

Agenda
Budget & Finance Committee Meeting
Thursday, May 11th, 2023, at 5 pm.

1. Approval of Agenda
2. Approval of minutes from the April 27th meeting (attached)
3. Review of General Capital Fund, Fund 171, 2024 Proposed Budget & Worksheets (attached)
4. Budget Amendment #171-2023-18, amendment to Fund 171 General Capital Projects Fund (attached)
5. Budget Amendment #171-2023-19, amendment to Fund 171 Rural Capital Projects Fund (attached)
6. Budget Amendment #131-2023-20, amendment to Fund 131 Highway/Public Works Fund (attached)
7. Budget Amendment #118-2023-21, amendment to Fund Ambulance Service Fund (attached)
8. Review of Local Purpose Tax Fund 120, 2024 Proposed Budget (attached)
9. Consider request to increase funding for Prior Interlocal Agreement with the City of Manchester for Fire Protection at the Interstate Park to \$150,000.
10. Request from Rebecca French, manager of the Manchester Coffee County Conference Center, concerning capital funding for facility maintenance.
11. Consideration of General Fund Budget for 2024
12. Other
13. Adjourn

Lynn Sebourn
lsebourn@coffeecountytn.gov

Coffee County Commission
Budget and Finance Committee Meeting
Minutes for April 27th, 2023

Members Present: Lynn Sebourn, Joey Hobbs, Laura Nettles, Tina Reed, Holly Jones, Tim Stubblefield, Tim Brown, Missy DeFord, and Dennis Hunt

Members Absent: none

Chairman Sebourn called the meeting to order at 5:00 pm.

The first item of business was approval of the agenda. Commissioner Nettles made a motion to approve the agenda as presented. Motion was seconded by Commissioner DeFord and was approved unanimously.

The second item business was approval minutes. Revised minutes were presented for the dates of Jun 26th , 2023 and March 2nd, 2023. Revisions were to correct misspellings of commissioner names. A motion to approve the group of minutes as amended was made by Commissioner Nettles and seconded by Commissioner Jones Motion was approved unanimously.

Minutes for March 30th, 2023 and April 6th, 2023 were presented as well. A motion to approve the minutes as amended was made by Commissioner Stubblefield and seconded by Commissioner DeFord. Motion was approved unanimously.

The third order of business was consideration of the Coffee County General Purpose School Budget Proposal. Dr. Charles Lawson presented the budget proposal to the committee. Commissioner Hobbs made the motion to approve and the motion was seconded by Commissioner Hunt. The Coffee County General Purpose School Budget was approved unanimously.

The fourth item of business was consideration of the Coffee County Schools Cafeteria Fund. Dr. Charles Lawson presented the Cafeteria Fund to the committee. Commissioner Stubblefield made a motion to approve the Cafeteria Fund and Commissioner Nettles seconded the motion. The motion was approved unanimously.

The fifth item of business was consideration of Coffee County School Budget Amendment #141-2023-4. This amendment applied additional grant funding and use of reserved funds to multiple budget line items. A motion to approve the budget amendment was made by Commissioner Hunt and seconded by Commissioner Hobbs. The motion was approved unanimously.

The 6th item on the agenda was approval of a memo detailing revised fund balance reporting for Coffee County Schools. The revised fund balance reporting details a total fund balance which includes the unassigned fund balance and reserved fund balances. This change is being

made at the request of the Tennessee Comptrollers Office. A motion to approve the fund balance memo was made by Commissioner Reed and seconded by Commissioner DeFord. The motion was approved unanimously.

The 7th item on the agenda was consideration of a starting baseline for the Coffee County FY23-24 Budget deliberations. A motion was made by Commissioner Hobbs to adopt the line items identified as the 2024 Mayor's Proposal as the baseline budget. The motion was seconded by Commissioner DeFord and was approved unanimously.

