Visitors' Comments:
8. Old Business:
 - A. SECOND READING AND PUBLIC HEARING: Ordinance 26-546: Budget Amendment (Fire Dept. grant)
 - B. SECOND READING AND PUBLIC HEARING: Ordinance 26-547: Adopting Annual Budget- FY 26/27
9. New Business:
 - A. FIRST READING: Ordinance 26-548: Repeal Ordinance 24-535: Municipal Juge Appointment
 - B. DISCUSSION AND CONSIDERATION: Resolution 26-678: Appoint Town Attorney
 - C. DISCUSSION AND CONSIDERATION: Resolution 26-679: Appoint Bill Rupert as Building Inspector and Code Enforcement Provider
 - D. DISCUSSION AND CONSIDERATION: Amendment to WWTP Operation and Maintenance Agreement with Inframark, LLC
 - E. DISCUSSION AND CONSIDERATION: MOU with Goodwill Industries of Teneva, Inc.
 - F. DISCUSSION AND CONSIDERATION: Acceptance of Bid for Mount Carmel Park Parking Lot Paving
 - G. DISCUSSION AND CONSIDERATION: Acceptance of Bid for FY 26/27 Street Paving
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 April 23, 2026, 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 March 26, 2026, Board of Mayor and Aldermen meeting minutes, departmental and financial reports.

Motion: Alderman Shugart

Second: Alderman Binstock

Approved: *All present voting in favor*

VISITOR COMMENTS

Sue Jarrett- spoke regarding the Senior Center Silent Auction

OLD BUSINESS

NONE

NEW BUSINESS

- A. FIRST READING: Ordinance 26-546: Budget Amendment (Fire Dept. grant)

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. FIRST READING: Ordinance 26-547: Adopting Annual Budget- FY 26/27

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	✓		

- C. DISCUSSION AND CONSIDERATION: Interlocal Agreement with City of Kingsport for Residential Refuse Collection Services

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	✓		

D. DISCUSSION AND CONSIDERATION: Planning/Zoning Services Contract with FTDD

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	✓		

E. DISCUSSION AND CONSIDERATION: RFP for Town Attorney/Municipal Legal Services

Motion: Alderman Cross

Second: Vice-Mayor Bare

To proceed with Option 1- Continuation of RFP process with deadline of May 1

	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		✓	

F. DISCUSSION AND CONSIDERATION: Termination of Agreement with SAFEbuilt, LLC

Motion: Alderman Binstock

Second: Alderman Shugart

	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 **6:00 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 04/30/2026

<u>GENERAL FUND:</u>	<u>BALANCE:</u>
Checking Account (First Horizon)	\$604,345.11
LGIP Investment Account	\$6,771,181.48
Capital Outlay Savings (First Horizon)	\$1,160.80
TOTAL:	<u>\$7,376,687.39</u>
<u>DRUG FUND:</u>	<u>BALANCE:</u>
Drug Fund Checking (First Horizon)	\$34,909.84
Special Drug Fund (First Horizon)	\$0.00
TOTAL:	<u>\$34,909.84</u>
<u>SEWER FUND:</u>	<u>BALANCE:</u>
Checking Account (First Horizon)	\$316,518.52
Savings/Sewer Savings 2014 (First Horizon)	\$1,062.55
LGIP Investment Account	\$1,017,403.61
TOTAL:	<u>\$1,334,984.68</u>
<hr/>	
GRAND TOTAL CASH ON HAND:	\$8,746,581.91

Current Savings Rate: 2.42%

Current LGIP Rate: 3.65%

Mount Carmel Fire Department

Mitch Walker, Fire Chief



May 4th, 2026

To: James Stables, City Manager

Ref: April 2026 Monthly Report

Call Data

- 43 Calls for Service
 - o Fires: 3
 - o Hazardous Situations: 8
 - o Medical: 16
 - o Public Service: 11
 - o No Emergency: 5
- Year to Date Calls: 159

Volunteer Response Time to Station

- Average: 00:50
- 90th Percentile: 2:07

Apparatus Response Times

- Average: 6:22
- 90th Percentile: 9:10

Volunteer Staff Hours

- Emergency Response Hours: 118 hours, 7 minutes

Training Hours

- Total: 469.75 Hours
 - o Company Level Training – 63 hours
 - o Officer Training – 1 hours
 - o Hazardous Materials Training – 394 hours
 - o Medical Training – 11 Hours

-
- Fire Prevention – .75 hours
 - 9 Inspections Completed
 - 1 Smoke Detector Installs

Significant Activities

- 2026 Community Development Block Grant was completed and submitted though First Tennessee Development District for fire tanker
- Submitted Transcaer Hazardous Material Grant for \$2,500 towards gas monitor calibration equipment, grant is non-matching
- Two members completed annual Tennessee Rescue Squad Instructor updates for Emergency Vehicle Operator and Vehicle Extrication
- Three members completed Tennessee Emergency Management Agency's 80-hour Hazardous Materials Technician Course
- Hosted Hazardous Materials Awareness course for certification testing in May, attended by 18 personnel
- Hosted Radiological Monitoring course, attended by 22 personnel
- Attended Northeast Regional Fire Training Academy Graduation in support of volunteer Firefighter Elijah Needham who has been hired full-time by Kingsport Fire Department.
- Attended Northeast Regional Fire Chiefs Association Meeting
- Asst. Chief Luke Wood obtained his Tennessee Commission on Firefighting Rope Awareness Certification
- Firefighter Michael Clark obtained his Tennessee Commission on Firefighting Rope Technician Certification
- Firefighter Noah Graziano obtained his National Registry Emergency Medical Technician Certification and Tennessee State License

Date: April 30, 2026
To: Jim Stables, Tyler Williams
Copy: Jason Salyer, Matt Malone
From: Chad Arnold
Subject: March 2026 Management, Operations & Maintenance Report - WWTP

Executive Summary

There were twenty-two (22) excursions to the NPDES permit during the month of March 2026.

In January, we started to notice a decline in the quality of filtrate being produced by the rental dewatering press. The recirculation of these solids overcame the treatment capacity of the plant and caused numerous violations for the month of February. The effect of the recirculating solids carried over into the month of March. A new rental dewatering press was put into operation on March 5th, and we have been having improved results in the quality of the filtrate being produced by the press.

Several other operational changes have been made in the plant in an effort to bring us back in to compliance:

- Both blowers are now running together in order to increase the dissolved oxygen in the aeration basins.
- The contact basin was cleaned by ESP&P on 3/24/2026.
- Final clarifier 2 is now our primary final clarifier. This was switched from final clarifier 1 on 3/24/2026.
- Both Anoxic Zones are now in service. This enabled us to increase our return pumping rate and better manage the final clarifier sludge blanket.

Two (2) sanitary sewer releases from residential lift stations were reported to TDEC in March 2026.

- 211 Willow St.on 3/25/2026
- 529 Poplar St. on 3/25/2026

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	292	47 / 53	84%	75%
TSS average	307	36 / 38	88%	67%

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

Flow as follows:

Flow*	MGD
Influent Flow Average, monthly	0.171 MGD*
Effluent Flow Average, monthly	0.138 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 107,452 gallons.
 - 3 loads were transported to Eco-Safe Landfill in March 2026.
 - 34.8 wet tons disposed.

Biosolids Wet Tons Disposed via Landfill

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	41.8	48.2	34.8	-	-	-	-	-	-	-	-	-	124.8

Residential Lift Stations Maintenance Summary

- Inframark’s Maintenance Team responded to twenty-two (22) recorded residential lift station calls during the month of March 2026.
- Three (3) residential lift station pump replacements were recorded during the month of March 2026.
- Two (2) residential lift station pumps were pulled and cleared of blockages that were preventing the pump from running.
- Four (4) residential pumps remain in inventory as of 4/30/2026.

Residential Lift Station Pumps Replaced

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	3	3	3	-	-	-	-	-	-	-	-	-	9

Major Maintenance Items - WWTP

- Effluent flow meter is returning low readings compared to newer influent flow meter. Was calibrated by Labtronx in February, I have reached out to them and they are returning to check it again.
- Install floats for pump operation at return sludge pump station in plant. This is a priority.
- Reach out to PW Tech regarding optimization of new rental press to increase output.
- Contact basin was cleaned by ESP&P.

Major Maintenance Items – Lift Stations

- A blockage was removed from lift station 8 pump 2. Pump was faulted, maintenance technicians troubleshooted the issue and returned the pump to normal operation.

- A replacement control panel for lift station 6 was ordered on 3/6/2026. 8-10 week lead time, expected ship date of 5/12/2026. A replacement Mission SCADA panel was also ordered and has been received.

Maintenance Opportunities

- A 5-year Capital Improvement Plan is currently being worked on for the Town of Mount Carmel. This will detail the immediate and future maintenance opportunities available to us.

Financial Update

Type	Month	Fiscal Year	Remaining Balance (1)
Repair & Maintenance Cap	\$5,287.56	\$113,944.33	\$(13,994.33)
Chemical Cap	\$1,101.01	\$20,225.31	\$2,092.69
Sludge Cap	\$13,131.94	\$27,463.02	\$90,561.98

- (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	\$117,253.40
WWTP Maintenance	\$0	\$61,267.51
Machinery & Equipment Rental	\$4,766.07	\$87,032.14
TOTAL	\$4,766.07	\$265,553.05

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

Health & Safety

- There were no recordable injuries for the month of March 2026.
- Safety training is assigned to each team member individually and is completed on-line.
- Weekly Process Control Meetings are held weekly on Wednesdays and safety topics are addressed during these meetings.

Personnel

- All the employees of the Mount Carmel STP continue to grow and learn more about the wastewater field. I include everyone in general plant updates as well as operational adjustments and lab results.



April 15, 2026
Mount Carmel STP
Permit Number TN0062057
Reporting Period: March 2026
Re: DMR Cover Letter

There were twenty-two (22) excursions to the NPDES permit during the month of March 2026. All excursions were a direct result of excessive solids in the dewatering press filtrate. This issue began affecting the treatment process in February 2026 and carried over into the month of March 2026. The rental dewatering equipment that was installed in April 2025 began losing a significant amount of solids in the filtrate due to progressively worsening mechanical failures. The excessive solids in the filtrate were recirculating to the WWTP and overcoming the treatment capacity of the biomass, resulting in elevated levels of effluent BOD and TSS. Additionally, the operational issues with the previous dewatering press limited the wasting capacity of the plant, leading to excessive MLSS concentrations.

Several operational changes were made during the month of March in order to bring the plant back into compliance. In addition, a new rental dewatering press was brought on site during the week of March 2 and was operational as of March 5, 2026. The new press is operating as designed and is allowing us to more effectively reduce the concentration of the biomass in the plant.

The excursions occurring in March are detailed below:

1. *Effluent BOD Daily Maximum* was 84 mg/L (permit limit: 45 mg/L) on March 3.
2. *Effluent E.Coli Daily Maximum* was 1046 #/100mL (permit limit: 410 #/100mL) on March 4.
3. *Effluent BOD Daily Maximum* was 49 mg/L (permit limit: 45 mg/L) on March 5.
4. *Effluent BOD Weekly Average* was 57 mg/L (permit limit: 40 mg/L) for the week of March 2.
5. *Effluent BOD Daily Maximum* was 48 mg/L (permit limit: 45 mg/L) on March 10.
6. *Effluent BOD Daily Maximum* was 52 mg/L (permit limit: 45 mg/L) on March 11.
7. *Effluent BOD Weekly Average* was 43 mg/L (permit limit: 40 mg/L) for the week of March 9.
8. *Effluent Settleable Solids Daily Maximum* was 30mL/L (permit limit: ≤ 1.0 mL/L) on March 17.
9. *Effluent BOD Daily Maximum* was 58 mg/L (permit limit: 45 mg/L) on March 17.
10. *Effluent TSS Daily Maximum* was 67 mg/L (permit limit: 45 mg/L) on March 18.
11. *Effluent BOD Daily Maximum* was 57 mg/L (permit limit: 45 mg/L) on March 18.
12. *Effluent BOD Weekly Average* was 55 mg/L (permit limit: 40 mg/L) for the week of March 16.
13. *Effluent TSS Weekly Average* was 62 mg/L (permit limit: 40 mg/L) for the week of March 16.
14. *Effluent BOD Daily Maximum* was 51 mg/L (permit limit: 45 mg/L) on March 19.
15. *Effluent E.Coli Daily Maximum* was 517 #/100mL (permit limit: 410 #/100mL) on March 23.
16. *Effluent BOD Daily Maximum* was 72 mg/L (permit limit: 45 mg/L) on March 25.
17. *Effluent TSS Daily Maximum* was 106 mg/L (permit limit: 45 mg/L) on March 25.
18. *Effluent TSS Daily Maximum* was 51 mg/L (permit limit: 45 mg/L) on March 26.
19. *Effluent BOD Weekly Average* was 42 mg/L (permit limit: 40 mg/L) for the week of March 23.
20. *Effluent BOD Monthly Average* was 47 mg/L (permit limit: 30 mg/L)

21. *Effluent BOD % Removal* was 84% (permit limit: 85%).
22. *Effluent TSS Monthly Average* was 36 mg/L (permit limit: 30mg/L).

The Mount Carmel STP, laboratory, and lift stations are operated and maintained by Inframark. The Town of Mount Carmel maintains responsibility for the collection system lines. If you have any questions or require additional information, please call me at (423)387-2369.

Sincerely,



Anthony C. Arnold
Project Manager – Mount Carmel STP

Enclosures

Distribution: Jim Stables, Town of Mount Carmel
Tyler Williams, Town of Mount Carmel
William Parks, TDEC-DWR
Matthew Malone, Inframark



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: May 21, 2026

RE: **SECOND READING AND PUBLIC HEARING: Ordinance No. 26-546:
Budget Amendment (Fire Dept. grant)**

SUMMARY:

The purpose of Ordinance No. 26-546 is to amend the FY 25-26 annual budget. In April, the Fire Department received a grant from the State Fire Marshall's Office in the amount of \$47,370.00 for vehicle extrication equipment. This amendment recognizes the revenue and coordinating expenditure.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

\$47,370.00 addition to Fire Department

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Ordinance 26-546



ORDINANCE # 26-546

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 by Ordinance #26-544 on January 29, 2026; 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, #25-543, and #26-544 are hereby amended by the following for Revenues:

General Fund	FY 2025-2026 Original Budget	FY 2025-2026 Amended Budget
Total Revenue	\$4,818,990.00	\$4,866,360.00

SECTION 2. Ordinances #25-540, #25-543, and #26-544 are hereby amended by the following for Expenditures:

General Fund	FY 2025-2026 Original Budget	FY 2025-2026 Amended Budget
Total Appropriations:	\$5,775,648.00	\$5,823,018.00

	FY 2025-2026 Original Budget	FY 2025-2026 Amended Budget
Fund Balance – Appropriated	\$956,658.00	\$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, April 23 2026, First Reading:

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

Voting by the Board, as follows, May 21, 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 K. Gibson, Mayor

ATTEST:

Tyler S. Williams, CMFO
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: May 21, 2026

**RE: SECOND READING AND PUBLIC HEARING: Ordinance No. 26-547:
Adopt Annual Budget FY 26/27**

SUMMARY:

The purpose of Ordinance No. 26-545 is to adopt the Annual Budget for the Town of Mount Carmel for the Fiscal Year beginning July 1, 2026 and ending June 30, 2027.

Please refer to the attached Ordinance for further detailed budgetary information.

2026-2027 Budget Books have been provided.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

See attached information for total fiscal impact

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Ordinance 26-547



ORDINANCE # 26-547

**AN ORDINANCE OF THE TOWN OF MOUNT CARMEL, TENNESSEE ADOPTING
THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, AND
ENDING JUNE 30, 2027**

WHEREAS, Tenn, Code Ann. § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Governing Body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the Board will consider final passage of the budget.

**NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN
OF MOUNT CARMEL, TENNESSEE AS FOLLOWS:**

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2027, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

General Fund	2024-2025	2025-2026	2026-2027
Revenues	Audited	Estimated	Budgeted
Local Taxes	\$ 2,466,672	\$ 2,437,140	\$ 2,460,979
Licenses and Permits	11,114	10,050	10,050
Intergovernmental	1,183,374	1,647,012	1,141,739
Fines and Forfeitures	35,590	70,250	96,050
Charges for Services		150	250
Miscellaneous Revenues	362,442	409,909	401,300
Total Revenues and Other Financing Sources	\$ 4,059,192	\$ 4,574,511	\$ 4,110,368
Appropriations			
Expenditures			
General Government	\$ 555,374	\$ 413,473	\$ 407,300
Administration	579,208	694,213	742,773
Police Department	607,044	1,047,821	1,032,450
Animal Control	18,868	-	1,000
Fire Department	429,514	1,169,010	333,300
Building Inspector	82,070	75,000	50,000
Public Works	906,348	1,195,920	604,566
State Street Aid	112,993	176,000	143,000
Solid Waste	341,396	350,000	341,800
Recreation	33,243	361,750	210,500
Debt Service/Leases	12,792	12,843	17,789
Library	64,401	99,735	87,590
Transfer Out- Capital Projects Fund			1,756,000
Total Appropriations	\$ 3,743,251	\$ 5,595,765	\$ 5,728,068
Change in Fund Balance	\$ 324,116	\$ (1,021,254)	\$ (1,617,700)
Beginning Fund Balance	\$ 7,753,380	\$ 8,077,496	\$ 7,056,242
Ending Fund Balance	\$ 8,077,496	\$ 7,056,242	\$ 5,438,542
Ending Fund Balance as % of Appropriations	216%	126%	95%

Sewer Fund	2024-2025	2025-2026	2026-2027
Revenues	Audited	Estimated	Budgeted
Operating Revenues	\$ 1,069,216	\$ 1,338,400	\$ 1,587,450
Sewer Operating Expenses	1,057,109	1,634,266	1,567,400
Depreciation	282,294	290,000	290,000
Net Operating Income (Expense)	\$ (270,187)	\$ (585,866)	\$ (269,950)
Net Nonoperating Revenues (Expenses)	\$ 415,518	\$ 212,699	\$ 1,269,936
Change in Net Position	\$ 145,331	\$ (373,167)	\$ 999,986
Change in Net Position	\$ 145,331	\$ (373,167)	\$ 999,986
Estimated Beginning Net Position	\$ 7,242,629	\$ 7,387,960	\$ 7,014,793
Estimated Ending Net Position	\$ 7,387,960	\$ 7,014,793	\$ 8,014,779

Drug Fund	2024-2025	2025-2026	2026-2027
Revenues	Audited	Estimated	Budgeted
Drug Related Fines	\$ -	\$ -	\$ 1,000
Drug Contributions	4,542	36,500	25,000
Total Revenues and Other Financing Sources	\$ 4,542	\$ 36,500	\$ 26,000
Appropriations			
Expenditures			
Drug Fund Operations		\$ 26,150	\$ 25,000
Capital Outlay		\$ 8,850	\$ -
Total Appropriations	\$ -	\$ 35,000	\$ 25,000
Change in Fund Balance	\$ 4,542	\$ 1,500	\$ 1,000
Beginning Fund Balance	\$ 13,439	\$ 17,981	\$ 19,481
Ending Fund Balance	\$ 17,981	\$ 19,481	\$ 20,481

Capital Projects Fund	2026-2027
Revenues	Budgeted
Transfer In- General Fund	\$ 1,756,000
Total Revenues	\$ 1,756,000
Expenditures	
Police Department	\$ 160,000
Fire Department	223,000
Public Works	906,000
State Street Aid	50,000
Solid Waste & Recycling	75,000
Recreation	325,000
Library	17,000
Total Appropriations	\$ 1,756,000
Change in Fund Balance	\$ -
Beginning Fund Balance	\$ -
Ending Fund Balance	\$ -

SECTION 2: At the end of the fiscal year 2026, the governing body estimates fund balances or deficits as follows:

General Fund	\$ 7,056,242
Sewer Fund	\$ 7,014,793
Capital Projects Fund	\$ -
Drug Fund	\$ 19,481

SECTION 3: That the governing body recognizes that the municipality has outstanding bonds and other indebtedness as follows:

NONE

SECTION 4: During the coming fiscal year (2027) the governing body has planned capital projects with proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Grants	Proposed Amount Financed by Debt	Total Proposed Capital Projects
Police Vehicle (x2)	\$ 130,000			\$ 130,000
Police Tasers	\$ 30,000			\$ 30,000
Fire- LDH Replacement	\$ 100,000			\$ 100,000
Fire Department Equip.	\$ 48,000			\$ 48,000
Live Fire Training Facility	\$ 50,000			\$ 50,000
Public Works Equipment	\$ 360,000			\$ 360,000
Updates P/W Bld & Grds.	\$ 85,000			\$ 85,000
Library Rennovations	\$ 17,000			\$ 17,000
Paving- Various	\$ 650,000			\$ 650,000
Park Development	\$ 200,000			\$ 200,000
Recycling Center Dev.	\$ 75,000			\$ 75,000
Street Light Repair	\$ 11,000			\$ 11,000
Totals:	\$1,756,000			\$1,756,000

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (Tenn. Code Ann. § 6-56-208). In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tenn. Code Ann. § 6-56-205.

SECTION 6: Money may be transferred from one appropriation to another in the same fund in an amount of up to \$25,000 by the Town Administrator, subject to such limitations and procedures as set by the Governing Body pursuant to Tenn. Code Ann. § 6-56-209. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 8: There is hereby levied a property tax of \$0.9720 per \$100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 12: This ordinance shall take effect July 1, 2026, the public welfare requiring it.

First Reading: April 23, 2026

Second Reading: May 21, 2026

Voting by the Board, as follows, April 23, 2026, First Reading:

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

Voting by the Board, as follows, May 21, 2026, Second 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			

John K. Gibson, Mayor

ATTEST:

Tyler S. Williams, CMFO
Town Recorder

		2024-2025	2025-2026	2026-2027
	TOWN OF MOUNT CARMEL, TENNESSEE			
110	General Fund			
		2024-2025	2025-2026	2026-2027
		Audited	Estimated	Approved
	REVENUES			
	Local Taxes			
31100	Property Taxes	\$ 1,557,477	\$ 1,542,140	\$ 1,555,979
31200	Delinquent Property Taxes	\$ 56,023	\$ 35,000	\$ 40,000
31300	Penalty Property Tax	\$ 2,184	\$ 10,000	\$ 10,000
31610	Local Option Sales Tax	\$ 752,383	\$ 755,000	\$ 760,000
31710	Wholesale Beer Tax	\$ 46,792	\$ 50,000	\$ 50,000
31912	Charter Cable Franchise	\$ 51,813	\$ 45,000	\$ 45,000
	Total Local Taxes	\$ 2,466,672	\$ 2,437,140	\$ 2,460,979
	Licenses & Permits			
32610	Building Permits	\$ 11,114	\$ 9,500	\$ 9,500
32200	Beer Licenses/Permits		\$ 550	\$ 550
	Total Licenses and Permits	\$ 11,114	\$ 10,050	\$ 10,050
	Intergovernmental Revenue			
33191	Postal Contract	\$ 22,539	\$ 22,539	\$ 22,539
33410	State Supplemental Pay (POST)	\$ 12,000	\$ 4,800	\$ 6,400
33423	State LPRF Grant	\$ 4,000	\$ 100,000	\$ 100,000
33429	THSO (High Visibility Grant)	\$ 8,446	\$ 10,000	\$ 10,000
33190	Home Grant	\$ 139,256	\$ 109,668	
33110	CDBG Grant	\$ -	\$ 420,000	
33491	PEP Grants		\$ 2,750	\$ 2,750
33290	Library Grants		\$ 205	\$ 3,000
33710	Grants from County- Fire	\$ 15,000	\$ 30,000	\$ 30,000
33711	Grants from County- Library	\$ 5,000	\$ 5,000	\$ 10,000
33510	State Sales Tax	\$ 690,627	\$ 675,000	\$ 680,000
33530	State Beer Tax	\$ 2,199	\$ 2,000	\$ 2,400
33551	State Street Aid	\$ 163,060	\$ 155,000	\$ 160,000
33552	State Gasoline Tax	\$ 38,399	\$ 33,000	\$ 35,000
33592	Sportsbetting	\$ 12,286	\$ 5,000	\$ 7,500
33591	TVA (Payment in Lieu of Taxes)	\$ 66,490	\$ 68,000	\$ 68,000
33558	Transportation Modernization Tax	\$ 2,403	\$ 2,750	\$ 2,750
36991	Telecommunications Revenue	\$ 1,669	\$ 1,300	\$ 1,400
	Total Intergovernmental Revenue	\$ 1,183,374	\$ 1,647,012	\$ 1,141,739
	Charges for Service			
34740	Parks & Rec Charges		\$ 150	\$ 250
	Total Charges for Service	\$ -	\$ 150	\$ 250
	Fines & Penalties			
34510	Animal Control (Fees, Fines, Adoption)	\$ 10	\$ -	\$ 50
35110	City Court (Fines & Costs)	\$ 25,177	\$ 60,250	\$ 80,000
35112	Photo Enforcement	\$ 9,984	\$ 10,000	\$ 15,000
35160	County Court (Fines & Costs)	\$ 419	\$ -	\$ 1,000
	Total Fines & Penalties	\$ 35,590	\$ 70,250	\$ 96,050

	Other Revenue			
33720	Fire Department (Donations & Revenue)	\$ 70,000	\$ 500	\$ 500
33721	Police Department (Donations & Revenue)			\$ 500
34310	State Highway Contract	\$ 54,830	\$ 33,000	\$ 33,000
34320	E-Ticket Citation Fee	\$ -	\$ 800	\$ 800
36100	Interest Earnings	\$ 212,612	\$ 310,000	\$ 305,000
36190	P Card Rebate		\$ 12,555	\$ 16,000
36330	Sale of Equipment		\$ 54	\$ 500
36935	Proceeds from Sale of Capital Assets	\$ 14,995	\$ 28,000	\$ 20,000
36990	Miscellaneous	\$ 10,005	\$ 25,000	\$ 25,000
	Total Other Revenue	\$ 362,442	\$ 409,909	\$ 401,300
	TOTAL REVENUE	\$ 4,059,192	\$ 4,574,511	\$ 4,110,368
	Other Financing Sources	\$ 8,175		
	Beginning Fund Balance	\$ 7,753,380	\$ 8,077,496	\$ 7,056,242
	Available for Appropriation	\$ 11,820,747	\$ 12,652,007	\$ 11,166,610
	EXPENDITURES			
41000	General Government			
161	Mayor & Aldermen (Fees)		\$ 14,000	\$ 14,000
235	Dues, Memberships and Registration Fees	\$ 3,312	\$ 4,500	\$ 4,500
236	Public Relations/Community Outreach	\$ 26,463	\$ 28,000	\$ 30,000
240	Utilities	\$ 20,242	\$ 20,000	\$ 22,000
245	Telephone and Other	\$ 2,177	\$ 2,200	\$ 2,500
266	Repair and Maint. Bldg	\$ 18,156	\$ -	
310	Office Supplies	\$ 5,450	\$ -	
510	Insurance	\$ 79,266	\$ 112,069	\$ 150,000
551	Reappraisal Costs	\$ 7,739	\$ 7,675	\$ 8,000
691	Financial Service Charges	\$ 9,021	\$ 15,000	\$ 20,000
720	FTDD	\$ 1,635	\$ 35,760	\$ 1,700
722	FTHRA	\$ 2,500	\$ 2,500	\$ 2,500
723	Senior Citizen's Center	\$ 33,000	\$ 33,000	\$ 33,000
724	Hawkins Co. Chamber	\$ 2,500	\$ 2,500	\$ 2,500
726	AIRMED	\$ 1,200	\$ 1,600	\$ 1,600
727	Hawkins County ECD			\$ 114,000
728	Hawkins County Imagination Library			\$ 1,000
790	Home Grant	\$ 139,256	\$ 109,669	
940	Capital Outlay/Interior Renovations	\$ 203,457	\$ 25,000	
	Total General Government	\$ 555,374	\$ 413,473	\$ 407,300

41500	Administration			
121	Wages	\$ 251,869	\$ 319,750	\$ 332,500
134	Christmas Bonus		\$ 2,600	\$ 3,150
141	OASI (Employer's Share)	\$ 19,371	\$ 24,200	\$ 25,160
142	Employee Insurance	\$ 60,857	\$ 60,100	\$ 66,000
143	Employee Retirement Plan	\$ 15,551	\$ 18,000	\$ 20,000
146	Workers Compensation	\$ 8,352	\$ 7,500	\$ 7,500
147	Unemployment Insurance	\$ 1,201	\$ 1,200	\$ 1,300
148	Education and Training	\$ 1,915	\$ 7,000	\$ 7,000
161	Mayor & Aldermen (Fees)	\$ 12,946		
216	Internet Services	\$ 995	\$ 1,750	\$ 2,000
217	Web Services	\$ -	\$ 3,140	\$ 3,140
235	Dues, Memberships and Registration Fees	\$ 1,563	\$ 8,500	\$ 8,000
236	Public Relations		\$ 6,500	\$ 8,000
237	Advertising	\$ 1,827	\$ 3,200	\$ 3,750
250	City Judge	\$ 4,800	\$ 4,800	\$ 4,800
251	Medical Services	\$ 50	\$ 50	\$ 50
252	Legal Services	\$ 25,617	\$ 30,000	\$ 35,000
253	Accounting & Audit Fees	\$ 65,544	\$ 60,000	\$ 70,000
255	Computer Hardware/Software Support	\$ 50,719	\$ 55,000	\$ 60,000
257	Planning and Zoning Services (FTDD)	\$ 15,450	\$ 16,223	\$ 16,223
266	Building and Maint. Repair	\$ 5,903	\$ 28,500	\$ 30,000
280	Travel	\$ 1,958	\$ 7,500	\$ 6,500
298	Commission Fees (Clerk & Master)	\$ 2,885	\$ 2,500	\$ 2,500
310	Office Supplies	\$ 14,249	\$ 14,000	\$ 16,000
312	Pitney Bowes Supplies	\$ 1,595	\$ 2,200	\$ 2,200
479	Miscellaneous	\$ 13,084	\$ 4,500	\$ 4,500
625	Operating Lease-Copier	\$ 907	\$ 1,500	\$ 1,500
940	Equipment	\$ -	\$ 1,250	\$ 3,000
947	Computer & Equipment	\$ -	\$ 2,750	\$ 3,000
	Total Administration	\$ 579,208	\$ 694,213	\$ 742,773
42100	Police Department			
121	Wages	\$ 311,414	\$ 435,000	\$ 640,000
122	Overtime Wages	\$ 20,115	\$ 50,000	\$ 40,000
134	Christmas Bonus		\$ 3,700	\$ 6,850
141	OASI - employer share	\$ 19,836	\$ 34,500	\$ 45,000
142	Employee Insurance	\$ 50,070	\$ 54,000	\$ 65,000
143	Employee Retirement Plan	\$ 22,252	\$ 37,300	\$ 45,000
146	Worker's Compensation	\$ (2,436)	\$ 13,500	\$ 13,500
147	Unemployment Insurance	\$ 372	\$ 1,500	\$ 1,750
148	Employee Education and Training	\$ 15,480	\$ 15,000	\$ 18,000
216	Internet Services	\$ 880	\$ 1,000	\$ 1,000
219	Ecom (911)	\$ 1,323	\$ 1,650	\$ 1,750
235	Dues	\$ 458	\$ 450	\$ 450
245	Telephone	\$ 6,451	\$ 7,200	\$ 8,000
251	Medical Services	\$ 545	\$ 750	\$ 1,400
255	Computer Hardware/Software Support	\$ 16,633	\$ 10,000	\$ 10,000
259	Wrecker/Towing Services	\$ 150	\$ 150	\$ 250

