

**Finance & Administration Committee Meeting**  
**May 18, 2021**  
**4:00 p.m.**

1. Audit Contract – Whitehorn, Tankersley, & Davis, LLC
2. Preliminary Refunding Analysis – Cumberland Security
3. Park & Recreation Improvements – Director Mack
4. Heritage Day Request – Chamber of Commerce
5. Surplus Property Procedure – Attorney Witherington
6. Administrative Ordinance
7. Code Update Chapter 6 & 7 – Attorney Witherington
8. 2021-22 Budget Discussion
  - City Judge Salary
  - Police Chief Salary

April 19, 2021

Honorable Justin Hanson, Mayor and  
Mrs. Tina Dunn, Recorder-Treasurer and  
Members of the Board of Mayor and Aldermen  
City of Covington, Tennessee  
P.O. Box 768  
Covington, Tennessee 38019

We are pleased to confirm our understanding of the services we are to provide City of Covington, Tennessee for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of City of Covington, Tennessee as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Covington, Tennessee's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Covington, Tennessee's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Pension Plan Schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Covington, Tennessee's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining Fund Financial Statements.
- 2) Schedules of Revenues, Expenditures, and Changes in Fund Balances- Actual and Budget- for all Governmental Funds that adopt an annual budget (other than the General Fund).
- 3) Schedule of Expenditures of Federal Awards.
- 4) Schedule of Expenditures of State Awards.
- 5) Various schedules required by the Tennessee Comptroller of the Treasury.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section.
- 2) Nonaccounting Information.
- 3) Management's Corrective Action Plan.

## Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Mayor and the Board of Aldermen of City of Covington, Tennessee. We will make reference to Alexander Thompson & Arnold PLLC's audit of Covington Electric System Electric Fund, Covington Electric System Defined Benefit Plan, and Covington Electric System 457 Plan in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

## Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation

of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Our report will make reference to Alexander Thompson & Arnold PLLC's audit of Covington Electric System Electric Fund, Covington Electric System Defined Benefit Plan, and Covington Electric System 457 Plan in our report on your financial statements. As such, we will not exercise any overview of the audit planning, other audit procedures performed, or reports issued by the other auditors.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Covington, Tennessee's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Covington, Tennessee's major programs. The purpose of these procedures will be to express an opinion on City of Covington, Tennessee's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Covington, Tennessee in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government*

*Auditing Standards.* We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We anticipate providing the following additional nonaudit services: (1) maintain depreciation schedules for which management has determined the method and rate of depreciation and salvage value of the assets and (2) maintain long-term debt schedules based on activity recorded in the general ledger accounts and schedules provided by management and outside sources.

### **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to commencement of the audit.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are

responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them. We anticipate providing the following nonaudit services: (1) drafting of financial statements (2) maintain depreciation schedules for which management has determined the method and rate of depreciation and salvage value of the assets and (3) maintain long-term debt schedules based on activity recorded in the general ledger accounts and schedules provided by management and outside sources.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to City of Covington, Tennessee; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Whitehorn Tankersley & Davis, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Tennessee Comptroller of the Treasury or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out

oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Whitehorn Tankersley & Davis, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Tennessee Comptroller of the Treasury. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 1, 2021 and to issue our reports no later than December 31, 2021. Jeff Hunter is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that Whitehorn Tankersley & Davis, PLLC's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

**Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$47,500.00.** Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, if requested by you. Although not requested by you, our 2020 peer review report accompanies this letter.

During the course of our engagement, we may need to electronically transmit confidential information to each other. E-mail is a fast and convenient way to communicate. However, e-mail travels over the public Internet, which is not a secure means of communication and, thus, confidentiality could be compromised. The City of Covington, Tennessee agrees to the use of e-mail and other electronic methods to transmit and receive information, including confidential information, between Whitehorn Tankersley & Davis, PLLC and City of Covington, Tennessee.

We appreciate the opportunity to be of service to City of Covington, Tennessee and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

After we receive the signed engagement letter, we will create, and sign, the State-required electronic audit contract on the State's website. You will be notified by e-mail when the contract is ready for your signature. You will need to login to the State's website using your account's username and password in order to electronically sign the contract. After the State approves the audit contract, you will receive an e-mail notifying you as to the contract's approval. We recommend that you retain a copy of the approved contract for your records.

Very truly yours,



Jeff Hunter, CPA

Member of the Firm

**RESPONSE:**

This letter correctly sets forth the understanding of City of Covington, Tennessee.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_ Mayor \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Chairman, Finance & Administration Committee

Date: \_\_\_\_\_





**GOAD & COMPANY, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

[www.goadandcompany.com](http://www.goadandcompany.com)

James W. Goad, CPA  
Tamara D. Honeycutt, CPA  
Sarah M. Bowden, CPA  
Matthew K. Clark, CPA

Brenna K. Boone, CPA  
Cindy W. Gulley

## **Report on the Firm's System of Quality Control**

November 16, 2020

To the Members of Whitehorn Tankersley & Davis, PLLC  
and the Peer Review Committee of the  
Tennessee Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Whitehorn Tankersley & Davis, PLLC (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Whitehorn Tankersley & Davis, PLLC. in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Whitehorn Tankersley & Davis, PLLC has received a peer review rating of *pass*.

*Good & Company, PLLC*

May 18, 2021  
4:00 pm.

## CITY OF COVINGTON, TENNESSEE

Preliminary  
Refunding  
Analysis

April 26, 2021

Prepared By:



**CUMBERLAND SECURITIES**

SINCE 1931

Independent Registered Municipal Advisors

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Knoxville, Tennessee 37933

Telephone: (865) 988-2663

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## Disclaimer and Disclosures

Cumberland Securities Company, Inc. (the "Advisor") is registered as a Municipal Advisory firm with the U.S. Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). A municipal advisory client brochure is posted on the website of the Municipal Securities Rulemaking Board ([www.msrb.org](http://www.msrb.org)) that describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority. The Advisor will maintain all required registrations with the SEC and the MSRB and the Advisor will disclose any legal or disciplinary events, including information about any criminal actions, regulatory actions, investigations, terminations, judgments, fines, civil judicial actions, customer complaints, arbitrations and civil litigation, and other detailed information. The Issuer may electronically access the Advisor's most recent Form MA and each employee's most recent Form MA-1 filed with the Commission at <https://www.sec.gov/edgar/searchedgar/companysearch.html>. As of the date hereof, Cumberland Securities Company, Inc. has never had legal or disciplinary event.

The Advisor hereby discloses that it generally operates under a contingent fee form of compensation. Under a contingent fee form of compensation, payment of the Municipal Advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the Issuer, it presents a conflict because the Advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. All recommended financings are reviewed by the firm to confirm that they are suitable for each client. Upon execution of a Municipal Advisory Agreement, the Advisor will have a legally binding fiduciary responsibility to put the financial interests of the Issuer before its own. The Advisor hereby discloses that the determination of any municipal advisory fee or other compensation will be mutually agreeable between the Issuer and the Advisor pursuant to a Fee Letter.

The Advisor hereby discloses that it receives the use of a Bloomberg license courtesy of Raymond James and Associates. The use of this license is not contingent upon any specific existing or future business. All recommended financings and investments are reviewed by the firm to confirm that they are suitable for each client.

This presentation/report may contain "forward-looking" information. Such information may include, but not be limited to, projections, forecasts or estimates of cash flows, interest rate coupons, yields or potential debt service savings, scenario analyses and proposed or expected debt portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual results that may be available to you. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed.

IRS Circular 230 Disclosure: The Advisor and its employees are not in the business of providing, and do not provide, tax or legal advice. Any statements in this presentation regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

### Risk Disclosures:

Fixed Rate Bonds		
Material Risk Consideration	Description of Risk	Potential Consequences
Issuer Default Risk	Possibility that the Issuer defaults under the authorizing documents	<ul style="list-style-type: none"> <li>Range of available remedies may be brought against Issuer (e.g., forcing Issuer to raise taxes or rates)</li> <li>Credit ratings negatively impacted</li> <li>Access to capital markets impaired</li> <li>Possibility of receivership or bankruptcy for certain Issuers</li> </ul>
Redemption Risk	The ability to redeem the bonds prior to maturity may be limited	<ul style="list-style-type: none"> <li>Inability to refinance at lower interest rates</li> </ul>
Refinancing Risk	Possibility that the bonds cannot be refinanced	<ul style="list-style-type: none"> <li>Inability to refinance at lower interest rates</li> </ul>
Reinvestment Risk	Possibility that the issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds	<ul style="list-style-type: none"> <li>Negative arbitrage resulting in a higher cost of funds</li> </ul>
Tax Compliance Risk	For tax-exempt bonds, possibility that failure to comply with tax-related covenants results in the bonds becoming taxable obligations	<ul style="list-style-type: none"> <li>Increase in debt service costs retroactively to date of issuance</li> <li>Possible mandatory redemption of bonds affected</li> <li>Risk of IRS Audit</li> <li>Difficulty in refinancing the bonds</li> <li>Access to tax-exempt market impacted</li> <li>Difficulty in issuing future tax-exempt debt</li> </ul>

Variable Rate Demand Bonds ("VRDB") / Floating Rate Notes ("FRN") / Bank Index Loan ("Index") / "Put Loan" (e.g. Fixed Rate for Five (5) Years, then Rate Resets to New Rate)		
Material Risk Consideration	Description of Risk (Type of Debt Risk Applicable to)	Potential Consequences
Interest Rate Risk	Possibility that the interest rate may increase on an interest reset date (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Increase in debt service cost (up to maximum rate)</li> <li>Lower debt service coverage</li> <li>Lower cash reserves</li> </ul>
Index Risk	Possibility that the method of determining the index (LIBOR or SIFMA) could change. Indices may be affected by factors unrelated to FRN's/Index Loan or the tax-exempt market (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Increase in debt service costs</li> <li>Lower debt service coverage</li> <li>Lower cash reserves</li> <li>Provision should be made for alternate mechanism to determine rate</li> </ul>
Issuer Default Risk	Possibility that the Issuer defaults under the authorizing documents (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Range of available remedies may be brought against Issuer (e.g., forcing Issuer to raise taxes or revenues)</li> <li>Credit ratings negatively impacted</li> <li>Default could impact remarketing which could cause increase in debt service costs</li> <li>Access to capital markets impaired</li> </ul>
Issuer Ratings Downgrade Risk	Possibility that a downgrade of the issuer's rating(s) may result in optional tenders or an increase in fees payable to the bank providing the liquidity facility (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Ratings change could impact remarketing which could cause an increase in debt service cost</li> <li>Higher liquidity facility fees resulting in higher cost of funds</li> </ul>
Liquidity Risk	Possibility that VRDB's cannot be successfully remarketed, resulting in Bank Bonds (VRDB)	<ul style="list-style-type: none"> <li>Increase in debt service costs due to higher bank bond rate and accelerated principle repayment</li> <li>May be required to refinance or term out the VRDO's</li> <li>Inability to refinance or possibly higher interest rates</li> </ul>
Liquidity Provider Default Risk	Possibility that the bank providing the liquidity facility supporting the VRDO's defaults in its obligations under the liquidity facility (VRDB)	<ul style="list-style-type: none"> <li>Issuer required to repay principal and accrued interest if Issuer is not able to refinance</li> <li>Increase in debt service costs</li> </ul>
Liquidity Provider Ratings Downgrade	Possibility that a downgrade of the liquidity provider's rating(s) may result in optional tenders (VRDB)	<ul style="list-style-type: none"> <li>Ratings change could impact remarketing which could cause an increase in debt service cost</li> </ul>
Refinancing Risk	Possibility that the FRN, Index or Put Loan cannot be remarketed or refinanced (FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Hard Put: must repay principal and accrued interest or Event of Default</li> <li>Soft Put: higher interest rate on debt and higher debt service costs up to maximum rate</li> <li>Increase in debt service costs upon any refinancing</li> <li>Inability to refinance or possibly higher interest rates</li> </ul>
Regulatory Risk	Possibility that prospective regulatory requirements increase cost of obtaining and maintaining the liquidity facility (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Increase in debt service costs</li> <li>Higher liquidity facility fees resulting in higher cost of funds</li> </ul>
Reinvestment Risk	Possibility that the Issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Negative arbitrage resulting in higher cost of funds</li> </ul>
Remarketing Risk	Possibility that the remarketing agent does not perform its duties in a satisfactory manner or may resign or cease its remarketing efforts (VRDB)	<ul style="list-style-type: none"> <li>Higher interest rates</li> <li>Difficulty remarketing the VRDO's</li> <li>May require appointment of a successor remarketing agent</li> </ul>
Renewal Risk	Possibility that the facility or loan will not be extended for a successive commitment period or not be replaced at a reasonable cost (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Issuer required to repay principal and accrued interest on tender date if Issuer is not able to refinance</li> <li>Increase in debt service costs</li> </ul>
Tax Compliance Risk	For tax exempt bonds, possibility that failure to comply with tax related covenants result in the bonds becoming taxable obligations (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"> <li>Increase in debt service costs retroactively to date of issuance</li> <li>Possible mandatory redemption of bonds affected</li> <li>Risk of IRS audit</li> <li>Difficulty in refinancing the bonds</li> <li>Access to tax exempt market impacted</li> <li>Difficulty in issuing future tax-exempt debt</li> </ul>

# City of Covington, Tennessee

## Preliminary Refunding Analysis

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**\$4,765,000**  
City of Covington, Tennessee  
General Obligation Bonds, Series 2021

**Savings Analysis - Overall**

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Estimated Savings
06/01/2022	310,000.00	0.450%	51,617.61	361,617.61	377,257.94	15,640.33
06/01/2023	300,000.00	0.500%	54,745.00	354,745.00	378,428.98	23,683.98
06/01/2024	300,000.00	0.600%	53,245.00	353,245.00	379,178.98	25,933.98
06/01/2025	295,000.00	0.700%	51,445.00	346,445.00	368,928.98	22,483.98
06/01/2026	290,000.00	0.800%	49,380.00	339,380.00	358,828.98	19,448.98
06/01/2027	290,000.00	0.900%	47,060.00	337,060.00	358,466.48	21,406.48
06/01/2028	295,000.00	1.000%	44,450.00	339,450.00	357,941.48	18,491.48
06/01/2029	295,000.00	1.100%	41,500.00	336,500.00	356,816.48	20,316.48
06/01/2030	280,000.00	1.200%	38,255.00	318,255.00	340,516.48	22,261.48
06/01/2031	280,000.00	1.300%	34,895.00	314,895.00	339,566.48	24,671.48
06/01/2032	290,000.00	1.400%	31,255.00	321,255.00	343,660.24	22,405.24
06/01/2033	300,000.00	1.500%	27,195.00	327,195.00	342,416.48	15,221.48
06/01/2034	305,000.00	1.600%	22,695.00	327,695.00	345,381.48	17,686.48
06/01/2035	305,000.00	1.700%	17,815.00	322,815.00	342,791.48	19,976.48
06/01/2036	120,000.00	1.800%	12,630.00	132,630.00	130,103.98	(2,526.02)
06/01/2037	120,000.00	1.900%	10,470.00	130,470.00	130,103.98	(366.02)
06/01/2038	130,000.00	2.000%	8,190.00	138,190.00	130,103.98	(8,086.02)
06/01/2039	130,000.00	2.100%	5,590.00	135,590.00	130,103.98	(5,486.02)
06/01/2040	130,000.00	2.200%	2,860.00	132,860.00	130,103.98	(2,756.02)
06/01/2041	-	-	-	-	130,103.98	130,103.98
06/01/2042	-	-	-	-	130,103.98	130,103.98
06/01/2043	-	-	-	-	130,103.98	130,103.98
06/01/2044	-	-	-	-	130,103.98	130,103.98
06/01/2045	-	-	-	-	130,103.98	130,103.98
06/01/2046	-	-	-	-	130,103.98	130,103.98
06/01/2047	-	-	-	-	83,201.98	83,201.98
06/01/2048	-	-	-	-	36,811.98	36,811.98
<b>Total</b>	<b>\$4,765,000.00</b>	<b>-</b>	<b>\$605,292.61</b>	<b>\$5,370,292.61</b>	<b>\$6,541,338.68</b>	<b>\$1,171,046.07</b>

Net Present Value Benefit ..... \$897,100.05  
Net PV Benefit / \$4,613,313 Refunded Principal..... 19.446%

Dated..... 6/30/2021  
First Coupon Date..... 12/01/2021  
Weighted Average Maturity..... 8.669 Years  
Bond Yield for Arbitrage Purposes..... 1.4514896%

Average Coupon..... 1.4653812%  
Bond Year Dollars..... \$41,306.15  
True Interest Cost (TIC)..... 1.5768805%

**\$4,765,000 (\$125,000 - 2014 Bonds - City Portion)**

City of Covington, Tennessee

General Obligation Bonds, Series 2021

City Supported

**Estimated Savings Analysis - City Supported**

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Estimated Savings
06/01/2022	20,000.00	0.450%	855.08	20,855.08	18,378.96	(2,476.12)
06/01/2023	15,000.00	0.500%	840.00	15,840.00	18,300.00	2,460.00
06/01/2024	15,000.00	0.600%	765.00	15,765.00	17,925.00	2,160.00
06/01/2025	15,000.00	0.700%	675.00	15,675.00	17,475.00	1,800.00
06/01/2026	15,000.00	0.800%	570.00	15,570.00	17,025.00	1,455.00
06/01/2027	15,000.00	0.900%	450.00	15,450.00	16,537.50	1,087.50
06/01/2028	15,000.00	1.000%	315.00	15,315.00	16,050.00	735.00
06/01/2029	15,000.00	1.100%	165.00	15,165.00	15,525.00	360.00
<b>Total</b>	<b>\$125,000.00</b>	<b>-</b>	<b>\$4,635.08</b>	<b>\$129,635.08</b>	<b>\$137,216.46</b>	<b>\$7,581.38</b>

Net Present Value Benefit	\$7,101.08
Net PV Benefit / \$120,000 Refunded Principal	5.918%
Dated	6/30/2021
First Coupon Date	12/01/2021
Weighted Average Maturity	4.279 Years
Bond Yield for Arbitrage Purposes	1.4514896%
Average Coupon	0.8664826%
Bond Year Dollars	\$534.93
True Interest Cost (TIC)	1.1059397%

**\$4,765,000 (\$2,450,000 - 2014 Bonds - Sewer)**

City of Covington, Tennessee  
 General Obligation Bonds, Series 2021  
 Sewer Supported

Estimated Savings Analysis - Sewer System

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Estimated Savings
06/01/2022	180,000.00	0.450%	23,809.01	203,809.01	228,775.00	24,965.99
06/01/2023	180,000.00	0.500%	25,085.00	205,085.00	230,025.00	24,940.00
06/01/2024	180,000.00	0.600%	24,185.00	204,185.00	231,150.00	26,965.00
06/01/2025	175,000.00	0.700%	23,105.00	198,105.00	221,350.00	23,245.00
06/01/2026	165,000.00	0.800%	21,880.00	186,880.00	211,700.00	24,820.00
06/01/2027	165,000.00	0.900%	20,560.00	185,560.00	211,825.00	26,265.00
06/01/2028	170,000.00	1.000%	19,075.00	189,075.00	211,787.50	22,712.50
06/01/2029	170,000.00	1.100%	17,375.00	187,375.00	211,187.50	23,812.50
06/01/2030	170,000.00	1.200%	15,505.00	185,505.00	210,412.50	24,907.50
06/01/2031	170,000.00	1.300%	13,465.00	183,465.00	209,462.50	25,997.50
06/01/2032	175,000.00	1.400%	11,255.00	186,255.00	213,556.26	27,301.26
06/01/2033	180,000.00	1.500%	8,805.00	188,805.00	212,312.50	23,507.50
06/01/2034	185,000.00	1.600%	6,105.00	191,105.00	215,187.50	24,082.50
06/01/2035	185,000.00	1.700%	3,145.00	188,145.00	212,687.50	24,542.50
<b>Total</b>	<b>\$2,450,000.00</b>	<b>-</b>	<b>\$233,354.01</b>	<b>\$2,683,354.01</b>	<b>\$3,031,418.76</b>	<b>\$348,064.75</b>