The 8th item on the agenda was consideration of contributions to other agencies as presented to the joint meeting of the Budget and Finance Committee and the Health, Welfare, and Recreation Committee. Of the items reviewed several were modified from the baseline request in the budget package as follows:

Total contribution line item to the Volunteer Fire Departments was increased from \$310,000 to \$500,000 to be proportionally distributed to the five rural fire departments by the same ratios as the 2024 Basic Formula amounts. Motion by Commissioner Hobbs, seconded by Commissioner Stubblefield. Motion was approved unanimously.

A motion was made by Commissioner Hobbs and seconded by Commissioner Nettles to contribute \$75,000 to the Coffee County Rescue Squad. Motion was approved unanimously.

A motion was made by Commissioner Hobbs and seconded by Commissioner Stubblefield to set the contribution line items for the Tullahoma Senior Citizens Center and the Manchester Senior Citizens Center to \$45,000 each for a total of \$90,000. Motion was approved unanimously.

A motion was made by Commissioner Hobbs and seconded by Commissioner Stubblefield to set the contribution line item for Tennessee Backroads Heritage to \$6,000, to be funded out of the Hotel Occupancy Tax. Motion was approved unanimously.

A motion was made by Commissioner Hobbs and seconded by Commissioner Nettles to set the contribution line items for Manchester Fire Department to \$15,000, Tullahoma Airport Authority to \$16,200, and the Tullahoma Fire Department to \$15,000. Motion was approved unanimously.

A motion was made by Commissioner Hunt and seconded by Commissioner Stubblefield to set the contribution line items for the Coffee County Humane Society to \$10,000 and the line item for the Civil Air Patrol to \$2,500. Motion was approved unanimously.

There being no other business, the meeting was adjourned.

**GENERAL CAPITAL PROJECTS FUND
FUND 171
ESTIMATED REVENUES, EXPENDITURES
AND AVAILABLE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

