

**AGENDA  
CITY OF MORRISTOWN, TENNESSEE  
CITY COUNCIL MEETING  
FEBRUARY 2, 2016 – 5:00 P.M.**

**1. CALL TO ORDER**

Mayor Gary Chesney

**2. INVOCATION**

Mark Campbell, Senior Chaplain, Morristown Police Department

**3. PLEDGE OF ALLEGIANCE**

**4. ROLL CALL**

**5. APPROVAL OF MINUTES**

1. January 19, 2016

**6. PROCLAMATIONS/PRESENTATIONS**

**7. CITIZEN COMMENTS ABOUT AGENDA ITEMS ONLY  
(Other than items scheduled for public hearing.)**

**8. OLD BUSINESS**

**8-a. Public Hearings & Adoption of Ordinances/Resolutions**

1. Ordinance No. 3530

Entitled an Ordinance to Close and Vacate Certain Rights-Of-Way within the City of Morristown. {Portion of excess right-of-way at intersection of Walters Drive and Vantage View Drive.}

**9. NEW BUSINESS**

**9-a. Resolutions**

1. Resolution No. \_\_\_\_\_

A Resolution of the City of Morristown to adopt the 2014 HOME Grant Policies and Procedures Manual.

**9-b. Introduction and First Reading of Ordinances**

1. Ordinance No. \_\_\_\_\_  
Being an Ordinance of the City Council of Morristown, Tennessee Amending Title 16, Chapter 1, Section 114 of the Morristown Municipal Code. (Special Uses Regulated)  
**{Public Hearing February 16, 2016}**
2. Ordinance No. \_\_\_\_\_  
Being an Ordinance of the City Council for the City of Morristown, Tennessee, Amending Title 9 Chapter 2 of the Morristown Municipal Code. (Farmers Market)  
**{Public Hearing February 16, 2016}**

**9-c. Awarding of Bids/Contracts**

1. Change Order #1 for Security Fencing Project at Morristown Regional Airport to McCall Fencing, Inc., in the amount of \$39,975.00.
2. Bid/Contract for Survey Equipment to Precision Products, LLC, in the total amount of \$40,154.15.
3. Phase III Petosky Plastics Sinkhole remediation to Summers-Taylor, Inc., estimated cost of \$165,884.50.

**9-d. Board/Commission Appointments**

1. Mayor's appointment or re-appointment to the Morristown Housing Authority for a five (5) year term currently held by William J. Blackburn; term expiring February 15, 2021.
2. City Council appointment to the Parks & Recreation Advisory Board to fill the remaining term of Tina Dearing; term expiring June 1, 2017.

**9-e. New Issues**

**10. CITY ADMINISTRATOR'S REPORT**

**11. COMMUNICATIONS/PETITIONS**

**This is the portion of the meeting where members of the audience may speak subject to the guidelines provided.**

**12. COMMENTS FROM MAYOR/COUNCILMEMBERS/COMMITTEES**

**13. ADJOURN**

**City Council Meeting/Holiday Schedule:**  
Regular City Council Meeting with Work Session

|                   |                  |  |
|-------------------|------------------|--|
| February 16, 2016 | (Tues) 4:00 p.m. | Finance Committee Meeting                      |
| February 16, 2016 | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| March 1, 2016     | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| March 15, 2016    | (Tues) 4:00 p.m. | Finance Committee Meeting                      |
| March 15, 2016    | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| March 25, 2016    | (Friday)         | City Employee's Holiday Good Friday            |
| April 5, 2016     | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| April 19, 2016    | (Tues) 4:00 p.m. | Finance Committee Meeting                      |
| April 19, 2016    | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| May 3, 2016       | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| May 17, 2016      | (Tues) 4:00 p.m. | Finance Committee Meeting                      |
| May 17, 2016      | (Tues) 5:00 p.m. | Regular City Council Meeting with Work Session |
| May 30, 2016      | (Monday)         | City Employee's Holiday Memorial Day           |

**WORK SESSION AGENDA**  
**JANUARY 19, 2016**  
**5:00 p.m.**

**1. Municipal Code Titles 1 – 7.**

**STATE OF TENNESSEE  
COUNTY OF HAMBLLEN  
CORPORATION OF MORRISTOWN  
JANUARY 19, 2016**

The City Council for the City of Morristown, Hamblen County, Tennessee, met in regular session at the regular meeting place of the Council in the Morristown City Center at 5:00 p.m., Tuesday, January 19, 2016, with the Honorable Mayor Gary Chesney, presiding and the following Councilmembers present; Bob Garrett, Chris Bivens, Kay Senter, Dennis Alvis, Ken Smith and Tommy Pedigo.

Craig Price led in the invocation and Councilmember Alvis led in the "Pledge of Allegiance".

Councilmember Senter made a motion to approve the January 5, 2016, minutes as circulated. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Craig Price, Parks & Recreation Director, presented the Tennessee Recreation and Parks Association (TRPA) Volunteer Service Awards

Terry Winstead of Craine Thompson & Jones presented the Audit Report to City Council.

Councilmember Smith made a motion to approve Ordinance No. 3530 on first reading and schedule a public hearing relative to final passage of said ordinance for February 2, 2016. Councilmember Alvis seconded the motion and upon roll call; all voted: "aye".

**Ordinance No. 3530**

**An Ordinance to close and vacate certain rights-of-way within the City of Morristown. {Portion of excess right-of-way at the intersection of Walters Drive and Vantage View Drive.}**

Councilmember Senter made a motion to approve Change Order #1 (Final) to Rembco Geotechnical Contractors, Inc., in the amount of \$18,911 for additional injections at the Petosky Plastics Sinkhole. Councilmember Bivens seconded the motion and upon roll call; all voted: "aye".

Councilmember Alvis made a motion to approve change order #1 to Andrews Construction, Inc., in the decreased amount of (\$2,064) for Hangar Rehabilitation Project at Morristown Regional Airport. Councilmember Pedigo seconded the motion and upon roll call; all voted: "aye".

Councilmember Pedigo made a motion to approve change order #4 to Summers-Taylor, Inc., in the amount of \$70,951.67 for Apron Rehabilitation Project at the

Morristown Regional Airport. Councilmember Alvis seconded the motion and upon roll call; all voted: "aye".

Councilmember Senter made a motion to approve change order #2 (Final) to HS Construction and Excavating, LLC, in the amount of \$57,467.34 for Vantage View Drive Stormwater Improvements. Councilmember Bivens seconded the motion and upon roll call; all voted: "aye".

Councilmember Pedigo made a motion to approve the purchase of Ultrashelter & Ultrasite Table(s) from Gametime in the amount of \$16,402.32. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the Stormwater Management/BMP Facilities Maintenance Agreement between Polestar TN Morristown (Buffalo Trail), LLC, and the City of Morristown. Councilmember Bivens seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve the Stormwater Management/BMP Facilities Maintenance Agreement between Polestar TN Morristown (Economy), LLC, and the City of Morristown. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the Stormwater Management/BMP Facilities Maintenance Agreement between Carlyle Rentals, L.P., and the City of Morristown. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Mayor Chesney appointed Wanda Neal to fill the remaining term of Terry Ball on the Morristown Regional Planning Commission; term expiring March 1, 2018.

Councilmember Alvis made a motion to re-appoint Keith Jackson to the Morristown/Hamblen County Solid Waste Disposal System Authority for a three (3) year term; term expiring February 1, 2019. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Pedigo made a motion to approve the Certificate of Compliance for Tracy Harrell and Tammy Keaton owners of the retail package store located at 1764 Buffalo Trail; DBA T&T Package Store. Councilmember Senter seconded the motion and upon roll call; all voted "aye".

Mayor Chesney adjourned the January 19, 2016, City Council meeting at 5:44 p.m.

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MAYOR

ATTEST:

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CITY ADMINISTRATOR

DRAFT

**ORDINANCE NO. 3530**  
**ENTITLED AN ORDINANCE TO CLOSE AND VACATE**  
**CERTAIN RIGHTS-OF-WAY WITHIN THE CITY OF**  
**MORRISTOWN. {Portion of excess right-of-way at the**  
**intersection of Walters Drive and Vantage View Drive}**

Section I. WHEREAS, the City Council of the City of Morristown has the power to close, vacate and abandon rights-of-way within the municipality; and

WHEREAS, the following action is deemed to be in the best interest of the municipality:

NOW, THEREFORE:

Section II. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MORRISTOWN that the following right-of-way is hereby closed, vacated and abandoned, except that the City of Morristown retains all existing utility and drainage easements within the closed, vacated and abandoned right-of-way:

BEING excess right-of-way at the intersection of Walters Drive and Vantage View Drive, more particularly described as follows:

BEING a parcel of land of irregular dimensions more particularly described as follows:

The **POINT OF BEGINNING** being, common reference point of Bible & Sunbelt Developers (Deed Book 1277, Page 755, Map 033, Parcel 027.03), the eastern existing right-of-way of Vantage View Drive and the northern right-of-way of Walters Drive; thence, with the Walters Drive right-of-way, bearing S57°47'16"W a distance of 55.55 feet to a point in said right of way; thence, along a line a bearing N33°48'42"W a distance of 52.38 feet to a point; thence, a bearing N58°26'59"E a distance of 55.07 feet to a point in the eastern existing right-of-way of Vantage View Drive; thence, with the existing Vantage View Drive right-of-way, a bearing S34°21'44"E a distance of 51.76 feet to the **POINT OF BEGINNING** in the existing right-of-way of Walters Drive; said parcel contains approximately **2,877** square feet.

The above description is a part of Vantage View Drive as it existed prior to condemnation proceedings and the construction of improvements.

Section III. BE IT FURTHER ORDAINED that all ordinances or parts of ordinances in conflict herewith be, and the same are, hereby repealed.

Section IV. BE IT FURTHER ORDAINED that this ordinance takes effect from and after its passage, the public welfare requiring it.

Passed on first reading this the 19<sup>th</sup> day of January 2016.



\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY ADMINISTRATOR

Passed on second and final reading this the 2<sup>nd</sup> day of February 2016.

\_\_\_\_\_  
MAYOR

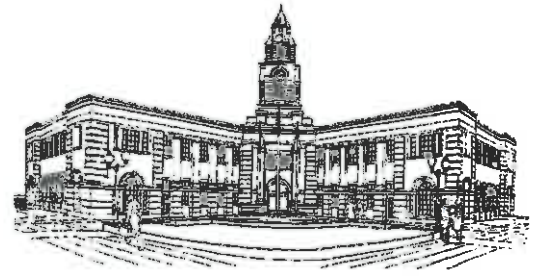
ATTEST:

\_\_\_\_\_  
CITY ADMINISTRATOR

# City of Morristown

*Incorporated 1855*

Department of Community Development and Planning



## Memo

Date: January 28, 2016

To: Mr. Tony Cox, City Administrator

From: Alan Hartman, Development Director

CC: Debra Stamey

**Subject: Request for City Council Action – HOME Grant Policies and Procedures Manual**

In 2015 the City of Morristown was awarded a \$375,000 competitive HOME grant from the Tennessee Housing Development Agency (THDA) to rehabilitate approximately 10 single family homes of low income families within the city. With the completion of the Tiered Environmental Review Record and posting of public notices in place this program is scheduled to begin this spring.