Net Present Value Benefit	\$314,707.50
Net PV Benefit / \$2,375,000 Refunded Principal	13.251%
Dated	6/30/2021
First Coupon Date	12/01/2021
Weighted Average Maturity	7.452 Years
Bond Yield for Arbitrage Purposes	1.4514896%
Average Coupon	1.2781171%
Bond Year Dollars	\$18,257.64
True Interest Cost (TIC)	1.4141406%



**\$4,765,000 (\$915,000 - 2008 Water)**

City of Covington, Tennessee  
 General Obligation Bonds, Series 2021  
 Water Supported

Estimated Savings Analysis - Water System

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Estimated Savings
06/01/2022	45,000.00	0.450%	11,274.69	56,274.69	56,484.00	209.31
06/01/2023	45,000.00	0.500%	12,060.00	57,060.00	56,484.00	(576.00)
06/01/2024	45,000.00	0.600%	11,835.00	56,835.00	56,484.00	(351.00)
06/01/2025	45,000.00	0.700%	11,565.00	56,565.00	56,484.00	(81.00)
06/01/2026	45,000.00	0.800%	11,250.00	56,250.00	56,484.00	234.00
06/01/2027	45,000.00	0.900%	10,890.00	55,890.00	56,484.00	594.00
06/01/2028	45,000.00	1.000%	10,485.00	55,485.00	56,484.00	999.00
06/01/2029	45,000.00	1.100%	10,035.00	55,035.00	56,484.00	1,449.00
06/01/2030	45,000.00	1.200%	9,540.00	54,540.00	56,484.00	1,944.00
06/01/2031	45,000.00	1.300%	9,000.00	54,000.00	56,484.00	2,484.00
06/01/2032	50,000.00	1.400%	8,415.00	58,415.00	56,484.00	(1,931.00)
06/01/2033	50,000.00	1.500%	7,715.00	57,715.00	56,484.00	(1,231.00)
06/01/2034	50,000.00	1.600%	6,965.00	56,965.00	56,484.00	(481.00)
06/01/2035	50,000.00	1.700%	6,165.00	56,165.00	56,484.00	319.00
06/01/2036	50,000.00	1.800%	5,315.00	55,315.00	56,484.00	1,169.00
06/01/2037	50,000.00	1.900%	4,415.00	54,415.00	56,484.00	2,069.00
06/01/2038	55,000.00	2.000%	3,465.00	58,465.00	56,484.00	(1,981.00)
06/01/2039	55,000.00	2.100%	2,365.00	57,365.00	56,484.00	(881.00)
06/01/2040	55,000.00	2.200%	1,210.00	56,210.00	56,484.00	274.00
06/01/2041	-	-	-	-	56,484.00	56,484.00
06/01/2042	-	-	-	-	56,484.00	56,484.00
06/01/2043	-	-	-	-	56,484.00	56,484.00
06/01/2044	-	-	-	-	56,484.00	56,484.00
06/01/2045	-	-	-	-	56,484.00	56,484.00
06/01/2046	-	-	-	-	56,484.00	56,484.00
06/01/2047	-	-	-	-	9,582.00	9,582.00
<b>Total</b>	<b>\$915,000.00</b>	<b>-</b>	<b>\$153,964.69</b>	<b>\$1,068,964.69</b>	<b>\$1,421,682.00</b>	<b>\$352,717.31</b>

Net Present Value Benefit	\$256,719.26
Net PV Benefit / \$883,607 Refunded Principal	29.054%
Dated	6/30/2021
First Coupon Date	12/01/2021
Weighted Average Maturity	10.296 Years
Bond Yield for Arbitrage Purposes	1.4514896%
Average Coupon	1.6342206%
Bond Year Dollars	\$9,421.29
True Interest Cost (TIC)	1.7262010%

**\$4,765,000 (\$1,275,000 - 2008 Sewer)**  
 City of Covington, Tennessee  
 General Obligation Bonds, Series 2021  
 Sewer Supported

Estimated Savings Analysis - Sewer System

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Estimated Savings
06/01/2022	65,000.00	0.450%	15,678.83	80,678.83	73,619.98	(7,058.85)
06/01/2023	60,000.00	0.500%	16,760.00	76,760.00	73,619.98	(3,140.02)
06/01/2024	60,000.00	0.600%	16,460.00	76,460.00	73,619.98	(2,840.02)
06/01/2025	60,000.00	0.700%	16,100.00	76,100.00	73,619.98	(2,480.02)
06/01/2026	65,000.00	0.800%	15,680.00	80,680.00	73,619.98	(7,060.02)
06/01/2027	65,000.00	0.900%	15,160.00	80,160.00	73,619.98	(6,540.02)
06/01/2028	65,000.00	1.000%	14,575.00	79,575.00	73,619.98	(5,955.02)
06/01/2029	65,000.00	1.100%	13,925.00	78,925.00	73,619.98	(5,305.02)
06/01/2030	65,000.00	1.200%	13,210.00	78,210.00	73,619.98	(4,590.02)
06/01/2031	65,000.00	1.300%	12,430.00	77,430.00	73,619.98	(3,810.02)
06/01/2032	65,000.00	1.400%	11,585.00	76,585.00	73,619.98	(2,965.02)
06/01/2033	70,000.00	1.500%	10,675.00	80,675.00	73,619.98	(7,055.02)
06/01/2034	70,000.00	1.600%	9,625.00	79,625.00	73,709.98	(5,915.02)
06/01/2035	70,000.00	1.700%	8,505.00	78,505.00	73,619.98	(4,885.02)
06/01/2036	70,000.00	1.800%	7,315.00	77,315.00	73,619.98	(3,695.02)
06/01/2037	70,000.00	1.900%	6,055.00	76,055.00	73,619.98	(2,435.02)
06/01/2038	75,000.00	2.000%	4,725.00	79,725.00	73,619.98	(6,105.02)
06/01/2039	75,000.00	2.100%	3,225.00	78,225.00	73,619.98	(4,605.02)
06/01/2040	75,000.00	2.200%	1,650.00	76,650.00	73,619.98	(3,030.02)
06/01/2041	-	-	-	-	73,619.98	73,619.98
06/01/2042	-	-	-	-	73,619.98	73,619.98
06/01/2043	-	-	-	-	73,619.98	73,619.98
06/01/2044	-	-	-	-	73,619.98	73,619.98
06/01/2045	-	-	-	-	73,619.98	73,619.98
06/01/2046	-	-	-	-	73,619.98	73,619.98
06/01/2047	-	-	-	-	73,619.98	73,619.98
06/01/2048	-	-	-	-	36,811.98	36,811.98
<b>Total</b>	<b>\$1,275,000.00</b>	<b>-</b>	<b>\$213,338.83</b>	<b>\$1,488,338.83</b>	<b>\$1,951,021.46</b>	<b>\$462,682.63</b>

Net Present Value Benefit	\$318,572.21
Net PV Benefit / \$1,234,706 Refunded Principal	25.801%
Dated	6/30/2021
First Coupon Date	12/01/2021
Weighted Average Maturity	10.268 Years
Bond Yield for Arbitrage Purposes	1.4514896%
Average Coupon	1.6294995%
Bond Year Dollars	\$13,092.29
True Interest Cost (TIC)	1.7217747%

**\$4,765,000**  
 City of Covington, Tennessee  
 General Obligation Bonds, Series 2021

Estimated Total Issue Sources And Uses

Dated 06/30/2021 | Delivered 06/30/2021

	GO	Sewer	2008 Water	2008 Sewer	Issue Summary
<b>Estimated Sources Of Funds</b>					
Estimated Par Amount of Bonds.....	\$125,000.00	\$2,450,000.00	\$915,000.00	\$1,275,000.00	\$4,765,000.00
<b>Estimated Total Sources.....</b>	<b>\$125,000.00</b>	<b>\$2,450,000.00</b>	<b>\$915,000.00</b>	<b>\$1,275,000.00</b>	<b>\$4,765,000.00</b>
<b>Estimated Uses Of Funds</b>					
Estimated Total Underwriter's Discount (Final Discount determined when bids are calculated*).....	2,948.73	29,949.04	13,972.26	16,874.76	63,744.79
Estimated Cost of Issuance.....	2,051.27	38,705.20	14,515.42	19,723.11	74,995.00
Estimated Deposit to Current Refunding Fund.....	120,000.00	2,381,345.76	886,512.32	1,238,402.13	4,626,260.21
<b>Estimated Total Uses.....</b>	<b>\$125,000.00</b>	<b>\$2,450,000.00</b>	<b>\$915,000.00</b>	<b>\$1,275,000.00</b>	<b>\$4,765,000.00</b>

\* Bids are award based on the lowest True Interest Cost (TIC).

True Interest Cost is a method of computing the interest expense to the issuer of bonds, true interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. Purchase price is affected by the amount of underwriter's discount the buyer utilizes.

Securities, Duncan-Williams, FHN Financial Capital Markets, Raymond James & Associates, Robert W. Baird, Hutchinson, Shockey, Erley & Co., Sterne, Agee & Leach, Bank of America Merrill Lynch, Vining-Sparks, PNC Capital Markets, SunTrust Banks, Wells Fargo Bank, Goldman Sachs, Stifel Nicolaus, UBS Financial Services, KeyBanc Capital Markets, Citigroup Global Markets, Piper Jaffray, William Blair & Company, Mesirow Financial, J.P. Morgan, Morgan Stanley, Barclays Capital, BOSCO Inc., RBC Capital Markets, Guggenheim Securities, Janney Montgomery Scott, etc.) **will have an opportunity to submit a bid. The bonds will be awarded to the firm that has the lowest True Interest Cost (the lowest financing cost to the County)**

Cumberland Securities Company, Inc.  
 Tennessee Public Finance - SPG

**\$215,000 (out of \$3,395,000)**  
 City of Covington, Tennessee  
 General Obligation Refunding Bonds, Series 2014  
 General Fund Portion

**Debt Service To Maturity And To Call**

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2022	120,000.00	120,000.00	15,000.00	2.500%	3,378.96	18,378.96
06/01/2023	-	-	15,000.00	2.500%	3,300.00	18,300.00
06/01/2024	-	-	15,000.00	3.000%	2,925.00	17,925.00
06/01/2025	-	-	15,000.00	3.000%	2,475.00	17,475.00
06/01/2026	-	-	15,000.00	3.250%	2,025.00	17,025.00
06/01/2027	-	-	15,000.00	3.250%	1,537.50	16,537.50
06/01/2028	-	-	15,000.00	3.500%	1,050.00	16,050.00
06/01/2029	-	-	15,000.00	3.500%	525.00	15,525.00
<b>Total</b>	<b>\$120,000.00</b>	<b>\$120,000.00</b>	<b>\$120,000.00</b>	<b>-</b>	<b>\$17,216.46</b>	<b>\$137,216.46</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation.....	6/30/2021
Average Life.....	4.419 Years
Average Coupon.....	3.3021684%
Weighted Average Maturity (Par Basis).....	4.419 Years

**Refunding Bond Information**

Refunding Dated Date.....	6/30/2021
Refunding Delivery Date.....	6/30/2021

**\$3,180,000 (out of \$3,395,000)**  
City of Covington, Tennessee  
General Obligation Refunding Bonds, Series 2014  
Sewer Fund Portion

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2022	2,375,000.00	6,345.76	2,381,345.76	150,000.00	2.500%	78,775.00	228,775.00
06/01/2023	-	-	-	155,000.00	2.500%	75,025.00	230,025.00
06/01/2024	-	-	-	160,000.00	3.000%	71,150.00	231,150.00
06/01/2025	-	-	-	155,000.00	3.000%	66,350.00	221,350.00
06/01/2026	-	-	-	150,000.00	3.250%	61,700.00	211,700.00
06/01/2027	-	-	-	155,000.00	3.250%	56,825.00	211,825.00
06/01/2028	-	-	-	160,000.00	3.500%	51,787.50	211,787.50
06/01/2029	-	-	-	165,000.00	3.500%	46,187.50	211,187.50
06/01/2030	-	-	-	170,000.00	3.500%	40,412.50	210,412.50
06/01/2031	-	-	-	175,000.00	3.375%	34,462.50	209,462.50
06/01/2032	-	-	-	185,000.00	3.375%	28,556.26	213,556.26
06/01/2033	-	-	-	190,000.00	3.750%	22,312.50	212,312.50
06/01/2034	-	-	-	200,000.00	3.750%	15,187.50	215,187.50
06/01/2035	-	-	-	205,000.00	3.750%	7,687.50	212,687.50
Total	\$2,375,000.00	\$6,345.76	\$2,381,345.76	\$2,375,000.00	-	\$656,418.76	\$3,031,418.76

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation.....	6/30/2021
Average Life.....	7.812 Years
Average Coupon.....	3.5379436%
Weighted Average Maturity (Par Basis).....	7.812 Years

**Refunding Bond Information**

Refunding Dated Date.....	6/30/2021
Refunding Delivery Date.....	6/30/2021

**\$1,082,000**  
City of Covington, Tennessee  
Water Revenue and Tax Bonds, Series 2008  
Dated: 9-10-2008

**Debt Service To Maturity And To Call**

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2022	883,607.00	2,905.32	886,512.32	20,418.00	4.207%	36,066.00	56,484.00
06/01/2023	-	-	-	21,277.00	4.202%	35,207.00	56,484.00
06/01/2024	-	-	-	22,171.00	4.204%	34,313.00	56,484.00
06/01/2025	-	-	-	23,103.00	4.203%	33,381.00	56,484.00
06/01/2026	-	-	-	24,074.00	4.208%	32,410.00	56,484.00
06/01/2027	-	-	-	25,087.00	4.201%	31,397.00	56,484.00
06/01/2028	-	-	-	26,141.00	4.204%	30,343.00	56,484.00
06/01/2029	-	-	-	27,240.00	4.203%	29,244.00	56,484.00
06/01/2030	-	-	-	28,385.00	4.206%	28,099.00	56,484.00
06/01/2031	-	-	-	29,579.00	4.202%	26,905.00	56,484.00
06/01/2032	-	-	-	30,822.00	4.205%	25,662.00	56,484.00
06/01/2033	-	-	-	32,118.00	4.203%	24,366.00	56,484.00
06/01/2034	-	-	-	33,468.00	4.204%	23,016.00	56,484.00
06/01/2035	-	-	-	34,875.00	4.204%	21,609.00	56,484.00
06/01/2036	-	-	-	36,341.00	4.205%	20,143.00	56,484.00
06/01/2037	-	-	-	37,869.00	4.204%	18,615.00	56,484.00
06/01/2038	-	-	-	39,461.00	4.202%	17,023.00	56,484.00
06/01/2039	-	-	-	41,119.00	4.205%	15,365.00	56,484.00
06/01/2040	-	-	-	42,848.00	4.203%	13,636.00	56,484.00
06/01/2041	-	-	-	44,649.00	4.204%	11,835.00	56,484.00
06/01/2042	-	-	-	46,526.00	4.204%	9,958.00	56,484.00
06/01/2043	-	-	-	48,482.00	4.204%	8,002.00	56,484.00
06/01/2044	-	-	-	50,520.00	4.204%	5,964.00	56,484.00
06/01/2045	-	-	-	52,644.00	4.204%	3,840.00	56,484.00
06/01/2046	-	-	-	54,857.00	2.877%	1,627.00	56,484.00
06/01/2047	-	-	-	9,533.00	0.514%	49.00	9,582.00
<b>Total</b>	<b>\$883,607.00</b>	<b>\$2,905.32</b>	<b>\$886,512.32</b>	<b>\$883,607.00</b>	-	<b>\$538,075.00</b>	<b>\$1,421,682.00</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation.....	6/30/2021
Average Life.....	15.141 Years
Average Coupon.....	4.0217871%
Weighted Average Maturity (Par Basis).....	15.141 Years

**Refunding Bond Information**

Refunding Dated Date.....	6/30/2021
Refunding Delivery Date.....	6/30/2021

**\$1,489,000**  
 City of Covington, Tennessee  
 Sewer Revenue and Tax Bonds, Series 2009  
 Dated: 12-9-2009

**Debt Service To Maturity And To Call**

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2022	1,234,706.00	3,696.13	1,238,402.13	27,737.00	3.818%	45,882.98	73,619.98
06/01/2023	-	-	-	28,796.00	3.820%	44,823.98	73,619.98
06/01/2024	-	-	-	29,896.00	3.820%	43,723.98	73,619.98
06/01/2025	-	-	-	31,038.00	3.821%	42,581.98	73,619.98
06/01/2026	-	-	-	32,224.00	3.820%	41,395.98	73,619.98
06/01/2027	-	-	-	33,455.00	3.820%	40,164.98	73,619.98
06/01/2028	-	-	-	34,733.00	3.818%	38,886.98	73,619.98
06/01/2029	-	-	-	36,059.00	3.822%	37,560.98	73,619.98
06/01/2030	-	-	-	37,437.00	3.820%	36,182.98	73,619.98
06/01/2031	-	-	-	38,867.00	3.818%	34,752.98	73,619.98
06/01/2032	-	-	-	40,351.00	3.821%	33,268.98	73,619.98
06/01/2033	-	-	-	41,893.00	3.604%	31,726.98	73,619.98
06/01/2034	-	-	-	43,493.00	4.026%	30,216.98	73,709.98
06/01/2035	-	-	-	45,154.00	3.820%	28,465.98	73,619.98
06/01/2036	-	-	-	46,879.00	3.820%	26,740.98	73,619.98
06/01/2037	-	-	-	48,670.00	3.820%	24,949.98	73,619.98
06/01/2038	-	-	-	50,529.00	3.820%	23,090.98	73,619.98
06/01/2039	-	-	-	52,459.00	3.820%	21,160.98	73,619.98
06/01/2040	-	-	-	54,463.00	3.819%	19,156.98	73,619.98
06/01/2041	-	-	-	56,543.00	3.820%	17,076.98	73,619.98
06/01/2042	-	-	-	58,703.00	3.821%	14,916.98	73,619.98
06/01/2043	-	-	-	60,946.00	3.820%	12,673.98	73,619.98
06/01/2044	-	-	-	63,274.00	3.818%	10,345.98	73,619.98
06/01/2045	-	-	-	65,690.00	3.821%	7,929.98	73,619.98
06/01/2046	-	-	-	68,200.00	3.820%	5,419.98	73,619.98
06/01/2047	-	-	-	70,805.00	3.411%	2,814.98	73,619.98
06/01/2048	-	-	-	36,412.00	1.099%	399.98	36,811.98
<b>Total</b>	<b>\$1,234,706.00</b>	<b>\$3,696.13</b>	<b>\$1,238,402.13</b>	<b>\$1,234,706.00</b>	<b>-</b>	<b>\$716,315.46</b>	<b>\$1,951,021.46</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation.....	6/30/2021
Average Life.....	15.832 Years
Average Coupon.....	3.6643527%
Weighted Average Maturity (Par Basis).....	15.832 Years

**Refunding Bond Information**

Refunding Dated Date.....	6/30/2021
Refunding Delivery Date.....	6/30/2021

City of Covington, Tennessee  
 Water Revenue and Tax Bonds, Series 2008  
 Sewer Revenue and Tax Bonds, Series 2008  
 General Obligation Refunding Bonds, Series 2014