	2022	2023			2024
	Audited Actual	Original Budget	Amended Budget	Estimated	Proposed Budget
REVENUES					
LOCAL TAXES					
40110 Current Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
40120 Trustee's Collections - Prior Year	2	2	2	2	100
40125 Trustee's Collections - Bankruptcy	17	25	25	25	-
40130 Clerk and Master Collections	1,089	900	900	900	900
40140 Interest and Penalty	420	500	500	500	-
40161 Payments In Lieu of Taxes - T.V.A.	-	20	20	20	-
40162 Payments in Lieu of Taxes - Utilities	-	400	400	400	-
40163 Payments In Lieu of Taxes - Other	-	-	-	-	-
TOTAL LOCAL TAXES	\$ 1,528	\$ 1,847	\$ 1,847	\$ 1,847	\$ 1,000
OTHER LOCAL REVENUES					
44540 Sale of Property	\$ -	\$ -	\$ 478,000	\$ 478,000	\$ -
TOTAL OTHER LOCAL REVENUES	\$ -	\$ -	\$ 478,000	\$ 478,000	\$ -
STATE OF TENNESSEE					
46310 Health Department Programs	\$ -	\$ -	\$ -	\$ -	\$ 2,598,300
46980 Other State Grants	508,641	-	-	-	3,412,500
TOTAL OTHER LOCAL REVENUES	\$ 508,641	\$ -	\$ -	\$ -	\$ 6,010,800
FEDERAL GOVERNMENT					
47135 Community Based Organizations	\$ -	\$ -	\$ -	\$ -	\$ 500,000
47180 Community Development	-	-	-	-	420,000
47901 ARPA Grant #6	2,165,000	-	5,126,412	5,126,412	-
TOTAL OTHER LOCAL REVENUES	\$ 2,165,000	\$ -	\$ 5,126,412	\$ 5,126,412	\$ 920,000
OTHER SOURCES (NON-REVENUE)					
49600 Proceeds from Sale of Capital Assets	\$ -	\$ -	\$ 2,478,790	\$ 2,478,790	\$ 853,865
TOTAL OTHER LOCAL REVENUES	\$ -	\$ -	\$ 2,478,790	\$ 2,478,790	\$ 853,865
TOTAL REVENUES	\$ 2,675,169	\$ 1,847	\$ 8,085,049	\$ 8,085,049	\$ 7,785,665
EXPENDITURES					
91110 GENERAL ADMINISTRATION PROJECTS					
321 Engineering Services	\$ 374	\$ -	\$ -	\$ -	\$ 20,000
399 Other Contracted Services	-	-	6,714	6,714	-
510 Trustee's Commission	126	8,000	7,100	7,100	-
707 Building Improvements	-	-	15,000	15,000	-
708 Communication Equipment	9,393	-	-	-	-
709 Data Processing Equipment	-	17,020	29,520	29,520	-
711 Furniture & Fixtures	8,227	10,000	8,900	8,900	-
718 Motor Vehicles	-	41,000	43,000	43,000	-
719 Office Equipment	-	-	29,800	29,800	-
91130 PUBLIC SAFETY PROJECTS					
709 Data Processing Equipment	\$ -	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
718 Motor Vehicles	88,812	-	-	-	-
91140 PUBLIC HEALTH & WELFARE PROJECTS					
707 Building Improvements	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -
710 Food Service Equipment	-	-	-	-	500,000
717 Maintenance Equipment	-	-	-	-	518,519
91150 SOCIAL, CULTURAL AND RECREATIONAL					
707 Building Improvements	\$ -	\$ -	\$ 50,359	\$ 50,359	\$ -
91401 ARPA Grant #1 Motorola					
708 Communication Equipment	\$ 2,165,000	\$ -	\$ -	\$ -	\$ -
91402 ARPA Grant #2 Ben Lomand					
708 Communication Equipment	\$ -	\$ -	\$ 1,909,821	\$ 1,909,821	\$ 2,740,179
91403 ARPA Grant #3 Utilities					
790 West Warren Viola Utility District	\$ -	\$ -	\$ -	\$ -	\$ 1,425,000
791 Hillsville Utility District	-	-	-	-	2,150,000
799 Water Waste Water Authority	-	-	35,000	35,000	940,000
91404 ARPA Grant #4 Ambulance					
718 Motor Vehicles	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ -
735 Health Equipment	-	-	485,000	485,000	-
790 Other Equipment	-	-	70,000	70,000	-
91405 ARPA Grant #5 Health Department					
709 Building Construction	\$ -	\$ -	\$ -	\$ -	\$ 5,028,000
91406 ARPA Grant #6 Animal Shelter					
709 Building Construction	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 495,000
TOTAL EXPENDITURES	\$ 2,271,932	\$ 88,020	\$ 3,222,214	\$ 3,222,214	\$ 13,816,698
NET CHANGE IN FUND BALANCE				\$ 4,862,835	\$ (6,031,033)
FUND BALANCE JULY 1,				\$ 4,268,566	\$ 9,131,401
FUND BALANCE JUNE 30,				\$ 9,131,401	\$ 3,100,368

Coffee County, Tennessee
Capital Projects/Expenditures
Current Projects

Revenue

<u>Description</u>	<u>Account Number</u>	<u>Amount</u>
Beginning Fund Balance	N/A	\$944,392
County ARPA Funds	171.34512, 47901	\$10,615,585
Sale of Museum Property	171.44540	\$2,478,790
Tenn.Dept of Economic & conservation	Not assigned yet	\$3,412,500
Tenn. Dept of Health	Not assigned yet	\$2,598,300
Sale of Health Dept. Bldgs. (est.)	171.49600	\$853,865
CDBG -Food Insecurity Grant	171.47135	\$500,000
CDBG -Health Dept. Equipment	171.47180	\$420,000
Sale of ROW Wilson Avenue	171.44540	\$478,000
Miscellaneous Revenue	171.40120	\$1,847
Total Revenue		\$22,303,279