266	Building Maintenance and Repair	\$ 3,256	\$ 1,000	\$ 1,500
280	Travel	\$ 4,678	\$ 3,200	\$ 3,000
290	Other Contractual Services			\$ 20,000
310	Office Supplies	\$ 4,539	\$ 4,000	\$ 4,000
320	Operating Supplies	\$ 9,210	\$ 15,400	\$ 12,000
325	Bullet Proof Vests	\$ 1,275	\$ 6,325	\$ 2,700
326	Clothing and Uniforms	\$ 6,084	\$ 8,500	\$ 8,000
329	E Ticket Supplies		\$ 800	\$ 800
330	Vehicle Operating Expense	\$ 18,299	\$ 32,250	\$ 32,000
331	Fuel	\$ 15,871	\$ 28,000	\$ 34,000
336	Radio	\$ 225	\$ 1,000	\$ 1,000
479	Miscellaneous	\$ 1,528	\$ 2,000	\$ 1,500
560	Dept of Safety Charges	\$ 2,292	\$ 3,000	\$ 3,000
625	Operating Lease- Copier	\$ 782	\$ 1,000	\$ 1,000
705	High Visibility Grant	\$ 7,547	\$ 10,000	\$ 10,000
940	Equipment	\$ 67,915	\$ 265,646	
	Total Police Department	\$ 607,044	\$ 1,047,821	\$ 1,032,450
42400	Animal Control			
121	Wages	\$ 9,789		
141	OASI - Employer Share	\$ 524		
143	Employee Retirement Plan			
146	Worker's Compensation	\$ 320		
147	Unemployment Insurance	\$ 6		
148	Education & Training			
170	Shelter Fees	\$ 5,500		\$ 1,000
235	Dues	\$ -		
240	Utilities	\$ -		
245	Telephone	\$ 492		
251	Medical Services	\$ -		
320	Operating Supplies			
326	Clothing and Uniforms	\$ -		
330	Vehicle Operating Expense	\$ 1,335		
331	Fuel	\$ 892		
479	Misc	\$ 10	\$ -	
	Total Animal Control	\$ 18,868	\$ -	\$ 1,000
42200	Fire Department			
121	Wages	\$ 70,650	\$ 135,160	\$ 160,000
134	Christmas Bonus		\$ 1,900	\$ 3,100
141	OASI - Employer Share	\$ 5,391	\$ 10,400	\$ 12,000
142	Employee Insurance		\$ 750	\$ 1,000
143	Employee Retirement Plan	\$ -	\$ 10,000	\$ 10,000
146	Worker's Compensation	\$ 2,343	\$ 3,200	\$ 3,200
147	Unemployment Insurance	\$ 230	\$ 400	\$ 500
148	Education & Training	\$ 3,037	\$ 8,000	\$ 8,000
235	Dues	\$ 270	\$ 500	\$ 500
238	Public Relations/Parade	\$ 3,434	\$ 5,000	\$ 5,000
240	Utilities	\$ 8,115	\$ 9,000	\$ 9,000
245	Telephone	\$ 728	\$ 1,500	\$ 2,000

251	Medical Services	\$ 100	\$ 400	\$ 1,000
255	Computer Hardware/Software Support	\$ 4,078	\$ 4,500	\$ 5,000
266	Building Maint. & Repair	\$ 5,722	\$ 30,000	\$ 20,000
280	Travel	\$ 2,237	\$ 350	\$ 1,000
281	Osha Testing	\$ 10,346	\$ 10,500	\$ 11,000
290	Contractual Services	\$ 1,350		\$ 2,000
310	Office Supplies	\$ 980	\$ 500	\$ 1,000
320	Operating Supplies	\$ 64,271	\$ 3,000	\$ 3,000
326	Clothing and Uniforms	\$ 3,077	\$ 3,000	\$ 6,000
330	Vehicle Operating Expense	\$ 19,404	\$ 30,000	\$ 30,000
331	Fuel	\$ 4,429	\$ 6,000	\$ 8,000
336	Radio	\$ 4,866	\$ 5,000	\$ 30,000
344	Fire Department Equipment	\$ 17,953	\$ 48,000	
479	Miscellaneous	\$ 698	\$ 750	\$ 1,000
931	Paving		\$ 196,583	
940	Equipment	\$ 195,805	\$ 644,617	
	Total Fire Department	\$ 429,514	\$ 1,169,010	\$ 333,300
	Total Public Safety	\$ 1,055,426	\$ 2,216,831	\$ 1,366,750
42420	Building Inspector			
235	Dues	\$ 81,976		\$ -
269	Demolition			
290	Other Contractual Services (Building and Code)		\$ 75,000	\$ 50,000
320	Operating Supplies	\$ 52		
479	Miscellaneous	\$ 42		
	Total Building Inspector	\$ 82,070	\$ 75,000	\$ 50,000
43100	Public Works Department			
121	Wages	\$ 225,048	\$ 325,050	\$ 342,316
122	Overtime Wages	\$ 5,523	\$ 15,000	\$ 8,000
134	Christmas Bonus		\$ 3,500	\$ 4,200
141	OASI - Employer Share	\$ 12,935	\$ 24,500	\$ 25,500
142	Employee Insurance	\$ 42,379	\$ 50,000	\$ 55,000
143	Employee Retirement Plan	\$ 16,522	\$ 22,000	\$ 26,000
146	Worker's Compensation	\$ 4,929	\$ 7,720	\$ 8,000
147	Unemployment Insurance	\$ 210	\$ 400	\$ 400
148	Education & Training	\$ 299	\$ -	\$ 1,500
216	Internet Services	\$ 1,891	\$ 2,000	\$ 2,000
240	Utilities	\$ 7,568	\$ 8,500	\$ 8,500
245	Telephone	\$ 2,906	\$ 2,800	\$ 2,800
251	Medical Services	\$ 380	\$ 500	\$ 750
266	Building Maintenance & Repair	\$ 4,264	\$ 3,750	\$ 4,500
268	Street Maintenance & Road Repair	\$ 8,773	\$ 15,000	\$ 15,000
280	Travel	\$ -	\$ -	\$ 800
294	Equipment Leasing	\$ 1,119	\$ -	\$ 2,000
310	Office Supplies	\$ 501	\$ 500	\$ 800
320	Operating Supplies	\$ 8,659	\$ 9,000	\$ 9,000
326	Clothing and Uniforms	\$ 2,863	\$ 5,000	\$ 5,500
330	Vehicle Operating Expense	\$ 46,283	\$ 40,000	\$ 40,000
331	Fuel	\$ 31,945	\$ 38,500	\$ 40,000

479	Miscellaneous	\$ 954	\$ 1,100	\$ 1,000
482	Drainage Repair	\$ -	\$ -	\$ 1,000
922	Capital Outlay- P/W Building & Grounds		\$ 96,500	
931	Paving	\$ 253,573	\$ 394,600	
940	Equipment	\$ 226,824	\$ 130,000	
	Total Public Works Department	\$ 906,348	\$ 1,195,920	\$ 604,566
43190	State Street Aid			
247	Street Lighting	\$ 72,516	\$ 75,000	\$ 80,000
342	Sign Parts & Supplies	\$ 3,348	\$ 6,000	\$ 6,000
343	Traffic Light Maintenance	\$ 384	\$ -	\$ 2,000
400	Materials & Supplies (Salt)	\$ 20,576	\$ 40,000	\$ 50,000
931	Paving	\$ 6,769	\$ 50,000	
940	Equipment	\$ 9,400	\$ 5,000	\$ 5,000
	Total State Street Aid	\$ 112,993	\$ 176,000	\$ 143,000
43200	Solid Waste & Recycling			
121	Wages	\$ 53,344		
122	Overtime Wages	\$ 1,353		
141	OASI- Employer's Share	\$ 2,900		
142	Employee Insurance	\$ 13,003		
143	Employee Retirement Plan	\$ 3,861		
146	Worker's Compensation	\$ 1,745		
147	Unemployment Insurance	\$ 42		
251	Medical	\$ 45		
265	Repair & Maintenance/Grounds			\$ 2,500
290	Contractual Services (Kingsport Trash)	\$ 241,446	\$ 275,000	\$ 339,300
320	Operating Supplies	\$ 210		
330	Vehicle Operating Expense	\$ 23,447		
912	Site Development		\$ 75,000	
	Total Solid Waste	\$ 341,396	\$ 350,000	\$ 341,800
44440	Recreation			
216	Internet Services	\$ -	\$ 600	\$ 1,000
240	Utilities	\$ 4,934	\$ 4,300	\$ 5,000
300	Veteran War Memorial Park	\$ 182	\$ -	\$ 2,000
320	Operating Supplies	\$ 1,415	\$ 1,500	\$ 2,000
479	Miscellaneous	\$ 2,712	\$ 350	\$ 500
715	LPRF Grant	\$ -	\$ 200,000	\$ 200,000
725	Park Development and Operation	\$ 24,000	\$ 155,000	
	Total Recreation	\$ 33,243	\$ 361,750	\$ 210,500
44800	Library			
121	Wages	\$ 44,305	\$ 48,445	\$ 52,000
134	Christmas Bonus		\$ 800	\$ 1,000
141	OASI - Employer Share	\$ 2,746	\$ 3,650	\$ 3,650
146	Worker's Compensation	\$ 1,449	\$ 1,700	\$ 1,700
147	Unemployment Insurance	\$ 130	\$ 140	\$ 140
148	Education & Training	\$ 274	\$ 1,000	\$ 1,000
216	Internet	\$ 1,967	\$ 1,800	\$ 1,800
240	Utilities	\$ 2,848	\$ 2,600	\$ 2,600

245	Telephone	\$ 142	\$ -	\$ 200
251	Medical Services		\$ -	\$ 100
255	Computer Hardware/Software Support	\$ 667	\$ 6,500	\$ 3,000
266	Building Maintenance & Repair	\$ 814	\$ 3,000	\$ 6,500
280	Travel	\$ -	\$ 200	\$ 500
310	Office Supplies	\$ 1,860	\$ 1,700	\$ 1,700
320	Operating Supplies			\$ 500
479	Miscellaneous	\$ 321	\$ 400	\$ 400
490	Books	\$ 5,102	\$ 5,800	\$ 5,800
619	Library Training Grant		\$ 2,500	\$ 2,500
625	Operating Lease- Copier	\$ 440	\$ 500	\$ 500
721	Summer Reading Program	\$ 1,336	\$ 2,000	\$ 2,000
940	Capital Outlay		\$ 17,000	
	Total Library	\$ 64,401	\$ 99,735	\$ 87,590
	Debt Service			
42100-292	Lease/SBITA Payments	\$ 5,804	\$ 6,044	\$ 10,990
41500-689	SBITA Interest	\$ 505	\$ 249	\$ 249
42100-687	Lease Interest	\$ 488	\$ 5,800	\$ 5,800
41500-292	Lease/SBITA Payments	\$ 5,995	\$ 750	\$ 750
	Total Debt Service	\$ 12,792	\$ 12,843	\$ 17,789
	TOTAL EXPENDITURES	\$ 3,743,251	\$ 5,595,765	\$ 3,972,068
	Excess recurring rev over recurring exp	\$ 324,116	\$ (1,021,254)	\$ 138,300
	Transfer Out- Capital Projects Fund			\$ 1,756,000
	Final rev over exp (from Fund Balance)			\$ (1,617,700)
	Ending Fund Balance	\$ 8,077,496	\$ 7,056,242	\$ 5,438,542

TOWN OF MOUNT CARMEL, TENNESSEE				
412	Sewer Fund			
		2024-2025	2025-2026	2026-2027
		Audited	Estimated	Budgeted
	OPERATING REVENUES			
37210	Sewer Service Charges	\$ 1,046,312	\$ 1,302,750	\$ 1,567,450
37294	Accounting Fees	\$ 5,437	\$ 8,500	\$ 8,500
37296	Sewer Tap Fees	\$ 10,560	\$ 25,500	\$ 10,000
37299	Miscellaneous Revenues	\$ 6,907	\$ 1,650	\$ 1,500
	TOTAL OPERATING REVENUES	\$ 1,069,216	\$ 1,338,400	\$ 1,587,450
	OPERATING EXPENSES			
121	Wages	\$ 105,720		
122	Overtime	\$ 11,183		
134	Christmas Bonus			
141	OASI- Employer's Share	\$ 8,616		
142	Employee Insurance	\$ 10,509		
143	Retirement	\$ 9,475		
146	Worker's Comp	\$ 6,771		
147	Unemployment Insurance	\$ 123		
148	Training	\$ -		\$ -
216	Internet	\$ 732	\$ 2,300	\$ 2,300
235	Dues	\$ 1,010		\$ -
240	Utilities	\$ 172,109	\$ 180,000	\$ 180,000
245	Telephone	\$ 2,758	\$ 500	\$ 500
251	Medical Services	\$ 100		\$ -
254	Architecture, Engineering, and Landscaping	\$ 49,375	\$ 56,681	
260	Repair and Maintenance Services	\$ 12,809	\$ 15,000	\$ 15,000
268	Repair and Maintenance- Roads	\$ 1,138	\$ 3,500	\$ 3,500
290	Other Contractual Services (Inframark)	\$ 270,982	\$ 950,000	\$ 1,073,500
320	Operating Supplies	\$ 21,358	\$ 120	
322	Chemicals	\$ 21,836		
326	Clothing and Uniforms	\$ 1,736		
330	Vehicle Operating Expense	\$ 2,463	\$ 65	
331	Fuel	\$ 4,578	\$ -	
361	Pump Station Repair and Maintenance	\$ 9,519		
362	Residential Pump Repair and Maintenance	\$ 84,753	\$ 100,000	\$ 50,000
363	Sewer Line Maintenance and Repair	\$ 1,548	\$ 500	
364	Wastewater Plant Maintenance and Repair	\$ 48,532	\$ 28,000	
401	Construction	\$ 1,245	\$ 25,000	
479	Miscellaneous Expenses	\$ 580	\$ 1,000	\$ 1,000
510	Insurance	\$ 22,707	\$ -	
533	Machinery & Equipment Rental	\$ 79,500	\$ 200,000	\$ 200,000
540	Depreciation	\$ 282,294	\$ 290,000	\$ 290,000
596	State Permit Fee	\$ 3,460	\$ 3,500	\$ 3,500
636	Bad Debt Expense	\$ 5,625	\$ 5,600	\$ 5,600
952	Sludge Disposal Fees	\$ 51,731	\$ 30,000	
955	Press Maintenance	\$ 529	\$ 1,500	\$ 1,500
956	Sewer Blowers	\$ -	\$ 5,000	\$ 5,000
	Total Sewer Operating Expenses	\$ 1,307,404	\$ 1,898,266	\$ 1,831,400
	ADMINISTRATIVE & GENERAL EXPENSES			
252	Legal Services	\$ 7,085	\$ -	\$ -
253	Accounting/Auditing		\$ 2,000	\$ 2,000

298	Collection Fees	\$ 24,370	\$ 22,000	\$ 22,000
310	Office Expenses and Postage	\$ 544		\$ -
691	Bank Service Charges	\$ -	\$ 2,000	\$ 2,000
	Total Sewer Operating Expenses	\$ 31,999	\$ 26,000	\$ 26,000
	Total Administrative & Operating Expenses	\$ 1,339,403	\$ 1,924,266	\$ 1,857,400
	Operating Income (Loss)	\$ (270,187)	\$ (585,866)	\$ (269,950)
	NON-OPERATING REVENUES & (EXPENSES)			
33191	Federal Grants- Local ARPA	\$ 84,718	\$ 75,899	
37295	TDEC - ARPA	\$ 298,914	\$ 100,000	\$ 1,229,936
52200-635	TLDA Interest	\$ (2,165)	\$ (3,200)	
36100	Interest Earnings	\$ 34,051	\$ 40,000	\$ 40,000
	TOTAL NON-OPERATING REVENUES	\$ 415,518	\$ 212,699	\$ 1,269,936
	Change in Net Position	\$ 49,058	\$ (373,167)	\$ 999,986
	Beginning Net Position July 1	\$ 7,242,629	\$ 8,803,968	\$ 8,430,801
	Ending Net Position June 30	\$ 8,803,968	\$ 8,430,801	\$ 9,430,788