Combined Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
06/01/2022	4,613,313.00	12,947.21	4,626,260.21	213,155.00	164,102.94	377,257.94
06/01/2023	-	-	-	220,073.00	158,355.98	378,428.98
06/01/2024	-	-	-	227,067.00	152,111.98	379,178.98
06/01/2025	-	-	-	224,141.00	144,787.98	368,928.98
06/01/2026	-	-	-	221,298.00	137,530.98	358,828.98
06/01/2027	-	-	-	228,542.00	129,924.48	358,466.48
06/01/2028	-	-	-	235,874.00	122,067.48	357,941.48
06/01/2029	-	-	-	243,299.00	113,517.48	356,816.48
06/01/2030	-	-	-	235,822.00	104,694.48	340,516.48
06/01/2031	-	-	-	243,446.00	96,120.48	339,566.48
06/01/2032	-	-	-	256,173.00	87,487.24	343,660.24
06/01/2033	-	-	-	264,011.00	78,405.48	342,416.48
06/01/2034	-	-	-	276,961.00	68,420.48	345,381.48
06/01/2035	-	-	-	285,029.00	57,762.48	342,791.48
06/01/2036	-	-	-	83,220.00	46,883.98	130,103.98
06/01/2037	-	-	-	86,539.00	43,564.98	130,103.98
06/01/2038	-	-	-	89,990.00	40,113.98	130,103.98
06/01/2039	-	-	-	93,578.00	36,525.98	130,103.98
06/01/2040	-	-	-	97,311.00	32,792.98	130,103.98
06/01/2041	-	-	-	101,192.00	28,911.98	130,103.98
06/01/2042	-	-	-	105,229.00	24,874.98	130,103.98
06/01/2043	-	-	-	109,428.00	20,675.98	130,103.98
06/01/2044	-	-	-	113,794.00	16,309.98	130,103.98
06/01/2045	-	-	-	118,334.00	11,769.98	130,103.98
06/01/2046	-	-	-	123,057.00	7,046.98	130,103.98
06/01/2047	-	-	-	80,338.00	2,863.98	83,201.98
06/01/2048	-	-	-	36,412.00	399.98	36,811.98
<b>Total</b>	<b>\$4,613,313.00</b>	<b>\$12,947.21</b>	<b>\$4,626,260.21</b>	<b>\$4,613,313.00</b>	<b>\$1,928,025.68</b>	<b>\$6,541,338.68</b>

**Yield Statistics**

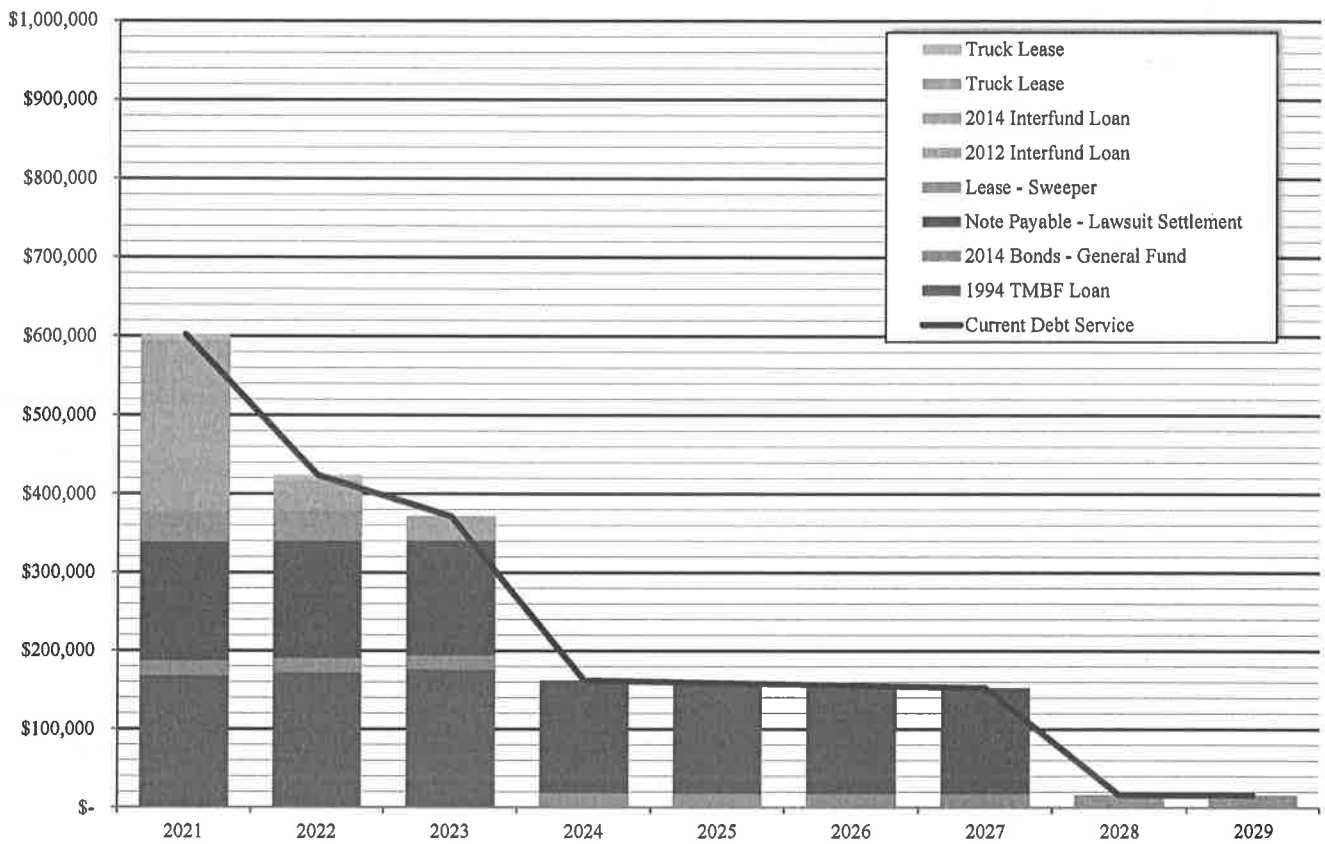
Base date for Avg. Life & Avg. Coupon Calculation.....	6/30/2021
Average Life.....	11.274 Years
Average Coupon.....	3.7075104%
Weighted Average Maturity (Par Basis).....	11.274 Years

**Refunding Bond Information**

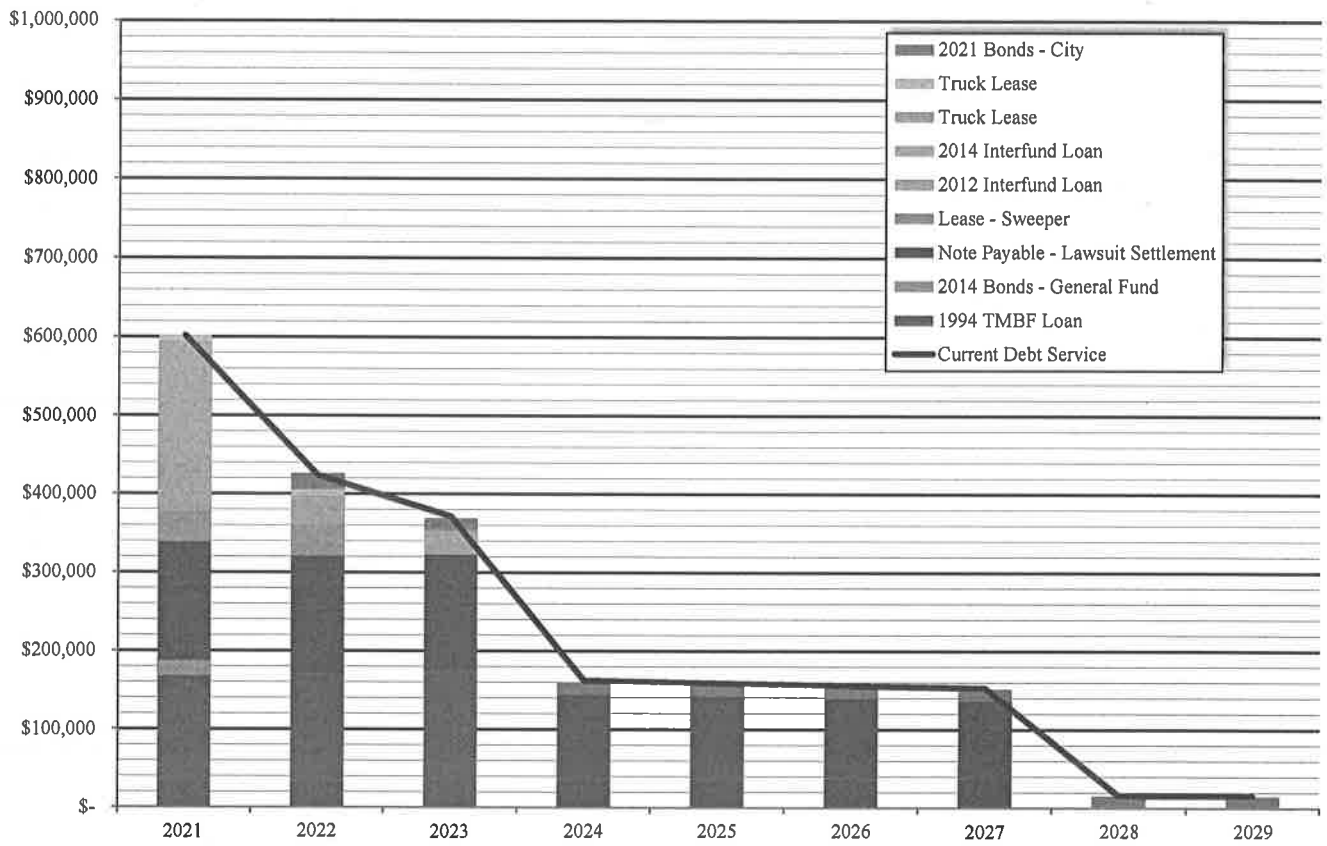
Refunding Dated Date.....	6/30/2021
Refunding Delivery Date.....	6/30/2021



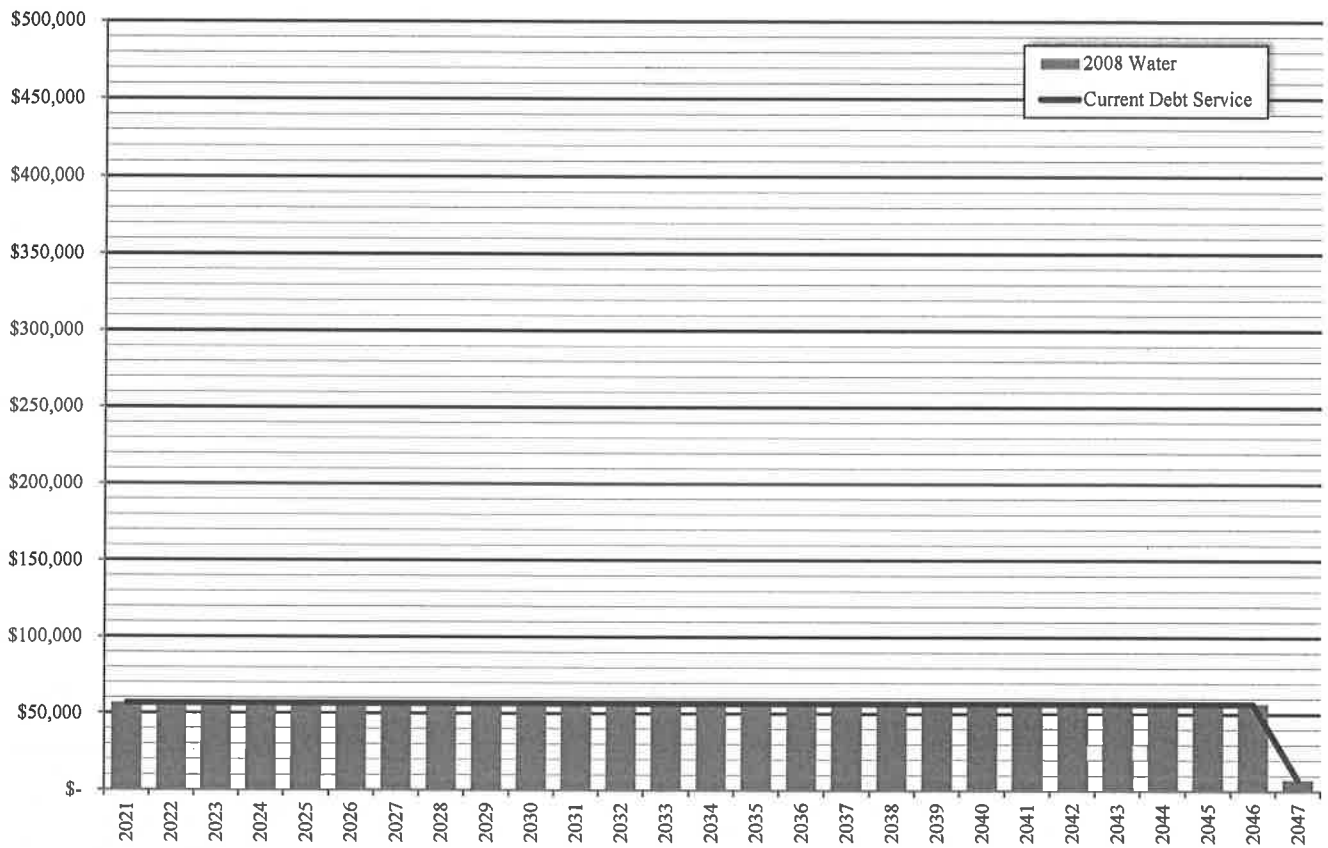
**City of Covington, Tennessee**  
**Total Combined Outstanding Debt Service**  
**General Fund - Pre Issuance**



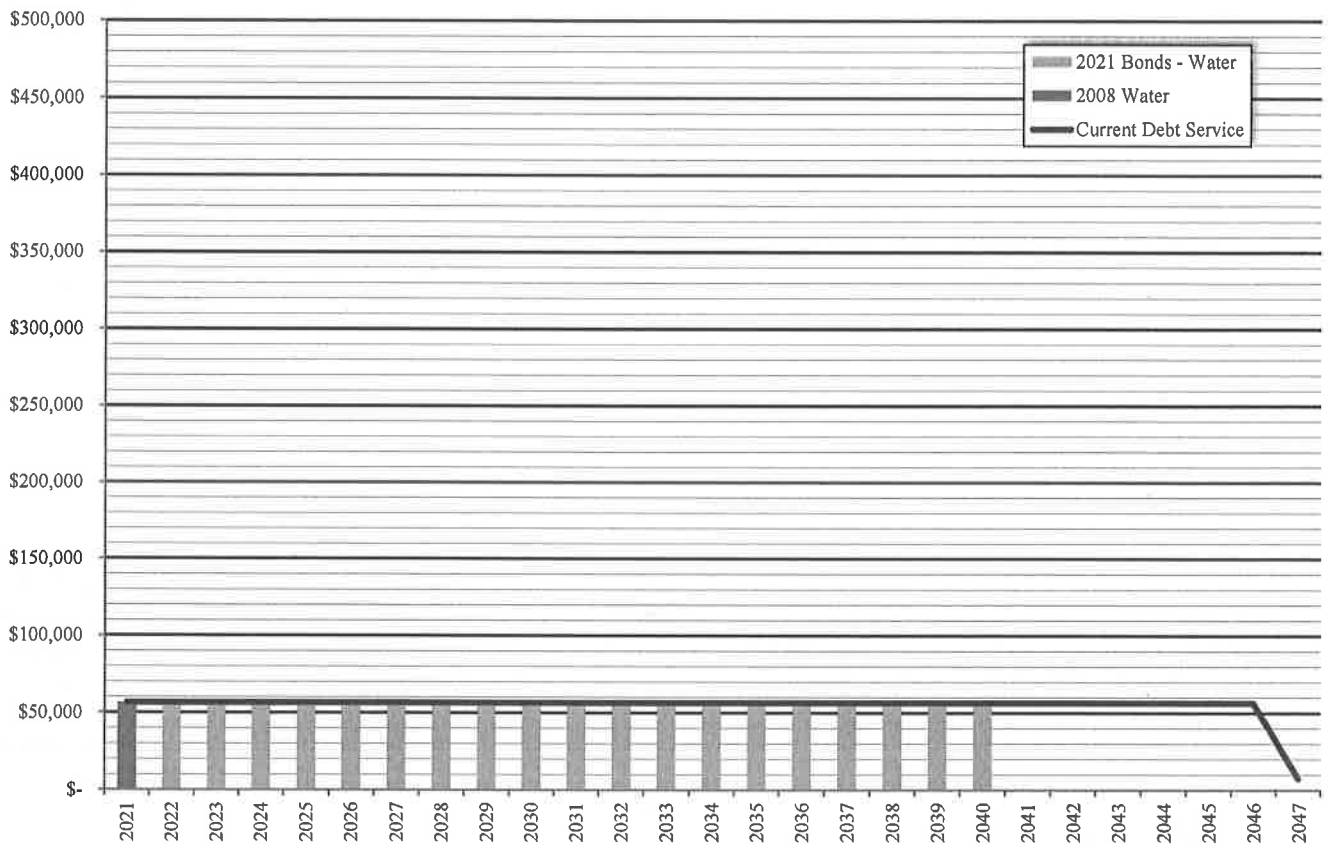
**City of Covington, Tennessee**  
**Total Combined Outstanding Debt Service**  
**General Fund - Post Issuance**



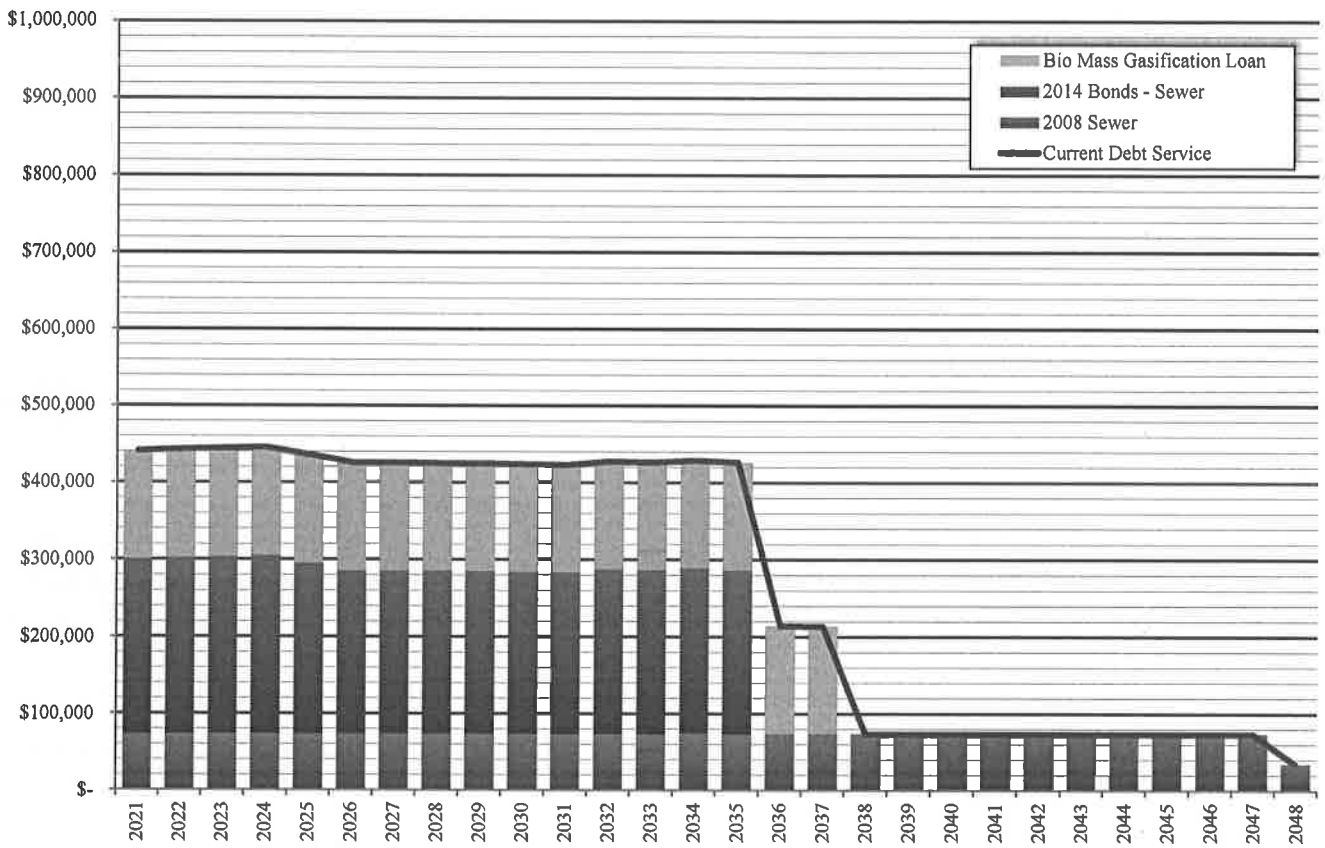
**City of Covington, Tennessee**  
**Total Combined Outstanding Debt Service**  
**Water System - Pre Issuance**