ARPA Related Projects/Equipment Replacement/Grants

<u>Description</u>	<u>Account Number</u>	<u>Amount</u>
Motorola Communications	171.91401.708	\$2,165,000
Ben Lomand Last Mile Project	171.91402.708	\$4,650,000
West Warren Viola Utility Water Tank	171.91403.790	\$1,425,000
Hillsville Utility Water Tank	171.91403.791	\$2,150,000
WWWA Field Lines, Upgrades	171.91403.799	\$975,000
2 Ambulances	171.91404.718	\$350,000
3 Response vehicles	171.91404.718	\$150,000
8 Lucas mechanical CPR devices	171.91404.735	\$128,000
8 Narcotic safes for units	171.91404.735	\$12,000
8 Cardiac monitors	171.91404.735	\$320,000
1 Eight bed morgue with lift	171.91404.735	\$25,000
1 Med-cart and transport trailer	171.91404.790	\$25,000
1 Portable restroom trailer	171.91404.790	\$25,000
3 bay carport	171.91404.790	\$20,000
New Health Department	171.91405.706	\$5,028,000
New Animal Shelter	171.91406.706	\$500,000
New Health Dept. Equipment	171.91140.717	\$518,519
Food Insecurity Grant	171.91140.710	\$500,000
Sub-total		\$18,966,519

Current General Administration Equipment Replacement

<u>Description</u>	<u>Account Number</u>	<u>Amount</u>
Weatherproofing Technologies	171.91110.399	\$6,714
Trustee's Commission	171.91110.510	\$7,100
ADA Improvements to CCAP Walkways	171.91110.707	\$15,000
Trustee-Equipment replacement	171.91110.709	\$3,420
A & B-Replace server & 3 computers	171.91110.709	\$15,600
Mayor-Office equipment	171.91110.709	\$10,500
Trustee-cabinets for property tax books	171.91110.711	\$8,900
County maintenance truck	171.91110.718	\$43,000
Commission-communication upgrades	171.91110.719	\$29,800
Sheriff-13 desktop computers	171.91130.709	\$12,000
Tallahoma Health Dept. Parking Lot	171.91140.707	\$15,000
Painting and carpet at Manchester Lib.	171.91150.707	\$50,359
Sub-total		\$217,393

Total Current Year Approved Projects **\$19,183,912**

Estimated Ending Fund Balance **\$3,119,367**

Coffee County, Tennessee
 Capital Projects/Expenditures
 FY2024 Proposed Projects/Equipment Replacement

Revenue

<u>Description</u>	<u>Additional Description</u>	<u>Amount</u>
Estimated Beginning Fund Balance	N/A	\$3,119,367
Miscellaneous Revenue	N/A	\$1,000
Total Revenue		\$3,120,367

Proposed Projects/Equipment Replacement

<u>Description</u>	<u>Additional Description</u>	<u>Amount</u>
Exit 105 Engineering Study	Cost share with Manchester	\$20,000
Office Remodeling	Mayor's Office	\$3,000
3 office desks	Election office	\$5,000
3 office computers - windows 11	Codes	\$6,000
Coating on roof at CCAP Phase 1 of 3	1329 McArthur Street	\$620,000
New roof at Manchester Senior Citizens	603 Woodbury Highway	\$170,000
Repair stairs at Justice Center	300 Hillsboro Blvd.	\$30,000
1 office computer - windows 11	Maintenance	\$2,000
1 office computer - windows 11	Archives	\$2,000
1 office computer - windows 11	Court officer	\$2,000
2 office computers - windows 11	Accounts & Budgets	\$4,000
1 office computer - windows 11	Property Assessor	\$2,000
Replace credit card system	Trustee	\$6,360
1 laptop & 1 computer	General Session Judge	\$4,000
1 computer desk & chair	General Session Judge	\$500
1 desktop computer, scanner & HDD	Judicial Commissioners	\$2,100
1 work chair	Judicial Commissioners	\$500
2 office computers - windows 11	Probation	\$4,000
Office furniture	Probation	\$2,000
1 office computer - windows 11	Rabies/Animal Control	\$2,000
Wireless access point	Rabies/Animal Control	\$200
Color all in one printer high yield toners	Rabies/Animal Control	\$1,000
1 adjustable height desk	Rabies/Animal Control	\$500
2 large animal traps	Rabies/Animal Control	\$2,000
Animal removal	Tullahoma Library	\$16,629
1 office computer - windows 11	Veteran's Services	\$2,000
1 office computer - windows 11	Highway department	\$2,000
Total Expenditures		\$911,789