A requirement of this grant is to adopt the THDA program policies and procedures manual which dictates how the program will be administered.

Staff has proposed an amendment to the THDA model to allow additional points to be awarded for applications that are within the South Cumberland Street Study Area as outlined in the Corridor Land Use Plan for that neighborhood in 2014. This is similar to the last HOME grant that the City received a few years ago in which the Morristown College neighborhood was targeted to receive additional points.

The ranking of applications is structured to award the funds to homes that have the greatest need according to the THDA model which measures income, household size, number of elderly, handicapped, and children in the household, condition of the structure, etc.

The rehabilitation costs are capped at \$40,000 per unit which includes soft costs, inspections, lead paint abatement, etc.

This program is being administered by the City of Morristown Community Development staff and the Knoxville-Knox County Community Action Committee (CAC) in conjunction with THDA.

Attachments:

Resolution

HOME Program Policies and Procedures document

South Cumberland Revitalization Zone (Map)

**RESOLUTION \_\_\_\_\_**

**CITY OF MORRISTOWN 2014 HOME GRANT PROGRAM POLICIES AND  
PROCEDURES MANUAL**

**WHEREAS**, the City of Morristown seeks to continually develop, restore and improve upon the housing stock within the City; and

**WHEREAS**, the City applied to the Tennessee Housing Development Agency (THDA) in 2015 for funding through the HOME Grant application process to provide assistance to qualifying homes and families; and

**WHEREAS**, the City of Morristown was awarded a grant contract in the amount of \$375,000 to provide housing rehabilitation to low income families within the City; and

**WHEREAS**, the City has posted an Environmental Review Record and Notice of Intent to Request the Release of Funds to THDA for implementation of the HOME Grant program; and

**WHEREAS**, as a requirement of the Grant the City must adopt Program Policies and Procedures to comply with THDA policies to implement the grant;

**NOW, THEREFORE BE IT RESOLVED** that the elected governing body of the City of Morristown, TN adopt the HOME Program Policies and Procedures for the City of Morristown Homeowner Rehabilitation Program.

\_\_\_\_\_

**HOME PROGRAM POLICIES AND PROCEDURES FOR  
City of Morristown Homeowner Rehabilitation Program**

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# **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

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## HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

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# **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

## **1. PURPOSE**

This program will make available financial and/or technical assistance for the rehabilitation of eligible, substandard, owner occupied housing units located in City of Morristown. Rehabilitation work will correct deficiencies in the eligible homes and make them safe, sound, and sanitary.

## **2. AUTHORITY**

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

## **3. PROGRAM RESOURCES**

The source of funds for the undertaking of these activities is a grant in the amount of \$375,000 which City of Morristown, grantee, has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

The Knoxville-Knox County Community Action Committee's Housing & Energy Services (CAC), the administrator, provides program implementation and services to homeowners through an agreement with the City of Morristown's Community Development Department.

## **4. APPLICABLE LAWS**

- A. The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.
1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
  2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)
  3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
  4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
  5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
  6. Affirmative Marketing, 24 CFR 92.351.
  7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.
16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnership Program

### **5. DRUG-FREE WORKPLACE**

#### **A. CAC will continue to provide a drug-free workplace by:**

1. Notifying employees in writing that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in CAC's workplace and specifying the action that will be taken against employees for violation of such prohibition.
2. Establishing an ongoing drug-free awareness program to inform employees about:
  - a. The dangers of drug abuse in the workplace;
  - b. CAC's policy of maintaining a drug-free workplace;
  - c. Any drug counseling, rehabilitation, and employee assistance programs; and
  - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

#### **B. Providing each employee engaged in the performance of the HOME contract a copy of the notification required in paragraph A(1) above;**

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- C. The written notification required in paragraph A (1) above will advise the employee that, as a condition of employment under the HOME grant, the employee will:
1. Abide by the terms of the notification; and
  2. Notify the employers in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- D. Notifying the State in writing, within ten (10) calendar days after receiving notice under D(2) above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- E. Taking one of the following actions, within thirty (30) calendar days of receiving notice under D(2) above, with respect to any employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
  2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
  3. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs A, B, C, D, E and F above.

|                                |
|--------------------------------|
| <b>6. CONFLICT OF INTEREST</b> |
|--------------------------------|

- A. No person listed in paragraph B may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- B. **PERSONS COVERED** – Immediate family members of any local elected official or of any employee or board member of a non-profit agency are ineligible to receive benefits through the HOME program. “Immediate family member” means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any covered individual.

In addition, the conflict of interest provisions as apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of THDA, the local community or the non-profit agency (including CHDOs) receiving HOME funds, and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- C. APPEARANCE OF A CONFLICT OF INTEREST** - Grantees must also make every effort to avoid the appearance of favoritism in the eligibility determination process. In those cases where the applicant is otherwise eligible, but there exists the appearance of a conflict of interest or the appearance of favoritism, the City of Morristown Community Development Department must complete *HO-4A (Determination of a Conflict of Interest)* and submit written documentation to THDA that the following procedures have been observed:
1. The City of Morristown Community Development Department must publish an announcement in the local newspaper concerning the potential for a conflict of interest and request citizen comments.
  2. The City of Morristown Community Development Department attorney must render an opinion as to whether or not a conflict of interest exists and that no state or local laws will be violated should the applicant receive HOME assistance.
  3. The City of Morristown Community Development Department elected body must pass a resolution approving the applicant.

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| <b>7. APPLICANT ELIGIBILITY</b> |
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- A. APPLICANT ELIGIBILITY CRITERIA:** The following criteria must be satisfied by all applicants in order to become eligible for a rehabilitation grant:
1. The applicant must be low or very low income as defined by Section 8 income requirements, i.e., below 80% of the current area median income.
  2. The applicant must have been the resident of the property to be rehabilitated for a period of not less than one year and must occupy the property as his or her principle residence.
  3. The applicant's ownership must be in the form of:
    - a. fee simple title; or
    - b. a 99-year leasehold; or
    - c. a life estate. The person with the life estate must have the right to live in the housing for the remainder of his or her life and not pay rent, must be low income, and must occupy the housing as his or her principal residence; or
    - d. inherited property with multiple owners not all residing in the housing. The owner-occupant must be low income, must occupy the house as his or her principal residence, and must pay all the costs associated with ownership and maintenance of the housing.
  4. The City of Morristown Community Development Department will be responsible for assuring the dwelling title does not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.
  5. The applicant must voluntarily apply for assistance.

# HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

## 8. INCOME ELIGIBILITY

**A. ANNUAL INCOME (GROSS INCOME)** - CAC will use the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a *household* for purposes of eligibility. Annual income means all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and
3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.
4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.

**B. ASSETS** - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
  - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

## HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

- b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.
- c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

**C. INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.
  - a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
  - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.
  - c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
2. When an Asset Produces Little or No Income:
  - a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
  - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
    - i. Actual income from assets, or
    - ii. Calculate income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.
3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
- b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.
- c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

### **D. ASSETS INCLUDE:**

1. Amounts in savings accounts and six month average balance for checking accounts.
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*
4. The cash value of trusts that are available to the household.
5. IRA, Keogh, and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

### **E. ASSETS DO NOT INCLUDE:**

1. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
2. Interest in Indian Trust lands



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

3. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

**F. INCOME INCLUSIONS** - The following are used to determine the annual income (gross income) of *an applicant's household* for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
  - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
  8. All regular pay, special pay and allowances of a member of the Armed Forces. (See paragraph (8) under Income Exclusions).

**G. INCOME EXCLUSIONS** - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide;
6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).
7. The full amount of student financial assistance paid directly to the student or to the educational institution;
8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
9.
  - a. Amounts received under training programs funded by HUD;



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;
  - d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.
  - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
- 10. Temporary, nonrecurring or sporadic income (including gifts);
  - 11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
  - 12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
  - 13. Adoption assistance payments in excess of \$480 per adopted child;
  - 14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
  - 15. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
  - 16. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.
  - 17. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

18. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.
- a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
  - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);
  - c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
  - d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
  - e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
  - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
  - g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
  - h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)
  - i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
  - j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
  - k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
  - l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
  - m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
  - n. Payments received under the Maine Indian Claims Settlement Act of 1980.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

**H. TIMING OF INCOME CERTIFICATIONS** – CAC will ensure that all households that receive HOME assistance must be income eligible. Income must be verified before rehabilitation assistance begins.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.
2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to providing assistance
3. CAC will calculate the annual income of the household by projecting the prevailing rate of income of the family at the time CAC determines that the family is income eligible. CAC is not required to re-examine the family's income at the time the HOME assistance is committed to the household, unless more than six months has elapsed since CAC determined that the family qualified as income eligible. If more than six months elapses before assistance is provided, eligibility must be re-determined.
  - a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.

**I. INCOME VERIFICATION** – CAC will verify and retain documentation of two (2) months of income information for each person in the household to determine the household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
  - a. To conduct third-party verifications, CAC will obtain a written release from the household that authorizes the third party to release required information.
  - b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.
2. **REVIEW OF DOCUMENTS** - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

## HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

CAC is aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

3. **APPLICANT CERTIFICATION** - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. CAC will review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

### **J. CALCULATION METHODOLOGIES** – CAC will establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).
2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

### **K. DETERMINING WHOSE INCOME TO COUNT** - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. **INCOME OF LIVE-IN AIDES** - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);
2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. **EARNED INCOME OF MINORS** - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.
4. **TEMPORARILY ABSENT FAMILY MEMBERS** - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the state. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

5. **ADULT STUDENTS LIVING AWAY FROM HOME** - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and
6. **PERMANENTLY ABSENT FAMILY MEMBER** - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.
7. **PERSONS WITH DISABILITIES** – During the annual recertification of a family's income, increases in the income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME tenant- based rental assistance is excluded. 24 CFR 5.61(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to an eligible family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, 50 percent of the increase in income is excluded. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.

### **9. ELIGIBILITY REQUIREMENTS OF PROPERTY TO BE REHABILITATED**

**A. DEFINITIONS** - The following are definitions of the various terms used with respect to eligibility requirements of the property to be rehabilitated.

1. **DWELLING UNIT** - A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
2. **SINGLE FAMILY** - A housing unit consisting of living, sleeping, bathing, and food preparation designed for single-family use, although more than one family may be residing therein, if every occupant has access to all areas within the building envelope.
3. **SUBSTANDARD** - A housing unit with 1 or more Life Threatening Concerns and/or 1 or more Level 3 Deficiencies as identified on a UPCS-Comprehensive Listing form as inspected by CAC, or Substandard as defined by City of Morristown Building Codes.