TOWN OF MOUNT CARMEL, TENNESSEE				
127	Drug Fund			
		2024-2025	2025-2026	2026-2027
		Audited	Estimated	Budgeted
	REVENUES			
35140	Drug Related Fines	\$ -	\$ -	\$ 1,000
35200	Drug Contributions	\$ 4,542	\$ 36,500	\$ 25,000
	TOTAL REVENUES	\$ 4,542	\$ 36,500	\$ 26,000
	Beginning Fund Balance	\$ 13,439	\$ 17,981	\$ 19,481
	Available for Appropriation	\$ 17,981	\$ 54,481	\$ 45,481
	EXPENDITURES			
42121				
747	Drug Fund Operations	\$ -	\$ 26,150	\$ 25,000
922	Capital Outlay	\$ -	\$ 8,850	
	TOTAL EXPENDITURES	\$ -	\$ 35,000	\$ 25,000
	Excess Revenues Over (Under) Expenditures	\$ 4,542	\$ 1,500	\$ 1,000
	Ending Fund Balance	\$ 17,981	\$ 19,481	\$ 20,481

		2026-2027
TOWN OF MOUNT CARMEL, TENNESSEE		
310	Capital Projects Fund	
		2026-2027
		Approved
REVENUES		
Intergovernmental Revenue		
36961	Transfer In-General Fund	\$ 1,756,000
Total Intergovernmental Revenue		\$ 1,756,000
TOTAL REVENUE		\$ 1,756,000
EXPENDITURES		
42100	Police Department	
940	Equipment	\$ 160,000
Total Police Department		\$ 160,000
42200	Fire Department	
344	Fire Department Equipment	\$ 48,000
931	Paving	\$ 25,000
940	Equipment	\$ 150,000
Total Fire Department		\$ 223,000
43100	Public Works Department	
247	Street Light Repair	\$ 11,000
922	Capital Outlay- P/W Building & Grounds	\$ 85,000
931	Paving	\$ 450,000
940	Equipment	\$ 360,000
Total Public Works Department		\$ 906,000
43190	State Street Aid	
931	Paving	\$ 50,000
Total State Street Aid		\$ 50,000
43200	Solid Waste & Recycling	
912	Site Development	\$ 75,000
Total Solid Waste & Recycling		\$ 75,000
44440	Recreation	
725	Park Development and Operation	\$ 200,000
931	Paving	\$ 125,000
Total Recreation		\$ 325,000
44800	Library	
940	Capital Outlay	\$ 17,000
Total Library		\$ 17,000
TOTAL EXPENDITURES		\$ 1,756,000
Excess Revenues Over Expenditures		\$ -



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: **FIRST READING:** Ordinance 26-548: Repeal Ordinance 24-535: Municipal Judge Appointment

SUMMARY:

The purpose of this ordinance is to repeal Ordinance No. 24-535, which appointed Jim Williams as municipal judge, and clarify that appointments addressed therein should properly be made by resolution rather than ordinance.

Upon review, it has been determined that the subject matter of the ordinance is administrative in nature and is more appropriately handled through board resolution rather than codification by ordinance.

Additionally, Ordinance No. 24-535 did not establish a definite term of office, creating ambiguity regarding the duration and structure of the appointment.

After this Ordinance is passed, Judge Williams will be presented to the Board via resolution at the June meeting for a two year term.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Ordinance 26-548

Ordinance 24-535



ORDINANCE # 26 – 548

AN ORDINANCE OF THE TOWN OF MOUNT CARMEL, TENNESSEE REPEALING AND SUNSETTING ORDINANCE NO. 24-535

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, previously adopted Ordinance No. 24-535 concerning the appointment of Jim Williams as the Mount Carmel Municipal Judge; and

WHEREAS, the Board of Mayor and Aldermen has determined that the matters addressed in Ordinance No. 24-535 are more appropriately effectuated by resolution rather than by ordinance; and

WHEREAS, the Board of Mayor and Aldermen further finds that Ordinance No. 24-535 did not specifically establish or define a term of office for Judge Williams, which conflicts with the two-year term of office established in Title 3 Mount Carmel Municipal Code; and

WHEREAS, the Board of Mayor and Aldermen desires to repeal and sunset Ordinance No. 24-535 while preserving all remaining provisions of Title 3 of the Mount Carmel Municipal Code;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL, TENNESSEE, AS FOLLOWS:

SECTION 1. Ordinance No. 24-535 is hereby repealed and sunset in its entirety.

SECTION 2. The Board of Mayor and Aldermen finds that appointments of the type addressed in Ordinance No. 24-535 shall henceforth be made by resolution of the Board unless otherwise required by state law or municipal code.

SECTION 3. All other provisions contained within Title 3 of the Mount Carmel Municipal Code not expressly repealed herein shall remain in full force and effect.

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, May 21, 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, June 25, 2026, Second 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			

John K. Gibson, Mayor

ATTEST:

APPROVED AS TO FORM:

Tyler S. Williams, CMFO
Town Recorder

Town Attorney



ORDINANCE 24-535

AN ORDINANCE APPOINTING THE JUDGE OF THE MUNICIPAL COURT, ESTABLISHING THEIR TERM OF OFFICE, ESTABLISHING THEIR COMPENSATION; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

- WHEREAS,** state law (Tenn. Code Ann. §6-4-301) being the Charter of the Town of Mount Carmel, provides that the municipal court be presided over by a municipal court judge; and,
- WHEREAS,** state law and the Charter provides that the Board of Mayor and Aldermen shall appoint the municipal court judge; and,
- WHEREAS,** the Board and Aldermen, at its regularly scheduled meeting, considered the appointment of Jim R. Williams as municipal judge and found him to have all the qualifications and none of the disqualifications set forth in the MOUNT CARMEL MUNICIPAL CODE.

Now therefore, BE IT ORDERED BY THE BOARD OF MAYOR AND ALDERMAN, AS FOLLOWS:

SECTION I.

That Jim R. Williams is appointed Judge of the Municipal Court to succeed Judge Risner effective July 1, 2024, at the pleasure of the Board and until his successor has been qualified and appointed with a compensation of Four Hundred and 00/100's Dollars (\$400.00) per month.

SECTION II.

That this ordinance shall take effect from and after the date of its passage and publication as the law directs.

Pat Stilwell, Mayor

ATTEST:

Emily Wood, Town Recorder

APPROVED AS TO FORM:



Allen Coup, Town Attorney

MOTION: Mayor Pat Stilwell			
SECOND: Alderman Mindy Shugart			
1 st READING	AYES	NAYS	OTHER
Alderman Jim Bare	X		
Alderman John Gibson	X		
Alderman Jim Gilliam	X		
Alderman Darby Patrick	X		
Alderman Mindy Shugart	X		
Vice-Mayor Tresa Mawk	X		
Mayor Pat Stilwell	X		
TOTALS	7		

MOTION: Alderman Mindy Shugart			
SECOND: Alderman Darby Patrick			
2 ND READING	AYES	NAYS	OTHER
Alderman Jim Bare	X		
Alderman John Gibson	X		
Alderman Jim Gilliam	X		
Alderman Darby Patrick	X		
Alderman Mindy Shugart	X		
Vice-Mayor Tresa Mawk	X		
Mayor Pat Stilwell	X		
TOTALS	7		



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: **DISCUSSION/CONSIDERATION:** Resolution 26-678: Appoint Town Attorney

SUMMARY:

The purpose of this memorandum is to present for consideration two options regarding legal representation and appointment of a Town Attorney for the Town of Mount Carmel.

The Town previously initiated a Request for Proposals (“RFP”) process for legal services relating to the position of Town Attorney.

The Town’s current legal counsel, May & Coup, elected not to participate in the RFP process and submitted notice of withdrawal dated May 4, 2026.

Spurrell, Studer, and Matney Law Group, PLLC expressed interest in serving as legal counsel for the Town.

The RFP review committee met in a properly noticed, public meeting on May 7, 2026.

In light these facts, and the Town’s continuing need for legal representation, the Board may consider either appointing new counsel or continuing temporary representation with current counsel on a month-to-month basis.

Option 1: Appoint Spurrell, Studer, and Matney Law Group, PLLC as Town Attorney

\$175.00 per hour

Option 2: Continue Month-to-Month Representation with May & Coup

\$225.00 per hour

REQUESTING DEPARTMENT(S):

Administration

STAFF RECOMMENDATION:

None

ATTACHMENTS:

Resolution 26-678- Option 1;Engagement Letter

Resolution 26-678- Option 2



RESOLUTION 26-678

**A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE APPOINTING
A TOWN ATTORNEY**

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, finds it necessary and in the best interest of the Town to appoint a Town Attorney to provide legal counsel and representation to the Town; and

WHEREAS, the Board of Mayor and Aldermen is authorized under the Charter and laws of the State of Tennessee to appoint a Town Attorney; and

WHEREAS, the Town of Mount Carmel initiated a Request for Proposals (“RFP”) process for legal services for the purpose of selecting and appointing a Town Attorney to represent the Town and provide legal counsel and services; and

WHEREAS, the Town’s current attorney elected not to participate in the RFP process and submitted written notice of withdrawal on May 4, 2026; and

WHEREAS, the Board of Mayor and Aldermen has reviewed the proposals submitted pursuant to the RFP process and has determined that the appointment of Spurrell, Studer, and Matney Law Group, PLLC as Town Attorney is in the best interest of the Town, with Matthew D. Matney serving as lead attorney, and Grace E. Studer serving as substitute attorney; and

WHEREAS, the Board of Mayor and Aldermen has reviewed the attached Engagement Letter for legal services and finds its terms to be acceptable and in the best interest of the Town;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 21st day of May, 2026, that

SECTION 1. Spurrell, Studer, and Matney Law Group, PLLC is hereby appointed as Town Attorney for the Town of Mount Carmel, Tennessee, with Matthew D. Matney serving as lead attorney, and Grace E. Studer serving as substitute attorney.

SECTION 2. The Engagement Letter attached hereto and incorporated herein by reference as “Exhibit A” is hereby approved.

SECTION 3. The Mayor is hereby authorized and directed to execute the Engagement Letter on behalf of the Town of Mount Carmel and to take such additional actions as may be necessary to carry out the intent of this Resolution.

SECTION 4. The Town Attorney shall perform all duties required by the Town Charter, ordinances, resolutions, and applicable laws of the State of Tennessee, including providing legal advice and representation to the Town, its Board, officers, employees, and departments as authorized

SECTION 5. Compensation for legal services shall be as set forth in the approved Engagement Letter.

SECTION 6. This appointment shall remain in effect until terminated by action of the Board of Mayor and Aldermen or until a successor is appointed.

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

ADOPTED this 21st day of May, 2026.

John K. Gibson, Mayor

Attest:

Tyler S. Williams, CMFO
Town Recorder

PROFESSIONAL SERVICES AGREEMENT FOR ATTORNEY

Effective the 1st day of June 2026, the TOWN OF MOUNT CARMEL (hereinafter "Town") will engage Matthew D. Matney and/or Spurrell, Studer, & Matney Law Group, PLLC (hereinafter "Attorney") as the Attorney for the TOWN OF MOUNT CARMEL during the remainder of the 2026 - 2027 fiscal year under the following terms:

1. The Attorney will bill at his hourly rate of \$175.00 per hour for his services or of an attorney under his supervision and \$85.00 per hour for paralegal/ legal assistant services. The Town will be billed for all time spent in regard to work done for the Town, including but not limited to telephone conferences, travel time, attendance at any and all meetings, document drafting, document review, correspondence, negotiations, and research.

2. Services shall be billed in increments of quarters of an hour; that is, the minimum amount of time billed shall be one-tenth (.10) of an hour. The Town will be presented with an itemized statement on a monthly basis setting forth the nature of work performed on the Town's behalf.

This contract will be governed and construed by the statutes and law of the State of Tennessee.

The above employment is hereby accepted on the terms stated.

UNDERSTOOD and APPROVED by the BOARD OF MAYOR AND ALDERMEN FOR THE TOWN OF MOUNT CARMEL on the _____ day of _____, 2026.

Town of Mount Carmel

Attorney

Mayor John Keith Gibson

Matthew D. Matney
Spurrell, Studer, & Matney Law Group, PLLC



RESOLUTION 26-678

A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE CONTINUING APPOINTMENT OF TOWN ATTORNEY

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, finds it necessary and in the best interest of the Town to appoint a Town Attorney to provide legal counsel and representation to the Town; and

WHEREAS, the Board of Mayor and Aldermen is authorized under the Charter and laws of the State of Tennessee to appoint a Town Attorney; and

WHEREAS, the Town of Mount Carmel initiated a Request for Proposals (“RFP”) process for legal services for the purpose of selecting and appointing a Town Attorney to represent the Town and provide legal counsel and services; and

WHEREAS, the Town’s current attorney, May & Coup, elected not to participate in the RFP process and submitted written notice of withdrawal on May 4, 2026; and

WHEREAS, the Board of Mayor and Aldermen nevertheless finds it necessary and in the best interest of the Town to maintain continuity of legal representation and municipal legal services during the transition period following the RFP process; and;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 21st day of May, 2026, that

SECTION 1. May & Coup is hereby continued as Town Attorney and legal counsel for the Town of Mount Carmel on a month-to-month basis.

SECTION 2. The existing Representation Agreement between the Town and May & Coup will remain in effect until terminated by either party.

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

ADOPTED this 21st day of May, 2026.

John K. Gibson, Mayor

Attest:

Tyler S. Williams, CMFO, Town Recorder

Option 2



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: **DISCUSSION/CONSIDERATION:** Resolution 26-679: Appoint Bill Rupert as
Building Inspector and Code Enforcement Provider

SUMMARY:

The BMA took action at its April 23, 2026 meeting to terminate the existing agreement for building inspection and code enforcement services with SAFEbuilt, LLC. During the proceeding weeks, SAFEbuilt continued to make lapses in service delivery necessitating an accelerated withdrawal from the agreement.

The attached resolution appoints Bill Rupert of Integrity Inspections as the Town's provider for building inspection and code enforcement services and authorizes the Mayor to execute the associated service agreement on behalf of the Town.

The proposed resolution also repeals and replaces Resolution No. 24-632 (SAFEbuilt) to reflect the updated appointment and service arrangement.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

\$125 per inspection trip. 2-year contract.

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Resolution 26-679

Independent Contractor Agreement

Resolution 24-632



RESOLUTION 26-679

**A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE APPOINTING
BILL RUPERT AS BUILDING INSPECTION AND CODE ENFORCEMENT
PROVIDER**

WHEREAS, the Town of Mount Carmel is authorized pursuant to the laws of the State of Tennessee to provide for building inspection and code enforcement services within the municipal limits; and

WHEREAS, the Town desires to ensure the continued enforcement of applicable building, property maintenance, zoning, and related municipal codes for the protection of the health, safety, and welfare of its citizens; and

WHEREAS, the Board of Mayor and Aldermen has determined that Bill Rupert of Integrity Inspections possesses the qualifications, experience, and capability necessary to provide such services to the Town; and

WHEREAS, the Board of Mayor and Aldermen desires to enter into an agreement with Bill Rupert for the provision of building inspection and code enforcement services under terms and conditions acceptable to the Town; and

WHEREAS, the Board of Mayor and Aldermen further finds it necessary and appropriate to replace Resolution No. 24-632 with this Resolution;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 21st day of May, 2026, that

SECTION 1. Bill Rupert of Integrity Inspections is hereby appointed as the official provider of building inspection and code enforcement services for the Town of Mount Carmel.

SECTION 2. The Independent Contractor Agreement attached hereto and incorporated herein by reference as “Exhibit A” is hereby approved.

SECTION 3. The Mayor is hereby authorized and directed to execute the Independent Contractor Agreement on behalf of the Town of Mount Carmel and to take such additional actions as may be necessary to carry out the intent of this Resolution.