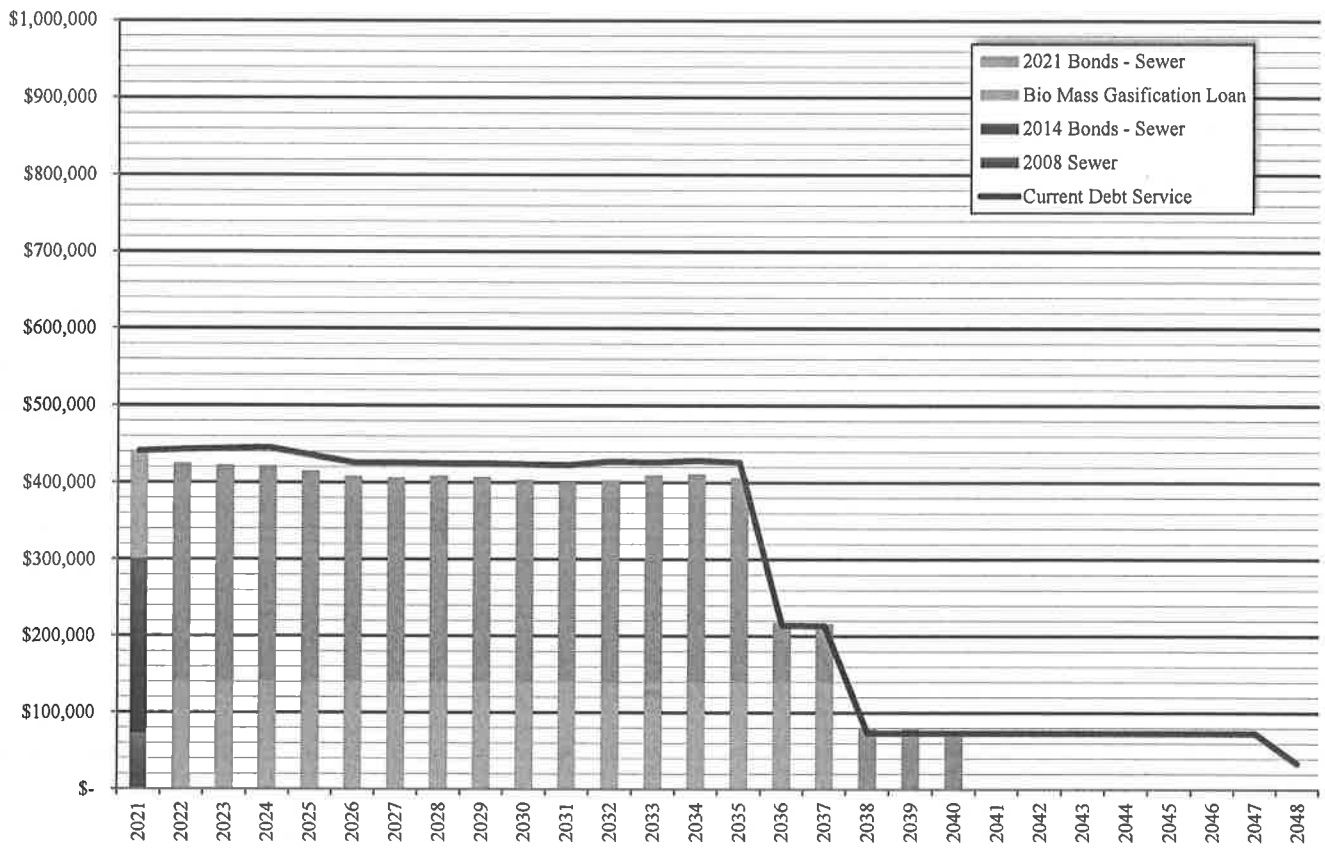
**City of Covington, Tennessee  
Total Combined Outstanding Debt Service  
Water System - Post Issuance**



**City of Covington, Tennessee  
Total Combined Outstanding Debt Service  
Sewer System - Pre Issuance**



**City of Covington, Tennessee**  
**Total Combined Outstanding Debt Service**  
**Sewer System - Post Issuance**



## **2021-22 Budget Highlights**

### **Fire Department**

- Addition of 3 Personnel Positions
- Floor Refinishing (State Grant)
- Turnout Gear (State Grant)
- Lease of Vehicle (State Grant)

### **Police Department**

- Replacement of Handguns for Dept.
- Flock Cameras

### **Code Enforcement Dept.**

- Blight Line Item

### **Personnel/Civic Center**

- Building Improvements

### **Park & Recreation Department**

- Replacement of Mulch with Pour in Place
- Lease New Machines
- Safety Netting
- Storage Building

### **Public Works Department**

### **Street Department**

- New Backhoe lease.
- Two snow blades for Pickups.

## **City Garage**

- New Shop Truck (Move old one to Ground Maintenance).

## **Ground Maintenance**

- Lease payment on truck
- 60" cut diesel Mower (State Grant)

## **Sanitation**

- Two trains
- 11,200.00 Lease on truck

## **Water Transmission/Distribution**

- New Service Truck (Move old one to Park and Rec).

## **Water Plant**

- New truck (move old one to GIS)

## **Sewer Treatment Plant**

- Clarifier repair
- New polymer pump
- Andritz control panel upgrade

## **Sewer Collections**

- Replace Crestview lift station

## **Gas transmission**

- New Trencher
- Injector and heater for 179 Regulator Station



Airport  
FY 2020/2021

1	Description	Fee per Month						Proposed for FY 2021/2022
2								
3	Open Hanger	\$50.00						Same
4	SM T Hanger	\$150.00						Same
5	LG T Hanger	\$210.00						Same
6	BI-FOLD Hanger	\$200.00						Same
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								

Animal Control  
FY 2020/2021

1 Description	Fee							Proposed FY 2021/2022
2								
3 Pick Up	\$35.00						Same	
4 Housing per night	\$15.00						Same	
5 Veterinary Care & Testimony	actual cost						Same	
6 Fowl Permit	\$35.00						Same	
7								
8 Fine per violation upon conviction in City Court	\$50.00						Same	
9								
10								
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12								
13								
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19								
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21								
22								
23								
24								
25								
26								

Cemetery  
FY 2020/2021

1	Description	Fee		Proposed FY 2021/2022
2				
3	Grave Space Fee, purchase of	\$100.00		Same
4	Maintenance Fee per Grave	\$300.00		Same
5	Perpetual Care per grave	\$100.00		Same
6	Certificate Fee per grave	\$20.00		Same
7	Refundable Marker Deposit	\$100.00		Same
8				
9				
10				
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12				
13				
14				
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23				
24				
25				
26				

Civic Center  
FY 2020/2021

1	Description		Fee		Proposed FY 2021/2022	
2						
3	Weekend Event - Weddings	Day of Event 9am- Midnight	\$2,000.00		Wedding - Full package everything)	(includes \$2,500.00
4	Wedding Rehearsal Night Before	2 Hours	\$50.00		Wedding Ceremony Only (4 hrs) (2hrs)	+ Rehearsal \$500.00
5	Rehearsal Dinner	4 Hours	\$350.00		Wedding Ceremony (4hrs) Dinner (2hrs)	+ Rehearsal \$700.00
6	Weekend Event - Reunions, Dinners, etc.	Day of Event 9am- Midnight	\$2,000.00		Events on weekends (birthday, reunions, etc.) Add on tablecloth/tableware	\$1200.00 \$200.00
7	Events Monday-Friday (am or pm)	4 Hours	\$900.00		warming kitchen	\$100.00
8	Tennessean Usage During Office Business Hours	9a-4p	\$100.00		Tennessean rental during the week	Delete Call for pricing
9	Second Floor Rooms During Office Business Hours	9a-4p	\$50.00			Same
10						
11						
12						
13						
14						
15						
16						
17						
18						

Code Department  
FY 2020/2021

1	Description				Fee			Proposed FY 2021/2022
2								
3	<b>Professional Services:</b>							
4	Review Fee				actual cost			Same
5	<b>Demolition Fee:</b>							
6	Residential				\$100.00			Same
7	Commercial				\$200.00			Same
8	Deposit refundable				\$500.00			Same
9	<b>Certificate of Occupancy:</b>							
10	with building permit				\$35.00			Same
11	without building permit				\$55.00			Same
12	Certificate of Completion				\$35.00			Same
13	<b>Non-residential building permits:</b>							
14	Life Safety Inspections				\$35.00			Same
15	Driveway Permits				\$35.00			Same
16	<b>Swimming Pool:</b>							
17	In Ground - setback only							
18	Above Ground - setback only							
19	Temporary Building Permit				\$55.00			Same
20	Building Moving Permit				\$100.00			Same
21	Fence Permit				\$45.00			Same
22	Failure to obtain permit prior to starting construction						Double the building permit fee	Same
23	Nonrefundable Processing Fee				\$15.00			Same

Code Department  
FY 2020/2021

24	Building Permit:							Proposed FY 2021/2022
25								
26	Commercial Fees							
27	0.00 to 2,000.00		\$30.00					Same
28	2,001 to 50,000		30.00 for the first 2,000					Same
29			plus 4.50 for each additional					Same
30			thousand up to 50,000					Same
31	50,001 to 100,000		218.50 for the first 50,000					Same
32			plus 4.00 for each additional thousand up to 100,000					
33								
34	Building Permit:							
35	100,001 to 500,000		393.50 for the first 100,000					Same
36			plus 2.50 for each additional					Same
37			thousand up to 500,000					Same
38	500,001 and above		1,357.00 for the first 500,000					Same
39			plus 2.00 for each additional					Same
40			thousand or fraction thereof					Same
41								
42	Commercial Plans Review Fees		One-half of Building Permit					Same
43			Minimum Fee of \$20.00					Same
44			Maximum Fee of 5,000.00					Same
45	Commercial Fast Track Review Fees		Two-thirds of Building Permit					Same
46			Minimum Fee of \$20.00					Same
47			Maximum Fee of 5,000.00					Same

COURT  
FY 2020/2021

1	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX	Proposed FY 2021/2022
2	Allowing unlicensed driver to drive		55-50-504	\$10.00	\$105.00	\$13.75	\$13.75	
3	Anti-Noise Loud Music		55-8-193	\$50.00	\$105.00	\$13.75	\$13.75	
4	Disregard Redlight		55-8-109	\$10.00	\$105.00	\$13.75	\$13.75	
5	Disgard RR Signal		55-8-109	\$10.00	\$105.00	\$13.75	\$13.75	
6	Disregard Stop Sign		55-8-109	\$10.00	\$105.00	\$13.75	\$13.75	
7	Disturb Peace with Auto			\$25.00	\$105.00	\$13.75	\$13.75	
8	Drag Racing		55-10-101	\$50.00	\$105.00	\$13.75	\$13.75	
9	Driving on Wrong Side of Road		55-8-115	\$15.00	\$105.00	\$13.75	\$13.75	
10	Failure to Report Accident		55-10-111	\$50.00	\$105.00	\$13.75	\$13.75	
11	Failure to Yield		55-8-130	\$10.00	\$105.00	\$13.75	\$13.75	
12	Failure to Yield to Blue Lights		55-8-130	\$50.00	\$105.00	\$13.75	\$13.75	
13	Follow to Close		55-8-124	\$10.00	\$105.00	\$13.75	\$13.75	
14	Going Wrong Way on a One Way Street		55-8-115	\$15.00	\$105.00	\$13.75	\$13.75	
15	Hit and Run		55-10-102	\$50.00	\$105.00	\$13.75	\$13.75	
16	Improper Backing		55-8-163	\$10.00	\$105.00	\$13.75	\$13.75	
17	Improper Control			\$10.00	\$105.00	\$13.75	\$13.75	
18	Improper Driving on Divided Highway			\$25.00	\$105.00	\$13.75	\$13.75	
19	Improper Passing		55-8-117	\$10.00	\$105.00	\$13.75	\$13.75	
20	Improper Pass School Bus		55-8-151	\$50.00	\$105.00	\$13.75	\$13.75	
21	Improper Signals for Turning		55-8-143	\$10.00	\$105.00	\$13.75	\$13.75	
22	Improper Turn		55-8-140	\$10.00	\$105.00	\$13.75	\$13.75	
23	Improper Turn Around		55-8-140	\$15.00	\$105.00	\$13.75	\$13.75	
24	Improper Turn Right or Left		55-8-140	\$10.00	\$105.00	\$13.75	\$13.75	

COURT  
FY 2020/2021

25	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX	Proposed FY 2021/2022
26	Littering		39-14-502	\$15.00	\$105.00	\$13.75	\$13.75	
27	Loitering			\$50.00	\$105.00	\$13.75	\$13.75	
28	Loud Mufflers - Antinoise			\$10.00	\$105.00	\$13.75	\$13.75	
29	No Driver License		55-50-301	\$20.00	\$105.00	\$13.75	\$13.75	
30	No Motor Cycle Driver License		55-50-302	\$20.00	\$105.00	\$13.75	\$13.75	
31	No Motor Cycle Helmet			\$25.00	\$105.00	\$13.75	\$13.75	
32	Obstructing Traffic			\$25.00	\$105.00	\$13.75	\$13.75	
33	Open Container Alcohol		55-10-416	\$50.00	\$105.00	\$13.75	\$13.75	
34	Parking - Fire Lane		55-8-160	\$25.00	\$105.00	\$13.75	\$13.75	
35	Parking - Side Walk		55-8-160	\$25.00	\$105.00	\$13.75	\$13.75	
36	Parking - Restricted Zone/Area		55-8-160	\$25.00	\$105.00	\$13.75	\$13.75	
37	Parking - Handicap Zone			\$50.00	\$105.00	\$13.75	\$13.75	
38	Parking - Over			\$2.00				
39	Passing - No Passing Zone		55-8-117	\$15.00	\$105.00	\$13.75	\$13.75	
40	Reckless Driving		55-10-205	\$50.00	\$105.00	\$30.00		
41	Resisting Arrest		39-16-603	\$50.00	\$105.00	\$13.75	\$13.75	
42	Speeding - \$1 Every Mile Over Limit		55-8-152		\$110.00	\$13.75	\$13.75	
43	Speed-Guilty in Court-\$1 Every Mile Over Limit		55-8-152		\$110.00	\$13.75	\$13.75	
44	Squealing Tires			\$25.00	\$105.00	\$13.75	\$13.75	
45	Violation - Child Restraint		55-9-602	\$50.00	\$105.00	\$13.75	\$13.75	
46	Violation - Light Law		55-9-402	\$10.00	\$105.00	\$13.75	\$13.75	
47	Violation - Seat Belt Law		55-9-603					
48	Violation - Stare Reg Law		55-54-101	\$10.00	\$105.00	\$13.75	\$13.75	



COURT  
FY 2020/2021

49	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX	Proposed FY 2021/2022
50	Violation - Window Tint Law		55-9-107	\$50.00	\$105.00	\$13.75	\$13.75	
51	Violation - Financial Responsibility DM Current @ Time of Ticket		55-12-139	\$50.00	\$105.00	\$13.75	\$13.75	
52	Violation - Financial Responsibility - Guilty		55-12-115	\$50.00	\$105.00	\$13.75	\$13.75	
53	Violation - Financial Responsibility - Obtained after CT & Ticket Dismiss		55-12-140					
54	Pedestrian			\$25.00				
55	Profanity			\$25.00				
56	Contempt of Court	3-205		\$25.00				\$50.00
57	Appeal Bond to Circuit Court -	3-402						
58	Dissatisfied with City Court judgement							
59	Fireworks	561		\$50.00	\$105.00	\$13.75	\$13.75	
60	Bumper Law	564		\$10.00	\$105.00	\$13.75	\$13.75	
61	Heavy Trucks			\$50.00				
62	Towed Vehicles			Actual Cost				
63	Releasing immobilized vehicle				\$50.00			
64	Hands free law (cell phone)		5-58-199	\$50.00	\$10.00			
65	E-Citation&Written-Sunset Provision 7-1-2026		55-10-207					\$5.00
66								
67								
68								
69								
70								
71								

Fire Department  
FY 2020/2021

1	Description	Fee	Proposed FY 2021/2022
2	Hazardous Materials-Cost Recovery	actual cost	Same
3	<b>MUNICIPAL</b>		
4	False Alarm - Commercial		
5	First 3 per year	\$0.00	Same
6	Each Additional per year	\$50.00	Same
7	Permit - Fireworks/Summer/Winter	\$50.00	Delete
8	Deposit - Clean up -Refundable	\$100.00	Delete
9	<b>RURAL</b>		
10	Fire Subscription - Annual	\$75.00	Same
11	Deposit - One Commercial - per Incident	\$500.00	
12	Deposit - One Residential & Accessory & Motor Vehicle - per Incident	\$500.00	
14	per Incident Fee - insured	\$1,000.00	Same
15	per Incident Fee - uninsured	\$400 per hour with minimum of 2 hours	Same
	<b>MISCELLANEOUS</b>		
16	Permit - Open Burn	\$50.00	Same
17	Fire Reports	As allowed per TCA 10-7-503	Same
19	<b>Food Truck Annual Inspection</b>		\$50.00
20	Pyrotechnics	\$50.00	Same
22	Fire Hydrant Flow Reports	\$75.00	Same
23	Fire hydrant inspection-private	\$50.00 ea	Same

Fire Department  
FY 2020/2021

24	Original Inspection								Proposed FY 2021-2022
25	Day care centers (child and adult)					\$50.00			Same
26	Nursing homes					\$50.00			Same
37	Care homes/mental health					\$50.00			Same
27	Alcohol and drug centers					\$50.00			Same
28	Counseling centers					\$50.00			Same
29	Annual Inspection								
30	Day care centers (child and adult)					\$25.00			Same
31	Nursing homes					\$25.00			Same
32	Care homes/mental health					\$25.00			Same
33	Alcohol and drug centers					\$25.00			Same
34	Counseling centers					\$25.00			Same
35	New Installation - 2 inspections								
36	Fire Suppression Systems								
37	Hood and duct					\$50.00			Same
38	Special					\$100.00			Same
39	Standpipe					\$50.00			Same
40	Sprinkler System Inspection								
41	Commercial					\$50.00			Same
42	Residential					\$25.00			Same
43	Fire Alarm Inspection								
44	Full or Partial evacuation system					\$50.00			Same
45									
46									