**B. ELIGIBILITY CRITERIA**

1. The minimum HOME expenditure per unit must exceed \$1,000.
2. The dwelling must be located within the city limits of Morristown TN.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

3. The dwelling unit must be classified as substandard, based on a written, detailed inspection report by a qualified inspector.
4. The dwelling unit must not lie within a 100-year floodplain.
5. The substandard property to be rehabilitated must be able to be brought into compliance with applicable Morristown Building Codes, and the THDA UPCS rehabilitation standards within the limits in 12. B., below.
6. The dwelling unit to be rehabilitated must have all City of Morristown and Hamblen County property taxes paid current at the time of application approval.
7. The dwelling unit must have homeowners insurance, or be able to have homeowner's insurance documentation before any construction funds are spent on the dwelling, that covers any outstanding liens on the dwelling including liens associated with the rehabilitation work funded with this program. City of Morristown must be listed as loss payee on homeowners insurance for the dwelling unit to receive rehabilitation work.
8. The dwelling unit must pass an environmental review. The environmental review is the responsibility of the City of Morristown.

### **C. INELIGIBLE CRITERIA**

1. Manufactured units.
2. Dwellings not cleared through an Environmental Review.
3. Projects assisted under Title VI of NAHA (Prepayment of Mortgages insured by HUD).
4. Commercial properties.
5. Dwellings that can't be brought into compliance with applicable THDA UPCS and Morristown Property Maintenance codes.
6. Dwellings previously assisted with HOME funds during the period of affordability established by THDA in a written agreement under 24 CFR 92.504.

NOTE: Additional Home Funds may be committed to a dwelling up to one year after project completion (as outlined in 24 CFR 92.502) but the dollar amount of HOME funds spend on the unit can't exceed the maximum per-unit subsidy limit.

7. Properties that exceed the 95% after Rehab value.

# HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

## 10. RATING SYSTEM FOR RANKING OF APPLICANTS

- A. The awarding of rehabilitation grants to eligible applicants will be based on a priority list, according to which households are in greatest need for housing assistance. Houses will be rehabilitated in descending order, the household with the most need first, the next household second, and so on until the funds are expended.
- B. The rating system is based on points. The most deprived households will have the highest number of points. Information for determination of points is taken from the application (HO-3) submitted by the homeowner. Each application shall be rated according to:

### 1. INCOME/FAMILY SIZE

|             | 70 Points<br>0-30% | 60 Points<br>31-50% | 50 Points<br>51-60% | No Points<br>61-80% |
|-------------|--------------------|---------------------|---------------------|---------------------|
| Family Size | Annual             | Annual              | Annual              | Annual              |
| 1           | 9,950              | 16,600              | 19,920              | 26,500              |
| 2           | 11,400             | 18,950              | 22,740              | 30,300              |
| 3           | 12,800             | 21,300              | 25,560              | 34,100              |
| 4           | 14,200             | 23,650              | 28,380              | 37,850              |
| 5           | 15,350             | 25,550              | 30,660              | 40,900              |
| 6           | 16,500             | 27,450              | 32,940              | 43,950              |
| 7           | 17,650             | 29,350              | 35,220              | 46,950              |
| 8+          | 18,750             | 31,250              | 37,500              | 50,000              |

The household will receive extra points based on the household income. See above chart.

### 2. NUMBER IN HOUSEHOLD

- 1 Person Household 5 Points
- 2 Person Household 10 Points
- 3 Person Household 20 Points
- 4 Person Household 25 Points
- 5 Person Household 30 Points
- 6 Person Household 35 Points
- 7 Person Household 40 Points
- 8+ Person Household 45 Points



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

### **3. NUMBER OF ELDERLY**

**10 Points per person**

For each household member at least 62 years old at the time of application

### **4. NUMBER OF HANDICAPPED/DISABLED**

**10 Points per person**

Household member receiving disability benefits from Social Security, a pension program, life insurance program, or a total or partial physical impairment which renders the person unable to work. Where there exists reasonable question, a doctor's certification will be used.

### **5. HEAD OF HOUSEHOLD**

**10 Points**

This is a single head of household (male or female) with children under 18, or a dependent with severe developmental disabilities or severe dementia. This does not apply to a widow/widower living alone.

### **6. NUMBER OF PERSONS 18 OR YOUNGER**

**10 Points per person**

### **7. CONDITION OF THE DWELLING STRUCTURE**

Standard Dwelling – Not Eligible

Substandard Dwelling – 1 to 5 Level 3 Deficiencies = 10 Points

Substandard Dwelling – 6 to 10 Level 3 Deficiencies = 30 Points

Substandard Dwelling– 11 Plus Level 3 Deficiencies = 50 Points

### **8. LOCATION OF THE DWELLING STRUCTURE**

Dwelling Units located within the South Cumberland Revitalization Zone will be awarded 10 Points.

|  |
|--|
| <b>11. TERMS, CONDITIONS AND CONSIDERATIONS FOR GRANTS</b> |
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#### **A. DETERMINATION OF THE AMOUNT OF THE GRANT** - The amount of a rehabilitation grant that an applicant may receive will not exceed:

1. The actual and approved cost of the repairs and improvements necessary to bring the home into compliance with applicable Morristown Building Codes, and the THDA UPCS rehabilitation standards. These costs must be within the limits in Section 12. B, below.
2. The amount and structure of the grant must be consistent with the application submitted to THDA.
3. When the applicant is furnishing supplementary funds from other sources, evidence that actual funds are available will consist of verification and documentation by CAC that the applicant has



## HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program

deposited the required amount in the appropriate escrow account. Such deposit must be made before the grant application and any construction work can begin.

**B. STRUCTURE OF FINANCIAL ASSISTANCE** - HOME funds are used to make forgivable grants to property owners to cover the full cost of the needed rehabilitation work. The forgivable loan process, including required forms, will be conducted by the City of Morristown's Community Development Department.

1. To prevent homeowners from simply selling the property and profiting from the HOME funded improvements, the owners must repay the program if they sell the property within the compliance period. Part of the owner's obligation is forgiven each year they live in the rehabilitated unit.
2. Repayment of the rehabilitation grant over a five year affordability period shall be based on a twenty percent (20%) reduction of the amount to be repaid per year, according to the following schedule:

|                   |                |
|-------------------|----------------|
| 0 - 12 months     | 100% Repayment |
| After one year    | 80% Repayment  |
| After two years   | 60% Repayment  |
| After three years | 40% Repayment  |
| After four years  | 20% Repayment  |
| After five years  | 0% Repayment   |

3. The property owner must sign a Grant Note and a Deed of Trust. The Deed of Trust secures the Grant Note by placing a lien against the property and is activated if the owner attempts to sell within the compliance period.
  - a. If ownership of the property is in the form of a life estate, the owners of the property as well as the person with the life estate must sign the Grant Note and the Deed of Trust.
  - b. If the property has been inherited by multiple owners not of whom reside in the property, all of the owners must sign the Grant Note and Deed of Trust.
  - c. Grantees and administrators should consult their agency or community general counsel if there are questions.
4. In cases of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. The heirs may occupy the unit, rent it or let it sit empty, without triggering the repayment clause. However, if the heirs sell the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid to THDA, less any forgivable portion.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

**C. OTHER GRANT CONDITIONS** - Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to:

1. Allow inspection by CAC, City of Morristown and/or THDA of the property whenever CAC, City of Morristown and/or THDA determines that such inspection is necessary.
2. Furnish complete, truthful and proper information as needed to determine eligibility for receipt of grant money.
3. Permit the contractor to use, at no cost, reasonable existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work.
4. Cooperate fully with CAC and the contractor to insure that the rehabilitation work will be carried out in a timely manner. Provide a safe, secure, and non-hostile environment.

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| <b>12. ELIGIBLE REHABILITATION ACTIVITIES</b> |
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**A. INTRODUCTION** - A rehabilitation grant may be made only to cover the cost of rehabilitation necessary to meet Lead Based Paint Rules, bring a dwelling unit up to the UPCS Standards, applicable code adopted by the City of Morristown and consistent with the application submitted to THDA. If the estimated cost to complete the First Priority for Repairs (below) exceeds the allowable Housing Rehabilitation Cost (para. 12. B. below), the project may be denied and terminated by the City of Morristown. Not all Second Priority deficiencies may be completed, depending on limitations imposed by Housing Rehabilitation Cost limits.

1. First Priority for Repairs.
  - a. Lead Based Paint activities determined by a Risk Assessment (if pre-1978 constructed).
  - b. UPCS Level 1, 2 and 3 deficiencies and Health and Safety deficiencies noted on the CAC UPCS Inspection Report.
  - c. City of Morristown Code violations.
  - d. Handicapped issues
2. Second Priority for Repairs:
  - a. Incipient repairs.
  - b. Other costs (as defined in 12.C.10., below)

**B. HOUSING REHABILITATION COSTS AND LEAD-BASED PAINT** - The maximum HOME subsidy per unit is established by HUD and cannot be exceeded.

1. If a unit to be rehabilitated was built after 1978, the rehabilitation costs are capped by the HOME subsidy limits.
2. All units built prior to 1978 require a risk assessment by a qualified lead inspector. If the risk assessment of a pre-1978 unit discloses no lead, then the cap for rehabilitation costs is \$40,000.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

3. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint and the estimated rehabilitation costs are less than \$25,000, the standard treatments will apply and the maximum HOME subsidy for rehabilitation is limited to \$25,000.
4. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint and the estimated rehabilitation costs exceed \$25,000, then abatement using a qualified abatement contractor will be required to provide assistance up to \$40,000 for rehabilitation hard costs. Lead-based paint costs would be paid as project soft costs up to the HOME subsidy limits. CAC must have pre-approval by THDA staff before proceeding with abatement.

### **C. ELIGIBLE COSTS**

1. **EXISTING UPCS STANDARDS AND CODE VIOLATIONS** - Costs which can be included here are the costs of correcting existing UPCS Standards and City of Morristown housing code violations which have been determined by a qualified project inspector and formalized in an individualized HO-6A Rehabilitation Work Write-Up.
2. **INCIPIENT VIOLATIONS** - An incipient violation exists, if at the time of the Inspection, an element in the structure which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the grant period and thus become a UPCS or code violation. Costs to correct these potential violations are eligible costs.
3. **PERMITS AND FEES** - Rehabilitation funds may be used to cover the cost of building permits and related fees required to carry out the proposed rehabilitation work. However, since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount. Recording and filing fees are eligible costs.
4. **EQUIPMENT** - Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, decent, sanitary condition, and in good repair. These include such items as a furnace, water heater, electrical and sanitary fixtures, kitchen range, refrigerator, cabinets and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non-functional. There is a \$1,000 maximum expenditure (including taxes and delivery) for a kitchen range, and a \$1,000 maximum expenditure (including taxes and delivery) for a refrigerator. These appliances must be Energy-Star rated where available.
5. **HANDICAPPED** - Special alterations or costs related to making the dwelling more convenient or accessible for physically challenged persons are eligible costs. All work performed in these units must comply with all applicable codes as well as all Federal and State regulations.
6. **LEAD-BASED PAINT** - All costs associated with the reduction of lead-based paint hazards must comply with 24 CFR 92.355.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

### **7. DEMOLITION OF EXISTING STRUCTURES AND UTILITY CONNECTIONS**

All costs related to the demolition of existing structures and to provide utility connections are to comply with 24 CFR 92.206(a) (3). Demolition is only eligible if it is a part of a HOME project such as reconstruction or removal of an unsafe addition or out building.