SECTION 4. Bill Rupert shall perform such duties as may be set forth in the agreement and as otherwise required under applicable municipal ordinances, adopted codes, and state law. Bill Rupert, or his designee, shall have the authority to issue citations in lieu of arrest for violations of the building, utility, and housing codes adopted in the Town of Mount Carmel Municipal Code,

SECTION 5. Compensation for services shall be as set forth in the approved Independent Contractor Agreement.

SECTION 6. This appointment shall remain in effect until terminated by action of the Board of Mayor and Aldermen or until a successor is appointed.

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

ADOPTED this 21st day of May, 2026.

John K. Gibson, Mayor

Attest:

Tyler S. Williams, CMFO
Town Recorder

INDEPENDENT CONTRACTOR AGREEMENT

This independent contractor agreement ("agreement") is made and entered into as of the xx day of xxxxx 2026, and by and between Bill Rupert ("Inspector") and the Town of Mount Carmel ("Town"). The Town desires to retain an Inspector and codes enforcement agent as an independent contractor to perform home and/or commercial inspections and codes enforcement for the Town. In consideration of the mutual promises contained herein, the parties agree as follows:

1. TERM OF CONTRACT

This agreement will become effective upon its execution and will continue upon its execution for a period of two years and renewed for an additional two years unless terminated in accordance with the provisions of this agreement.

2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that the Inspector is an independent contractor and not an employee, agent, joint venture, or partner of the Town. Nothing in this agreement shall in any way be construed as creating or establishing the relationship of employer and employee between the Inspector and the Town. Both parties acknowledge that the Inspector is not an employee for state or federal tax purposes. As an independent contractor, the Inspector is not entitled to any employee benefits of the Town. The Inspector shall retain the right to perform services for others during the term of this agreement so long as these services are not inconsistent or incompatible with the Inspector's obligations under this agreement.

The Town has no authority to act, enter into any contract, or to incur any liability on behalf of the Inspector.

3. SERVICES TO BE PERFORMED BY THE INSPECTOR

The Inspector agrees to be available at reasonable times upon reasonable request by the Town during the term of this agreement, and to perform the necessary inspections of residential and commercial buildings of newly built or placed structures, assessment of established structures as to safety, and testimony regarding inspection findings in court if necessary.

The Inspector will maintain a current certification in residential and commercial building inspection with the State of Tennessee during the term of this agreement.

The Inspector will provide a report, of inspections and/or assessments made to be included with the permit documentation. This report should be included when the Inspector approves the issuance of a certificate of occupancy or after the final inspection for structures not requiring a certificate of occupancy. The Inspector agrees the Town shall own all data, compilations, analyses, and reports generated by the Inspector in connection with the services provided.

The Inspector will determine the method, details, and means of performing the above-described services. The Town shall have no right to, and shall not, control the manner or determine the method of accomplishing the Inspector's services. The Inspector agrees to utilize his expertise in providing such services.

Upon termination of this agreement or upon the Town's earlier request, the Inspector will return to the Town any and all Town property that the Inspector has in his possession or control.

Shall coordinate with the state agency to identify, review, and assume responsibility for any open or active permits with Town limits.

4. COMPENSATION

The Town agrees to pay the Inspector One Hundred Twenty-Five dollars (\$125) per inspection trip for the initial two (2) year period of the contract. After the initial two (2) year period, the Inspector and Town will review the rate and address any concerns by either party. The rate of pay per hour for any testimony in court, other than municipal which will be paid at the same rate as an inspection trip, shall be determined on a case-by-case basis prior to the case being brought before the court.

The Inspector agrees to submit to the Town itemized invoices for services rendered during each month by the tenth day of the following month, which will include a description of the topics written and the nature of the services provided. The Town agrees to pay the invoices within 10 days of receipt.

The Inspector shall be responsible for all costs and expenses incident to the performance of services for inspections. The Inspector will supply all tools and instruments required to perform the services.

As an independent contractor, the Inspector is responsible for paying all required taxes. The Town will issue an IRS Form 1099 with respect to the Inspector's compensation.

5. INSURANCE REQUIREMENTS

For the term of this agreement, the Inspector agrees to maintain a policy of insurance to cover:

(a) claims for damages for bodily injury, sickness, disease, or death which arise out of any negligent act or omission of Inspector; and

(b) claims for damages because of injury to or destruction of tangible or intangible property, including loss of use resulting therefrom, which arise out of any negligent act or omission of the Inspector.

6. CONFLICTING OBLIGATIONS

The Inspector certifies he has no outstanding agreement or obligation that is in conflict with any of the provisions of this agreement, or that would preclude the Inspector from complying with the provisions hereof, and further certifies the Inspector will not enter into any such conflicting agreement during the term of this agreement.

7. TERMINATION OF AGREEMENT

Either party may terminate this agreement on sixty days' written notice to the other party. The Town may terminate this agreement with good cause immediately by written notice, and in that event the Town will not be liable to the Inspector after such notice has been sent.

8. GENERAL PROVISIONS

Neither this agreement nor any duties, obligations, or rights under it may be assigned by the Inspector without the Town's prior written consent. Any attempted assignment or delegation of this agreement by the Inspector without the Town's written consent will be void.

Any notices in connection with this agreement may be given by either party to the other in writing by personal delivery or by email. Notices delivered personally will be deemed communicated as of actual receipt.

This agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to the performance of services by the Inspector for the Town and contains all the covenants and agreements between the parties with respect to the performance of such services. No modification of this agreement will be effective unless in writing and signed by each party.

If one of the provisions in this agreement is deemed invalid, void, or unenforceable by law, then the remaining provisions will continue in full force and effect.

No waiver by the Town of any breach of this agreement shall be a waiver of any preceding or succeeding breach.

If any action at law or in equity is brought to enforce or interpret this agreement, each party will be responsible for their own attorney's fees. The parties agree that the exclusive venue for any litigation arising out of this agreement shall be in Hawkins County, Tennessee.

This agreement will be governed by and construed in accordance with the laws of Tennessee.

9. ADDITIONAL ENFORCEMENT OBLIGATIONS (ADDED)

The Inspector shall provide technical code enforcement support when requested by the Town, including:

- a. Issuing written technical correction notices for violations of building, electrical, plumbing, gas, or mechanical codes.
- b. Conducting technical evaluations of unsafe or potentially unsafe structures.
- c. Providing technical findings needed to support stop-work orders.
- d. Coordinating with the Town's Code Enforcement Officer and City Attorney on matters involving both technical and non-technical violations.
- e. Appearing in court to provide technical testimony and written reports relating to enforcement matters.

Dated this ___ day of _____ 2026.

Inspector: _____ Town of Mount Carmel: _____



RESOLUTION 24-632


A RESOLUTION TO APPOINT NEW BUILDING INSPECTOR AND CODE ENFORCEMENT

WHEREAS, the Board of Mayor and Aldermen, pursuant to Tennessee Code Annotated, § 7-63-101, et seq., appoints the fire chief, or his designee in the fire department and the building inspector, or his designee in the building department, special police officers having the authority to issue citations in lieu of arrest.

WHEREAS, the building inspector, or his designee in the building department shall have the authority to issue citations in lieu of arrest for violations of the building, utility and housing codes adopted in this municipal code of ordinances.

NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen hereby authorizes and designates Jim Sullivan and Bo Toft of SafeBuilt to act as the public officer of the Town of Mount Carmel who shall exercise the powers to enforce property maintenance and code violations.

This resolution was duly passed and approved on the 28th day of March 2024.


PAT STILWELL, Mayor

ATTEST:


Emily Wood, Town Administrator/Recorder



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: May 21, 2026

RE: **DISCUSSION & CONSIDERATION: Proposed Amendment to the Wastewater Treatment Plant Operation and Maintenance Agreement between INFRAMARK, LLC and the TOWN OF MOUNT CARMEL, TN.**

SUMMARY:

INFRAMARK, LLC contacted us a few months back to discuss our agreement for wastewater treatment plant operation and maintenance with them in year 2, addressing section 4.2 of the agreement, which requires “good faith” negotiation for the annual increase, and further allowing us to properly plan for the upcoming budget cycle. We have been in thoughtful discussion and reached the following proposal.

This operation and maintenance agreement with INFRAMARK, LLC has resulted in much more efficient and effective operations of our wastewater treatment plant and collections system, resulting in more responsive and proactive activity, and less regulatory compliance and official notice requirement issues being routinely experienced previously.

As you can see in the Fiscal Impact Area of this memo, the overall change year over year went up by \$127,562.58 (13.5%). This increase is reflected in the annual base fee increase total of 13.5%, which reflects an API increase of 3.0% instead of the contractually identified CPI-U for Water & Sewer Maintenance of 4.6228%, providing a 1.6228% savings here, and then an additional increase of 10.5% for an additional wastewater technician being added at a salary and benefit cost of \$74,402. This additional position is critically necessary due to the realized actual workload over the experience in year 1 of the agreement. To further explain, with over 700 residential grinder pump-lift stations and 11 main lift stations requiring constant and emergency maintenance and repair and the plant challenges being addressed regarding the bio-solids handling the position justification is clear. Additionally, the added position was discounted by 21%, resulting in an overall total discounted savings for what we are receiving of \$31,459.99 (23%). The additional increases are identified in the cap increases and decreases below, which are based on experience in year 1 of the multi-year agreement.

- Repair & Maintenance Cap \$50,000 increase
- Chemical Cap \$45,000 increase
- Sludge Cap (\$33,025) decrease

These cap adjustments were made to ensure that we do not slip into a deficit with these cap accounts and incur a 15% administrative charge as identified in our agreement.

REQUESTING DEPARTMENT(S):

Town Administration/Sewer

FISCAL IMPACT:

Total:

Annual: \$1,074,091.58, Monthly: \$89,507.63

Base Fee:

Annual: \$801,773.58, Monthly: \$66,814.47

Repair & Maintenance Cap:

Annual: \$150,000.00, Monthly: \$12,500.00

Chemical Cap:

Annual: \$37,318.00, Monthly: \$3,109.83

Sludge Cap:

Annual: \$85,000.00, Monthly: \$7,083.33

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

- (1) 2025 TOMC & INFRAMARK Wastewater Treatment Plant Operation & Maintenance Agreement Executed (20 Pages)**
- (2) Proposed First Amendment to Agreement (2 pages)**
- (3) INFRAMARK Cost Increase Breakdown for FY 2026.27 (1 page)**

WASTEWATER TREATMENT PLANT OPERATION AND MAINTENANCE AGREEMENT

This **Wastewater Treatment Plant Operation and Maintenance Agreement** (the "Agreement") is made this 24th day of April 2025, between:

- 1) **TOWN OF MOUNT CARMEL**, a Tennessee municipal corporation with its principal place of business at 100 E. Main Street, Mount Carmel, Tennessee 37645 (hereinafter the "Client"); and
- 2) **INFRAMARK, LLC**, a Texas limited liability company with its principal place of business at 2002 West Grand Parkway North, Suite 100, Katy, Texas 77449 (hereinafter the "Operator").

BACKGROUND

The Client desires to procure operation and maintenance services required for the Client's wastewater treatment facilities as set forth in Schedule 5 attached to this Agreement ("Facilities") and the Operator desires to provide said operations and maintenance services to the Client.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1) **TERM**

This Agreement shall commence on June 1, 2025 ("Commencement Date") and shall remain in full force and effect for five (5) years from the Commencement Date ("Initial Term") unless terminated earlier under Section 6 below. After the Initial Term, the Agreement may be extended through written agreement, or renewed by mutual negotiations to ensure all interests are considered for both parties, unless terminated in writing by either party at least sixty (60) days prior to the expiration of the then current term.

2) **OPERATOR'S SERVICES**

- 2.1. Operator, in regard to the Facilities, shall provide the services as set forth in Schedule 1 attached to this Agreement (the "Services").
- 2.2. Operator shall be responsible for all Annual Maintenance Expenditures not to exceed the Annual Repair and Maintenance Budget (which Annual Repair and Maintenance Budget shall be included in the Annual Compensation). Operator will track Annual Maintenance Expenditures incurred against the Annual Repair and Maintenance Budget. If, at any point during an Agreement Year, the actual Annual Maintenance Expenditures incurred to that point exceed the Annual Repair and Maintenance Budget, the Operator will invoice the Client for the excess cost in accordance with Section 4.5 and will continue to invoice any additional Annual Maintenance Expenditures on a monthly basis thereafter. Any portion of the Annual Repair and Maintenance Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year.
- 2.3. Operator shall be responsible for purchasing all Chemicals not to exceed the Annual Chemical Budget (which Annual Chemical Budget shall be included in the Annual Compensation). Operator will track expenditures for Chemicals incurred against the Annual Chemical Budget. If, at any point during an Agreement Year, the actual expenditures for Chemicals incurred to that point exceed the Annual Chemical Budget, the Operator will invoice the Client for the excess cost in accordance with Section 4.6 and will continue to invoice any additional

expenditures for Chemicals on a monthly basis thereafter. Any portion of the Annual Chemical Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year. The Chemicals shall be the property of and titled in the Client upon delivery to the Facilities.

- 2.4. As the agent for the Client, the Operator shall dispose of Process Residue and shall pay the costs of all such disposal up to the Annual Process Residue Budget. The Operator shall dispose of Process Residue either at an approved landfill or at an approved land application site designated and made available by the Client. Title and ownership of Process Residue shall remain with the Client notwithstanding such services by the Operator. The Client shall also pay Operator an amount, if any, equal to all expenditures for Process Residue disposal in excess of the Annual Process Residue Budget in accordance with Section 4.7. Any portion of the Annual Process Residue Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year.
- 2.5. Except in the case of an Emergency Event, Operator shall obtain the prior written approval of the Client for any single Annual Maintenance Expenditure which shall cost more than Five Thousand dollars (\$5,000.00). When the Operator determines that an Emergency Event exists, it may begin immediately taking any necessary action related thereto, without the Client's prior approval. Any costs incurred during the Emergency shall be included in the Annual Maintenance Expenditures, subject to the Client's subsequent review and approval.
- 2.6. Operator shall perform Corrective Maintenance for the Facilities, unless such Corrective Maintenance requires specialized skills or equipment or cannot otherwise be performed by those individuals exclusively assigned by the Operator to the operations and maintenance of the Facilities and whose cost is included in the Base Fee hereunder. If Operator cannot perform such Corrective Maintenance as noted herein, Operator shall schedule third party contractors to perform such Corrective Maintenance and manage their work. The costs for Operator to perform Corrective Maintenance and the costs for any required third party contractors to perform such Corrective Maintenance shall be considered Annual Maintenance Expenditures. In the event the Client does not agree to proceed with required Corrective Maintenance as recommended by the Operator, Operator will not be liable for any loss, damage or liability arising from or related to the Client's failure to performance Corrective Maintenance, including any loss, damage, or liability for (a) failure of the Facilities, (b) failure to comply with Applicable Law, (c) failure to meet the requirements of this Agreement or (d) claims for indemnification.
- 2.7. Operator may perform additional services or Corrective Maintenance beyond the Services specified in Section 2.1 with the mutual consent of both parties. The parties shall separately negotiate the costs of any such additional services.
- 2.8. Within the first ninety (90) days of the Commencement Date, Operator shall provide Client with a listing of any recommended Capital Improvements that Operator believes will be required for the Facilities. Thereafter, Operator may recommend Capital Improvements or operational changes to the Client as are necessary or recommended to perform the Services in compliance with the terms of this Agreement and Applicable Law. In the event the Client does not approve and make a Capital Improvement or operational change recommended by Operator, Operator will not be liable for any loss, damage or liability arising from or related to the Client's rejection of or refusal to implement the recommended Capital Improvement or operational changes, including any loss, damage, or liability for (a) failure of the Facilities, (b) failure to comply with Applicable Law, (c) failure to meet the requirements of this Agreement or (d) claims for indemnification. Upon written, mutual agreement of the parties, Operator may finance such recommended Capital Improvements that have been approved by the Client.

