

RESOLUTION NO. 2022-3

A RESOLUTION TO SUPPORT RESTORING THE HISTORIC REVENUE SHARING RELATIONSHIP BETWEEN THE STATE OF TENNESSEE AND ITS LOCAL GOVERNMENTS AND TO RETURN THE LOCAL SHARE OF THE SINGLE ARTICLE CAP TO LOCAL GOVERNMENTS

WHEREAS, Tennessee's municipal communities are the economic engine of the state and today 92% of the state's total sales tax collections are generated within municipal boundaries; and,

WHEREAS, such economic growth is intentional and when it occurs, it is financed largely through city taxes for police, fire, streets, water and sewer, schools, parks, libraries and other amenities that attract and retain businesses and make Tennessee's communities desirable places for people to raise a family, start a business, and visit; and,

WHEREAS, in 1947, the state began sharing 4.6% of each year's total state sales tax collections with cities for the purpose of recognizing the collective contribution of cities as the state's economic engine; thereby acknowledging that city residents incur a local tax burden that is directly attributable to financing, developing, and maintaining an economic environment that continues to generate a healthy portion of the sales tax revenue accruing to the state; and,

WHEREAS, when confronting serious fiscal challenges in 2002, the state of Tennessee increased the state sales tax rate from 6% to 7%; and,

WHEREAS, the state chose not to share a portion of the sales tax revenues generated by the increase from 6% to 7% with Tennessee municipalities; and,

WHEREAS, as a result of this change the state broke a 55-year relationship of sharing 4.6% of all sales tax revenue designated for the state's general fund with municipalities; and,

WHEREAS, at the same time in 2002, the state also doubled from \$1,600 to \$3,200 the amount of the purchase price of any single item that is subject to a combined state and local option sales tax of 9.75%; and

WHEREAS, in addition to the single article cap increase from \$1,600 to \$3,200, the state also captured and continues to capture 100% of the state's 7% levy as well as the 2.75% portion of the sales tax levy that is customarily reserved for local government on the added sale of items with a purchase price above \$1,600; and

WHEREAS, in the 20 years since these provisions took effect, these two changes have combined to result in the state realizing nearly \$2 billion in additional sales tax collections -- \$2 billion that would have benefitted local taxpayers had the historic revenue sharing relationship and single article cap not been altered in 2002; and,

WHEREAS, in the 20 years since these provisions took effect, Tennessee's state leaders have managed the budget with great care and a strong fiscally conservative approach to create a dynamic and growing economy with eight consecutive years of surplus revenues; and,

WHEREAS, in the 20 years since these provisions took effect, the State of Tennessee's sustained economic and fiscal performance have erased the conditions which led to these austerity measures in 2002; and,

WHEREAS, there is expected to be a surplus of recurring revenues produced by the economic engines of our state and managed by its leaders; and,

WHEREAS, as a result of the accolades bestowed upon the state for its economic success, its fiscally conservative policies and strong leadership, the state has garnered an enviable reputation as the state in which to live, work and play; and,

WHEREAS, a consequence of this reputation has led to continued and substantial economic growth and an increase and realignment of the state's population, thereby increasing the fiscal pressures on municipal governments to meet demands to expand and maintain infrastructure, to deliver essential services, to provide the amenities that allow for continued quality of life for Tennessee's citizens, and to promote an economic environment that allows Tennessee's businesses and communities to prosper; and,


WHEREAS, these fiscal pressures create the need for recurring dollars to keep pace with this demand and to counteract the effects of inflation; and,


WHEREAS, correcting the provisions which took effect in 2002 will help to offset these fiscal pressures and to provide relief to local taxpayers shouldering the burden of meeting this demand which is associated with generating the sales tax revenues accruing to the state.

NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, on behalf of its residents, formally supports the restoration of the historic revenue sharing relationship of recurring state shared sales taxes in order for cities to once again receive 4.6% of all state general fund sales tax revenue. The Kimball Board of Mayor and Aldermen also formally supports the state allowing local governments to receive the local share of sales tax revenues realized by increasing the single article cap in 2002 to collect on items with a purchase price between \$1,600 and \$3,200.

ADOPTED this 3rd day of March, 2022.