### **8. EXTERIOR PAINTING** - Exterior painting is an eligible cost when it is necessary to maintain a weatherproof exterior on the dwelling.

### **9. GUTTERS** – Gutters are an eligible cost when rehabilitating the exterior of a unit or when reconstructing a unit.

### **10. OTHER COSTS** - Rehabilitation costs not specifically required by the housing rehabilitation standards found necessary to be decent, safe, sanitary, and in good repair for the general welfare of the occupants of the structure may be considered for eligibility, with prior consent of the City of Morristown and THDA, as well as any other cost as outlined in 24 CFR 92.206.

## **D. INELIGIBLE COSTS**

1. Renovation of dilapidated out buildings
2. Appliances not included in 12. C. 4. above.
3. Materials, fixtures, equipment, or landscaping of type or quality that exceeds that which is customarily used in the locality for properties of the same general type as the property to be rehabilitated.
4. All items outlined in 24 CFR 92.214.

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| <h2><b>13. HOUSING REHABILITATION SPECIFICATIONS</b></h2> |
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### **A. INTRODUCTION** - This section sets forth the responsibilities of CAC for determining the rehabilitation work necessary to bring a dwelling into conformance with the UPCS and applicable code adopted by the City of Morristown and with the objective of the program as proposed in the application submitted to THDA. CAC will:

1. Inspect the property and prepare an inspection list noting UPCS and code deficiencies.
2. Conduct lead-based paint testing/risk assessment to identify lead-based paint hazards.
3. Consult with and advise the owner of the work to be done and the availability of a rehabilitation grant.
4. Prepare a work write-up and cost estimate as a basis for rehabilitation grant and for the bid process in contracting for rehabilitation work and lead-paint hazard reduction activities.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- B. PROPERTY INSPECTION AND SPECIFICATIONS CHECKLIST** - CAC will have the property inspected and have a report prepared that identifies each deficiency with respect to the UPCS and applicable code adopted by the City of Morristown and the lead-based paint hazard reduction activities required by the testing/risk assessment. The homeowner will also list other deficiencies and request for repairs which may be eligible for correction through the rehabilitation grant. This Initial Inspection will provide a proper basis for the preparation of the work write-up, cost estimate and contract specifications.
- C. WORK WRITE-UP AND COST ESTIMATE** - The work write-up and cost estimate is a statement based on the initial inspection and lead-based paint testing/risk assessment. It itemizes separately all the rehabilitation work and the lead hazard reduction activities to be done on the dwelling and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflect a reasonable profit & overhead costs for the contractor. The work write-up and estimate must be reviewed and approved by THDA before presenting it to the homeowner/ applicant.
1. **DUAL-USE OF WORK WRITE-UP** - The write-up will be detailed and specific in style. Each item will be identified as correcting a UPCS and code violation, meeting a code requirement, reducing lead-based paint hazards, or as an eligible cost under the grant. This same write-up without the cost estimate will serve as part of the scope of work and specifications for the construction contract documents.
  2. **ITEMIZING COSTS** - Each item, definable feature of work and its estimated cost will be identified in the work write-up as either correcting a UPCS and code violation, meeting a code requirement, reducing lead-based paint hazards, or eligible under the grant. This will be done on the work write-up by entering the cost estimates in a columnar arrangement.
  3. **OWNER PREFERENCE** - A work write-up need not contain details that have no significant effect on cost. The term "to be selected by owner" may be used appropriately.
- D. CONSULTATION WITH HOMEOWNER/APPLICANT** - CAC will consult with the Prospective applicant on the work write-up and cost estimate. The CAC will advise the applicant that only work that is directed toward correcting a UPCS and code violation, meeting a code requirement, or that is an eligible activity can be funded by the grant. The homeowner must understand that "cosmetic improvements" are not eligible for funding. The final work write-up (without costs) will be used by contractors for determining their bids and incorporated into the rehabilitation contract documents which the homeowner and contractor will sign. The homeowner should initial each page and sign the last page of the write-up
- E. CLEARLY WRITTEN SPECIFICATIONS** - The work write-up will be written so that it Provides a clear detailed understanding of the nature and scope of the work to be done and a basis for carefully determined bids and proposals from contractors. The homeowner shall have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.
1. Each specification will show the nature and location of the work and the quantity and type of material required. The specifications are to comply with THDA's Minimum Design Standards for New Construction & Rehabilitation of Single Family & Multifamily Housing

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

Units.

2. The specifications will refer to manufacturer's brand names or association standards to identify quality of material and equipment, and may make provision for acceptable substitutes of equal or greater value or quality and brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.

### **14. CONTRACTING FOR REHABILITATION WORK**

**A. INTRODUCTION** - This section sets forth requirements and procedures with respect to the construction contracts for housing rehabilitation financed through a rehabilitation grant. Rehabilitation work will be undertaken only through a written contract between the contractor and the property owner receiving the grant.

1. **FORM OF CONTRACT** - The construction contract will consist of a single document signed by the contractor and the property owner, following approval of the grant application. It will contain a bid, CAC's General Conditions and Specifications by reference, the work write-up which specifies the work to be done, and the existing UPCS and code violations.
2. **USE OF ALTERNATES** - The document prepared by the Grantee may contain alternates by which each bidder may increase or decrease the lump sum contract price, if the alternates are later accepted as part of the work to be performed.
3. **PROCUREMENT OF BIDS** - CAC will advertise openly and publicly for bids and encourage minority and female owned firms to bid on its projects.

**B. GENERAL CONDITIONS** - The bid package will contain the following:

1. The address, time and date by which the bid should be submitted by the contractor.
2. A provision that the bid be accepted by the homeowner within a specified length of time.
3. A provision that the contractor start work within a specified length of time.
4. A statement concerning the acceptability of progress payments.
5. A provision that final payment on the contract amount will be made only after final inspection, acceptance of all work by CAC and the homeowner, and after CAC receives the contractor's final invoice release of liens and warranty, and claims for liens by subcontractors, laborers and material suppliers for completed work or supplied materials.
6. Provisions that the contractor will be required to:



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

- a. Obtain and pay for all permits and licenses necessary for the completion and execution of the work and labor to be performed.
- b. Perform all work in conformance with UPCS, applicable local codes, as well as lead-based paint regulations and requirements, whether or not covered by specification and drawings for the work.
- c. Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor, unless specifically stated otherwise within the work write-up.
- d. Not assign the contract without written consent of CAC and homeowner.
- e. Guarantee the work performed for a period of one year from the date of final acceptance of all work required by the contract. Furthermore, furnish the homeowner, in care of CAC, with all operations and maintenance manuals, manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under the contract.
- f. Include a statement as to whether the premises are to be either occupied or vacant during the course of construction work.
- g. A provision that the contractor may reasonably use existing utilities without payment during the course of the work.

### **C. INSURANCE**

- 1. The contractor shall carry or require that there be carried Workman's Compensation Insurance for all his employees and those of his subcontractors engaged in work at the site in accordance with Tennessee State Workman's Compensation Laws.
- 2. The contractor shall carry or require that there be carried Manufacturer's and Contractor's Public Liability Insurance. This insurance will be in an amount not less than \$100,000 for injuries including accidental death to any one person for one accident, and to protect the contractor and subcontractors against claims for injury or death of one or more persons because of accidents which may occur or result from operations under the contract. Such insurance shall cover the use of all equipment, including but not limited to, excavating machinery, trenching machines, cranes, hoists, rollers, concrete mixers, and motor vehicles in the construction of the rehabilitation embraced in their contract.
- 3. The contractor shall carry during the life of the contract Property Damage Insurance in an amount of not less than \$100,000 to protect him and his subcontractors from claims for property damage which might arise from operations under their contract.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

4. Before commencing work, the contractor shall submit evidence of the required insurance coverage to the CAC. A certificate of insurance shall be presented, baring CAC as the additional insured, as the evidence.

**D. WORK WRITE-UPS, SPECIFICATIONS AND DRAWINGS** – The specifications, based on the code inspection, and work write-up and illustrative sketches, if any, covering the specific rehabilitation work for each property to be rehabilitated will be prepared by CAC. The specifications will:

1. Clearly identify the deficiency being corrected and lead-based paint hazard;
2. Specify work to correct those deficiencies or hazards;
3. Note any unusual features or limitations;
4. Include the CAC's estimated cost for rehabilitation; and
5. Will be initialed on each page by the homeowner and signed on the signature page by the homeowner.

**E. INELIGIBLE CONTRACTORS** - CAC may determine a contractor ineligible to bid on projects when:

1. The contractor is listed on the Federal Debarred list; CAC must check the contractor and all subcontractors' names against the Federal Excluded Parties List System (available at <https://www.sam.gov/portal/public/SAM/>). CAC will print out the system search results and place in file to document that the contractors and subcontractors are not on this list.
2. There is documented proof that the contractor has not paid material suppliers;
3. There is documented proof that the contractor has not completed projects within the allotted time frame;
4. There exist substantial complaints by homeowners about quality of work and performance.
5. There is documented proof that the contractor has not performed warranty work on previous contracts.
6. Conflict of interest exist between the contractor candidate and project participants, location, or any financial ties

**F. INVITATION TO CONTRACTORS FOR BID AND PROPOSAL**

1. CAC will announce the program and advertise for contractors in local and/or regional newspapers at the beginning of the program and at least once each year thereafter.



## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

2. CAC will accept applications from contractors throughout the life of the program.
3. CAC will develop and maintain a list of contractors, including minority and female headed firms within the region.
4. CAC will notify in writing and in a timely fashion all contractors on the Contractors List when bid packages are available.
5. CAC will document when and to whom invitations to bid are sent out and packages picked up.

**G. SELECTION OF A SUCCESSFUL BIDDER** - The opening of the sealed bids must meet these conditions.

1. The opening must be public.
2. The best value responsive and responsible bid will prevail. Bids that fall 10% under or 10% over CAC's cost estimate may be rejected as not responsible bides.
3. There must be **at least three (3) competitive bids** by eligible contractors.
4. Minutes of the award and bid tabulations should be appropriately filed.
5. Questions concerning contractor eligibility shall be decided prior to opening the bids.
6. CAC will verify with THDA that contractors are not debarred.
7. CAC may limit the number of bids awarded to any one contractor at any one bid letting to three (3).
8. If all bids exceed the amount of the construction budget, CAC may not negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. CAC must maintain documentation to demonstrate that this process was followed.
9. If there are not at least three (3) competitive bids from eligible contractors, the project must be re-bid. If there are still not three bids after the project has been re-bid, CAC will contact THDA before awarding the contract.