Miscellaneous  
FY 2020/2021

1	Description		Fee:		Proposed FY 2021/2022
2	Business Licenses				
3	Privilege Tax - Business License		\$15.00	TCA 67-4-723 (a)(1)	Same
4	Privilege Tax - Minimum Business License		\$15.00	TCA 67-4-723(b)(1)	Same
5	Renewal Minimum Business License		\$15.00	TCA 67-4-723(b)(1)	Same
6	Beer				
7	Beer Permits Application Fee (nonrefundable)		\$250.00	TCA 57-5-104(a)	Same
8	Beer Permits Annual Renewal		\$100.00	TCA 57-5-104(b)(1)	Same
9	Beer Civil Penalty - sale to minors	Not to exceed	TCA 57-5-108 (2)(a) \$1000.00 each offense if a Responsible Vendor		Same
10	Beer Civil Penalty - sale to minors		TCA 57-5-108 (2)(b) \$2500.00 each offense if not a Responsible Vendor		Same
11	Beer Civil Penalty -any other offense	Not to exceed	TCA 57-5-108-(2)(b) \$1000.00 each offense		Same
12	Liquor				
13	Intoxicating Liquor License - Package and Wine in Grocery Stores		\$250.00		Same
14	Inspection Fee - Liquor		5%	TCA 57-3-503(a)	Same
15	Failure to collect, report, and/or pay Inspection fee - penalty		10% of the fee due	TCA 57-3-503(b)	Same
16	Renewal of Liquor License		Same as paid to TN ABC TCA 57-4-301		Same
17					
18	Nonpayment of Check		\$20.00	TCA 9-1-109	Same
19	Nonpayment of Check/Handling		\$30.00	TCA 47-29-102	Same
20	Notary Fee		\$5.00		Same

Miscellaneous  
FY 2020/2021

21	Utility Fees					Proposed FY 2021/2022
22	Reconnect during business hours		\$50.00			Same
23	After Hours Service Call		\$100.00			Same
24	Reconnect fee - if bill not paid by 8:30am morning after services are reestablished		\$25.00			Same
25	Nonrefundable User Fee		\$25.00			Same
26	Transfer		\$25.00			Same
27	Taxi Cabs					
28	Taxicab License & Permit		\$150.00			Same
29	Taxicab License & Permit Renewal		\$100.00			Same
30	Transient Vendor Permits					
31	Permit Application & Renewal		\$50.00 for each 14 day period		TCA 67-4-710	Same
32	Permit Surety Bond		\$2,500.00			Same
33	SOB					
34	Sexually Oriented Business Permit		\$100.00			Same
35	SOB Injunction Fee		\$500.00			Same
36	SOB Annual Permit Fee		\$850.00			Same
37	SOB Permit Transfer Fee		20%			Same
38	SOB Employee License		\$25.00			Same
39	SOB Employee Annual Renewal		\$25.00			Same
40						
41						
42						
43						

Natural Gas Service  
FY 2020/2021

1	Description				Fee					Proposed FY 2021/2022
2	Deposit									
3	Industrial and Large Commercial				2X est use					Same
4	Small Commercial				\$200.00					Same
5	Residential				\$200.00					Same
6	Tap Fee									
7	First 100 Feet - Minimum Fee				\$250.00					Same
8	Plus Next 300 Feet				2.00 per ft					Same
9	Plus above 401 Feet				1.00 per ft					Same
10										
11	Permit Fee				\$10.00					Same
12	Inspection Fee				\$10.00					Same
13	Outlet Fee - per outlet				\$7.50					Same
14	Surcharge to be collected - bill unpaid by certain time				5%					Same
15	Meter turned off - service charge to turn on (seasonal)				\$25.00					Same
16	Gas Rate			Fixed	per 100 cf					Same
17	Lge. Comm (Inside)				\$11.00					0.999
18	Resid. (Inside)				\$11.00					2.009
19	Comm. (Inside)				\$11.00					1.02
20	Industrial/Demand				\$66.00					0.921
21	Resid. (Outside)				\$11.00					2.08
22	Comm. (Outside)				\$11.00					1.053
23	Industrial Transportation Fee				\$0.66					Same
24	Rate: Cost of Gas based on purchased gas adjustment ordinance # 1671 for each user classification									

Parks Rec  
FY 2020/2021

1	Description							Proposed FY 2021/2022
2	Membership	Season Oct.- April	SportsPlex or Pool Only	SportsPlex or Pool Only	Water & Weights	Water &Weights		
3		Annual	Annual	Monthly	Annual	Monthly		
4	Single Resident		\$200.00	\$25.00	\$250.00	\$30.00		
5	Family Resident		\$150.00	\$30.00	\$325.00	\$35.00		
6	Single Non-Resident		\$150.00	\$30.00	\$325.00	\$35.00		
7	Family Non-Resident		\$200.00	\$35.00	\$400.00	\$45.00		
8	Senior (55 & Over)		\$75.00	\$15.00	\$155.00	\$20.00		
9	Special Needs Adults		\$75.00	\$15.00	\$155.00	\$20.00		
10	Corporate Rate		\$100.00	\$20.00	\$200.00	\$25.00		
11	Corporate Family		\$150.00	\$25.00	\$275.00	\$30.00		
12	City Employee Single		\$90.00	N/A	\$150.00	N/A		
13	City Employee Family Students (College ID Required)		\$125.00	N/A	\$250.00	N/A		
14	Military/Fire/Police/Teac her-Single		\$100.00	\$20.00	\$200.00	\$25.00		
15	Military/Fire/Police/Teac her-Family		\$150.00	\$25.00	\$275.00	\$30.00		
16	Guest Fee		\$7.00					

Parks Rec  
FY 2020/2021

									Proposed FY 2021/2022
18	Kids Summer Pass ages 8-17			Starts the day school lets out ends day school starts back					
19	2 or more at the same address home								
20	Water Aerobics		\$30.00 monthly						
21	Master Swim		\$50.00 monthly						
22	Swim Lessons: 1st Session 2nd Session 3rd Session								
23	4 or more Sessions		\$40 Siblings \$25 per session	\$50 Siblings \$30 Siblings	\$75(2)per family \$65(2) perfamily \$55(2)per family	\$100(3)perfamily \$90(3)per family \$80(3)per family			
24									
25	Pool Admission -Non-member								
26	Pool Party		\$150.00 for 2 hours; \$25.00 per additional hour						
27			\$45.00 deposit does include lifeguard						
28	Race Timing System								
29									
30	Pavilion Usage/Pole Barn		\$50.00 4 hours or less; \$20.00 per hour after 4 hours						
31	Ballfields								
32	Turfce (field drying material)		10% of tournament entry fee & 15% of concession sales						
			\$20.00 per bag						



Parks Rec  
FY 2020/2021

										Proposed FY 2021/2022
	Parks & Recs Employees & Contractors	\$25.00 per hour per employee	between games only							
33	Ballfield Rentals (Practice)	Time Slot for a rental - One and a half ours (90 minutes)								
34										
	Covington resident(team) rate (a team consisting of at least 70% Covington residents)	Field rental w/o lights - \$30.00 per slot(multi rental discount paid in advance \$225 for 10)	Field rental with lights - \$40.00 per slot(multi rental discount paid in advance \$325.00 for 10)	Deposit: \$100.00						
35										
	Non-Resident (team) rate (a team consisting of less than 70% Covington residents)	Field Rental w/o lights -\$40.00 per slot (multi rental discount pain in advance \$325.00) for 10	Field Rental with lights - \$50.00 per slot (multi rental discount paid in advance \$425.00 for 10)	Deposit: \$150.00						
36										
37										
	Fairgrounds	15% of gate & 15 % of concession sales								
38										
	<b>Park Bench Dedications</b>									
39										
	Park Bench New Only	\$1,000.00								
40										
	Park Bench Plaque	\$350.00								
41										
42										
43										

45	Tipton County Museum, Veterans' Memorial and Nature Center						Proposed FY 2021/2022
46	Museum Conference Room	\$50.00 per hour; \$100.00 refundable deposit					
47	Dues						
48	Individual, Military Family, Senior Family	\$25.00					
49	Family Membership	\$30.00					
50	Contributor	\$50.00					
51	Philanthropist	\$100.00					
52	Benefactor	\$200.00					
53	Corporate Sponsor	\$500.00					
54							
55	Lecture Series - Non Members	\$5.00					
56	Art Classes - Members	\$60.00					
57	Art Classes - Non Members	\$80.00					
58	Brick, Sale of	\$150.00					
59	Education						
60	School programs of 10 or more	\$5.00 per child					
61	Saturday Workshops for school age children	\$8.00 per child Non Members					
62	Mayfest Booth Rentals	\$25.00					

Planning  
FY 2020/2021

1	Description	Fee		Proposed FY 2021/2022
2				
3	<b>BZA and BPMA</b>			
4	Administrative Review	No Charge		Same
5	Variance	\$125.00		Same
6	Special Exception	\$125.00		Same
7				
8				
9	<b>Planning Commission</b>			
10	Rezoning/Text Amendment	\$125.00		Same
11	Site Plan Review/Design Guidelines	\$125.00		Same
12	Minor Subdivision Plat	\$50.00		Same
13	Major Subdivision Preliminary Plat	\$100.00		Same
14	Major Subdivision Final Plat	\$100.00		Same
15	plus per lot	\$5.00		Same
16	One Lot Minor Subdivision Plat (Staff Review)	\$50.00		Same
17	Zoning Verification Request	\$35.00		Same
18				
19				
20	Advertising Fee per Agenda Item	\$75.00		Same
21				
22				
23	HZC/Processing Fee	\$15.00		Same
24				

Police Department  
FY 2020/2021

1	Description						Proposed FY 2021/2022
2							
3	Reports accident/incident		As allowed per TCA 10-7-503			Same	
4							
5	Seized Vehicles						
6	Administrative Fee						\$75.00
7	Daily Storage Fees						\$40.00
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							

Records Copies  
FY 2020/2021

1	Description	Fee	Proposed FY 2021/2022
2	General Copies		
3	8.5 X 11 or 8.5 X 14 Black & White	\$0.15	Same
4	8.5 X 11 or 8.5 X 14 Color	\$0.50	Same
5	18 X 14	\$5.00	Same
6	24 X 36	\$9.00	Same
7	30 X 42	\$11.00	Same
8			
9	GIS Map Copies		
10	8.5 X 11 or 8.5 X 14 Lines/Text Only	\$0.15	Same
11	8.5 X 11 or 8.5 X 14 Photo	\$0.50	Same
12	11 X 17 Lines/Text Only	\$3.00	Same
13	11 X 17 Photo	\$4.00	Same
14	18 X 24 Lines/Text Only	\$5.00	Same
15	18 X 24 Photo	\$6.00	Same
16	24 X 36 Lines/Text Only	\$9.00	Same
17	24 X 36 Photo	\$12.00	Same
18	36 X 48 Lines/Text Only	\$20.00	Same
19	36 X 48 Photo	\$24.00	Same
20	36 X 60 Lines/Text Only	\$25.00	Same
21	36 X 60 Photo	\$30.00	Same
22	Data manipulation over 1/2 hour add per layer	\$10.00	Same
23	C.D. Copies	\$10.00	Same
24	Employee hourly wage calculated per TCA 10-7-506		Same

Sewer Service  
FY 2020/2021

1	Description				Fee					Proposed FY 2021/2022
2	Deposit									
3	Industrial and Large Commercial				2X est use					Same
4	Small Commercial				\$100.00					Same
5	Residential				\$80.00					Same
6	Tap Fee									
7	Inside City Limits				\$500.00					Same
8	Outside City Limits				\$1,000.00					Same
9	Pressurized Sewer System									
10	Tank Fee				\$4,000.00					4,500.00
11	Monthly Maintenance Fee									
12	Inside City Limits				\$8.00					Same
13	Outside City Limits				\$12.00					Same
14										
15	Inspection Fee									
16	Gravity, Pressurized, or Septic				\$10.00					Same
17										
18	Permit Fee									
19	Gravity, Pressurized, or Septic				\$10.00					Same
20										
21	Surcharge to be collected - bill unpaid by certain time				5%					Same
22	Industrial Surcharge Fee	BOD per pound			0.1506					0.1527
23		S.S. per pound			0.073					0.074
24										

Sewer Service  
FY 2020/2021

25 Description		Fee				Proposed FY 2021/2022
26 Rates						
27 Inside City Limits - Minimum						
28 5/8 to 3/4 inch		\$7.80				\$7.91
29 1 inch		\$9.26				\$9.39
30 1-1/2 inch		\$18.06				\$18.31
31 2 inch		\$23.92				\$24.25
32 3 inch		\$39.02				\$39.57
33 4 inch		\$80.98				\$82.12
34 6 inch		\$108.23				\$109.74
35 8 inch		\$153.20				\$155.34
36 per thousand gallons		\$4.51				\$4.57
37						
38 Outside City Limits - Minimum						
39 5/8 to 3/4 inch		\$11.24				\$11.40
40 1 inch		\$13.67				\$13.86
41 1-1/2 inch		\$27.34				\$27.73
42 2 inch		\$36.11				\$36.62
43 3 inch		\$58.53				\$59.35
44 4 inch		\$121.96				\$123.67
45 6 inch		\$162.94				\$165.22
46 8 inch		\$230.25				\$233.48
47 per thousand gallons		\$6.05				\$6.13
48						

Sewer Service  
FY 2020/2021

	Fee	Proposed FY 2021/2022
49 Description		
50 Rates		
51 Inside City - Pressurized Sewer		
52 5/8 to 3/4 inch	\$8.81	\$8.94
53 1 inch	\$10.45	\$10.60
54 1-1/2 inch	\$20.37	\$20.66
55 2 inch	\$26.96	\$27.34
56 3 inch	\$44.00	\$44.62
57 4 inch	\$91.31	\$92.59
58 6 inch	\$122.01	\$123.72
59 8 inch	\$172.72	\$175.13
60 per thousand gallons	\$5.09	\$5.16
61		
62 Outside City Pressurized Sewer		
63 5/8 to 3/4 inch	\$12.68	\$12.86
64 1 inch	\$15.41	\$15.63
65 1-1/2 inch	\$30.82	\$31.25
66 2 inch	\$40.71	\$41.28
67 3 inch	\$65.98	\$66.90
68 4 inch	\$137.51	\$139.44
69 6 inch	\$183.71	\$186.29
70 8 inch	\$259.61	\$263.24
71 per thousand gallons	\$6.83	\$6.92
72		



Solid Waste  
FY 2020/2021

1	Description				Fee				Proposed FY 2021/2022
2	Deposit								
3	Industrial and Large Commercial				2X est use				Same
4	Small Commercial				\$102.00				Same
5	Residential				\$41.00				Same
6									
7	Roll Out Cart(s)								
8	Commercial - once a week pick up per cart				\$29.00				Same
9	Residential - once a week pick up 1st cart and curbside				\$21.00				Same
10	Residential - once a week pick up - each additional cart				\$12.00				Same
11	Dumpster(s)								
12	Volume	Collection							
13	2 Cu Yd Container	1X week			\$102.00				Same
14		2X week			\$170.00				Same
15		3X week			\$233.00				Same
16		4X week			\$305.00				Same
17		5X week			\$380.00				Same
18	Extra Pick Up				\$43.00				Same
19	4 Cu Yd Container	1X week			\$128.00				Same
20		2X week			\$211.00				Same
21		3X week			\$297.00				Same
22		4X week			\$385.00				Same
23		5X week			\$462.00				Same
24	Extra Pick Up				\$54.00				Same



Solid Waste  
FY 2020/2021

49	Mercantile - Retail Stores								Proposed FY 2021/2022
50	Large					\$147.00			Same
51	Medium					\$105.00			Same
52	Small					\$36.00			Same
53									
54	Min Shared Dumpster					\$36.00			Same
55									
56	Surcharge to be collected - bill not paid by certain time							5%	Same
57									
58	Curbside Pick Up								
59	Commercial								
60	Knuckle Boom - Full Load					\$200.00			Same
61	Knuckle Boom - Less than Full Load					\$100.00			Same
62	Trash Train					\$40.00			Same
63									
64	Residential								
65	Change of Occupancy					\$100.00			Same
66	Trash Train						20.00 a day or dump		Same
67	Bulk Items						10.00 a pick up		Same
68									
69									
70									
71									
72									

Special Events  
FY 2020/2021

	Description	Fee							Proposed FY 2021/2022
1									
2									
3	Application		\$25.00						Delete
4	Stage Rental		\$1,000.00						
5	Fire Extinguisher Usage		\$250.00 Refundable Deposit/if not usage						Same
6	Fire Department Employees		\$30.00 per hour/per person						Same
7	Parks & Recreation Employees		\$25.00 per hour/per person						Same
8	Police Department Employees		\$30.00 per hour/per person						Same
9	**Public Works Employees		\$27.00 per hour per person						Same
10									
11									
12	**CPW equipment or vehicle usage will be charged per current State rate(s)								Same
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									

Water Service  
FY 2020/2021

1	Description	Fee	Proposed FY 2021/2022
2			
3	Deposits		
4	Industrial & Large Commercial	2X est use	Same
5	Small Commercial	\$100.00	Same
6	Residential	\$80.00	Same
7			
8	Tap Fees Inside & Outside City Limits		
9	3/4 - 1"	\$500.00	Same
10	Over 1"	cost plus 10%	Same
11	Secondary Meter (Lawn Meter)	\$500.00	Same
12			
13	Surcharge to be collected - bill not paid by certain time	5%	Same
14			
15	Permit Fee	\$10.00	Same
16	Inspection Fee	\$10.00	Same
17	Outlet Fee - per outlet	\$7.50	Same
18	Backflow Protective Devices Initial Inspection	\$50.00	Same
19	Backflow Protective Devices Annual Inspection	\$25.00	Delete Owner responsible for
20	Fire Hydrant	actual cost + 10%	Same
21	Fire Hydrant Water Meter Deposit	\$500.00	Same
22	Minimum bill - 3" meter	\$205.67	Same
23			
24	Secondary meter turned off - service charge to turn on	\$25.00	Same

Water Service  
FY 2020/2021

25 Description		Fee		Proposed FY 2021/2022
26 Rates				
27 Inside City Limits - Minimum per Meter Size				
28 5/8 inch		\$9.34		\$9.47
29 3/4 inch		\$12.83		\$13.01
30 1 inch		\$26.30		\$26.66
31 1-1/2 inch		\$50.08		\$50.78
32 2 inch		\$81.05		\$82.19
33 3 inch		\$133.35		\$135.21
34 4 inch		\$166.69		\$169.03
35 6 inch		\$238.09		\$241.42
36 8 inch		\$476.15		\$482.82
37 per thousand gallons				
38 First 2,000		\$4.69		\$4.75
39 Next 8,000		\$3.19		\$3.23
40 Next 40,000		\$3.01		\$3.05
41 Next 50,000		\$2.50		\$2.54
42 Next 100,000		\$2.39		\$2.43
43				
44				
45				
46				
47				
48				

Water Service  
FY 2020/2021

49 Description	Fee	Proposed FY 2021/2022
50 Rates		
51 Outside City Limits - Minimum per meter size		
52 5/8 inch	\$14.07	\$14.27
53 3/4 inch	\$23.88	\$24.22
54 1 inch	\$35.74	\$36.24
55 1-1/2 inch	\$71.49	\$72.49
56 2 inch	\$119.08	\$120.75
57 3 inch	\$190.51	\$193.17
58 4 inch	\$238.09	\$241.42
59 6 inch	\$357.15	\$362.15
60 8 inch	\$714.24	\$724.24
61 per thousand gallons		
62 First 3,000	\$4.69	\$4.75
63 Next 7,000	\$4.06	\$4.12
64 Next 10,000	\$3.73	\$3.78
65 Next 20,000	\$2.66	\$2.70
66		
67		
68		
69		
70		
71		
72		

Amendments proposed and presented in the F&A agenda for May 18, 2021.

Title 6 Law Enforcement

Everywhere Policemen is listed change to Police officer.

Everywhere governing body is listed change to Board of Mayor and Alderman.

Re-number Section 6-105 to 6-106.

Re-number Section 6-106 to 6-107.

Add Section 6-105. Disposition of persons arrested. A person arrested for a felony or a misdemeanor shall be disposed of in accordance with applicable federal and state law and the rules of the court which has jurisdiction over the offender.

Section 6-105. Disposition of persons arrested. Is taken from the MTAS model ordinance.