Estimated Ending Fund Balance

\$2,208,578

Need Quotes

Outdoor lighting in parking lot	Manchester Library	Unknown
Carpet, plumbing, emergency exit relocations, moving shelves,	Tullahoma Library	Unknown
conference room updates	Tullahoma Library	Unknown
Roof repairs	Tullahoma Library	Unknown

COFFEE COUNTY, TENNESSEE
BUDGET AMENDMENT

#171-2023-18

Fund 171 General Capital Projects Fund

For the Fiscal Year ending June 30, 2023

Account
 Number Account Description Amount

Sources of funding (Increase in Revenues, Decrease in Appropriations,
 or Unassigned Fund Balance)

34512	ARPA Grant #6 First Tranche	\$	3,324,174
44540	Sale of Property		478,000
47901	ARPA Grant #6 Second Tranche		5,126,412
49600	Proceeds from Sale of Capital Assets		2,478,790
Total		\$	11,407,375

Uses of funding (Increase in Appropriations & Fund Balance, Decrease in Revenue)

	91110 General Administration Projects		
(1)	399 Other Contracted Services	\$	6,714
(2)	707 Building Construction		15,000
	91140 Public Health & Welfare Projects		
(3)	707 Building Improvements		15,000
	91150 Social, Cultural and Recreational		
(4)	707 Building Improvements		359
	91402 ARPA Grant #2 Ben Lomand		
(5)	708 Communication Equipment		1,909,821
	91403 ARPA Grant #3 Utilities		
(6)	799 Other Capital Outlay		35,000
	91404 ARPA Grant #4 Ambulance		
(7)	718 Motor Vehicles		500,000
	735 Health Equipment		485,000
	790 Other Equipment		70,000
	91406 ARPA Grant #6 Animal Shelter		
(8)	709 Building Construction		5,000
	39000 Unassigned Fund Balance		8,365,481
Total		\$	11,407,375

Explanation:

- (1) Integrity & Maintenance Analysis for the CCAP roof.
- (2) ADA improvements to CCAP walkways.
- (3) Add additional parking spaces to the Tullahoma Health Department.
- (4) Manchester library paint & new carpet project slightly over the original estimate.
- (5) Ben Lomand Broadband Last Mile Project.
- (6) WWWW Project.
- (7) Ambulance Capital Purchases.
- (8) Animal Shelter Project (seed funds).

Approved by Budget & Finance Committee: _____

Approved by Coffee County Commission: _____

Original Estimated Fund Balance at June 30, 2023	\$	765,919
Add budget amendment #171-2023-18		<u>8,365,481</u>
Revised Estimated Fund Balance at June 30, 2023	\$	<u>9,131,400</u>

COFFEE COUNTY, TENNESSEE
BUDGET AMENDMENT

#171-2023-19

Fund 171 Rural Capital Projects Fund

For the Fiscal Year ending June 30, 2023

Account Number	Account Description	Amount
----------------	---------------------	--------

Sources of funding (Increase in Revenues, Decrease in Appropriations, or Unassigned Fund Balance)

34585	Restricted for Capital Projects	\$ 9,348
Total		\$ 9,348

Uses of funding (Increase in Appropriations & Fund Balance, Decrease in Revenue)

91200	Highway & Street Projects	
705	Bridge Construction	\$ 9,348
Total		\$ 9,348

Explanation:

Ralph Broadrick Road Bridge Improvement Project.

Approved by Budget & Finance Committee: _____

Approved by Coffee County Commission: _____

Original Estimated Fund Balance at June 30, 2023	\$ 3,061,459
Less budget amendment #171-2023-19	(9,348)
Revised Estimated Fund Balance at June 30, 2023	\$ 3,052,111

COFFEE COUNTY, TENNESSEE
BUDGET AMENDMENT

#131-2023-20

Fund 131 Highway/Public Works Fund

For the Fiscal Year ending June 30, 2023

Account Number	Account Description	Amount
-------------------	---------------------	--------

Sources of funding (Increase in Revenues, Decrease in Appropriations,
or Unassigned Fund Balance)

44560	Damages Recovered from Individuals	\$ 4,630
49800	Transfer In (Gaming Tax)	<u>20,941</u>
	Total	<u>\$ 25,571</u>

Uses of funding (Increase in Appropriations & Fund Balance, Decrease in Revenue)

62000 Highway & Bridge Maintenance		
408 Concrete	\$ 4,630	
39000 Unassigned Fund Balance	<u>20,941</u>	
	Total	<u>\$ 25,571</u>

Explanation:

Amended budget.