2.9. Operator shall:

- 2.9.1. Perform the Services in accordance with the provisions of this Agreement, Applicable Law, and all permits, licenses, and specifications applicable to the operation and maintenance of the Facilities; exercising the degree of skill and care ordinarily exercised by members of Operator's profession in the geographic region of the Facilities.
- 2.9.2. Use qualified (and where required, certified) personnel to operate and maintain the Facilities and all its equipment and processes in accordance with relevant operation and, if available, maintenance manuals for the Facilities, Applicable Law, and the Client's Permits;
- 2.9.3. Perform (or contract with a laboratory certified by the appropriate regulatory body to perform) all sampling and laboratory analysis required by Applicable Law, the Client's Permits. Laboratory procedures and analysis shall conform to the then current edition of Standard Methods for the Examination of Water and Wastewater, or shall be in accordance with testing requirements of Applicable Law and the Client's Permits;
- 2.9.4. Subject to the limitations in Section 3, below, perform the routine maintenance tasks in Schedule I;
- 2.9.5. Maintain necessary records of operations, maintenance, repair and improvement activities at the Facilities and shall prepare and submit to the Client a monthly report, delivered to the Client the following month, including a narrative and summary of operations, maintenance, repair and replacement activities (including the draw-down against the Annual Repair and Maintenance Limit) and data required for monthly reporting to local, state and federal agencies;
- 2.9.6. Provide response services for an Emergency Event at the Facilities twenty-four hours a day, seven days a week;
- 2.9.7. Develop and implement a safety program that must be adhered to by its personnel that provide the Services hereunder;
- 2.9.8. Provide computerized maintenance and process control and laboratory management systems;
- 2.9.9. Operate the Facilities such that odor and noise shall be effectively controlled, and that no disruption of adjacent neighborhoods shall result
- 2.9.10. Provide all training for its personnel that provide the Services hereunder, which training shall include the areas of operations, maintenance, safety, supervisory skills, and energy management

3) **CLIENT OBLIGATIONS**

3.1. Client shall:

- 3.1.1. Obtain and maintain all state, federal, and local permits and licenses required for ownership, operation and maintenance of the Facilities, including without limitation, the Client's Permits;

- 3.1.2. Arrange for and pay: i) all costs related to delivery to and consumption of utilities to the Facilities, including electricity, water, gas, generator fuel, and telephone usage at the Facilities; ii) all property, value-related, franchise, sales, use, excise, gross receipts, transaction privilege or other taxes associated with the Services and the ownership, operation and maintenance of the Facilities, other than taxes imposed on Operator's net income or payroll; iii) expenses incurred from the treatment of Non-Processible Water, including without limitation, any penalties and fines that may be assessed as a result; iv) expenses resulting from influent or pollutant loads exceeding the Baseline Conditions as set forth in Schedule 6; v) expenses resulting from hydraulic or organic loads exceeding the Baseline Conditions as set forth in Schedule 6; vi) all Capital Improvements; vii) all costs for grass cutting and other landscaping; and viii) the rates set forth in Schedule 4 for emergency response services.
- 3.1.3. Comply with Applicable Law relating to the management, ownership, operation, maintenance, repair and replacement of the Facilities (to the extent that the responsibility of complying with those laws is not specifically assumed by the Operator under this Agreement). The Operator shall not be responsible for Client's failure to comply with any provision of Applicable Law that is not otherwise specifically assumed by the Operator hereunder;
- 3.1.4. During visits to the Facilities, comply and shall require its agents, licensees of invitees to comply with all reasonable safety rules and regulations adopted by the Operator;
- 3.1.5. Maintain all sewer lines, pipes, force mains, and all other water transportation lines ("Client Lines"), that are not part of the Facilities under Operator's control, in a manner that will prevent, to the extent practicable, any damage to the operation of the Facilities due to leakage of water or infiltration or inflow of storm water from such Client Lines;
- 3.1.6. Perform all duties and discharge all responsibilities and obligations relating to the operation and maintenance of the Facilities not expressly assumed by the Operator pursuant to the terms of this Agreement; and
- 3.1.7. Grant the Operator, free of charge, a license to use the Facilities, including all equipment, structures, facilities and vehicles under Client's ownership and which have been assigned by Client to the Facilities.
- 3.2. Client represents and warrants that Operator is not required to pay its employees prevailing wage rates pursuant to Applicable Law for the Services provided hereunder as of the Commencement Date.

4) FEES AND PAYMENT

- 4.1. For the period beginning on the date that Operator commences Services under Section 2 above and as set forth in Schedule 1, Client shall pay Operator the Annual Compensation as set out in Schedule 4. The Annual Compensation for the first Agreement Year shall be \$946,529.00. Client shall pay the Annual Compensation in equal monthly installments, which for the first Agreement Year shall be \$78,877.42. The Annual Compensation shall be due, in advance, on the first of the month during which the Services will be rendered. All other payments shall be due within thirty (30) days of the date of invoice. Client shall make all payments by ACH or wire transfer.

- 4.2. For all subsequent Agreement Years, the parties shall negotiate in good faith an increase to the Operator's Annual Compensation for each subsequent Agreement Year. If the parties are unable to agree to an increase to the Base Fee by the Adjustment Date, the Base Fee will be increased as set forth in Section 2 of Schedule 4; however, the Annual Repair and Maintenance Budget, the Annual Chemical Budget, and Annual Process Residue Budget shall be the same amount as in the prior Agreement Year. In no event will the Base Fee be reduced by the adjustment set forth in Section 2 of Schedule 4.
- 4.3. Any disputes regarding invoices shall be raised, in writing setting forth sufficient detail regarding the nature of the dispute, within ten (10) business days from the date of said invoice. If Client has a dispute with any charges, all undisputed charges on said invoice(s) will be due in accordance with the above times and the Parties shall negotiate in good faith to resolve any such dispute in a timely manner. If Client does not properly raise a dispute with an invoice within ten (10) business days from the date of said invoice, any such disputes will be waived.
- 4.4. Any and all late payments due to either party from the other party shall accrue interest at a rate of one and one-half percent (1½ %) per month from the original due date and until payment is received, unless waived by agreement.
- 4.5. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Repair and Maintenance Budget plus an administrative fee of 15% of the cost thereof. Client shall pay the Operator such amounts within 30 days of issuance of an invoice by Operator. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Repair and Maintenance Budget within 30 days of issuance of an invoice by Operator. Any portion of the Annual Repair and Maintenance Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year.
- 4.6. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Chemical Budget plus an administrative fee of 15% of the cost thereof. Client shall pay the Operator such amounts within 30 days of issuance of an invoice by Operator. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Chemical Budget within 30 days of issuance of an invoice by Operator. Any portion of the Annual Chemical Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year.
- 4.7. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Process Residue Budget plus an administrative fee of 15% of the cost thereof. Client shall pay the Operator such amounts within 30 days of issuance of an invoice by Operator. Client shall reimburse or compensate the Operator for the costs that exceed the Annual Process Residue Budget within 30 days of issuance of an invoice by Operator. Any portion of the Annual Process Residue Budget that has not been spent at the end of each Agreement Year will be credited to Client against the Base Fee in the subsequent Agreement Year.
- 4.8. In the event of a change in the Services, Change in Law, or other factor which causes an increase in the Operator's cost of providing the Services, the Operator may provide notice to the Client and the parties shall negotiate in good faith to adjust the Base Fee to account for such change in Operator's costs of providing the Services directly impacted by said change. If the parties are unable to reach a negotiated agreement within thirty (30) days of the date of notice, then the contract may be terminated immediately by the Operator.

- 4.9. The Base Fee and any additional service rates provided in this Agreement have been derived under the premise and understanding that the Services to be furnished hereunder do not require the Operator to pay its employees prevailing wage rates pursuant to Applicable Law. If a determination is made by the Client or by any governmental agency with competent jurisdiction thereof that the nature of the Services are such that the Operator is required to pay any of its employees who are performing the Services prevailing wage rates, then the Client shall immediately notify Operator and be responsible for the increase in the Operator's cost of providing the Services as a result thereof.

5) **BASELINE CONDITIONS**

- 5.1. If the Flows and Loading increased by more than ten percent (10%) from the Baseline Conditions as set out in Schedule 6 of this Agreement at the end of an Agreement Year, Client shall pay the Operator for the increase in Operator's costs for providing the Services, provided that Operator provides Client with a cost substantiation. Client shall make such payment within thirty (30) days of receipt of the cost substantiate and invoice.
- 5.2. If the Flows and Loadings increase by more than ten percent (10%) from the Baseline Conditions as set out in Schedule 6 of this Agreement in two (2) consecutive Agreement Years, the Operator may provide notice to the Client and the parties shall negotiate in good faith to adjust the Base Fee to account for an increase in Operator's costs; provided however, Operator shall still be entitled to payment under Section 5.1 for each Agreement Year. If the parties are unable to reach a negotiated agreement within thirty (30) days of the date of notice, then the Agreement may be terminated immediately by the Operator.

6) **TERMINATION**

- 6.1. Either party may terminate this Agreement by immediate written notice if the other has failed to comply with a material term, provided that the non-defaulting party has first given the defaulting party written notice to cure their default within forty-five (45) days, or thirty (30) days for failure to pay an undisputed invoice when due (such applicable period, "Cure Period") and the defaulting party has not done so. If a default cannot be cured within the Cure Period days, the parties may agree to an extension of the time to cure provided the defaulting party provides reasonable evidence within the Cure Period that it has identified a means to cure and is pursuing it diligently. Should Client pay an unpaid, undisputed invoice within the Cure Period, the termination notice under this provision will be deemed automatically withdrawn.
- 6.2. In the event of the termination of this Agreement under Section 6.1 above, Client shall pay Operator for the Services provided and invoiced by Operator up to the effective date of termination, plus the balance of unamortized costs incurred by Operator as reflected on Operator's financial statements, and the effectiveness of such termination by Client will be conditioned upon receipt by Operator of such payment. If Client incurs costs for damages due to a default of the Operator that results in termination of this Agreement, Client may deduct such costs or damages from the final payment due to Operator under this Section 6.2. Such deduction will not exceed the final payment owed to Operator and will constitute a full and final settlement between Client and Operator for any and all claims against Operator by Client and a release by Client of any and all further claims against Operator. Client shall make payment within thirty (30) days of the date of termination.
- 6.3. No official, employee or volunteer, whether disclosed or undisclosed, of the Client or the Operator shall be personally liable to the other party, in the event of a breach of any provision of the Agreement or any provision is unenforceable. Each party shall look solely to the other party for satisfaction of liability hereunder.

- 6.4. If funds are not appropriated for the services provided under this Agreement in the Client's new fiscal year budget, this Agreement shall automatically terminate at the end of the Client's fiscal year. Client shall provide immediate notice if it does not approve a budget that includes sufficient funds for the services provided under this Agreement, or should the Client fail to approve funds for the services provided under this Agreement for any reason and the date of termination.

7) **FINES, INDEMNIFICATION AND LIMITATION**

- 7.1. In the event that water or wastewater treatment violations occur following the Commencement Date, subject to Sections 7.2 and 10.7, Operator shall, in respect of violations that may be imposed by environmental regulatory bodies under Applicable Law and to the extent directly attributable to Operator's breach of its contractual obligations hereunder, be responsible for: environmental regulatory fines and penalties. Prior to settlement or payment of any such fines or penalties, Operator reserves the right to contest any actions, suits or proceedings for violations through administrative procedures or otherwise. Operator shall provide Client with prompt notice of any such water or wastewater treatment violations.
- 7.2. If the Facilities loading exceed its design parameters or if influent contains: i) abnormal, toxic or other substances which cannot be removed or treated by the existing Facilities; or ii) discharges which violate applicable ordinances, the Operator will use its best efforts to maximize performance of the Facilities but shall not be responsible for associated effluent characteristics or damages, fines or penalties which result.
- 7.3. DURING THE TERM OF THIS AGREEMENT AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY (THE "INDEMNIFYING PARTY") SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (EACH IS REFERRED TO HEREIN AS AN "INDEMNIFIED PARTY") AGAINST ANY AND ALL LIABILITY FOR DAMAGES, COSTS, LOSSES, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, RESULTING FROM ANY CLAIM ASSERTED BY A THIRD PARTY AGAINST THE INDEMNIFIED PARTY FOR WRONGFUL DEATH, BODILY INJURY, AND/OR PROPERTY DAMAGE, BUT ONLY TO THE EXTENT CAUSED BY THE WILLFUL OR NEGLIGENT ACTS OR OMISSIONS OF THE INDEMNIFYING PARTY.
- 7.4. Operator is not liable for any liabilities resulting from the collection system for the Facilities unless such liabilities are the result of Operator's negligent direct actions.
- 7.5. Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or indirectly, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit, even if such party has been advised of the possibility of such damages.
- 7.6. In the event that claims(s) raised by Client against the Operator on account of this Agreement, or on account of the Services performed hereunder including claims by Client for indemnification under Section 7.3, is/are covered under Operator's insurance policies required of the Operator hereunder, Operator shall not be responsible to Client for any loss, damage or liability beyond the amounts contractually required hereunder and actually paid pursuant to the limits and conditions of such insurance policies. With respect to any causes of action and/or claims raised against the Operator by Client that are not covered by the insurance

policies required hereunder, including claims by Client for indemnification, Operator's liability to Client shall not exceed an aggregate amount equal to the Base Fee in effect during the Agreement Year in which such cause of action and/or claim is raised. The limitations set forth herein shall apply to the extent permitted by Applicable Law.

- 7.7. Under no circumstances shall Operator be responsible for any damages, losses, settlement, payment deficiencies, liabilities, costs and expenses arising directly or indirectly because of the execution or implementation of instruction or directions provided by the Client or any of its directors, officers, employees, agents, or representatives.
- 7.8. Operator shall not be liable for any liabilities, losses, damages, expenses, fines, or penalties incurred by the Client or any third party as a result of a data security breach or other cyber security breach to the Facilities or the Client's computer systems, operating systems, and all other technological or information systems related to the Facilities and Services provided hereunder, except to the extent such liability, loss, damage, expense, fine, or penalty is the direct result of Operator's willful or negligent acts or omissions.
- 7.9. If any information, opinions, recommendations, advice, or other work product or any data, information, procedures, charts, spreadsheets, logs, instruments, documents, plans, designs, specifications, operating manuals and specifications, customer data, billing information, regulatory filings, permits, authorizations, licenses, operation and maintenance records, or other records are provided by the Client or any third party acting on behalf the Client are provide to and used or relied on by Operator, the Client will be liable for any damages resulting directly or indirectly from such use and reliance.
- 7.10. FOR EQUIPMENT OR PARTS PURCHASED BY OPERATOR, OPERATOR SHALL PASS ON ANY MANUFACTURERS WARRANTIES OR GUARANTEES TO THE CLIENT AND PROVIDE THE CLIENT REASONABLE ASSISTANCE IN ENFORCING THE MANUFACTURER'S WARRANTIES AND GUARANTEES. OPERATOR SHALL NOT BE RESPONSIBLE TO THE CLIENT FOR ANY GUARANTEES OR WARRANTIES OFFERED BY OTHERS IN CONNECTION WITH ANY EQUIPMENT, MATERIALS, AND SUPPLIES PROVIDED IN CONNECTION WITH THE SERVICES HEREUNDER AND OPERATOR SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF ANY BREACH OF GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, BY ANY MANUFACTURER OR SUPPLIER OF EQUIPMENT OR MATERIALS PURCHASED FOR THE CLIENT UNDER THIS AGREEMENT. OPERATOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES REGARDING ANY EQUIPMENT, MATERIALS, AND SUPPLIES, IF ANY, OR ANY WARRANTIES THAT MIGHT ARISE FROM COURSE OF DEALING OR USAGE OF TRADE.
- 7.11. The parties acknowledge that a Change in Law may affect compliance with Operator's obligations hereunder or impose more stringent requirements relating to equipment or processes than those established at the time of executing this Agreement. In the event that a Change in Law occurs, the Operator shall not be responsible for compliance therewith or for any fines, penalties, or other damage of whatever kind unless specifically agreed to in writing.