**H. AWARD OF THE CONSTRUCTION CONTRACT** - The contract will become effective upon the signatures of the homeowner and contractor and with CAC's endorsement. CAC will distribute the executed contract documents as follows: original to City of Morristown's Community Development Department, copy to CAC, homeowner, and the Contractor.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

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| <b>15. INSPECTION, CLOSE-OUT AND PAYMENT FOR REHABILITATION<br/>WORK</b> |
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**A. RESPONSIBILITY FOR MAKING INSPECTIONS** - Inspection of construction will be performed by CAC or its designate as follows:

1. Compliance inspections will be made as often as necessary to assure that the work is being completed in accordance with the community's building, electrical, mechanical and plumbing codes, zoning regulations, and any other related State or local laws and ordinances.
2. Inspections will be made as often as necessary to assure that the work being performed is in accordance with the terms of the construction contract.
3. Written notices of inspections (HO-17) shall be filed appropriately.
4. THDA's QAI will perform a minimum of 3 inspections throughout the project. An initial inspection, a progress inspection, and a final inspection will be conducted in accordance with THDA's Policy and Procedures and HUD 24CFR 92.251 of the 2013 HOME Final rule.

**B. PROGRESS PAYMENTS** - If progress payments are allowed by CAC, no more than one progress payment can be made and the payment will be 50% of the funds at the completion of 60% of the work.

**C. FINAL PAYMENTS**

1. **FINAL INSPECTION** - Upon completion of the rehabilitation work, a final inspection is held by CAC. Any uncompleted work or work that is unsatisfactory is noted on a final "punch list" and sent to the contractor in writing (HO-17 and HO-18). When these items are completed, clearance testing for lead-based paint hazards is conducted on the unit. When the unit passes clearance testing, the Lead Based Paint portion of the contract is complete.
2. **CERTIFICATION** - After CAC determines that the rehabilitation work has been fully and satisfactorily completed and the unit has passed clearance testing, the Certification of Completion and Final Inspection (FM-7) is prepared by CAC. The homeowner signs the Certification indicating that the homeowner accepts the rehabilitation work as meeting the terms and conditions of the contract. The contractor signs the Certification indicating that the work has been completed in accordance with the contract and that there are no unpaid claims for labor, materials supplies or equipment. The inspector signs the Certification indicating that work has been completed in accordance with the contract and authorizing final payment.

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

3. **NOTICE OF COMPLETION** - The contractor shall file a Notice of Completion with the Register of Deeds in Hamblen County where the work is performed and return a certified copy to CAC.
4. **MAKING FINAL PAYMENT** - When the final inspection determines that the work is completed in accordance with the contract and the homeowner has accepted the work, CAC will obtain from the contractor a release of liens, including all subcontractors and suppliers, and a copy of each warranty due the owner for the work. CAC will request final payment from City of Morristown at that time.
5. **CLIENT REFUSAL TO SIGN** - If the homeowner refuses to sign the final acceptance, CAC may authorize full payment for those items which are undisputed and acceptable to all parties.

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| <b>16. GRIEVANCE PROCEDURE</b> |
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- A. The Grievance Procedure shall be made a part of the contract between the homeowner and the contractor. Disputes between the homeowner, CAC and contractor may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties, the grievance procedure will be followed.
  1. The grievance by the homeowner or contractor is to be filed with Jason Estes, Program Administrator ,in writing. The written grievance is to be submit to Knoxville-Knox County Community Action Committee, 2247 Western Avenue, Knoxville TN 37921, and ATTN: Jason Estes.
  - 2.
  3. Jason Estes, Program Administrator, will meet with the homeowner/contractor and attempt to negotiate a solution.
  4. Contact the THDA Community Programs Division at (615) 815-2030 should the program administrator fail to negotiate a solution.
- B. **GRIEVANCE PROCEDURE** - If this fails, the program administrator will follow the grievance procedure as outlined below:
  1. All claims or disputes between the owner and contractor arising out of or related to the work shall be decided by arbitration in accordance with the current construction industry arbitration rules of the American Arbitration Association unless the parties mutually agree otherwise.
  2. The owner and contractor shall submit all disputes or claims, regardless of the extent of the works progress, to Jason Estes, Program Administrator, unless the parties mutually agree otherwise.
  3. Notice of the demand for arbitration shall be filed in writing with the other party to this

## **HOME PROGRAM POLICIES AND PROCEDURES FOR City of Morristown Homeowner Rehabilitation Program**

rehabilitation agreement and shall be made within a reasonable time after the dispute has arisen.

4. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.
5. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the contractor, the arbitrator may award costs and attorney fees in favor of the contractor. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the owners, the arbitrator may award costs and attorney fees in favor of the owner.

**C. THE WRITTEN CONTRACT** - The contract and the rehabilitation specifications, along with the initial inspection report provide the basic documentation by which the relative merits of any dispute will be judged.

**D. CONFLICT OF INTEREST OF PUBLIC OFFICIALS** - No elected or appointed Federal, State or local official, member of the local governing body, or any other public official or employee who exercises any functions or responsibilities in conjunction with the administration of the housing rehabilitation shall have any interest, direct or indirect, in the proceeds or benefits of the rehabilitation grant program. In those cases where the interest may not be direct or indirect, and the conflict of interest is only "apparent", CAC must contact THDA for clarification before proceeding. THDA will not routinely consider requesting an exception to the conflict of interest provisions from HUD.

**E. KICKBACKS AND DISCOUNTS** - No member of the governing body of CAC or any CAC employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors in regard to housing rehabilitation.<sup>4</sup>



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S. Cumberland St.

**ORDINANCE NO. \_\_\_\_\_,**  
**BEING AN ORDINANCE OF THE CITY COUNCIL OF MORRISTOWN,**  
**TENNESSEE AMENDING TITLE 16, CHAPTER 1, SECTION 114 OF THE**  
**MORRISTOWN MUNICIPAL CODE.**

Be it ordained by the City Council for the City of Morristown that the text of Section 114 of Chapter 1 of Title 16 of the Morristown Municipal Code is hereby deleted in its entirety and substituted therefore is the following:

“Section 16-114. Special Uses Regulated. It shall be unlawful for any club, organization, or similar group to hold any meeting, parade, demonstration, or exhibition on the public streets without first securing a Special Use Permit from the City Administrator or his designee. No permit shall be issued that does not comply with the Special Use Permit Application requirements. The permit shall not be granted unless such proposed activity will not unreasonably interfere with traffic, and unless a representative from the organization agrees to immediately clean up any and all litter which may be left on the streets or sidewalks as a result of the activity. It shall be unlawful for any organization and representative obtaining such a permit to fail to carry out the agreement to immediately clean up the resulting litter. If the terms and conditions of the Application and Permit are not followed, additional fees may be charged in accordance with the permit application guidelines. Fees for the Special Use Permit include a ten dollar (\$10.00) application fee and a two hundred and fifty dollar (\$250.00) refundable damage/clean-up deposit that must be submitted at least twenty (20) days prior to the event. Any additional fees will be charged in accordance with the permit application guidelines.”

This ordinance shall take effect upon second and final reading, the public welfare requiring same.

PASSED ON FIRST READING THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY ADMINISTRATOR

PASSED ON SECOND AND FINAL READING THIS \_\_\_\_\_ DAY OF  
\_\_\_\_\_, 2016.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY ADMINISTRATOR

ORDINANCE NO. \_\_\_\_\_  
BEING AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF  
MORRISTOWN, TENNESSEE, AMENDING TITLE 9 CHAPTER 2 OF THE  
MORRISTOWN MUNICIPAL CODE.

BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF MORRISTOWN,  
TENNESSEE, THAT TITLE 9 CHAPTER 2 OF THE MUNICIPAL CODE IS AMENDED AS  
FOLLOWS:

TITLE 9

CHAPTER 2

~~DOWNTOWN MARKET~~<sup>1</sup> FARMERS MARKET

SECTION

9-201. Establishment and bounds of the ~~downtown market~~ Farmers Market.

9-202. Purpose and intent.

9-203. General rules of use.

9-204. Prohibited uses.

9-205. Enforcement.

9-206. ~~[Repealed.]~~ Review of Ordinance

9-207. ~~[Repealed.]~~

9-208. ~~[Repealed.]~~

9-209. ~~[Repealed.]~~

9-210. ~~[Repealed.]~~

9-211. ~~[Repealed.]~~

9-212. ~~[Repealed.]~~

9-201. Establishment and bounds of the Farmers Market~~-downtown market~~. There is hereby established within the limits of the City of Morristown, Tennessee, a downtown market, hereinafter referred to as the "farmers market", upon a tract ~~located at 130 West Morris Boulevard at the site of the pavilion, which shall be designated in the form of a separate resolution by the governing body, the location of which may be changed from time to time by resolution of the governing body.~~ (1979 Code, § 5-201, as replaced by Ord. #3052, March 2001, and Ord. #3385, March 2010)

9-202. Purpose and intent. ~~It shall be~~ The purpose and intent of the establishment of the farmers market ~~shall be~~ to provide a an open-air pavilion setting in the historical, central business district of the city that provides farmers, crafters, artisans and vendors the opportunity to sell fresh garden produce, agricultural products, plants, perennials and annuals, herbs, food and hand-made crafts and provide a gathering place for pedestrians to intermingle and enjoy live entertainment. (1979 Code, § 5-202, as replaced by Ord. #3052, March 2001, and Ord. #3385, March 2010)

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<sup>1</sup> Charter reference



9-203. General rules of use. The following rules shall apply for farmers, vendors, artisans, crafters and others who wish to sell produce, food, goods or other items within the bounds of the market:

- (1) The city administrator shall undertake or DESIGNATE supervision of the ~~farmers~~ market. ~~That designated PERSON OR entity shall be referred to in this ordinance as "supervisor". herein and hereafter referred to as the "supervisor" to ensure~~ The duty of the supervisor is to ensure compliance with all city codes and ordinances including the provisions set forth herein. The INITIAL supervisor, **SHALL BE THE Crossroads Downtown Partnership, Inc.,** AND shall have the authority to issue and revoke permits to farmers and vendors who make application to sell produce, food, items or goods in accordance with the provisions set forth herein.
- (2) There shall be two (2) classifications for anyone wishing to sell produce **and farm products**, food, **handmade items, fine** crafts, goods or other **similar** items ~~at within the bounds of the market:~~
  - a) Farmers; ~~and~~ For the purposes of this chapter, farmers shall be:
    - i. Those persons who grow **all or** at a minimum fifty-one percent (51%) of their own produce **or other farm products by daily volume, which are grown within 100 miles of the market; which they offer for sale to the general public on the market; and**
    - ii. Those persons who have been inspected by the Hamblen County, University of Tennessee Agriculture Extension Office and received **an acceptable** certification from said office;
    - iii. Those persons displaying the certification set forth above ARE subject to re-inspection at any time by the supervisor and/or **the supervisor's** his appointees.