Approved by Budget & Finance Committee: _____

Approved by Coffee County Commission: _____

Original Estimated Fund Balance at June 30, 2023	\$	1,624,060
Add budget amendment #131-2023-20		<u>20,941</u>
Revised Estimated Fund Balance at June 30, 2023	\$	<u>1,645,001</u>

COFFEE COUNTY, TENNESSEE
BUDGET AMENDMENT

#118-2023-21

Fund 118 Ambulance Service Fund

For the Fiscal Year ending June 30, 2023

Account Number	Account Description	Amount
-------------------	---------------------	--------

Sources of funding (Increase in Revenues, Decrease in Appropriations,
or Unassigned Fund Balance)

47240	Medicaid Subsidy	\$ 75,398
49700	Insurance Recovery	12,067
Total		\$ 87,465

Uses of funding (Increase in Appropriations & Fund Balance, Decrease in Revenue)

55130	Ambulance/ EMS	
338	Maintenance & Repair - Vehicles	\$ 12,067
339	Matching Share	5,496
39000	Unassigned Fund Balance	69,902
Total		\$ 87,465

Explanation:

Amended budget.

Approved by Budget & Finance Committee: _____

Approved by Coffee County Commission: _____

Original Estimated Fund Balance at June 30, 2023	\$	1,081,305
Add budget amendment #118-2023-21		69,902
Revised Estimated Fund Balance at June 30, 2023	\$	1,151,207

**LOCAL PURPOSE TAX FUND
FUND 120
ESTIMATED REVENUES, EXPENDITURES
AND AVAILABLE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

	2022	2023			2024
	Audited Actual	Original Budget	Amended Budget	Estimated	Proposed Budget
REVENUE					
LOCAL TAXES					
40110 Current Property Tax	\$ 232,351	\$ 278,094	\$ 278,094	\$ 265,201	\$ 249,776
40120 Trustee's Collections - Prior Year	2	1,600	1,600	1,840	2,000
40140 Interest and Penalty	19	250	250	224	225
40163 Payments-in-Lieu-of-Taxes-Other	33,482	33,485	33,485	28,481	27,452
TOTAL LOCAL TAXES	\$ 265,854	\$ 313,429	\$ 313,429	\$ 295,746	\$ 279,453
STATE OF TENNESSEE					
46490 Other Public Works Grants	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL STATE OF TENNESSEE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 265,854	\$ 313,429	\$ 313,429	\$ 295,746	\$ 279,453
EXPENDITURES					
58120 Industrial Development					
309 Contracts with Gov. Agencies	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 150,000
321 Engineering Services	-	25,000	25,000	25,000	25,000
399 Other Contracted Services	5,450	25,000	25,000	12,000	12,000
452 Utilities	1,973	5,000	5,000	2,172	2,172
510 Trustee Commision	5,317	6,500	6,500	5,849	6,300
TOTAL INDUSTRIAL DEVELOPMENT	\$ 87,740	\$ 136,500	\$ 136,500	\$ 120,021	\$ 195,472
TOTAL EXPENDITURES	\$ 87,740	\$ 136,500	\$ 136,500	\$ 120,021	\$ 195,472
NET CHANGE IN FUND BALANCE				\$ 175,725	\$ 83,981
FUND BALANCE JULY 1,				\$ 1,286,559	\$ 1,462,284
FUND BALANCE JUNE 30,				\$ 1,462,284	\$ 1,546,265

A G R E E M E N T

This agreement was made and entered into by and between the CITY OF MANCHESTER, TENNESSEE, and COFFEE COUNTY, TENNESSEE, and ratified by its respective governing bodies on following days and dates.