THE TOWN OF KIMBALL, TENNESSEE

By: 
Rex Pesnell, Mayor

Attest:

Tonia May, City Recorder

DATE PASSED: March 3, 2022

RESOLUTION NO. 2022-04

**TOWN OF KIMBALL- AMERICAN RESCUE PLAN ACT (ARPA)
TDEC NON-COMPETITIVE WATER INFRASTRUCTURE GRANT PROGRAM
TECHNICAL ASSISTANCE & GRANT ADMINISTRATION SERVICES**

WHEREAS, the Town of Kimball has been afforded a non-competitive allocation of \$699,195.88 in ARPA funding from the Tennessee Department of Environment and Conservation, Division of Water Resources to address critical and priority water infrastructure needs throughout the Town; and

WHEREAS, the Town of Kimball will require technical assistance in order to collect utility proposals, assist with determining specific project-based funding allocations, develop and assist with the preparation and submission of the Town's application in accordance with TDEC's grant manual and any other relevant guidance; and

WHEREAS, upon approval, Kimball will require grant administrative services in the implementation of the project, preparation of requests for reimbursement, provision of timely reports to TDEC, assistance in maintenance of financial and compliance records as required by TDEC's contract with the Town and all other pertinent federal reporting requirements found in 2 C.F.R. Part 200 and the Compliance and Reporting Guidance issued by the United State Treasury for State and Local Fiscal Recovery funds under the American Rescue Plan Act (ARPA); and

WHEREAS, since these projects will span multiple years ending in September 30, 2026, the ARPA & TDEC will allow up to 6% of the total allocation to be used for technical assistance and grant administrative services; however, these professional services must be competitively procured; and


WHEREAS, Kimball publicly advertised and released an Invitation to Submit Statements of Qualifications for the above-referenced services,

NOW, THEREFORE, BE IT RESOLVED that Kimball has selected the Southeast Tennessee Development District to complete these technical and grant administrative services.

BE IT FURTHER RESOLVED that the Town of Kimball Board of Mayor and Aldermen does hereby authorize the Mayor to enter into a contract with the Southeast Tennessee Development District, not to exceed 3% (\$20,976) of Kimball's allocation, contingent upon the work required.

ADOPTED this 11th day of August, 2022.

THE TOWN OF KIMBALL, TENNESSEE

By: 
Rex Pesnell, Mayor

Attest:


Tonia May, City Recorder

DATE PASSED: August 11, 2022

RESOLUTION NO. 2022-05

**TOWN OF KIMBALL- AMERICAN RESCUE PLAN ACT (ARPA)
TDEC NON-COMPETITIVE WATER INFRASTRUCTURE GRANT PROGRAM
ENGINEERING SERVICES**

WHEREAS, the Town of Kimball, Tennessee has been afforded a non-competitive allocation of \$699,195.88 in ARPA funding from the Tennessee Department of Environment and Conservation, Division of Water Resources, to address critical and priority water infrastructure needs throughout the town's water and sewer services; and

WHEREAS, the Town of Kimball will require technical assistance in order to draft a Preliminary Engineering Report, complete engineering design and construction engineering inspection; and

WHEREAS, the Town of Kimball publicly advertised and released an Invitation to Submit Statements of Qualifications for the above-referenced services.

NOW, THEREFORE, BE IT RESOLVED that the Town of Kimball has selected James C. Hailey & Company to perform these engineering services.

ADOPTED this 11th day of August, 2022.

THE TOWN OF KIMBALL, TENNESSEE

By: 
Rex Pesnell, Mayor

Attest:


Tonia May, City Recorder

DATE PASSED: August 11, 2022

RESOLUTION NO. 2022-06

**RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF
KIMBALL, TENNESSEE TO ADOPT A CAFETERIA PLAN**

WHEREAS, the Board of Mayor and Aldermen of the Town of Kimball deems it to be in the best interest of its employees and officers to adopt its Cafeteria Plan under Section 125 of the Internal Revenue Code of 1986, as adopted.

NOW, THEREFORE, BE IT RESOLVED that the Board of Mayor and Aldermen of the Town of Kimball, Tennessee hereby adopts and approves this Cafeteria Plan as adopted to become effective as of December 1, 2022, pursuant to the Adoption Agreement and Cafeteria Plan, which are attached hereto.

BE IT FURTHER RESOLVED that the Mayor of the Town of Kimball shall have the authority to:

- a. execute this Adoption Agreement and Amended Cafeteria Plan, and other documents and agreements as may be necessary to implement the Plan;
- b. appoint a plan administrator for such plan, and change such administrator from time to time with the advice and consent of the Board of Mayor and Aldermen; and
- c. contract with Voluntary Benefits Administrators, Inc. to provide assistance to the plan administrator in establishing and maintaining such plan.

BE IT FURTHER RESOLVED that the Kimball City Recorder is directed to enter a copy of this Adoption Agreement and this Cafeteria Plan, as adopted, into the records of the Town and into the Minutes of this meeting.

ADOPTED this 1st day of December, 2022.

THE TOWN OF KIMBALL, TENNESSEE

By: 
Rex Pesnell, Mayor

Attest:


Tonia May, City Recorder

DATE PASSED: December 1, 2022