This is being presented by

Lessie Fisher



## TITLE 6

LAW ENFORCEMENT

## CHAPTER

## 1. POLICE AND ARREST.

## CHAPTER 1

POLICE AND ARREST<sup>1</sup>

## SECTION

- 6-101. Policemen subject to chief's orders.  
6-102. Policemen to preserve law and order, etc.  
6-103. Policemen to wear uniforms and be armed.  
6-104. When policemen to make arrests.  
6-105. Policemen may require assistance in making arrests.  
6-106. Police department records.

**6-101. Policemen subject to chief's orders.** All policemen shall obey and comply with such orders and administrative rules and regulations as the police chief may officially issue. (1971 Code, § 1-401)

**6-102. Policemen to preserve law and order, etc.** Policemen shall preserve law and order within the municipality. They shall patrol the municipality and shall assist the city court during the trial of cases. Policemen shall also promptly serve any legal process issued by the city court. (1971 Code, § 1-402)

**6-103. Policemen to wear uniforms and be armed.** All policemen shall wear such uniform and badge as the governing body shall authorize and shall carry a service pistol at all times while on duty unless otherwise expressly directed by the chief for a special assignment. (1971 Code, § 1-403, modified)

**6-104. When policemen to make arrests.** Unless otherwise authorized or directed in this code or other applicable law, an arrest of the person shall be made by a policeman in the following cases:

- (1) Whenever he is in possession of a warrant for the arrest of the person.

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<sup>1</sup>Municipal code reference

Traffic citations, etc.: title 15, chapter 7.

(2) Whenever an offense is committed or a breach of the peace is threatened in the officer's presence by the person.

(3) Whenever a felony has in fact been committed and the officer has reasonable cause to believe the person has committed it. (1971 Code, § 1-404)

**6-105. Policemen may require assistance in making arrests.** It shall be unlawful for any male person willfully to refuse to aid a policeman in maintaining law and order or in making a lawful arrest when such a person's assistance is requested by the policeman and is reasonably necessary. (1971 Code, § 1-405)

**6-106. Police department records.** The police department shall keep a comprehensive and detailed daily record in permanent form, showing:

(1) All known or reported offenses and/or crimes committed within the corporate limits.

(2) All arrests made by policemen.

(3) All police investigations made, funerals convoyed, fire calls answered, and other miscellaneous activities of the police department. (1971 Code, § 1-407)

Amendments proposed and presented in the F & A agenda for May 18, 2021.

Title 7 Fire Protection and Fireworks.

Chief Griggs worked with Dennis Wolf in the review of this Title. The following are the recommended amendments.

**In Section 7-101** the International Fire Code, 2006 edition should be changed to 2012 edition.

**In Section 7-101** replace city recorder **with** recorder-treasurer.

**In Section 7-201** replace shall appoint **with** deem necessary.

**In Section 7-202** delete (5) and (6).

**Section 7-202** replacement language:

(5) To reduce morbidity and mortality from trauma, medical, and other life-threatening emergencies by providing emergency medical care at the highest level that the equipment and training of the personnel makes practicable.

(6) To perform such rescue work as its equipment and/or the training of its personnel makes practicable.

**In Section 7-202** add the following:

(7) To provide code enforcement and building inspections as directed by the City within adopted codes and ordinances.

(8) To plan, prepare for, and respond to natural and man-made disasters as part of the community's emergency management plan serving as the emergency management agency of the city, in cooperation with the county emergency management agency and TEMA.

(9) To protect life, property, and the environment from the unintended release of chemical, biological, and radiological hazardous chemicals, and substances to the extent possible that the level of equipment and training will allow.

(10) To plan, prepare for, and respond to terrorism threats to hometown security based upon the anticipated risk to the community.

(11) To work with the water department to ensure that adequate water supplies for fire protection are available.

(12) To provide public fire education material and community risk reduction information to the citizens in order that they may protect themselves from harm.

**Delete Section 7-206.** Chief responsible for training and maintenance.

**Section 7-206** replacement language:

The chief of the fire department shall be fully responsible for the training of the fire personnel. All fire department personnel who respond to structure fires shall train monthly on the firefighting knowledge and skills found in National Fire Protection Association (NFPA) Standard 1001.

(1)

**In Section 7-302:**

(1), (b) replace the sum of five hundred dollars (\$500.00) **with** the sum currently adopted in the Administration Ordinance.

(1), (d) replace five hundred dollars (\$500.00) **with** the sum currently adopted in the Administration Ordinance.

(2) (a) replace fifty dollars (\$50.00) **with** the sum currently adopted in the Administration Ordinance.

(2) (b) replace five hundred dollars (\$500.00) **with** the sum currently adopted in the Administration Ordinance.

(2) (b) (i) replace five hundred dollars (\$500.00) **with** the sum currently adopted in the Administration Ordinance.

(2) (b) (ii) replace five hundred dollars (\$500.00) **with** the sum currently adopted in the Administration Ordinance.

**Chapter 4 was deleted** in its entirety and **replaced** with Ordinance 1733. Copy is included.

This has been submitted by

Lessie Fisher

## TITLE 7

FIRE PROTECTION AND FIREWORKS<sup>1</sup>

## CHAPTER

1. FIRE CODE.
2. FIRE DEPARTMENT.
3. FIRE SERVICE OUTSIDE CITY LIMITS.
4. FIREWORKS.

## CHAPTER 1

FIRE CODE

## SECTION

- 7-101. Fire code adopted.
- 7-102. Definition of "municipality."
- 7-103. Gasoline trucks.
- 7-104. Variances.
- 7-105. Violations and penalties.

**7-101. Fire code adopted.** Pursuant to authority granted by Tennessee Code Annotated, §§ 6-54-501 through 6-54-506, and for the purpose of prescribing regulations governing conditions hazardous to life and property from fire or explosion, the International Fire Code,<sup>2</sup> 2006 edition, is hereby adopted by reference and included as a part of this code. Pursuant to the requirement of Tennessee Code Annotated, § 6-54-502, one (1) copy of the fire code has been filed with the city recorder and is available for public use and inspection. The fire code is adopted and incorporated as fully as if set out at length herein and shall be controlling within the corporate limits.

**7-102. Definition of "municipality."** Whenever the word "municipality" is used in the fire code herein adopted, it shall be held to mean the City of Covington, Tennessee.

**7-103. Gasoline trucks.** No person shall operate or park any gasoline tank truck within the central business district or within any residential area at

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<sup>1</sup>Municipal code reference

Building, utility and residential codes: title 12.

<sup>2</sup>Copies of this code are available from the International Code Council, 900 Montclair Road, Birmingham, Alabama 35213.

any time except for the purpose of, and while actually engaged in, the expeditious delivery of gasoline.

**7-104. Variances.** The chief of the fire department may recommend to the board of mayor and aldermen variances from the provisions of the fire code upon application in writing by any property owner or lessee, or the duly authorized agent of either, when there are practical difficulties in the way of carrying out the strict letter of the code, provided that the spirit of the code shall be observed, public safety secured, and substantial justice done. The particulars of such variances when granted or allowed shall be contained in a resolution of the board of mayor and aldermen.

**7-105. Violations and penalties.** It shall be unlawful for any person to violate any of the provisions of this chapter or the fire code herein adopted, or fail to comply therewith, or violate or fail to comply with any order made thereunder; or build in violation of any detailed statement of specifications or plans submitted and approved thereunder, or any certificate or permit issued thereunder, and from which no appeal has been taken; or fail to comply with such an order as affirmed or modified by the board of mayor and aldermen or by a court of competent jurisdiction, within the time fixed herein. The violation of any section of this chapter shall be punishable under the general penalty provision of this code. Each day a violation is allowed to continue shall constitute a separate offense. The application of a penalty shall not be held to prevent the enforced removal of prohibited conditions.

## CHAPTER 2

FIRE DEPARTMENT<sup>1</sup>

## SECTION

- 7-201. Establishment, equipment, and membership.
- 7-202. Objectives.
- 7-203. Organization, rules, and regulations.
- 7-204. Records and reports.
- 7-205. Tenure and compensation of members.
- 7-206. Chief responsible for training and maintenance.
- 7-207. Chief to be assistant to state officer.

**7-201. Establishment, equipment, and membership.** There is hereby established a fire department to be supported and equipped from appropriations by the board of mayor and aldermen. All apparatus, equipment, and supplies shall be purchased by or through the city and shall be and remain the property of the city. The fire department shall be composed of a chief and such number of physically-fit subordinate officers and firemen as the board of mayor and aldermen shall appoint. (1971 Code, § 7-301)

**7-202. Objectives.** The fire department shall have as its objectives:

- (1) To prevent uncontrolled fires from starting.
- (2) To prevent the loss of life and property because of fires.
- (3) To confine fires to their places of origin.
- (4) To extinguish uncontrolled fires.
- (5) To prevent loss of life from asphyxiation or drowning.
- (6) To perform such rescue work as its equipment and/or the training of its personnel makes practicable. (1971 Code, § 7-302)

**7-203. Organization, rules, and regulations.** The chief of the fire department shall set up the organization of the department, make definite assignments to individuals, and shall formulate and enforce such rules and regulations as shall be necessary for the orderly and efficient operation of the fire department, under the direction of the board of mayor and aldermen. (1971 Code, § 7-303)

**7-204. Records and reports.** The chief of the fire department shall keep adequate records of all fires, inspections, apparatus, equipment, personnel, and work of the department. He shall submit a written report on such matters

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<sup>1</sup>Municipal code reference

Special privileges with respect to traffic: title 15, chapter 2.

to the mayor once each month, and at the end of the year a detailed annual report shall be made. (1971 Code, § 7-304)

**7-205. Tenure and compensation of members.** The chief shall hold office so long as his conduct and efficiency are satisfactory to the board of mayor and aldermen. However, so that adequate discipline may be maintained, the chief shall have the authority to suspend or discharge any other member of the fire department when he deems such action to be necessary for the good of the department. The chief may be suspended up to thirty (30) days by the mayor but may be dismissed only by the board of mayor and aldermen.

All personnel of the fire department shall receive such compensation for their services as the board of mayor and aldermen may from time to time prescribe. (1971 Code, § 7-305)

**7-206. Chief responsible for training and maintenance.** The chief of the fire department shall be fully responsible for the training of the firemen, and the minimum training shall consist of having the personnel take the fire apparatus out for practice operations not less than once a month. (1971 Code, § 7-306)

**7-207. Chief to be assistant to state officer.** Pursuant to requirements of Tennessee Code Annotated, § 68-102-108, the chief of the fire department is designated as an assistant to the state commissioner of commerce and insurance and is subject to all the duties and obligations imposed by Tennessee Code Annotated, title 68, chapter 102, and shall be subject to the directions of the fire prevention commissioner in the execution of the provisions thereof. (1971 Code, § 7-308)



## CHAPTER 3

FIRE SERVICE OUTSIDE CITY LIMITS

## SECTION

7-301. Equipment to be used only within corporate limits generally.

7-302. Rural fire service to subscribers.

**7-301. Equipment to be used only within corporate limits generally.** No equipment of the fire department shall be used for fighting any fire outside the corporate limits unless the fire is on city property or, in the opinion of the mayor or chief of the fire department, is in such hazardous proximity to property owned by or located within the city as to endanger the city property or unless expressly authorized in writing by the board of mayor and aldermen. (1971 Code, § 7-307)

**7-302. Rural fire service to subscribers.** (1) Definitions. As used in this section, the words and terms, as the case may be, shall have definitions as follows:

(a) "City" is the City of Covington, Tennessee.

(b) "Insurance agent" is a person, corporation, partnership or other business entity duly licensed to engage in the insurance business as an agent or broker in Tennessee, and who contracts with the city to pay, for his insured, the sum of five hundred dollars (\$500.00) and payment of which shall be guaranteed by a security bond acceptable to the city.

(c) "Rural fire service" is a fire protection and/or fire fighting service available to subscribers outside the city which service shall be available to a subscriber in the unlimited discretion of the mayor, the fire chief or the ranking officer on duty in the fire department, fire fighting personnel and/or equipment are not needed to serve the needs of the citizens of Covington and/or have not been dispatched to service other calls or fires in other areas outside of Covington.

(d) "Subscriber" is a person, corporation, partnership or other legal entity who shall have primary liability to the city for the payment of fees and charges for fire calls and who contracts with the city, pays the annual fees, and provides insurance or a bond for payment of fire calls or makes a cash deposit of five hundred dollars (\$500.00) for one (1) commercial or one (1) residential building and accessory buildings to the primary structure, and motor vehicles if they endanger the building of the subscriber and are located within a five (5) mile radius of the city limits of Covington.

(e) "Surety bond" is insurance or a bond executed by a corporate surety or insurer which is authorized to do business in Tennessee and which is acceptable to the city.

(2) Subscription fees, etc. (a) The city will furnish rural fire service, as defined herein, to a subscriber upon payment of a non refundable fee of fifty dollars (\$50.00) per annum in advance commencing on January 1. There will be no prorations of an annual fee paid after January 1<sup>st</sup> of any year.

(b) The subscriber shall guarantee the payment of five hundred dollars (\$500.00) for each fire call in the following manner:

(i) Execute a subscription contract which shall include a certification by an insurance agent, accompanied by a corporate surety bond that five hundred dollars (\$500.00) shall be paid for each fire call made to a subscriber until the bond is canceled or terminated and receipt of notice of cancellation or termination has been acknowledged in writing by the city.

(ii) In the alternative the subscriber may deposit the sum of five hundred dollars (\$500.00) cash with the city and receive one (1) rural fire service call.

(3) Tipton County fire call. The city will respond to fire calls at no cost made by the County of Tipton involving its property and the Tennessee State Highway Patrol in cases of highway accidents involving the safety of persons or damage to state property.

(4) Fees and charges paid to general funds. The fees and charges for rural fire service shall be paid to the general fund of the city and shall be used solely and exclusively to operate and buy equipment for the fire department.

(5) Equipment. The fire chief shall make recommendations to the board of mayor and aldermen for use of rural fire equipment funds for the purchase, maintenance, and operation of any apparatus or equipment needed for the fire department. (Ord. #1408, Dec. 1996, modified)

ORDINANCE NO 1733

AN ORDINANCE TO DELETE IN ITS ENTIREY THE TEXT OF THE COVINGTON MUNICIPAL CODE, (FIRE PROTECTION AND FIREWORKS) TITLE 7, CHAPTER 4 AND ORDINANCE NO 1696 AND REPLACE IT WITH THE FOLLOWING.

WHEREAS, the Board of Mayor and Alderman has deemed it necessary, for the purpose of promoting the health, safety, prosperity, morals, and general welfare of the City, to amend The Covington Municipal Code by discontinuing the sale and discharge of all fireworks, except by organizations that hire licensed professionals to conduct displays and,

WHEREAS, the Board of Mayor and Alderman have discussed and reviewed the above stated proposed deletion and replacement; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF COVINGTON:**

**SECTION 1.** That Title 7, Chapter 4, and Ordinance Number 1696 shall be deleted in their entirety and replaced with the following:

7-401. Definitions.

- a) "Fireworks" means any composition or device for the purpose of producing a visible or an auditable effect by combustion, deflagration, or detonation and which also meets the definition of Tennessee law.

7-402. Prohibition. The sale or manufacture of fireworks within the corporate limits of the City of Covington is prohibited.

7-403. Discharge of Fireworks. The discharge of fireworks within the corporate limits of the City of Covington is prohibited except as specifically set forth hereinbelow.

- a) The discharge of fireworks within the corporate limits of the City of Covington shall be limited to persons, businesses, or organizations that:
  - i. Hire a pyrotechnic professional who is licensed as an "exhibitor" or certified as an "outdoor fireworks display operator" by the State Fire Marshal to conduct fireworks displays (See generally *Tennessee Code Annotated* § 68-104, Part 2);
  - ii. Hire a pyrotechnic professional who has a permit or federal explosives license from the Bureau of Alcohol, Tobacco, Firearms and Explosives to conduct fireworks displays (See generally 27 CFR Part 555);
  - iii. Hire a pyrotechnic professional who has any other acceptable license, certificate, or training which would provide them with specific expertise the Special Events Committee, Covington Fire Chief or his designee, and Board of Mayor and Aldermen find acceptable to minimize the risk of harm posed to the public and demonstrate to the Committee, Fire Department and Board

of Mayor and Aldermen the event will comply with all applicable safety standards as determined by the Covington Fire Chief or his designee;

iv. Appear(s) before the Special Events Committee to request a permit and the Special Events Committee, Covington Fire Chief or his designee, and the Board of Mayor and Aldermen specifically determine that the event will detonate consumer fireworks<sup>1</sup> only and the applicant adequately demonstrates to the Committee, Fire Department and Board of Mayor and Aldermen the event will comply with all applicable safety standards as determined by the Covington Fire Chief or his designee;

b) Permit Required. Permits for the discharge of fireworks within the corporate limits of the City of Covington shall be issued by the Board of Mayor and Aldermen. Prior to the discharge of any fireworks, either "public displays" (as defined herein) or for private events, the person, business, or organization conducting the fireworks event shall first appear before the City of Covington Special Events Committee and present their application for review.

i. The application for a permit shall include, among other information, name, age and contact information of the applicant, date and time of the event, the type of fireworks that will be used in the event (either consumer fireworks<sup>1</sup> or display fireworks<sup>2</sup>), the approximate number of fireworks detonated in the event, who will be responsible for detonating the fireworks, where the event will be held, permission from the owner of the property where the event will be held, where spectators will be during the event, the number of spectators expected, the closest structures to the location of the event, and what safety measures will be in place in the event of an accident.

ii. The Special Events Committee will recommend either approval or denial of a permit for the discharge of fireworks to the Board of Mayor and Aldermen. The Special Events Committee may also recommend a

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<sup>1</sup> Consumer Fireworks are defined as any small firework device designed to produce visible effects by combustion and which comply with the construction, chemical composition, and labeling regulations of the U.S. Consumer Product Safety Commission, as set forth in 16 CFR. parts 1500 and 1507, some small devices designed to produce audible effects are included, such as whistling devices, ground devices containing 50 mg or less of explosive materials, aerial devices containing 130 mg or less of explosive materials, those classified as fireworks UN0336, and UN0337 by the U.S. Department of Transportation at 49 CFR 172.101, and/or as may be defined in *Tennessee Code Annotated* § 68-104-101. It does not mean fused set pieces containing components which together exceed 50 mg of salute powder.

<sup>2</sup> Display fireworks are defined as large fireworks designed primarily to produce visible or audible effects by combustion, deflagration, or detonation salutes containing more than 2 grains (130 mg) of flash powder, aerial shells containing more than 40 grams of pyrotechnic compositions (including any break charge and visible/audible effect composition but exclusive of lift charge), other display pieces which exceed the limits of explosive materials for classification as "consumer fireworks," and/or as may be defined in *Tennessee Code Annotated* § 68-104-101 and § 68-104-202. They also include fused set pieces containing components which together exceed 50 mg of flash powder. Display fireworks are classified as fireworks UN0333, UN0334 or UN0335 by the Department of Transportation 49 CFR 172.101. Display fireworks also require any person using them, in any way, to have an ATF explosives license or permit for the activity under applicable regulations found in 27 CFR, part 555.

conditional approval of the application upon certain other safety measures being met.