WITNESSETH:

WHEREAS, Coffee County, Tennessee, through the Industrial Board of Coffee County, has developed and still owns parts of the Coffee County Interstate Industrial Park located east of the City of Manchester, Tennessee, but outside its corporate limits, and

WHEREAS, Tennessee Code Annotated § 6-58-101 et seq provides for the adoption of a County Wide Growth Policy Plan, and this Agreement is made in furtherance of a Plan adopted by the Coffee County Coordinating Committee dated December, 1999, and specifically Tennessee Code Annotated § 6-58-112 (13) (a) (2), and

WHEREAS, the Industrial Board of Coffee County has future plans to expand the Coffee County Interstate Industrial Park to areas outside the present Park boundaries, and within an area designated as County Planned Growth Area No. 4 as delineated in the County-Wide Growth Policy Plan for Coffee County, Tennessee, developed by the Coffee County Coordinating Committee, dated December, 1999, and

WHEREAS all of the water and sewer services, cardboard pickup, first response fire protection and mutual aid police services for the Coffee County Interstate Industrial Park are provided by the City of Manchester, Tennessee, and

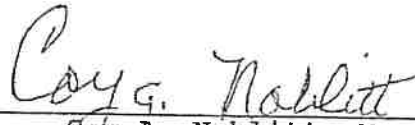
WHEREAS, the City of Manchester has requested compensation for those services offered outside its corporate limits,

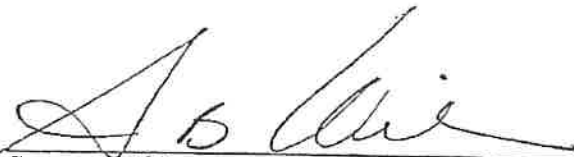
NOW THEREFORE, it is agreed by and between the parties that Coffee County, Tennessee will compensate the City of Manchester, Tennessee for those services to the present Coffee County Interstate Industrial Park, and to any future Industrial Park expansions in the areas described above, beginning in the fiscal year 2000-2001, and in the following manner:

1. In the fiscal year 2000-2001 through fiscal year 2004-2005, by the annual payment of Fifty Thousand (\$50,000,00) Dollars, to be paid on or before December 1 of each calendar year, beginning in 2000.
2. In 2005, the annual payments will be reviewed and an adjustment may be made in the annual payment for the fiscal year 2005-2006 through fiscal year 2009-2010, if necessary, in order to compensate for the actual costs of the services provided. The difference between the actual costs of supplying the services and the revenues received will be used to determine the annual payment.

3. The annual payments will be reviewed and adjusted accordingly again in 2010 and 2015 for the fiscal years 2010-2011 through 2014-2015 and fiscal years 2015-2016 through 2019-2020, respectively, using the same method of determination.
4. After 2020, the compensation paid by Coffee County, Tennessee to the City of Manchester, Tennessee will be determined by the mutual agreement of the parties.
5. During the term of this contract, the City of Manchester, Tennessee will be responsible for the maintenance of existing water and sewer infrastructures. The construction of new infrastructure will be the responsibility of Coffee County, Tennessee, but it will be maintained, after construction, by the City of Manchester, Tennessee.
6. If new industry locates within the area designated as County Planned Growth Area No. 4 as delineated in the County-Wide Growth Policy Plan for Coffee County, Tennessee, developed by the Coffee County Coordinating Committee, dated December 1999, but outside the Coffee County Interstate Industrial Park, the parties agree to renegotiate for the contracted services on a project by project basis, prior to extending services to those areas.

RATIFIED by the City of Manchester, Tennessee by resolution of its Board of Mayor and Alderman and executed by its Mayor and Finance Director on the 3rd day of October, 2000.


Coy A. Noblitt, Mayor


Susan Wilson, Finance Director

RATIFIED by Coffee County, Tennessee by resolution of its County Commission and executed by its County Executive and Clerk on this the 21 day of Nov, 2000.


James Wilhelm, County Executive


Teresa McFadden, County Clerk