**Vendors: and**

- b) Vendors: For the purposes of this chapter, vendors shall be:
    - i. Any person **approved to have** space ~~on~~ **at** the market for retail sales of **firewood, seafood caught by the seller, or handmade fine craft items** who **is not** ~~does not meet the qualifications for a farmer as set forth above in § 9-203(2)(a).~~
- (3) Spaces for the purpose of displaying and selling at the market shall be leased by the **supervisor** ~~city~~ to the farmers and vendors. ~~by the supervisor.~~
  - a) A permit shall be issued by the ~~city~~ **supervisor** to each farmer and vendor who occupies space on the market.
    - i. The ~~city~~ **supervisor**-issued permit shall be clearly posted on the premises leased to each farmer or vendor.
    - ii. Any and all required business licenses issued by the City of Morristown and Hamblen County shall be clearly posted on the premises upon which is leased to each farmer or vendor.
    - iii. Any and all required state or federally issued permits or certifications by the U.S. Department of Agriculture or other government agency shall be clearly posted on the premises upon which is leased to each farmer or vendor.

- iv. Vendors **and farmers** shall be responsible for paying all applicable sales taxes and clearly posting verification to that effect.
- v. Each space shall be the area of a typical parking space **at-on** the market **pavilion plus a space in the pavilion that is a reasonable extension under the pavilion roof allowing for a central area for shoppers and others to safely walk and view the products for sale.** ~~premises in an area of ten by twenty feet (10' x 20') or two hundred (200) square feet.~~
- vi. Farmers and vendors may lease multiple spaces with the approval of the supervisor.
- vii. The rates for space(s) leased on the market shall be established by the **supervisor** ~~governing body in the form of a separate resolution,~~ stipulating the **daily or monthly** ~~annual and/or monthly~~ rental rates for space ~~on-at~~ the market **pavilion**, which may be changed from time to time by **the supervisor in consultation with and approved by** ~~resolution of the governing body.~~
- b. ~~The supervisor shall prepare and maintain a seasonal plan of the lay-out of the market including booth locations for farmers and vendors, customer parking, farmer and vendor parking, traffic flow, pedestrian flow, and other applicable features. The seasonal plan shall be approved by the city administrator. The seasonal plan may be adjusted from time to time for public safety, efficiency of the market, or other reasons throughout the season with city administrator approval. The seasonal plan shall be kept available for viewing by the public at the City of Morristown City Center Building.~~
  - viii. Stall distribution and location **within the pavilion** shall be at the discretion of the supervisor CONSISTENT with the best interest of the market.
  - 2. ~~The City of Morristown reserves the right at any time to alter the size, shape and position of stall sites as may be necessary for the best interests, risk management, and legal requirements of the market.~~
  - ix. **Farmers and vendors** shall park their commercial vehicles, box trucks, trailers, etc. in an area designated for such purpose **by the (OMIT) the supervisor.** ~~on the approved seasonal plan.~~
  - x. Parking for farmers, vendors and the public shall be within **designated** parking spaces. ~~designated. on the approved seasonal plan for such purposes only.~~
  - 5. ~~The city may provide adequate shelter or canopies for vendors to use at the market which may remain on the premises of the market after operating business hours of the market.~~
  - xi. No farmer or vendor shall alter or damage any **pavilion and/or ancillary structure**, shelter or canopy provided by the city. Anyone altering or causing damage to any **city property** ~~shelter or canopy~~ shall be held accountable for reimbursement to the city to cover repair or replacement of such **property** ~~shelter or canopy~~ and shall forfeit their privilege to operate on the market until such reimbursement is secured from the farmer or vendor by the city and authorized by the supervisor to return.
  - 6. ~~No farmer or vendor shall construct or erect any permanent or semi-permanent structure, tent or canopy upon the premises of the market.~~

- xii. No farmer or vendor shall leave vehicles, trailers, wagons or any other vehicle, apparatus, ~~items the farmer or vendor sells,~~ or structure on the premises of the market after the operating business hours of the market. ~~unless authorized to do so in established areas set forth under this section for such purpose and shown on the approved seasonal plan.~~
9. ~~No farmer or vendor shall leave food, produce products for sale or other goods on the premises of the market after the operating business hours of the market unless authorized to do so in established areas set forth under this section for such purpose and shown on the approved seasonal plan.~~
- (4) All processed foods offered for sale to the public shall comply with the requirements set forth by federal, state and local laws, regulations and rules. ~~Copies of certifications issued in compliance with these laws and regulations shall be provided as part of the application to be a farmers market farmer or vendor.~~
- (5) Farmers and vendors shall clearly post prices on all produce or items being sold. ~~Farmers shall also place on their signage the name of the item, the farm where it originated, the county in which it is located, and other information that may be required by the supervisor in accordance with widely-accepted good practices for Tennessee Farmers Markets.~~
- (6) Scales utilized at market must be inspected and sealed annually by the Tennessee Department of Agriculture and must be clearly posted as approved.
- (7) ~~Farmers and v~~Vendors shall carry insurance in minimum liability amounts as set by the ~~city administrator~~**governing body**, ~~from time to time~~, to cover personal injury, **product liability**, and property damage prior to the issuance of a permit. Proof of insurance shall be kept current throughout the duration of the vendor occupying space on the market and shall be provided to the supervisor and kept on premises. SUCH POLIICIES OF INSURANCE SHALL NAME THE CITY AS AN ADDITIONAL ISURED.
- (8) Farmers and vendors shall assume all responsibility for any losses of property or money from the market site. ~~Farmer and V~~vendor spaces may never be left unattended. The city assumes no responsibility for lost, stolen or damaged goods or property.
- (9) Farmers and vendors shall be responsible for keeping the premises of their assigned space in a clean and neat manner, free of refuse, litter, debris, and/or garbage. Each farmer and vendor is responsible for maintaining his area throughout business hours and cleaning the area daily which includes but is not limited to removing all produce, food, products or items for sale from the market premises before departing for the day. **Items for disposal shall be placed in garbage bags and then may be deposited in trash containers provided for that purpose.**
- (10) ~~Open season dates and the hours of operation for the market shall be established by separate resolution by the governing body which may be changed from time to time by resolution of the governing body.~~ **The farmers market shall operate year round as weather permits in accordance with a safety plan to be developed in consultation with and approved by the governing body.**

- (11) Farmers and vendors shall not issue any information, publication, document or article for publication concerning the market without prior written approval by the supervisor.
- (12) Farmers and vendors shall present and conduct themselves in such a manner so as to not have a negative impact upon the market, to the public, the City of Morristown, or other farmers and vendors. This includes, but is not limited to:
  - i. Use of profanity;
  - ii. Use of alcohol, tobacco products or other illegal or controlled substances;
  - iii. Shoes and shirts must be worn at all times. (1979 Code, § 9-503, as replaced by Ord. #3052, March 2001, and Ord. #3385, March 2010).

9-204. Prohibited uses. (1) It shall be unlawful to obstruct or impede traffic access, egress and circulation upon the market.

- (2) Any use not specified as a permitted use in this section shall be prohibited upon the premises of the market, subject to review and approval by the supervisor.
- (3) Automobiles for sale shall not be permitted upon the premises of the market **nor shall items that would be associated with a yard sale or flea market.**
- (4) Livestock, chickens or other animals shall not be permitted upon the premises of the market **except for service animals. This section does not prohibit the sale of meat, poultry, fish, or seafood that has been prepared and is presented for sale in accordance with federal, state and local laws and regulations.**
- (5) Any use that produces noxious smoke, fumes, noise, odor or other offensive effect to the senses, including but not limited to fuel powered-generators, shall not be permitted upon the premises of the market.
- (6) No one shall engage in solicitation, collection drives, political or religious activities in the market.
- (7) No loud hawking of items is allowed on the premises of the market.
- (8) No **pavilion or shelter or canopy** provided by the city shall be altered in any manner without prior written approval by the supervisor. (1979 Code, § 5-204, as replaced by Ord. #3052, March 2001, and Ord. #3385, March 2010)

9-205. Enforcement. (1) The supervisor and/or ~~his~~ **the supervisor's** designees are hereby authorized and directed to enforce all of the provisions of this article. This authority empowers such individuals to perform any inspections and to issue related **rules and** citations for the enforcement of this section.

- (2) Farmers and vendors should promptly report any suspected offenses to the supervisor.
- (3) Any farmer or vendor found to be out of compliance with the ordinance comprising this section shall receive one (1) **written** warning from the supervisor or other authorized city employee. If the noncompliant farmer or vendor does not comply he will be barred from the market for the remainder of the season and forfeit any amount of monthly lease currency **rent** paid to the **supervisor** ~~city~~ to operate ~~on~~ **at** the market. His **or her** permit shall be revoked.
- (4) Any vendor found selling a tangible item on the market that is not garden produce, agricultural products, plants, perennials, annuals, herbs, food or hand-made art or crafts will be in violation of this chapter and will be subject to being banned from

- the market for the season and permit revocation.
- (5) Each day that a violation of this chapter remains shall constitute a separate violation of the chapter for the purposes of the court's assessment of fines or penalties.
  - (6) In case of conflict between this chapter or any part hereof, and the whole or part of any existing ordinance of the city, the provision that establishes the higher standard shall prevail.
  - (7) If any section, subsection, clause, provision or portion of this chapter is held to be invalid or unconstitutional by any court or competent jurisdiction, such holding shall not affect any other section, subsection, clause, provision or portion of the chapter. It is the specific intention of the city that each provision in the chapter stand or fall on its own, and not rely upon the effectiveness of other provisions in the chapter. (1979 Code, § 5-205, as replaced by Ord. #3052, March 2001, and Ord. #3385, March 2010).

9-206. ~~[Repealed.] (1979 Code, § 5-206, as replaced by Ord. #3052, March 2001, and repealed by Ord. #3385, June 2010)~~ Review of Ordinance. There shall be an annual review of Title 9, Chapter 2, Morristown Farmers Market ordinance by the supervisor and the governing body.

SECTION 9-207 – 9-212. Reserved.

- 9-207. ~~[Repealed.]~~ by Ord. #3385, June 2010)
- 9-208. ~~[Repealed.]~~ by Ord. #3385, June 2010)
- 9-209. ~~[Repealed.]~~ by Ord. #3385, June 2010)
- 9-210. ~~[Repealed.]~~ by Ord. #3385, June 2010)
- 9-211. ~~[Repealed.]~~ by Ord. #3385, June 2010)
- 9-212. ~~[Repealed.]~~ by Ord. #3385, June 2010)

PASSED ON FIRST READING THIS THE 2<sup>ND</sup> DAY OF FEBRUARY, 2016.