8) INSURANCE

- 8.1. Operator shall provide and maintain the following levels of insurance coverage at all times during the Term:

8.1.1. Commercial General Liability Insurance, including contractual liability, with a limit

of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate;

- 8.1.2. Workers Compensation Insurance in compliance with the statutes of the State that has jurisdiction over Operator's employees engaged in the performance of Services hereunder, to the required statutory amount; and
 - 8.1.3. Automobile Liability Insurance with a combined single limit of one million dollars (\$1,000,000).
- 8.2. Operator shall name Client as an additional insured on the general liability policy and automobile liability policy with respect to the Services during the term of this Agreement, except for any claim against or loss suffered by Client arising as a result of Client's negligence or fault and, in circumstances of joint fault or negligence, except to the extent of the loss attributable to Client's proportionate degree of negligence or fault.
 - 8.3. Operator shall provide Client with thirty (30) days' notice prior to cancellation of any policy hereunder.
 - 8.4. Operator shall provide Client with insurance certificates confirming the levels of coverage in Section 8.1 and that Client is named as an additional insured.
 - 8.5. Client warrants that it maintains and will continue to maintain, during the term of this Agreement, appropriate property insurance in relation to the Facilities.

9) **DISPUTES**

- 9.1 In the event of any disputes, the parties shall first attempt to resolve the situation by good faith discussions which shall take place in a timely manner. If the dispute cannot be resolved within sixty (60) days, the parties shall mediate their dispute before a mediator acceptable to both parties, if they cannot agree, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.
- 9.2. If the parties are unable to resolve any disputes in accordance with Sections 9.1 above, either party may resort to resolution of the dispute by litigation in a court of competent jurisdiction. The parties waive their right to a jury trial.

10) **MISCELLANEOUS**

- 10.1. The relationship of Operator to Client is that of independent contractor for all purposes under this Agreement. This Agreement is not intended to create, and shall not be construed as creating, between Operator and Client, the relationship of principal and agent, joint ventures, co-partners or any other similar relationship, the existence of which is hereby expressly denied.
- 10.2. This Agreement contains the entire agreement between Client and Operator and supersedes all prior or contemporaneous communications, representations, understandings or agreements that are not consistent with any material provision of this Agreement.
- 10.3. The parties may only modify this Agreement by a written amendment signed by both

parties.

- 10.4. The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.
- 10.5. During the term of this Agreement, the parties agree to not actively recruit one another's employees, specifically, those working for the Client and those employees working for Operator to provide the Services hereunder. Should either party like to discuss employment opportunities with the other's employees, the parties agree to communicate their desire with the appropriate manager of the other party, and such request shall not be unreasonably withheld.
- 10.6. This Agreement shall not be assigned by either party without the prior written consent of the other party unless such assignment shall be to a parent, subsidiary, affiliate, or successor of either Party. Additionally, any sale, assignment, or transfer by the Client in its rights in, or right to use, the Facilities shall be subject to Operator's right to perform the Services under this Agreement.
- 10.7. A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of any event of Force Majeure, as defined in Schedule 2. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.
- 10.8. The Agreement shall be governed by and construed in accordance with the laws, rules and regulations of the State of Tennessee. No provisions of the Agreement shall act or be deemed a waiver by the Town of any immunity, its rights or privileges as a sovereign entity, or of any provisions of the Tennessee Governmental Tort Liability Act, T.C.A. Section 29-20-101 et seq..
- 10.9. In the event that Client receives notice of or undertakes the defense or prosecution of any legal or administrative action or proceeding in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, Client shall give Operator prompt notice of such proceedings and shall inform Operator in advance of all hearings. In the event Operator receives notice of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, Operator shall give Client prompt notice of such proceedings.
- 10.10. All notices will be in writing and shall be deemed given when mailed by first class mail or delivered in person. Notices required to be given to the parties by each other will be addressed to:

Inframark, LLC
229 Northside Drive
Danville, Virginia 20450
ATTN: Jerry B. Shupe Jr.

Town of Mount Carmel
100 E. Main Street
Mount Carmel, Tennessee 37645
ATTN: Town Administrator-City Manager

With copy to:

Inframark, LLC
2002 West Grand Parkway North, Suite 100
Katy, Texas 77449

ATTN: Legal Department

10.11. All records compiled by Operator with information and material gathered when performing this Agreement are the property of Client. Any documents or materials, including the Agreement, in any format, including, but not limited to, paper, electronic, or virtual, that are public records pursuant to the Tennessee Open Records Act, set out in T. C. A. §10-7-503 et seq., are not confidential and are subject to disclosure in whole or in part, without regard to any provision contained in the Agreement declaring information confidential. Additionally, the Client must, upon proper request, release public documents and records as defined by T. C. A. §10-7-503 et seq., including, but not limited to, the Agreement and all records created and maintained related to the Agreement unless exempt from such disclosure under Applicable Law, without the requirement to disclose such request to Operator or providing Operator with notice or the time to obtain a protective order; provided, however, the Client shall make reasonable and good faith efforts to disclose such request to Operator or provide Operator with notice or the time to obtain a protective order.

10.12. This Agreement is made for the benefit of the parties, and is not intended to benefit any third party or be enforceable by any third party.

10.13. Defined terms in this Agreement are set out in Schedule 2 or within the main body of this Agreement, capitalized or within quotation marks.

10.14. Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

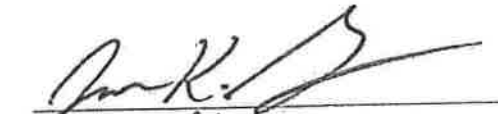
10.15. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.


10.16. Both parties warrant and represent to the other that they have full power and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date at the top of this Agreement.

TOWN OF MOUNT CARMEL

INFRAMARK, LLC


By: John Gibson
Title: Mayor
Date: 4/24/2025


By: Jerry B Shupe Jr
Title: VP Operations
Date: April 25, 2025

Schedule 1: Operator's Services

1. Project Management:

Operator shall provide the following:

1. A Project Manager to manage the operation and maintenance of the Facilities.
2. Additional management support, including:
 - a. Regional Manager – directing Operator's resources to ensure safe and compliant operation of the Facilities.
 - b. Support to ensure the Facilities are operated effectively and in compliance with regulatory regulations.
 - c. Human Resources support for hiring and retaining qualified staff to operate and maintain the Facilities.
3. Delivering monthly and annual reports to the Municipality on the Facilities' operations and maintenance.

2. Wastewater Treatment:

Operator shall provide the following:

1. Management and labor to manage, operate, and maintain the wastewater treatment system, including:
 - a. Treatment of wastewater influent delivered to the Mount Carmel Wastewater Treatment Plant ("WWTP").
 - b. Managing, operating, and providing routine maintenance of the WWTP.
 - c. Managing, operating, and providing routine maintenance of the eleven (11) sewage lift stations and an estimated seven hundred (700) residential lift stations as defined in Schedule 5.
 - d. Purchasing consumable materials and supplies.
 - e. Performing all required sampling and laboratory analyses.
 - f. Providing Certified Operator in Direct Charge (COIDC) services with a Tennessee Wastewater Grade II (or higher) licensing.
 - g. Preparation, signature, and submission of all required regulatory documents to the regulatory authorities and delivery of regulatory filings to the Client.
 - h. Providing biosolids disposal and coordination.
 - i. Providing regulatory recordkeeping and reporting.
 - j. Providing vehicles, licensing, fuel and maintenance as required to complete the work at the Facilities.
 - k. 24-hour, 7-days/week on-call services and emergency response.
2. Providing a basic, five-year capital plan for the Facilities including:
 - a. Inventory and condition assessment of existing assets based on age, visual inspection, and maintenance history.
 - b. A five-year capital improvement plan for existing assets based on condition assessment and consequence of failure.
3. Complying with permit requirements within the capacities of the WWTP.

3. Exclusions

Operator shall not be responsible for:

1. Maintenance of "Client Lines" including sewer taps and leaks requiring excavations.
2. Providing heavy equipment for use at the facilities.

Schedule 2: Definitions

"*Abnormal or Biologically Toxic Materials*" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"*Adjustment Date*" means each anniversary of the Commencement Date.

"*Agreement Year*" means the consecutive twelve (12) month period that begins on the Commencement Date, and each subsequent consecutive twelve (12) month period that begins on each anniversary of the Commencement Date.

"*Annual Chemical Budget*" is defined as the total of all expenses for Chemicals that Client furnishes to the Operator for the Services provided hereunder, as provided by Section 2.4 of this Agreement, up to a maximum of the amount in Schedule 4 for the first Agreement Year. For each Agreement Year thereafter, the Annual Chemical Budget shall be agreed to by the parties. In the event that parties are unable to reach agreement, the Annual Chemical Budget shall be the same amount as in the prior Agreement Year.

"*Annual Compensation*" is defined as Operator's Base Fee rendered under this Agreement and as set forth in Schedule 4, the Annual Repair and Maintenance Budget as defined herein and set forth in Schedule 4, and the Annual Chemical Budget as defined herein and set forth in Schedule 4

"*Annual Maintenance Expenditures*" is defined as the total of all expenses incurred annually by the Operator in connection with the discharge of its Routine Preventative Maintenance and Corrective Maintenance responsibilities as provided by Section 2.1 of this Agreement; provided however that the Annual Maintenance Expenditures shall exclude Operator's direct labor expenses and related benefits for those individuals exclusively assigned by the Operator to the operations and maintenance of the Facilities and whose cost is included in the Base Fee hereunder. The Annual Maintenance Expenditures shall specifically include, but shall not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Operator's costs (excluding overtime costs) and related benefits, as well as the cost of Operator's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate. As stated hereunder, any individual expenditure for the repair and/or replacement of Facilities' equipment or structure, other than a Capital Improvement for expenses for Corrective Maintenance, whose unit cost (as to any single event or function) exceeds Two Thousand Five Hundred dollars (\$2,500.00) shall be subject to the Client's prior approval. The cost of such approved expenditures shall be included in the Annual Maintenance Expenditures.

"*Annual Process Residue Budget*" is defined as the total of all expenses incurred annually by the Operator in connection with its obligations for the disposal of Process Residue under Section 2.5 of this Agreement, up to a maximum of the amount in Schedule 4 for the first Agreement Year. For each Agreement Year thereafter, the Annual Process Residue Budget shall be agreed to by the parties. In the event that parties are unable to reach agreement, the Annual Process Residue Budget shall be the same amount as in the prior Agreement Year

"*Annual Repair and Maintenance Budget*" is defined as the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Schedule 4 for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Budget shall be agreed to by the parties. In the event that parties are unable to reach agreement, the Annual Repair and Maintenance Budget shall be the same amount as in the prior Agreement Year.

"*Applicable Law*" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and

treatment of the Client's raw and finished water.

"*Base Fee*" is defined as Operator's base compensation for its performance of the Services. The Base Fee does not include the Annual Repair and Maintenance Budget and the Annual Chemical Budget.

"*Baseline Conditions*" means the average amount of raw water received and/or processed at the Facilities and the average pollutant limits contained in such raw water.

"*Capital Improvements*" means any modifications, additions or upgrades to the Facilities made by or on behalf of the Client or with its prior approval and funded from Client's capital proceeds.

"*Change in Law*" means the occurrence of any of the events listed in (i) through (iv) below, which results or can reasonably be expected to result in (a) the need to make a Capital Improvement at or to the Facilities in order for the Operator to operate the Facilities in accordance with this Agreement and Applicable Law; or (b) an increase to the cost of managing, operating, or maintaining the Facilities in accordance with this Agreement and Applicable Law; or (c) a material and adverse effect on the scope of the Operator's liabilities or obligations under this Agreement:

- (i) There is passed or promulgated any federal, state, or other local law, statute, ordinance, rule or regulation different from those existing on the date this Agreement is executed by Operator; or
- (ii) There is passed or promulgated any amendment to, or change in any federal, state, or other local law, statute, ordinance, rule, or regulation (including any applicable sales tax regulation) following the date of this Agreement; or
- (iii) Following the execution of this Agreement, there comes into existence an order or judgment of any federal, state, or local court, administrative agency or other governmental body containing interpretations of any Applicable law relating to the operation or maintenance of the Facilities or the health and safety of the Operator's employees that is inconsistent with generally accepted interpretations in effect on the date this Agreement is executed; or
- (iv) After the execution of this Agreement, any change occurs which affects the issuance or renewal, or causes a suspension, termination, interruption, revocation, denial, or failure of renewal of any official permit, license or necessary approval by the USEPA, the Occupational Safety and Health Administration, or any similar state agency.

"*Chemicals*" is defined as all chemicals, including but not limited to water and wastewater treatment, disinfection, and processing chemicals, necessary for Operator to provide the Services provided hereunder.

"*Client's Permit(s)*" and/or "*Permit(s)*" means all permits and licenses issued to Client and required for the treatment of potable water from the Facilities. Copies of all Permits are attached as Schedule 3 of this Agreement.

"*Corrective Maintenance*" is defined as maintenance work which involves the repair or replacement of components which are failing or have failed. These are tasks that required a trained maintenance technician using a variety of tools including specialized tools.

"*Emergency Event*" means an event which threatens the immediate shutdown of, or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of Client and/or Operator, their employees and/or agents or others.

"*Facilities*" means the water treatment plant, wastewater treatment plant, pumping stations, and storage tanks, as described in Schedule 5 to this Agreement.

"*Flows and Loadings*" means the actual amount of raw water received and/or processed at the Facilities and the actual pollutant limits contained in such raw water.

"*Force Majeure*" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

"*Non-Processible Water*" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"*Price Index*" means the Consumer Price Index for all Urban Consumers – Water and Sewerage Maintenance, Series ID CUUR0000SEHG01, (CPI-U) for the US City Average for all Services, 1982-84=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"*Price Index Increase*" means the percentage increase between the Price Index in effect as of January of the current year over the Price Index in January of prior year. The Price Index Increase shall be calculated as of each and every Adjustment Date for the purpose of adjusting the Base Compensation.

"*Process Residue*" means grit, screenings and sludge generated by or through the operation of the Facilities.

"*Routine Preventative Maintenance*" is defined as inspections and adjustments performed on equipment at regular intervals. Included are daily, weekly, monthly, quarterly, semi-annual, etc. inspections during which minor maintenance tasks such as lubrication, adjustments, filter replacement, calibrations, and cleaning are carried out.

Schedule 3: Client's Permits

State of Tennessee NPDES Permit No, TN0062057, issued by the Tennessee Department of Environment and Conservation (TDEC), Division of Water Pollution Control on May 10, 2024, Effective July 1, 2024, with an expiration date of June 30, 2029.

Schedule 4: Annual Base Fee and Compensation Formula

1) Annual Compensation:

Annual Repair and Maintenance Budget in the first year of this Agreement will be: \$100,000.00

Annual Chemical Budget in the first year of this Agreement will be: \$22,318.00.

Annual Process Residue Budget in the first year of this Agreement will be: \$118,025.00.

Base Fee in the first year of this Agreement will be: \$706,186.00.

Annual Compensation in the first year of this Agreement will be: \$946,529.00.

Annual Compensation will be payable in twelve (12) equal monthly installments of \$78,877.42.

2) Compensation formula

If the parties are unable to agree to an increase to the Base Fee by the Adjustment Date as set forth in Section 4.2 of this Agreement, the Base Fee will be increased by the Price Index.

The following formula will be used to determine the increase in Base Fee on each Adjustment Date: $AAF = AF0 \times [P1 / P0]$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming Agreement Year
AF0 = Annual Fee (Base Fee) for the Agreement Year just ended
P1 = Price Index in January of the current Adjustment
P0 = Price Index in January of the prior Adjustment Date

With respect to the first Adjustment Date, P0 shall be the Price Index in effect as of January 2025.