- iii. The Board of Mayor and Aldermen has final authority on approving or denying a permit for the discharge of fireworks, and a permit issued by the Board of Mayor and Aldermen is required before any discharge of fireworks is allowed within the corporate limits of the City of Covington.
- iv. Before any application for a permit can be approved the applicant must provide proof to the Special Events Committee and the Board of Mayor and Aldermen proof of general liability insurance to cover the potential liability for bodily injury and property damage in the minimum amount of one million dollars (\$1,000,000) for the fireworks event.
  - i. The Board of Mayor and Alderman shall have the discretion to waive the general liability insurance requirement as a condition of issuing a permit if, in its sole discretion, the burden on the applicant in providing the insurance outweighs the overall risk of harm posed to the general public. In considering a request for a waiver of insurance coverage the Board of Mayor and Aldermen shall consider the number of fireworks detonated at the event, the proximity of other structures to the location of the fireworks event, and the number of spectators expected at the event. The Special Events Committee shall recommend either approval or denial of the insurance waiver request after its review of the application.
- v. If the event will be a “public display” of fireworks, as defined in *Tennessee Code Annotated* § 68-104-211, then the applicant must provide proof of compliance with the provisions set forth in *Tennessee Code Annotated* § 68-104-211 and provide a copy of the permit from the State Fire Marshall, once received.

c) 7-404. Violations and Penalties.

- i. Any person(s) found guilty of violating the terms of this chapter are subject to a \$50.00 fine for each occurrence. Each firework detonated in violation of the terms of this ordinance shall constitute a separate occurrence.
- ii. If the City of Covington Police Chief and/or City of Covington Fire Chief have probable cause to believe that any person, business or organization has not obtained the proper permit(s) from the City of Covington Board of Mayor and Aldermen and/or the State Fire Marshal, then the Police Chief and/or Fire Chief shall stop the discharge of the fireworks, and confiscate any remaining undetonated fireworks.

- iii. Any person detonating fireworks within the corporate limits of the City of Covington in violation of this chapter shall be cited to court, and any remaining undetonated fireworks shall be confiscated.
- iv. Minors in possession of fireworks, Parental Liability. It is unlawful for any minor child under the age of sixteen (16) to be in possession of fireworks within the corporate limits of the City of Covington. In the event any minor child under the age of sixteen (16) is found to have possession of fireworks, as defined by this chapter, then the fireworks shall be confiscated and the minor's parent shall be held responsible and cited to court under this chapter.
  - i. For purposes of this section, "possession" means having or holding physical dominion and control over the object.

**SECTION 2.** BE IT FURTHER ORDAINED that this Ordinance shall become effective immediately upon its passage after third and final reading, this ordinance shall take effect from and after its passage, the welfare of the City requiring it.

Passed First Reading	<u>September 8, 2020</u>	_____
Passed Second Reading	<u>October 13, 2020</u>	Mayor
Public Hearing	<u>October 27, 2020</u>	
Passed Third Reading	<u>October 27, 2020</u>	_____
		Recorder-Treasurer

Motion by Alderman CH Sullivan  
 seconded by Alderman Keith Phelps  
 Voting Aye: Sullivan, Morris, Yarbrough, Phelps, Wallace  
 Motion passed per Minutes approved at the  
 BMA November 10, 2020 meeting.

*Keith Phelps*

## CHAPTER 4

### FIREWORKS

#### SECTION

- 7-401. Definitions.
- 7-402. Permits and permit fees.
- 7-403. Permit revocation.
- 7-404. Permissible fireworks.
- 7-405. Storing and structures.
- 7-406. Limitations on structures.
- 7-407. Location of fireworks outlets.
- 7-408. Parking for retail fireworks sales site.
- 7-409. Additional standards for fireworks retailers.
- 7-410. Unlawful sale to certain children and other persons; unlawful use of fireworks.
- 7-411. Limited time period to use fireworks.
- 7-412. Exemptions.
- 7-413. Violations and penalty.

**7-401. Definitions.** (1) As used in this chapter, unless the content otherwise requires:

(a) "Combustible material" means a substance that can be burned to provide heat or power.

(b) "Fireworks" means any composition or device for the purpose of producing a visible or an audible effect by combustion, deflagration, or detonation, and which meets the definition:

(i) As referenced in the currently adopted fire codes.

(ii) Exceptions:

(A) Toy caps for use in toy pistols, toy canes, or toy guns, and novelties and trick noisemakers manufactured in accordance with DOT regulations, 49 C.F.R. 173.100(p), and packed and shipped according to those regulations;

(B) Model rockets and model rocket motors designed, sold, and used for the purpose of propelling recoverable aero models;

(C) Propelling or expelling charges consisting of a mixture of sulfur, charcoal, saltpeter are not considered as designed to produce audible effects.

(c) "Mobile retailer" means a vendor operating from motor vehicles, trailers, bicycles, or motorbikes.

(d) "Permit" means the written authority of the City of Covington issued under the authority of this section.

(e) "Person" means any individual, firm, partnership, or corporation.

(f) "Retailer" means any person engaged in the business of making retail sales of fireworks to the general public.

(g) "Sale" means an exchange of articles of fireworks for money and also includes barter, exchange, gift, or offer and each such transaction made by any person, whether as principal, proprietor, salesperson, agent, association, copartnership, or one (1) or more individual(s).

(h) "State fire marshal permit" means the appropriate fireworks permit issued by the Tennessee Fire Marshal under the authority of Tennessee Code Annotated, § 68-104-101, et seq.

(2) Singular words and plural words used in the singular include the plural and the plural as singular. (Ord. #1599, Nov. 2009)

**7-402. Permits and permit fees.** (1) It is unlawful for any person to sell or to offer for sale in the City of Covington any item of fireworks without first having secured a state fire marshal permit and a permit issued by the City of Covington.

(a) Permits are not transferable.

(b) A permit to sell fireworks to the general public is valid only from June 20 through July 5 or December 10 through January 2.

(c) The permit fee for retail permits is fifty dollars (\$50.00) for the summer period and fifty dollars (\$50.00) for the winter period.

(2) A permit to sell fireworks in the City of Covington must be obtained at least two (2) weeks prior to the date on which the applicant begins making sales. Each application shall contain the following:

(a) The application must include the name, address, and telephone number of applicant.

(b) The applicant must be the natural person who will operate or be responsible for sales.

(c) The applicant's name must be the same as the name on the state fire marshal's permit.

(d) The applicant is liable for all violations of this chapter by persons under his/her supervision.

(3) For a state permit to be obtained by a retailer, the mayor or his or her designee must sign on behalf of the retailer an application for fireworks permit that the state requires before a state permit is issued to a retailer for a specific location.

(4) A person that applies for a retail fireworks permit must show proof that a state sales tax number has been obtained for sales tax purposes.

(5) A site plan must be submitted that includes the dimensions of the lot, size and location of structure, setback of structure from the right-of-way, location of other structures in the area that are occupied, location and number



of parking places, location of any nearby residences, location of the nearest fuel outlets, and location of other fireworks outlets if located within seven hundred fifty feet (750') of a retail structure.

(6) Mobile vendors are not permitted.

(7) Signage shall conform to current codes.

(8) The application must contain evidence that general liability insurance has been obtained by applicant naming the City of Covington as additional insured for at least one million dollars (\$1,000,000.00) for each occurrence, whether in respect to bodily injury liability or property damage liability or bodily injury liability and property damage liability combined.

(9) The application must disclose the location where the applicant will conduct the business of selling fireworks and the dates for which the right to do business is desired.

(10) Applicant shall pay one hundred dollars (\$100.00) cleanup deposit per location, which shall be refunded after the fireworks season or used by the city to clean up the retail fireworks site if needed.

(11) After the application has been submitted and approved, the city building inspector, fire inspector, and state electrical inspector (fire inspector and electrical inspector must also inspect by law/ordinance) shall inspect the site for compliance with applicable codes and ordinances. (Ord. #1599, Nov. 2009, as amended by Ord. #1610-1, Feb. 2011)

**7-403. Permit revocation.** (1) The City of Covington may revoke any permit upon failure of retailer to correct any of the following conditions within thirty-six (36) hours after the building official gives written notice.

(a) When the permittee or the permittee's operator violates any lawful rule, regulation, or order of the city building official.

(b) When the permittee's application contains any false or untrue statements.

(c) When the permittee fails to timely file any report or pay any tax, fee, fine, or charge.

(d) When the permittee or the permittee's operator violates any fireworks ordinance or statute.

(2) When any activities of the permittee constitute a distinct hazard to life or property, the building inspector and/or fire inspector, may revoke the permit immediately. (Ord. #1599, Nov. 2009)

**7-404. Permissible fireworks.** (1) It is unlawful for any individual, firm, partnership, or corporation to sell or use within the City of Covington, except as provided in this chapter, any fireworks as defined in § 7-401(1)(a), other than the following:

(a) Those items classified by the U.S. Department of Transportation as 1.4G Consumer Fireworks; or

(b) Those items that comply with the construction, chemical composition, and labeling regulations promulgated by the United States Consumer Product Safety Commission and permitted for use by the general public under its regulations.

(2) Any display using 1.3G Display Fireworks as defined in the fire code must be under the control of a licensed pyrotechnics technician. (Ord. #1599, Nov. 2009)

**7-405. Storing and structures.** No person may smoke within a structure where fireworks are sold. No person selling fireworks may permit the presence of lighted cigars, cigarettes, or pipes within a structure where fireworks are offered for sale. At all places where fireworks are stored or sold, there must be posted signs with the words Fireworks--No Smoking in letters not less than four inches (4") high. An inspected and currently tagged fire extinguisher with a minimum 2A rating and one (1) pressurized water type fire extinguisher must be present at each retail fireworks site. Fireworks sold at retail may be sold only from a freestanding structure. Fireworks must be stored at least ten feet (10') away from windows and other areas where the sun may shine through. Fireworks are not permitted to be stored in residential districts, except for personal use. (Ord. #1599, Nov. 2009)

**7-406. Limitations on structures.** Retail structures including tents meeting the current adopted fire code, building code and Life Safety Code (NFPA 101), and electrical code may be used for the retail sale of fireworks. Ground fault interrupter protection must be used for power cords that supply power to tents and other outdoor structures. Electrical wiring inside tents and other outdoor locations shall be securely installed, without splices, and lamps shall be protected from accidental breakage by a suitable fixture or guard. No structure from which fireworks are sold may exceed three thousand two hundred (3,200) square feet. Fireworks may not be stored in a permanent building unless the building has a sprinkler system and is constructed of non-flammable materials such as metal or concrete block. (Ord. #1599, Nov. 2009)

**7-407. Location of fireworks outlets.** Fireworks sales structures must be no closer than sixty feet (60') from any occupied building. Fireworks sales are permissible only on commercial/industrial property as approved by the planning department and the sales structure must be located a minimum of forty-five feet (45') from the right-of-way. Any fireworks sales structure must be at least one hundred fifty feet (150') from a residence. (Ord. #1599, Nov. 2009)

**7-408. Parking for retail fireworks sales site.** (1) The site for a fireworks retailer shall be improved to provide at least twelve (12) graveled or paved parking places for off street customer parking.

(2) The retail fireworks site must provide for an on-site turn-around area so that backing of vehicles onto the street will not be necessary.

(3) The parking area must be large enough and constructed so as to accommodate a fire truck as spelled out in NFPA 1124 7.3.4. (Ord. #1599, Nov. 2009)

**7-409. Additional standards for fireworks retailers.** (1) Any site for a fireworks retailer must be located so that all parts of the structure and fireworks inventory on the site are no closer than one hundred feet (100') to any combustible material.

(2) The parcel on which fireworks retail sales is proposed shall be a minimum of seven hundred fifty feet (750') from other similar uses. This distance shall be measured in a straight line from structure to structure. Priority shall be given to the retailer who obtained a permit the previous year at the same location. (Ord. #1599, Nov. 2009)

**7-410. Unlawful sale to certain children and other persons; unlawful use of fireworks.** (1) It is unlawful to offer for sale or to sell any fireworks to children under the age of sixteen (16) years of age or to any intoxicated person.

(2) It is unlawful to explode or ignite fireworks within six hundred feet (600') of any church, assisted living facility, nursing home, hospital, funeral home, public or private school academic structure, or within three hundred feet (300') of where fireworks are stored, sold, or offered for sale.

(3) It is unlawful to ignite or discharge any permissible articles of fireworks within or throw them from a motor vehicle.

(4) It is unlawful to place or throw any ignited article of fireworks into or at a motor vehicle, or at or near any person or group of persons.

(5) It is unlawful to ignite fireworks on another person's private property unless permission is obtained from the owner or occupant of the property.

(6) It is unlawful to launch fireworks onto property of persons who have not given permission.

(7) It is unlawful to use fireworks at times, places, or in any manner that endangers other persons.

(8) It is unlawful to ignite fireworks during a burning ban declared by either the State of Tennessee or the City of Covington Fire Department, except for public (and/or group) displays for which permits have been granted. (Ord. #1599, Nov. 2009)

**7-411. Exclusions.** Nothing in this chapter prohibits:

(1) The sale of any kind of fireworks that are to be shipped directly out of the corporate limits of the city in accordance with the regulations of the

United States Department of Transportation covering the transportation of explosives and other dangerous articles by motor, rail, and water.

(2) The sale, transportation, handling, or use of industrial pyrotechnic devices or fireworks, such as railroad torpedoes, fuses, automotive, aeronautical, and marine flares and smoke signals.

(3) The sale or use of blank cartridges for theater, for signal or ceremonial purposes, in athletics or sporting events, or legal power tools.

(4) The transportation, handling, or use of any pyrotechnic devices by the armed forces of the United States.

(5) The use of pyrotechnics in training by the fire service, law enforcement, or similar government agencies.

(6) The use of fireworks for agricultural purposes under conditions approved by the fire chief or his designee.

(7) Supervised displays of fireworks as provided for in this chapter. (Ord. #1599, Nov. 2009)

**7-412. Violations and penalty.** Violations of any provision of this chapter shall be subject to a penalty of up to fifty dollars (\$50.00) per violation. (Ord. #1599, Nov. 2009)

Judge Salary and Benefits in Select TN Cities  
 MTAS research and information Center | January 2021



City	Contact Name	Title	Benefits Provided/Offered to the Municipal Judge? (Y/N)	What benefits are offered?	Is this a Full time or Part-time position?	Is your court a general sessions court? (Y/N)	Actual Annual Salary	Population	Comments
BROWNSVILLE	Sherry Batchelor	City Clerk	N	N/A	Part-time	Y	\$14,481 Annual	10,292	
DYERSBURG *	Sue Teague	HR Director	Y	Medical and dental	Part-time	Y	\$35,000.00	17,145	
EAST RIDGE *	Trish Perry	HR Director	Y	Medical, dental, vision	Part-time	Y	\$24,000 annual	20,979	
GOODLETTSVILLE	Dawn West	HR Director	N	N/A	Part-time	N	\$20,000.00	15,921	
LAWRENCEBURG	Doug Edwards	HR Director	Y	Health, Dental, Life, & TCRS paid by city and whole range of optional such as disability, cancer, critical illness, vision, etc	Part-time	N	\$12,820 Annual		
MCMINNVILLE	Libby Rutledge	HR Director	N	N/A	Part-time	N	\$12,000.00	10,428	
MILLINGTON *	John Trusty	Finance Director/ Personnel Director	Y	Judge is Elected. Part-Time Elected Officials may take health insurance but must pay 100% of premium. Part-Time Elected Officials may buy optional dental, vision, life and related products by paying 100% of premium.	Part-time	Yes, until August 31, 2022.	\$36,000.00	13,605	Judge is currently elected. Charter was changed to appointed Judge at the end of this term (August 31, 2022).
MT. JULIET	Janet Southards	HR Director	N	N/A	Part-time	N	\$10,800.00	11,132	
RED BANK	Tracey Perry	City Recorder	N	N/A	Part-time	N	\$19,999.92	31,376	
TULLAHOMA	Castia Brice	HR Director	N	N/A	Part-time	N	\$16,500.00	11,651	
UNION CITY	Amanda Darnail	Personnel Administrator	N	N/A	Part-time	N	\$6,960.00	18,655	
WHITE HOUSE	Amanda Brewton	HR Director	Y	Medical, dental, vision	Part-time	N	\$7,200.00	10,895	

\* General sessions court

Municipality	Annual Salary	# of Day on Bench
Millington	\$30,000	2 Days/Wk
Brownsville	\$14,481	2 Days/Wk
Ripley	\$12,000	1 Day/Wk
Martin	<del>\$2,000</del>	2 days/Mo
Paris	\$6,675	2 days/Mo
Humboldt	\$7,200	1 Day/Wk

Dianne, Court Clerk 901-873-5850  
 Sherry, City Clerk 731-772-1212  
 Donna, 731-635-4000  
 Ashley Stutts, Court Clerk 731-587-3126  
 Kim Foster, City Manager 731-641-1408  
 Cindy, Mayor's Office 731-784-2511

Month	scheduled for court	Written	signed by Witherington
July '19	71	NA	29
Aug '19	76	NA	49
Sept '19	30	NA	49
Oct '19	51	NA	31
Nov '19	39	NA	24
Dec '19	60	NA	21
Jan '20	48	44	45
Feb '20	58	65	32
Mar '20	46	39	37
Apr '20	60	16	8
May '20	44	39	18
June '20	66	(converted)715	45
Jul '20	47	43	36
Aug '20	51	(converted)345	45
Sept '20	278	(e-ticket start)285	39
Oct '20	266	166	75
Nov '20	174	163	63
Dec '20	259	56	58
Jan '21	130	65	16*
Feb '21	No crt	155	6*
Mar '21	No crt	205	2*
Apr '21	328	164	22*

\* 66 signed but not paid YTD

\*\* most months have 4 court dates

LAW GROUP LLP

W. Lewis Jenkins, Jr. ♦\*Δ  
Dean P. Dedmon ♦  
Mark L. Hayes ◇  
David Owen  
Rachel K. Witherington  
Leah F. Keiser  
Thomas D. Forrester ❖  
Mark Butler

May 14, 2021

♦ Licensed in Tennessee & Missouri  
\* LL.M (Taxation)  
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◇ Rule 31 Mediator  
❖ 1950-2019

Writer's Email:  
[Rwitherington@lexverum.com](mailto:Rwitherington@lexverum.com)

To: Finance & Administration Committee

Re: Title 6 of the municipal Code & Surplus Property Policy for discussion

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**Amendments to Title 6: Law Enforcement**

Add:

**Section 6-107: Fees for seized property.** The City of Covington Police Department is authorized to charge a reasonable fee for the storage of any property seized by the department pursuant to any applicable state law. The City of Covington Police Department is further authorized to charge a reasonable fee for the associated administration procedures associated with seizure of property as well as any other applicable costs or expenses incurred by the Department. All fees associated with this Section shall be set forth in the Administrative Ordinance.

**Surplus Property Policy**

Attached is the policy and associated materials from MTAS for selling surplus property. These materials are good because they provide the considerations the Board should consider when developing a surplus property policy, and also provide a sample resolution setting out plainly and clearly how, when, why, etc.

One thing to take note of – this proposed policy **does not include real property**, which I think is appropriate for a couple of reasons.

1. The characteristics of real estate can vary significantly. Is it vacant or does it include a structure? If so, what is the condition of the structure? How is the property zoned? If vacant, does it have any characteristics that would limit the development of



the property? How long has the City owned the property, thus how much does the City have invested in the property? What are the relevant market considerations?

2. I think it would be in the City's best interest to keep the options open on selling real estate. For example:
  - a. The lot the City purchased at the back tax sale recently on Valley Ave. had no real value to the City. It was vacant and any options for the City to use or develop that lot were extremely limited, if there were any at all. It was costing the City money to keep it because we had to maintain it. While the City should get a fair value for the lot, it would be in the City's long term best interest to sell that lot sooner than later. Some of the same circumstances would also apply to the sale of Anderson field.
  - b. The old police department has different considerations. The City has owned that building a long time, but it would require significant investment on the City's part to rehabilitate the building for future use. On the other hand, currently the building isn't costing the City very much money so selling it quickly isn't as pressing a concern as might apply to other properties.
3. Per the City's charter, any sale of real estate owned by the City must be approved by the Board. So, the Board would know and could discuss the particular set of circumstances that apply to any sale of real estate.