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MAYOR

ATTEST:

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CITY ADMINISTRATOR

PASSED ON SECOND AND FINAL READING THIS THE 16<sup>TH</sup> DAY OF  
FEBRUARY, 2016.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY ADMINISTRATOR



**CHANGE ORDER #1**

TAD PROJECT NO Security Fencing(Base Bid Schedule 1) 32-555-0753-04 DATE PREPARED: 01/13/16  
 OWNER: CITY OF MORRISTOWN, TN CONTRACTOR: McCall Fencing, Inc.  
 ADDRESS: 100 WEST 1ST STREET 6248 KINGSPORT HWY  
MORRISTOWN, TN 37816 GRAY, TN 37615

NAME AND LOCATION OF AIRPORT: MORRISTOWN REGIONAL AIRPORT  
MORRISTOWN, TN

DESCRIPTION OF WORK INCLUDED IN CONTRACT: SECURITY FENCING

| CHANGE ORDERED:  |          | ITEM NOS. | DESCRIPTION<br>SEE<br>ATTACHMENT 'B' | REVISED QUANTITY<br>SEE<br>ATTACHMENT 'A' | NET CHANGE   |
|------------------|----------|-----------|--------------------------------------|---|--------------|
| CHANGE ITEM:     |          | N/A       |                                      |   |              |
| DELETE ITEM:     |          | N/A       |                                      |   |              |
| ADD ITEM:        |          |           |                                      |   |              |
| Security Fencing | Base Bid | 5         |                                      |   | \$39,975.00  |
| TOTAL            |          |           |                                      |   | \$ 39,975.00 |

REASON FOR CHANGE ORDER: INCREASE CONTRACT AMOUNT FOR PCC VEGETATION BARRIER

|   |              |
|---|--------------|
| ORIGINAL CONTRACT                                 | \$ 49,899.70 |
| REVISED CONTRACT PREVIOUS CHANGE ORDERS           | \$ 49,899.70 |
| AMOUNT THIS CHANGE ORDER NO. 1                    | \$ 39,975.00 |
| LATEST REVISED CONTRACT THROUGH THIS CHANGE ORDER | \$ 89,874.70 |

SUBJECT TO THE CONDITIONS SET FORTH BELOW, AN EQUITABLE ADJUSTMENT IS ESTABLISHED AS FOLLOWS:

| CONTRACT PRICE |                                   | CONTRACT TIME |  |
|----------------|-----------------------------------|---------------|--|
| <u>X</u>       | NOT CHANGED                       | <u>X</u>      | NOT CHANGED                              |
|                | INCREASED BY : <u>\$39,975.00</u> |               | INCREASED BY <u>      </u> CALENDAR DAYS |
|                | DECREASED BY : <u>      </u>      |               | DECREASED BY <u>      </u> DAYS          |

The foregoing is in accordance with the contract documents and negotiation correspondence through 8/26/13 : See Attachments 'A' and 'B' for details of changes.

- A. The aforementioned change and work affected thereby are subject to all contract stipulations and covenants;  
 B. The rights of the owner are not prejudiced; and  
 C. All claims against the Owner which are incidental to or as a consequence of the aforementioned change are satisfied.

CONTRACTOR: MCCALL FENCING INC. OWNER: CITY OF MORRISTOWN, TENNESSEE  
 DATE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 ENGINEER: MICHAEL BAKER INTERNATIONAL RECOMMENDED BY TENNESSEE AERONAUTICS DIVISION  
Edward A McHugh DATE: \_\_\_\_\_  
1-15-2016

[Return to Agenda](#)

MORRISTOWN REGIONAL AIRPORT  
SECURITY FENCING

CHANGE ORDER NO. 1 - ATTACHMENT 'A'

BASE BID BID SCHEDULE 1  
SECURITY FENCING  
32-535-0753-04

TAD No.

| Item #                 | Description                                   | QTY   | UNIT | UNIT PRICE | EXTENDED TOTAL | QTY   | UNIT | UNIT PRICE | EXTENDED TOTAL | QTY   | UNIT | UNIT PRICE | EXTENDED TOTAL | QTY   |
|------------------------|---|-------|------|------------|----------------|-------|------|------------|----------------|-------|------|------------|----------------|-------|
| CURRENT CONTRACT ITEMS |   |       |      |            |                |       |      |            |                |       |      |            |                |       |
| 1                      | Mobilization                                  | 1     | LS   | \$1,850.00 | \$1,850.00     | 1     | LS   | \$1,850.00 | \$1,850.00     | 1     | LS   | \$1,850.00 | \$1,850.00     | 0     |
| 2                      | 4' wildlife Fence                             | 2,160 | LF   | \$6.67     | \$14,407.20    | 2,160 | LF   | \$6.67     | \$14,407.20    | 2,160 | LF   | \$6.67     | \$14,407.20    | 0     |
| 3                      | 8' Chain-Link Security Fence with Barbed Wire | 1,950 | LF   | \$16.85    | \$32,857.50    | 1,950 | LF   | \$16.85    | \$32,857.50    | 1,950 | LF   | \$16.85    | \$32,857.50    | 0     |
| 4                      | 8' Single Leaf Swing Gate                     | 1     | EA   | \$785.00   | \$785.00       | 1     | EA   | \$785.00   | \$785.00       | 1     | EA   | \$785.00   | \$785.00       | 0     |
| 5                      | PCC Vegetation Barrier                        | 0     | LF   | \$20.50    | \$0.00         | 1,950 | LF   | \$20.50    | \$39,975.00    | 1,950 | LF   | \$20.50    | \$39,975.00    | 1,950 |

SUBTOTAL BID SCHEDULE 1

\$49,899.70

\$

\$89,874.70

[Return to Agenda](#)



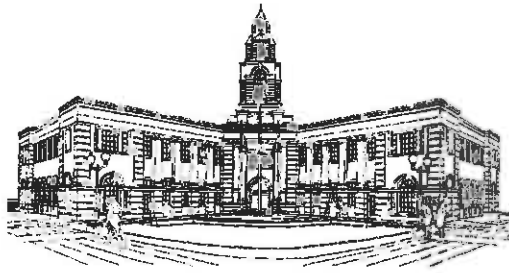
**MORRISTOWN REGIONAL AIRPORT  
SECURITY FENCING PROJECT**

**TAD No. 32-555-0753-04**

**CHANGE ORDER NO. 1 - ATTACHMENT 'B'**

**NEW WORK ITEMS**

| <b>ITEM<br/>NO.</b> | <b>DESCRIPTION</b>     | <b>JUSTIFICATION</b>                                 |
|---------------------|------------------------|--|
| 5                   | PCC VEGETATION BARRIER | 1950 LF of 4' Wide X 6"<br>Deep mow strip for fence. |



## Morristown City Council Agenda Item Summary

**Date:** January 22, 2016

**Agenda Item:** Approval of Bid – Survey Equipment

**Prepared by:** Joey Barnard

**Subject:** Survey Equipment

**Background/History:** The planning and execution of most forms of construction and transportation systems require the use of survey equipment. Our Public Works Department is in need of survey equipment to replace outdated equipment. This will allow Public Works to accurately and precisely locate coordinates in determining location of city property lines, right-of-ways, storm water systems, etc.

**Findings/Current Activity:** The bid was advertised in the *Citizen Tribune* on December 21, 2015 and on January 4, 2016. Additionally, the bid was posted to the City of Morristown's website and through Vendor Registry, an on-line bid facilitation website. The submission deadline was 2:00 PM on Wednesday, January 20, 2016. We received one (1) response.

**Financial Impact:** Funds totaling \$40,000 have been appropriated for surveying equipment. Precision Products, LLC submitted a bid meeting all specifications and available options desired for effective use of the surveying equipment in the amount of \$40,154.15. Although the bid exceeds appropriated funds by \$154.15, savings on other equipment allows for sufficient funds to make this purchase. The desired options are identified on the bid tabulation.

**Action options/Recommendations:** It is staffs' recommendation to accept the bid submitted by Precision Products, LLC as detailed above and summarized in the bid tabulation included herein.

**Attachments:** Bid Tabulation.

City of Morristown  
Survey Equipment Bid

Wednesday, January 20, 2015 2:00 p.m.

| Bidder                          | Precision Products  |  |
|---------------------------------|---------------------|--|
| <b>Specification Compliance</b> | Fully Complies      |  |
| Trimble S5 3" Robotic           | \$ 18,462.43        |  |
| Trimble R8S, Model 00           | \$ 3,498.14         |  |
| Trimble R8S Network Rover       | \$ 8,473.28         |  |
| Trimble TSC3 Data Collector     | \$ 5,709.75         |  |
| Trimble Active Track Target     | \$ 2,231.04         |  |
| Trimble Robotic Power Kit       | \$ 1,445.12         |  |
| SECO c/f Rod                    | \$ 202.32           |  |
| SECO Rod Claw                   | \$ 67.59            |  |
| SECO Rod Clamp                  | \$ 64.48            |  |
| <b>TOTAL</b>                    | <b>\$ 40,154.15</b> |  |
|                                 |                     |  |



## Summers-Taylor, Inc.

Box 1628, 300 West Elk Avenue  
Elizabethton, TN 37644-10628  
Phone (423) 543-3181 Fax (423) 543-6189  
www.summertaylor.com

October 8, 2015

City Of Morristown  
P.O. Box 1499  
Morristown, TN 37814

Attn: Mr. Jocy Bernard

RE: Morristown Sinkhole Repair

Dear Mr. Bernard;

Summers-Taylor, Inc. proposes to work on the sinkhole repair on a time and material basis. Attached is a listing of our hourly equipment and labor rates. The hours are to be agreed upon daily between our jobsite foreman and a Morristown City Inspector. Tickets and invoices will be supplied for all materials used on the project. All materials will receive a 7% mark up for overhead and profit. If there is any bond, fees, permits or railroad insurance required, the cost will be passed along to the City Of Morristown.

This letter & attachment will serve as a binding agreement for this project. Payment terms will be Net 30 days upon completion. If you have any questions or need any additional information do not hesitate to contact us.