Schedule 5: Client's Facilities

Mount Carmel Wastewater Treatment Plant (WWTP) at 116 Seminole Drive, Mount Carmel, Tennessee, consisting of a 0.472 million gallons per day (MGD) plant and associated grounds in Hawkins County, Tennessee.

The Facilities also include an estimated seven hundred (700) residential pump stations and eleven (11) sewage lift stations as defined below:

1. 544 Main Street, Mount Carmel, Tennessee
Longitude: -82.6655727
Latitude: 36.2386608
2. 111 Independence Avenue, Mount Carmel, Tennessee
Longitude: -82.649789
Latitude: 36.325274024
3. 116 Seminole Drive, Mount Carmel, Tennessee
Longitude: -82.65862
Latitude: 36.55526
4. 858 Nantucket Avenue, Mount Carmel, Tennessee
Longitude: -82.6601496
Latitude: 36.5601993
5. 411 Independence Avenue, Mount Carmel, Tennessee
Longitude: -82.6510377
Latitude: 36.33685454
6. 1248 Independence Avenue, Mount Carmel, Tennessee
Longitude: -82.652041
Latitude: 36.5732938
7. 640 Redwood Drive, Mount Carmel, Tennessee
Longitude: -82.651019
Latitude: 36.578859
8. 902 Redwood Drive, Mount Carmel, Tennessee
Longitude: -82.6397227
Latitude: 36.5850897
9. 5730 Carters Valley Road, Mount Carmel, Tennessee
Longitude: -82.6610174
Latitude: 36.5821046
10. 123 Sunrise Meadows Court, Mount Carmel, Tennessee
Longitude: -82.668044
Latitude: 36.344045512
11. 5453 Carters Valley Road, Mount Carmel, Tennessee
Longitude: -82.6715848
Latitude: 36.5814543

**FIRST AMENDMENT TO THE WASTEWATER TREATMENT PLANT OPERATION
AND MAINTENANCE AGREEMENT BETWEEN
INFRAMARK, LLC AND TOWN OF MOUNT CARMEL, TN**

THIS FIRST AMENDMENT is made effective the 1st day of June, 2026, (the “Effective Date”), by and between the Town of Mount Carmel, TN (the “Client”) and INFRAMARK, LLC (the “Operator”) for the purpose of adjusting the Annual Compensation and staffing level and revising the defined Agreement Year as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, the Client and the Operator entered into the Wastewater Treatment Plant Operation and Maintenance Agreement, which commenced on June 1, 2025 (the “Agreement”); and

WHEREAS, the parties desire to execute this First Amendment to adjust the Annual Compensation and staffing levels and revise the defined Agreement Year as set forth herein.

1. As of July 1, 2026, Section 2.9.2 of the Agreement shall be replaced in its entirety with the following:

Use qualified (and where required, certified) personnel to operate and maintain the Facilities and all its equipment and processes in accordance with relevant operation and, if available, maintenance manuals for the Facilities, Applicable Law, and Client’s Permits; Operator shall provide at least six (6) full-time employees dedicated to performing the Services during the term of the Agreement;
2. As of July 1, 2026, the definition of “Adjustment Date” shall be replaced with the following:

“Adjustment Date” means July 1 of each year.
3. As of July 1, 2026, the definition of “Agreement Year” shall be replaced with the following:

“Agreement Year” means the consecutive twelve (12) month period that begins on the July 1, 2026, and each subsequent consecutive twelve (12) month period that begins on July 1.
4. On July 1, 2026, the Annual Compensation shall be increased to \$1,074,091.58, which shall be payable in equal monthly installments of \$89,507.63.

The Annual Compensation shall consist of the following:

 - \$801,773.58 for the Base Fee
 - \$150,000.00 for the Annual Repair and Maintenance Budget
 - \$37,318.00 for the Annual Chemical Budget
 - \$85,000.00 for the Annual Process Residue Budget

The monthly payments of the Annual Compensation shall be due, in advance, on the first of the month during which the Services will be rendered. Notwithstanding anything else in the Agreement to the contrary, all other undisputed payments shall be due within thirty (30) days of the date of Client's receipt of the applicable invoice.

The Annual Compensation shall be adjusted in accordance with Section 4.2 of the Agreement for all subsequent Agreement Years, with the next such adjustment occurring on July 1, 2027.

5. All other terms and provisions of the Agreement remain in full force and effect to the extent that they do not conflict with this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Agreement, the provisions in this First Amendment will control.
6. The First Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have caused this First Amendment to be duly executed on the Effective Date written above.

CLIENT:
Town of Mount Carmel, TN

OPERATOR:
INFRAMARK, LLC

Name: John Gibson
Title: Mayor
Date: _____


Name: Jerry B. Shupe Jr.
Title: Vice President of Operations
Date: _____

Attest:

Tyler Williams, Town Recorder

Approved as to form:

Allen Coup, Town Attorney

		
FY27 Annual Price Increase (API)		3.0000%
	FY26 (current)	FY27 +1 FTE
Base Fee	\$ 706,186.00	\$ 801,773.58
Repair & Maintenance Cap	\$ 100,000.00	\$ 150,000.00
Chemical Cap	\$ 22,318.00	\$ 37,318.00
Sludge Cap	\$ 118,025.00	\$ 85,000.00
TOTAL	\$ 946,529.00	\$ 1,074,091.58
	\$ 78,877.42	\$ 89,507.63

Negotiated API of 3%	Cost of 1 FTE	Additional Discount	
\$ 21,185.58	\$ 94,402.00	\$ (20,000.00)	-21.1860%
		% of Discounted FTE	
		\$ 74,402.00	Discounted FTE \$
		10.5358%	
Yr over Yr \$ Change		% Change	
(Annual) \$ 127,562.58		13.5%	
(Monthly) \$ 10,630.22			

Summary of Changes

Base Fee increase with negotiated API and addition of 1 FTE

\$ 95,587.58	13.5358%	Total
\$ 21,185.58		\$ 74,402.00
API Increase		FTE Increase
3.0000%		10.5358%

Maintenance Cap Increase		Total
\$ 50,000.00	50.0000%	

Chemical Cap Increase		Total
\$ 15,000.00	67.2103%	

Sludge Cap Decrease		Total
\$ (33,025.00)	-27.9814%	

% of Yr over Yr Diff	CPI-U API	Full FTE Cost	Total %/\$ saved
75%	4.6228%	\$ 94,402.00	
	\$ 32,645.57	\$ (20,000.00)	-22.8088%
	-1.6228%		
	\$ (11,459.99)	\$ (20,000.00)	\$ (31,459.99)

39%

12%

-26%



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: **DISCUSSION/CONSIDERATION:** MOU with Goodwill Industries of Tenneva, Inc

SUMMARY:

The attached Memorandum of Understanding (“MOU”) between the Town of Mount Carmel and Goodwill Industries of Tenneva Area, Inc. establishes terms for the placement and operation of a Goodwill donation receptacle at the Town’s recycling center located at 105 Cherry Street.

Under the proposed agreement, Goodwill will place a 28-foot collection trailer on Town property for the purpose of collecting donated household items and textiles, including clothing, shoes, linens, and similar reusable goods.

The MOU further provides liability protection for the Town.

The initial term of the agreement is two years beginning on the effective date, with no automatic renewal provision. Either party may terminate the agreement for any reason upon thirty (30) days written notice.

Approval of this MOU will provide residents with an additional opportunity to donate reusable goods while preserving the Town’s existing recycling operations and minimizing operational responsibility for Town staff.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

None

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

MOU

MEMORANDUM OF UNDERSTANDING
between
GOODWILL INDUSTRIES OF TENNEVA AREA, INC. and
TOWN OF MOUNT CARMEL, TENNESSEE

This Memorandum of Understanding is entered into as of this 21st day of May, 2026 (“Effective Date”), by and between TOWN OF MOUNT CARMEL, TENNESSEE, a Tennessee municipal corporation (“Town”) and GOODWILL INDUSTRIES OF TENNEVA AREA, INC (“Goodwill”), a Tennessee and Virginia nonprofit corporation; for the placement of a receptacle upon Town-owned property for the collection of donated items which Goodwill considers to be beneficial to the citizens of Town.

NOW THEREFORE, in consideration of the mutual terms, provisions, covenants, and Agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged between the parties is as follows:

1. **Purpose.** Town shall allow Goodwill, or its authorized agent, to place a 28’ trailer (“receptacle”) upon real property owned by the Town at its recycling center located at 105 Cherry Street, Mount Carmel, TN 37645. Exact placement of the receptacle shall be determined by the Town in consultation with Goodwill. The placement of any receptacle shall occur upon such date and at such time as Town may reasonably determine. Receptacles shall be emptied/collected by Goodwill no less than weekly, unless an alternative schedule is mutually agreed upon between the parties. Goodwill is responsible for maintaining the area around the receptacle in a neat and tidy fashion. If the area surrounding the receptacle is in need of attention, Town will notify Goodwill and Goodwill shall have twenty-four hours to comply. Town shall bear no responsibility for the sorting of materials placed into the receptacle, nor shall Town bear any liability for unwanted or improper materials placed in the receptacle.
2. **Collection Scope.** Goodwill agrees that all collection activities conducted shall be strictly limited to the acceptance of household items and textiles. For purposes of this agreement, “household items and textiles” include clothing, shoes, linens, and other reusable personal or domestic goods customarily accepted by Goodwill. Goodwill shall not accept, collect, or remove materials classified as recyclable commodities, including but not limited to

cardboard, paper, aluminum, glass, and plastics, through its collection operations. All such recyclable materials shall be placed by users into the Town of Mount Carmel's existing designated recycling containers and shall remain under the control and management of the Town or its authorized agents.

3. **Damages.** Town shall not be liable to Goodwill for any loss; whether such loss is direct, indirect, or incidental resulting in any way from, arising out of, or in connection with performance or a failure to perform any obligation under this Agreement.
4. **Indemnification.** Goodwill shall indemnify and hold Town, its elected officials, officers, and employees, harmless from any and all claims, demands or causes of action to include costs and expenses due to personal injury and reasonable attorney's fees that might arise from the placement or existence of said receptacle on Town-owned property.
5. **No Automatic Renewal.** The term of this Agreement shall be for two (2) years commencing upon the effective date of this agreement and shall not be renewed or extended beyond the initial term except by written mutual consent of the parties.
6. **Termination.** Town or Goodwill may terminate this Agreement at any time for any reason. However, termination shall not take effect until thirty (30) days after written notice is delivered by the party terminating the Agreement to the other party. Upon termination, Goodwill shall immediately remove the receptacle from Town property.

Notices to the Town shall be sent to:

Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

Notices to Goodwill shall be sent to:

Goodwill Industries Home Office
2745 East Stone Drive
Kingsport, TN 37660

7. **Effective Date.** This Agreement shall be effective as of the date set forth herein above.
8. **Non-exclusivity.** Nothing in this Agreement shall be construed to prevent Town from offering similar services to other vendors.
9. **No Liability of Town Officials and Employees.** No official, employee or volunteer, whether disclosed or undisclosed, of Town shall be personally liable to Goodwill or any

other person or entity, including a third-party beneficiary, in the event any provision of the Agreement is unenforceable or there is any default or breach by Town.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date written above.

Goodwill Industries of Tenneva Area, Inc.

Town of Mount Carmel, Tennessee

Signature

John K. Gibson, Mayor

Date

Date

Printed Name

Attest:

Title

Tyler S. Williams, Town Recorder

Approved as to form:

Town Attorney



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: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: **DISCUSSION/CONSIDERATION:** Acceptance of Bid for Mount Carmel Park
Parking Lot Paving

SUMMARY:

The Board is requested to consider award of the bid for the Mount Carmel Park Parking Lot Paving Project identified as ITB #26-001. The project consists of improvements to the parking areas located at 201 Willow Street, Mount Carmel, Tennessee.

Bids were publicly solicited and opened on May 11, 2026, at 10:00 a.m. Four bids were received for the project as notated on the bid tabulation.

Glass Machinery & Excavating, Inc. submitted the lowest responsive bid in the amount of \$70,060.00.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

\$70,060.00 (approx. 55k under budget)

STAFF RECOMMENDATION:

Staff recommends approval of the low bid

ATTACHMENTS:

Bid Tabulation



TABULATION OF BIDS
TOWN OF MOUNT CARMEL, TENNESSEE
May 11, 2026- 10:00 AM
ITB # 26-001- MOUNT CARMEL PARK- PARKING LOT PAVING

Location: 201 Willow Street, Mount Carmel, TN 37645

Parking Lot(s)

- Excavate, then install pug mix and binder in area where park sign was recently removed. Approx 187 Sq yards.
- Asphalt entire parking lot area with ½" surface course, and then 1.5" of asphalt surface (411E- PG 64/22). Approx. 3165 Sq. yards.
- Parking lot striping with new layout approved by Town administration
- New Concrete Precast Wheel Stops
- Seal and stripe lower parking lot, near George Edison pavilion. Approx 585 Sq. yards.

Glass Machinery & Excavating, Inc.	\$70,060.00
Brown Brothers Paving, LLC	\$83,920.00
Watts Paving & Maintenance, Inc.	\$101,765.00
Summers-Taylor, Inc.	\$116,850.00

Recommend acceptance of the low bid, indicated above.

Tyler Williams, Assistant Town Manager/CFO



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Assistant Town Manager/CFO

DATE: May 21, 2026

RE: DISCUSSION AND CONSIDERATION: Acceptance of Bid for FY 26/27 Street
Paving

SUMMARY:

The Board is requested to consider award of the bid for the FY 2026/2027 Mount Carmel Street Paving Project identified as ITB #26-002.

The project includes paving improvements on multiple streets and roadway segments, including portions of Hammond Avenue, Main Street, Independence Avenue, Wolfe Lane, Crest Street, Cherokee Street, Ithaca Street, Hunters Run, and South Sherbrooke Circle.

Bid openings were conducted on May 11, 2026, at 10:15 a.m.

Glass Machinery & Excavating, Inc. submitted the lowest responsive bid with a total bid price of \$424,031.00.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

\$424,031.00 (approx. 26k under budget)

STAFF RECOMMENDATION:

Staff recommends approval of the low bid

ATTACHMENTS:

Bid Tabulation



TABULATION OF BIDS
TOWN OF MOUNT CARMEL, TENNESSEE
May 11, 2026- 10:15 AM

ITB # 26-002- MOUNT CARMEL STREET PAVING PROJECT- FY26/27

STREET	MEASUREMENT	Watts Paving & Maintenance, Inc.	Glass Machinery & Excavation, Inc.	Summers-Taylor, Inc.
Hammond Ave (201 going south through tunnel)	200' by 25'	\$43,261.00	\$53,880.00	\$36,960.00
Hammond Ave (south of tunnel to Main St)	156' by 50'	\$30,285.00	\$11,337.50	\$30,102.00
Main Street (416 W to Dover Ave)	710' by 22'	\$63,859.00	\$61,977.50	\$50,895.00
Independence Ave (628 area)	315' by 21'	\$31,898.00	\$35,333.50	\$27,783.00
Wolfe Lane	3250' by 20'	\$180,886.00	\$87,219.00	\$179,180.00
Crest St (Freemont Ave E. to School Exit)	575' by 17'	\$32,424.00	\$25,673.00	\$28,885.00
Cherokee St (Intersection of Carnation W to 535 Cherokee)	940' by 20'	\$50,826.00	\$41,097.00	\$51,727.50
Ithaca St	398' by 31'	\$37,236.00	\$30,191.00	\$36,437.50
Hunters Run (Cul-de-sac)	116' by 72'	\$25,934.00	\$23,335.50	\$28,923.00
Intersection of N and S Sherbrooke Cir and Redwood St	105' by 34'	\$17,225.00	\$15,384.50	\$14,340.00
S. Sherbrooke Cir (720 E to Brookton Dr intersection)	660' by 26'	\$50,689.00	\$38,602.50	\$49,373.50
TOTAL BID PRICE		\$564,523.00	\$424,031.00	\$534,606.50

Recommend acceptance of the low bid, indicated above.


 Tyler Williams, Assistant Town Manager/CFO