Since real estate is unique, I think the Board should have the option to exercise its collective discretion on this issue, which would include the value of the property. As such, perhaps the best option to sell real estate is a separate policy that sets out the general guidelines the City would follow in marketing real estate for sale, all of which would be discussed and decided by the Board on a case-by-case basis. In doing so the decision-making *process* followed by the Board would be the same each time, but the actual procedure decided upon by the Board would vary depending on the circumstances. For example:

1. Depending on the property, is the best course of action to list the property for sale with a real estate agent?
  - a. If so, how would you like to solicit proposals from real estate agents to list the property?
    - i. The quickest and least expensive way would be for the Mayor, perhaps, to send a letter with the details of the property to all real estate agencies in the City of Covington inviting them to submit a proposal to the City to be the listing agent.

- ii. Also post this request on the City's website, social media, and at City Hall.
    - iii. Depending on the circumstances, it might be prudent to send the request to other, more specialized, real estate agents in larger markets.
  - b. If we list with a real estate agent does the Board want to have an appraisal on the property done, or will you agree to list it for sale at a price recommended by the agent based on their experience and other market factors?
    - i. Residential appraisals aren't very expensive - \$300-\$500 - but commercial appraisals can cost \$1,500 or more.
2. If the Board decides the characteristics of the property don't warrant listing it with an agent – maybe because the overall value is minimal, like the small building on N. Main – what should the procedure be for selling the property?
- a. I submit the process of advertising the property in the paper for two consecutive weeks requesting sealed bids is a fair process.
  - b. The Board could also consider sending a copy of the Notice published in the paper to all neighbors to the subject property, other businesses or people who own similar properties or businesses, i.e. those that might have particular interest in submitting a bid to the City to purchase the property.
  - c. I would also suggest any properties sold using this process to be posted on the City's website, social media, and at City Hall.

A handwritten signature in blue ink, appearing to read "Michael K. [unclear]", is written across the lower middle of the page.

## Policy for Selling Surplus Property

**Reference Number:** MTAS-763

Every city will occasionally find itself in possession of certain equipment, machinery, or materials that it no longer needs or wants. In most cases, the surplus property involves materials or equipment that have become obsolete or unused over the years, and the city decides it is time to unload these useless items, sell them to the public, and put the proceeds from the sale to good use.

A well-managed municipality will have policies and procedures in place to assure that the sale of surplus property is conducted in an orderly, profitable, and ethically transparent manner. Failure to enact such policies – and to have them firmly in place prior to putting any surplus property up for sale – invites problems that may have unpleasant results for the city and its officers.

This MORE section concerns itself specifically with the disposal of surplus items of equipment and materials. It does not pertain to the sale of surplus real estate that a municipality may want to sell. The strategies for selling surplus equipment differ from those involving the sale of real estate – and case law is very clear that when it comes to real estate, cities can sell it to whomever they wish, provided it is in the city's interest.

## Definitions and Examples

**Reference Number:** MTAS-764

A good working definition of "surplus city property" would be: Any city-owned vehicles, equipment, materials or similar goods that are obsolete and/or unused by the city, are likely to remain so for the foreseeable future, and that have been declared to be surplus to the city's needs by a vote of the city's governing board.

Items most commonly sold by cities as surplus property include:

### ***Vehicles and Equipment***

- Fire trucks that have been replaced by newer models
- Used automobiles
- Lawn mowers and tractors
- Old computers and related equipment
- Obsolete or inefficient hand tools
- Desks, chairs, and other office equipment
- Unclaimed goods. Items found on city properties and have not been claimed by their owners after a reasonable period of time – bicycles, for instance.

### ***Materials***

- Unusable remnants of bulk supplies (copper wire, water pipes, etc.)
- Items salvaged from building demolition or remodeling projects.

## Goals of Surplus Property Policy

**Reference Number:** MTAS-771

A good surplus property policy will focus on five important goals:

- **Economy.** The policy should stipulate a process that allows for the city to maximize the proceeds it receives from the sale of surplus property. Additionally, the policy will minimize the costs associated with such disposal. It should not, for example, cost more to conduct a surplus property sale than the amount of money the city stands to realize from such sale.
- **Fairness.** A good policy will assure that every citizen in the community has an equal opportunity to know about the impending sale of surplus property and a fair chance to submit a winning bid or proposal.
- **Protection Against Abuse.** Every surplus property policy should protect against the diversion of sale proceeds to the city's officers, employees or others -- and assure that property, which still has a reasonable use to the city, is not sold. It is not unheard of, for example, for a city employee to offer surplus property for sale and to pocket the proceeds for himself. Often in such cases, the governing board and administrative staff were unaware of the offering and sale. And, in many cases, the sold property had considerable remaining use for the city.

- **Product Liability Protection.** Some surplus items may simply be too dangerous to offer for sale. Should the buyer be injured (or worse!) when using these items, the city might be called upon to defend its sale in court. A good policy should provide examples of items that will not be sold as surplus property, and require a review before putting items up for sale.
- **Protection of the City's Image and Reputation.** A surplus property resolution should be developed with the city's reputation for ethical behavior in mind. After the sale, neither the city nor its officers and employees should be the subject of claims of unethical or illegal behavior. A well-written policy, and some due diligence by the governing board and administration, will assure that this important target is met.

## What to Declare as Surplus

**Reference Number:** MTAS-774

Unless otherwise provided in your city's charter, MTAS recommends that the city's governing body declare property as surplus in a resolution. The board's decision should be reflected in a resolution – one that itemizes and describes the items being declared surplus, and authorizes the city staff to proceed with the sale. Such a policy serves to insulate the city staff from accusations of improperly selling (or giving away) city assets.

Recommendations to declare items as surplus would best be made by department heads, supervisors, managers, etc. But governing boards should make the final decision. The recommendations made by the staff should be in writing and provide defensible reasons for making the declaration. For its part, board members should carefully question recommendations to sell high value items, withholding their support for the proposed sale until they are satisfied that the public interest is being served.

The governing board's decision to declare property as being surplus should be made by means of a written resolution. For each item proposed for sale, the resolution should include two key pieces of information:

- The reason(s) for declaring the property to be surplus to the city's needs. The reasons for selling the property should be specific and verifiable.
- In the case of surplus city equipment, the resolution should refer to the make, model, serial number and age of each item proposed for sale. Additionally, automobiles should be referred to by the Vehicle Identification Number (VIN) and the approximate mileage of the vehicle.

Prior to the vote, each board member should carefully read the proposed resolution and ascertain for themselves that sound reasons exist for declaring the property surplus to the city's needs.

### **Prior to the Sale**

While there are no state laws regulating a municipality's authority to advertise and sell surplus property, care must still be taken to assure that the city has the legal right to sell the items proposed for classification as surplus property. To prevent trouble after the sale, the following sources should be checked before seeking the board's approval for the sale:

- **The City Charter.** It is possible that a portion of your city's charter may disallow the sale of certain high value properties, at least without a referendum of the citizens. Selling the municipal gas or electric utility, for example, might require such a vote. In rare cases, the charter may also specify a general procedure for disposing of surplus property that the city would be obliged to obey.
- **The City Code.** Here again, the city may have enacted an ordinance that prescribes a procedure for selling city property. Similarly, it would be wise to see if any resolutions or motions of the board exist pertaining to surplus property sales. Your city's purchasing policy may also include provisions for selling surplus city property.
- **State Statutes.** State law generally recognizes the city's authority to decide what constitutes surplus property. But every municipal official and employee needs to be aware of *Tennessee Code Annotated* § 6-54-125, which makes it unlawful for any municipal official or employee to purchase surplus property from their municipality except by means of a bid at a public auction. This prohibition extends for six months after the employee or official leaves office. Violation is a Class A misdemeanor.
- **Contracts and Agreements with Other Parties.** You should be aware that contracts may exist that preclude the city from selling certain properties that were acquired by means of donations or grants. Certain pieces of equipment purchased with grant funds might be complicated to sell. The terms of the grant may either prohibit the sale or require that the sale proceeds are shared with the grantor. It would be wise to review the grant documents signed by the city prior to offering such equipment for sale.

## Development of a Surplus Property Policy

**Reference Number:** MTAS-777

A sound policy for the selling of surplus property would include the following considerations:

- **Appraisal of the item.** The city should not sell surplus property unless and until the governing board has a firm understanding of the value of the item proposed for sale. The appraisal need not be a long and highly documented report such as real estate appraisals used in eminent domain proceedings, but it should provide some assurance to the community that the full value of the property was known and understood by the board prior to the sale. The appraisal should be the basis of accepting or rejecting bids received by the city for the sale.
- **Estimates.** It will not always be practical to obtain an appraisal of lower value items owned by the city – old automobiles, obsolete electronic equipment, etc. In such instances, the city should still get an estimate from some person or firm that specializes in the product proposed for sale. These estimates will not be as official as a written appraisal, but should suffice to give the governing board a realistic idea of the property's value.
- **Assign Responsibility for Conducting the Sale.** The policy should assign responsibility for the sale to a specific employee, agent, or department. The surplus property resolution can simply direct the appropriate employee to arrange the sale of the item or property.
- **Minimum Bid to be Specified.** Except for very low value items, the policy should require the governing board to set a minimum threshold for accepting bids on surplus property offered for sale. When possible, the city's sale advertisement should refer to this threshold to minimize the submission of unacceptably low bids.
- **Auction vs. Sealed Bids.** The city might consider holding a public auction to sell its surplus property – a gathering of interested parties in a common place and time for the purpose of bidding on items offered for sale. There are two advantages to this method. First, a well attended auction is entirely transparent and understood by the public. Accusations that the city ignored certain bids can be avoided – protecting the city against claims of corruption. Sealed bids also may be used to sell surplus property and in some cases may be entirely appropriate for selling surplus property. A good city surplus property policy would provide some general guideline for when either of these sales methods are to be used.
- **Advertisement Policy.** The city should stipulate when and where surplus property sales will be advertised. For low value items, the local newspaper and the city's website would be sufficient for notifying the public of the impending sale. For higher value items, the city would do well to advertise on a regional or even statewide basis and send invitations to bid to persons and entities thought likely to be interested in the sale. Cities should also be open to advertising surplus property on websites such as govdeals.com which will open bidding to a huge potential market.
- **Dangerous Items.** It is wise for a city to avoid selling certain items of surplus property, which by virtue of their purpose, design, or obsolescence are inherently dangerous. Included in this category would be certain chemicals that might be toxic if mishandled by an uninformed buyer, defective equipment that might cause injury to persons unfamiliar with the item, etc. A police department, for example, might be wise to limit the sale of surplus firearms and other dangerous weapons to other law enforcement agencies. Similarly, some pieces of equipment known to be dangerously defective might best be sold for scrap rather than to a citizen who could be harmed by it.
- **Prohibited sales.** It bears repeating here that T.C.A. 6-54-125 does not allow members of a municipal governing board or municipal employees to purchase surplus property from the cities they serve unless the sale was made by means of a bid at a public auction. A sealed bid process, therefore, must not result in the sale of surplus property to the board members or employees.

It will look much better to the public, however, if the city's surplus property policy discourages all board members and employees from bidding in any public auctions conducted by the city, or from receiving surplus property offered for sale by the city. Regardless of the city's effort to assure a fair and legal bidding process, the public will likely view surplus property sales to city officers and employees as suspicious.

The big loophole in such a policy, however, is for city officers or employees to have a spouse or friend do the bidding on their behalf – obtaining the surplus property through a straw man. This is not, however, a particularly clever ruse. Once the straw man hands the property over to the city official or employee, the story is likely to leak out and become public knowledge. The resulting publicity will not reflect well on the parties involved.

- **Removal of City Logos.** Especially in the case of motor vehicles, care should be taken to remove all logos and other symbols on the surplus property prior to the sale. This will reduce the opportunity for citizens to think the vehicle has been stolen, or is being used improperly, etc.

#### A Final Word

Once the city has developed and enacted a surplus property policy, copies of the policy should be distributed to every department head, the city's property manager, and any others who might be involved in selling things the city no longer needs. A short training session also may be in order to assure that everyone understands the new policy and the implications for non-compliance.

## Sample Surplus Forms and Resolutions

Reference Number: MTAS-783

Click on the topics listed below in this section for more information.

### Resolution Establishing a Surplus Property Policy

Reference Number: MTAS-786

**RESOLUTION NO.** \_\_\_\_\_

#### **A RESOLUTION OF THE CITY OF ANYTOWN, TENNESSEE, TO ESTABLISH A POLICY FOR THE SALE AND DISPOSAL OF PROPERTY DETERMINED TO BE SURPLUS TO THE CITY'S NEEDS.**

**WHEREAS**, it is in the public interest for the City of Anytown to periodically sell or dispose of certain machinery, equipment, or materials which, by nature of its obsolescence, low value, or disrepair, has been determined by the [Governing Body] to be surplus to the realistic and foreseeable needs of the City; and

**WHEREAS**, the Governing Body] wishes to establish a uniform policy, which provides that obsolete and unneeded property will be offered for sale to the general public in an open, transparent, and cost-effective manner, and assures against usable and valuable property from wrongfully being declared obsolete and offered for sale.

**NOW, THEREFORE, BE IT RESOLVED BY THE ANYTOWN [GOVERNING BODY], AS FOLLOWS:**

1. **Title.** This Resolution shall be known as the "Anytown Surplus Property Policy" and shall be the official guideline for the sale of the City's surplus properties.
2. **Authority to declare property as surplus to the City's needs.** Any member of the [Governing Body], the city manager, any department head, the City's property manager, or the City's purchasing manager may nominate any City-owned property for disposal or sale as surplus property. All such nominations shall be made on forms developed by the City and signed by the person making the nomination. Signed nominations shall be forwarded to the [Governing Body] for the final decision authorizing the sale. It shall be the official policy of the City of Anytown that no city-owned property shall be sold, or offered for sale, as surplus property without prior authorization by the [Governing Body]. The Board's authorization to sell surplus property shall be in the form of a Resolution.
3. **Unauthorized sales.** Any employee of the City of Anytown found to have sold, or offered for sale, any City-owned property in violation of the Anytown Surplus Property Policy shall be subject to disciplinary action and, if applicable, criminal prosecution.
4. **Surplus property nomination form.** The City Recorder shall develop a form which shall be used by city officials to nominate surplus property for sale. As a minimum, such form shall contain the following information:
  - (a) A brief description of the item proposed for sale, including manufacturer, model number, serial number, age, and condition; as well as any asset number assigned to the item in the City's Capital Asset listing;
  - (b) The department or office to which the property is assigned;
  - (c) An explanation of why the property is no longer needed by the City;
  - (d) An estimate of the current in-place value of the property; and
  - (e) The name and signature of the person making the nomination.
5. **Surplus property criteria.** All signed surplus property nomination forms shall be promptly forwarded by the City Recorder to the [Governing Body]. Before classifying any property as being surplus, the [Governing Body] shall consider the following:
  - (a) The age and condition of the property;
  - (b) The cost of replacing the property, if any;
  - (c) The anticipated remaining life of the property;
  - (d) The estimated value of the property;
  - (e) Whether the property might reasonably, safely, and efficiently be used by another City department or office.
6. **Sales procedures.** Unless otherwise directed by the [Governing Body], all surplus property approved for sale shall be sold according to the following procedure:
  - (a) The City Manager shall be wholly and solely responsible for advertising and conducting all surplus property sales.
  - (b) The preferred method of sale shall be a public auction, on a cash, certified check, or if applicable, debit or credit card basis. A public auction may include the use of a nationally recognized government surplus website, such as GovDeals.com or PublicSurplus.com. Sales on such websites shall include a buyer's premium so that the buyer bears the cost for using the website service. When a public auction is not practical or efficient, the Board may direct the sale to take

place by means of sealed bids. The opening of all sealed bids shall take place in a meeting open to all bidders and the general public.

(c) It shall be the City's policy that sales of surplus property shall be awarded to the highest bidder.

(d) All surplus property auctions shall be advertised at least 30 days in advance in a newspaper of local circulation (or on the appropriate website, as noted above). Additionally, the City Manager is encouraged to advertise surplus property sales on the City's website, and with posters or notices placed in public facilities throughout the City.

(e) Prior to the sale, all City logos or other symbols are to be removed or destroyed from the items to be sold.

**7. Sale of dangerous property.** It shall be the policy of Anytown to avoid the sale of surplus property that might reasonably be dangerous or hazardous to the ultimate purchaser. Dangerous or hazardous items shall include, but are not limited to, the following:

(a) Surplus firearms and other weapons. Such items may only be offered for sale to a public law enforcement agency;

(b) Explosives;

(c) Volatile or highly toxic chemicals; and

(d) Equipment and materials that cannot be operated or used safely due to obsolescence, product defect, lack of maintenance, etc.

**8. Prohibited sales.** No member of the Anytown [Governing Body] shall purchase, attempt to purchase, or otherwise take possession of any item of surplus property offered for sale by the City of Anytown. Any employee of the Town of Anytown who purchases, attempts to purchase, or otherwise takes possession of any item offered surplus property offered for sale by the City of Anytown shall be subject to disciplinary action up to and including termination of employment.

**9. Distribution.** The City Manager is hereby directed to distribute a copy of this resolution to every employee of the City of Anytown and in each copy of the City's employee handbook issued after the effective date of this Resolution.

**10. Effective date.** This Resolution shall be in full force and effect from and after its date of adoption by the Anytown Board of Mayor and Aldermen.

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ BY A ROLL CALL VOTE OF THE ANYTOWN [GOVERNING BODY].**

## Resolution to Declare Property Surplus

Reference Number: MTAS-787

**RESOLUTION NO. \_\_\_\_\_**

### **A RESOLUTION OF THE ANYTOWN, BOARD OF MAYOR AND ALDERMEN TO DECLARE CERTAIN PROPERTY OWNED BY THE CITY TO BE SURPLUS TO THE CITY'S NEEDS AND DIRECTING DISPOSAL OF SAME.**

**WHEREAS**, the City of Anytown has identified various items of city-owned property as being surplus to the needs of the City and has determined it to be in the public interest to offer them for sale.

**NOW, THEREFORE, BE IT RESOLVED BY THE ANYTOWN BOARD, AS FOLLOWS:**

**1. Property declared surplus to the needs of the City government.** The following described property is hereby declared to be of low value and surplus to the needs of the City.

<b>Item</b>	<b>Description</b>	<b>Serial Number / VIN</b>
2010 Ford F-150 Pickup Truck	Color: White Mileage: 195,247	OU813-711
Public Address Amplifier	Peavey Model CS 4080HZ Age: 7 years	XYZ87602281
35mm camera	Olympus 35SP - Rangefinder 35 years old	SP-1000879
Work bench vise	Wilmar Model MV4 4 inch, black	none

**2. City Manager directed to dispose of surplus property.** In compliance with the Anytown Surplus Property Policy (Resolution #2015-109), the City Manager is hereby directed to conduct a public auction for the sale of the surplus items enumerated in Section 1 of this Resolution. If said auction does not result in an acceptable bid, the City Manager is

authorized to donate any unsold items of surplus property to any charitable cause, with preference given to those charities located, or having a presence, in Anytown. In the event no charitable cause can be found for such purposes, the City Manager may give the surplus property to any non-profit organization or, at his option, have the items disposed as solid waste.

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ BY THE ANYTOWN BOARD OF MAYOR AND ALDERMEN.**

## Surplus Property Nomination Form

Reference Number: MTAS-788

### **SURPLUS PROPERTY NOMINATION FORM**

#### **CITY OF ANYTOWN, TENNESSEE**

DEPARTMENT: \_\_\_\_\_

The following items are hereby nominated for designation as surplus city property pursuant to City Resolution No. \_\_\_\_\_:

Item: \_\_\_\_\_

Description: \_\_\_\_\_

Serial Number: \_\_\_\_\_

Age: \_\_\_\_\_ Asset # \_\_\_\_\_ Estimated remaining useful life (years) \_\_\_\_\_

Purchase price: Estimated Current Value:

Reasons for making the nomination: \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_

Signature

Date

*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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