SUMMERS-TAYLOR, INC.  
APPROVED:

JOHN T. BOWMAN

CITY OF MORRISTOWN  
APPROVED:

**CITY OF MORRISTOWN  
PURCHASING DIRECTOR**

P.O. Box 1499

Morristown, TN 37815-0647

Phone: (423) 585-4622 Fax: (423) 585-4687

# Purchase Order

Fiscal Year 2016

Page 1

THIS NUMBER MUST APPEAR ON ALL INVOICES,  
PACKAGES AND SHIPPING PAPERS

Purchase Order # **16000965-00**

*Retain this purchase order for proof of tax exemption.*

**Tax Exempt #62-6000369**

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SUMMERS-TAYLOR INC  
1190 LONESOME PINE TRAIL

GREENEVILLE, TN 37745

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City of Morristown  
400 Dice Street  
ccummings@mymorristown.com  
Morristown, TN 37813

| Vendor Phone Number<br>423-547-2237 |   | Vendor Fax Number<br>423-543-6189 |           | Requisition Number<br>16001097 |  | Delivery Reference/Contact<br>CASEY CUMMINGS |  |
|-------------------------------------|---|-----------------------------------|-----------|--------------------------------|--|--|--|
| Date Ordered<br>10/08/15            |   | Vendor Number<br>015300           |           | Date Required                  |  | Interoffice Delivery                         |  |
|                                     |   |                                   |           |                                |  | Department/Location<br>MOWING                |  |
| Item#                               | Description/Part No   | Qty/Unit                          | Cost Each | Extended Price                 |  |  |  |
| 001                                 | ORIGINAL  | 1.00                              | 0.00000   | 0.00                           |  |  |  |
|                                     | OPEN PO FOR COMMERCE SINKHOLE REPAIR<br>TO INCLUDE TIME AND MATERIALS<br>43293-952-1604 | EACH<br>0.00                      |           |                                |  |  |  |
|                                     |   |                                   | PO Total  | 0.00                           |  |  |  |

The City of Morristown is an equal  
employment / affirmative action  
employer EOE / AA

Authorized Signature

Return to Agency

10/8/15

6/5/15



# Summers-Taylor, Inc.

Box 1628, 300 West Elk Avenue  
 Elizabethton, TN 37644-1628  
 Phone (423) 543-3181 Fax (423) 543-6189  
 www.summertaylor.com

## Bid Proposal / Cost Estimate

**Quote to:** City Of Morristown  
 400 Dice Street  
 Morristown, TN 37813  
**email:** [pbrown@mymorristown.com](mailto:pbrown@mymorristown.com)  
**Fax:** 423-585-4661

**Job Name:** Sinkhole Remediation Work  
 Morristown, Tennessee  
**Date of Plans:** None  
**Addendum #**  
**Phone:** 423-585-4658  
**Contact:** John Bowman

### Sinkhole Remediation Work

| Item              | Description                       | QTY   | Unit | Unit Price | Bid Item Total       |
|-------------------|-----------------------------------|-------|------|------------|----------------------|
| 1                 | Excavation Of 5' Dirt             | 1,250 | CY   | 23.65      | \$ 29,562.50         |
| 2                 | Backfill 5' Dirt                  | 1,600 | CY   | 30.65      | \$ 49,040.00         |
| 3                 | Clean Up & Final Dressing         | 1     | LS   | 3,100.00   | \$ 3,100.00          |
| 4                 | Seeding Of Disturbed Areas        | 1     | ACRE | 1,275.00   | \$ 1,275.00          |
| 5                 | Asphalt Repair Area               | 760   | SY   | 40.70      | \$ 30,932.00         |
| 6                 | Replace Concrete Ditch            | 100   | LF   | 206.50     | \$ 20,650.00         |
| 7                 | Repair Headwall (Across Commerce) | 1     | LS   | 7,500.00   | \$ 7,500.00          |
| 8                 | Seal Concrete Joints In Ditch     | 1,100 | LF   | 5.25       | \$ 5,775.00          |
| 9                 | Asphalt Resurface (If Needed)     | 1,000 | SY   | 12.55      | \$ 12,550.00         |
| 10                | Asphalt Patchwork (If Needed)     | 250   | SY   | 22.00      | \$ 5,500.00          |
| <b>BID TOTAL:</b> |                                   |       |      |            | <b>\$ 165,884.50</b> |

### INCLUSIONS:

This estimate includes labor, materials, equipment and supervision. Per specifications, and as qualified herein.

Bid Item 1 - Includes Excavation Of 5' Dirt In Sinkhole Area

Bid Item 2 - Includes Backfill Of 5' Dirt & Compaction In Sinkhole Area

Bid Item 3 - Includes Clean Up & Final Dressing Of Areas

Bid Item 4 - Includes Seeding Of Disturbed Areas

Bid Item 5 - Includes Asphalt Repair Area - Fine Grading, 8" Stone Base, 2 1/2" Asphalt Binder, Type 307-BM Mix & 1 1/2" Asphalt Surface, Type 411-E Mix

Bid Item 6 - Includes Fine Grading, Placement Of Geomembrane Fabric, 4" Concrete Ditch With WWF.

Bid Item 7 - Includes Removal Of Existing Concrete, Placement Of New Concrete To Stop Water From Draining Under Pipes

Bid Item 8 - Seal Concrete Joints In Existing Ditch To Stop Water Erosion

Bid Item 9 - Asphalt Resurface, Clean Up Of Existing Asphalt, Tack Coat, 2" Asphalt Surface, Type 411-E Mix

Bid Item 10 - Asphalt Patchwork, Excavation Of Deteriorated Asphalt Area, Placement Of 4" Asphalt Binder, Type 307-BM Mix In Patchwork Areas

### EXCLUSIONS / CLARIFICATIONS:

Testing Is Excluded

Rock Excavation Is Excluded

TDEC Permit Is Excluded

SWPPP Plan Is Excluded

City Grading Permit Is Excluded

The units above are our best guess and all items would be field measured upon completion, truck loads of dirt out and in would be used to figure dirt quantities.

The asphalt patchwork & resurface prices are for the roadway if needed or if desired. During time of inspection there were too many vehicles on the roadway to do an evaluation of this area.

### GENERAL TERMS & CONDITIONS:

A. All material is guaranteed to be as specified.

B. All work will be completed in a professional manner according to industry standard practices and all applicable codes.

C. Any deviations from the specifications or modification of the terms of this contract and any extra or incidental work, or reductions in work, shall be set forth in writing and signed by both parties to the making of such change. Summers-Taylor, Inc. will be compensated for any increase in our costs caused by such change, on the basis of the increase plus profit & overhead. If a

time is set for the performance of work, and if, in our sole judgment, such change will increase the time necessary for our performance, Summers-Taylor, Inc. will be granted a reasonable extension of time.

D. Price quote is good for 30 days from date signed by Summers - Taylor, Inc.

E. Final arrangement of compensation for work completed to be approved by both parties prior to starting work.

F. Payment in full for all work performed hereunder during any month shall be made not later than the tenth day of the month next following. Final and complete payment for all work performed hereunder shall be made not later than thirty (30) days after the completion of such work. Interest at the highest rate allowable under the laws of the jurisdiction in which the contract is executed, or one and one half percent (1 1/2%) per month, whichever is less, shall be charged and paid on all unpaid balances from the due date to the date Summers-Taylor, Inc. receive payment. All funds received or held by you for the purpose of paying Summers-Taylor, Inc. for our work shall be held in trust for our benefit, and not subject to attachment, levy, bankruptcy, or other legal proceeding.

G. If Summers- Taylor, Inc. employs an attorney in connection with the enforcement or collection of this contract, then the Owner/Contractor shall pay all attorney fees, court costs and any other applicable related costs incurred by Summers- Taylor, Inc.

H. The terms and conditions of this quotation will be incorporated into any contract/subcontract between both parties.

I. Summers-Taylor, Inc. will provide and pay for Workmen's Compensation Insurance covering our employee and Public Liability and Property Damage Insurance protecting ourselves. You agree to carry Public Liability and Property Damage Insurance sufficient to protect yourself against any and all claims arising from the performance of the work, including but not limited to claims arising under your agreement to indemnify and hold us harmless under the final paragraph of this Proposal and Contract.

J. Unless a time for the performance of our work is specified, Summers-Taylor, Inc. shall undertake the performance of our work in the course of our normal operating schedule. Summers-Taylor, Inc. shall not be liable for any failure to undertake or complete the work for causes beyond our control, including but not limited to fire, flood or other casualty, labor disputes or other disagreements, and accidents or other mishaps, whether affecting this work or other operations in which Summers-Taylor, Inc. is involved, directly or indirectly.

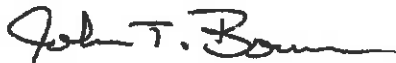
K. If for causes beyond our control our work is not completed within twelve (12) months after the date of your acceptance of the proposal, Summers-Taylor, Inc. may cancel this agreement at any time thereafter on ten (10) days notice. In such event Summers-Taylor, Inc. shall be relieved of any further obligation with respect to the balance of the work, and Summers-Taylor, Inc. shall be entitled to receive final and complete payment for all work performed by us to the date of cancellation within fifteen (15) days thereafter.

L. Summers-Taylor, Inc. shall not be responsible for, and you agree to indemnify and hold us harmless from, any suit, claim, or liability resulting from alleged damages to utilities or other facilities or objects buried beneath the surface or other improvements located within our work area or designated areas of access, and to adjacent property and improvements, and any and all other alleged damages to persons or property, including but not limited to personal injury and death, arising from the performance of the work, unless such alleged damages arise from our sole negligence. It is further agreed that Summers-Taylor, Inc. shall not be responsible for any damage to or deterioration of any of our work, unless such alleged damages arise from our sole negligence. It is further agreed that Summers-Taylor, Inc. shall not be responsible for any damage to or deterioration of any of our work, whether completed or in process, resulting from any cause or causes beyond our control, including but not limited to failure of subgrade or failure or inadequacy of any labor or materials not furnished and installed by us, whether or not such failure or inadequacy was or could have been known at the time our work was undertaken. Summers-Taylor, Inc. shall have no responsibility for any preexisting environmental contamination on the worksite, and you agree to indemnify and hold us harmless from any liability or expense relating to such contamination. In the event that such contamination is encountered, Summers-Taylor, Inc. may cease work until it is remediated.

M. Due to the volatility of the liquid asphalt market at this time we are unable to obtain firm pricing for future asphalt projects. Therefore, our price is based on the current TDOT "Bituminous Index (\$, Ton)" [www.tdot.state.tn.us/construction](http://www.tdot.state.tn.us/construction). Index unit price increases/decreases at the time of construction in excess of \$10.00/Ton will be passed along to the owner. AC price at the time this project was quoted is \$388.64 Per Ton.

Thank you for the opportunity to quote this project. We look forward to working together on this project. Should you require additional information please call.

Respectfully,



Acceptance:

Summers - Taylor, Inc.

By: John T. Bowman

Date: 1/26/2016

Date:

Title: Estimator

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**From the Desk of**

**Debbie Stamey**

**Deputy Clerk/Executive Secretary**

**(423) 585-4603**

**e-mail [dstamey@mymorristown.com](mailto:dstamey@mymorristown.com)**

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**TO:** Mayor Chesney

**RE:** Appointment of Morristown Housing Authority Board Member

**DATE:** January 29, 2016

Morristown Regional Planning Commission Board Member William Blackburn's term will expire on February 15, 2016. Mr. Blackburn has been contacted by staff and has expressed interest in re-appointment.

{This is a Mayor appointment, or re-appointment, for a five (5) year term to expire on February 15, 2021 scheduled for the February 2, 2016 City Council meeting.}



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**From the Desk of**

**Debbie Stamey**

**Deputy Clerk/Executive Assistant**

**(423) 585-4603**

**e-mail [dstamey@mymorristown.com](mailto:dstamey@mymorristown.com)**

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**TO:** Mayor and City Councilmembers

**RE: Appointment to fill the remaining term of Tina Dearing on the  
Morristown Parks & Recreation Advisory Board.**

**DATE:** January 29, 2016

Ms. Tina Dearing has resigned her position on the Morristown Parks & Recreation Advisory Board.

{This is a City Council Appointment for the remainder of the term held by Ms. Dearing, which will expire on June 1, 2017, scheduled for the February 2, 2016, City Council meeting.}