



BOARD OF MAYOR AND ALDERMEN MEETING AGENDA

June 25, 2026 - 5:30 P.M.
Town Hall, 100 Main Street E.

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Welcome from the Mayor
6. Approval and/or Correction of the minutes of the Board of Mayor and Aldermen Meeting dated May 21, 2026, monthly financial report, and department reports.
7. Approval and/or Correction of the minutes of the Board of Mayor and Aldermen Special Called Meeting dated June 11, 2026.
8. Visitors' Comments:
9. Old Business:
 - A. SECOND READING: Ordinance 26-548: Repeal Ordinance 24-535: Municipal Judge Appointment
10. New Business:
 - A. DISCUSSION AND CONSIDERATION: Resolution 26-681: Appoint Town Manager
 - B. DISCUSSION AND CONSIDERATION: Resolution 26-682: Revise Personnel Policies and Procedures
 - C. DISCUSSION AND CONSIDERATION: Resolution 26-683: Re-Appoint Municipal Judge
 - D. DISCUSSION AND CONSIDERATION: Resolution 26-684: Adopt Wastewater Utility Rate Study & Future Rate Adjustments
11. Board Comments: Mayor, Vice-Mayor, Aldermen
12. Staff Comments: Town Manager, Asst. Town Manager, Town Attorney
13. Adjourn



TOWN OF MOUNT CARMEL

BOARD OF MAYOR AND ALDERMEN MEETING MINUTES

A regularly scheduled meeting of the Town of Mount Carmel, Tennessee Board of Mayor and Aldermen was held at Mount Carmel Town Hall, 100 East Main Street, on May 21, 2026, at 5:30 p.m.

CALL TO ORDER

5:30 pm by Mayor John Gibson

INVOCATION AND PLEDGE OF ALLEGIANCE

Led by Vice-Mayor Bare and Alderman Shugart

ROLL CALL:

BMA	Present	Absent	Town Administration Present
Alderman Darby Patrick	✓		Jim Stables, Town Manager
Alderman James Cross	✓		Tyler Williams, Asst. Town Manager/CFO/Recorder
Alderman Mindy Shugart	✓		Allen Coup, Town Attorney
Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

WELCOME FROM THE MAYOR

Mayor Gibson welcomed everyone

APPROVAL and/or correction of the April 23, 2026, Board of Mayor and Aldermen meeting minutes, departmental and financial reports.

Motion: Alderman Shugart

Second: Alderman Binstock

Approved: All present voting in favor

VISITOR COMMENTS

None

OLD BUSINESS

A. SECOND READING AND PUBLIC HEARING: Ordinance 26-546: Budget Amendment PUBLIC HEARING:

No public comment given.

Motion to Close: Vice-Mayor Bare
Second: Alderman Binstock

APPROVAL:

Motion: Alderman Shugart
Second: Vice-Mayor Bare

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

B. SECOND READING AND PUBLIC HEARING: Ordinance 26-547: Adopting Annual Budget

PUBLIC HEARING:

No public comment given.

Motion to Close: Alderman Binstock
Second: Alderman Shugart

APPROVAL:

Motion: Vice-Mayor Bare
Second: Alderman Shugart

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

NEW BUSINESS

A. FIRST READING: Repeal Ordinance 24-535: Municipal Juge Appointment

Motion: Alderman Shugart

Second: Alderman Binstock

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

B. FIRST READING: Resolution 26-678: Appoint Town Attorney

Option 2: Continue month-to-month representation with May & Coup

Motion: Alderman Shugart

Second: Alderman Binstock

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

Totals: 3 4 - Motion fails

Option 1: To accept attorney representation agreement with Spurrell, Studer,& Matney Law Group. Mayor's signature contingent on an agreeable time policy (to and from) acceptable to the board.

Motion: Vice-Mayor Bare

Second: Alderman Cross

	AYES	NAYS	OTHER
Alderman Darby Patrick	✓		
Alderman James Cross	✓		
Alderman Mindy Shugart		✓	

Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson		✓	

Totals: 5 2 - Motion carries

C. DISCUSSION AND CONSIDERATION: Resolution 26-679: Appoint Bill Rupert as Building Inspector and Code Enforcement Provider

Motion: Alderman Shugart

Second: Alderman Cross

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

D. DISCUSSION AND CONSIDERATION: Amendment to WWTP Operation and Maintenance Agreement with Inframark, LLC

Motion: Alderman Shugart

Second: Alderman Binstock

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

E. DISCUSSION AND CONSIDERATION: MOU with Goodwill Industries of Tenneva, Inc.

Motion: Alderman Shugart
Second: Alderman Binstock

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

F. DISCUSSION AND CONSIDERATION: Acceptance of Bid for Mount Carmel Park Parking Lot Paving

Motion: Alderman Shugart
Second: Alderman Binstock

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

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

Motion: Alderman Shugart
Second: Alderman Binstock

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

ADJOURN

Motion: Alderman Shugart at **6:12 P.M.**

Second: Alderman Binstock

Approved: *All present voting in favor*

Approve: _____
John Gibson, Mayor

Attest: _____
Tyler Williams, Town Recorder



FINANCIAL REPORT

TOWN OF MOUNT CARMEL, TN

Month ending 05/31/2026

<u>GENERAL FUND:</u>	<u>BALANCE:</u>
Checking Account (First Horizon)	\$321,083.60
LGIP Investment Account	\$6,792,114.62
Capital Outlay Savings (First Horizon)	\$1,163.16
TOTAL:	\$7,114,361.38

<u>DRUG FUND:</u>	<u>BALANCE:</u>
Drug Fund Checking (First Horizon)	\$34,461.13
Special Drug Fund (First Horizon)	\$0.00
TOTAL:	\$34,461.13

<u>SEWER FUND:</u>	<u>BALANCE:</u>
Checking Account (First Horizon)	\$215,394.84
Savings/Sewer Savings 2014 (First Horizon)	\$1,064.71
LGIP Investment Account	\$1,020,548.91
TOTAL:	\$1,237,008.46

GRAND TOTAL CASH ON HAND:	\$8,385,830.97
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Current Savings Rate: 2.42%

Current LGIP Rate: 3.64%

Mount Carmel Fire Department

Mitch Walker, Fire Chief



June 1st, 2026

To: James Stables, City Manager

Ref: May 2026 Monthly Report

Call Data

- 37 Calls for Service
 - o Fires: 3
 - o Hazardous Situations: 4
 - o Medical: 22
 - o Public Service: 6
 - o No Emergency: 2
- Year to Date Calls: 197

Volunteer Response Time to Station

- Average: 00:59
- 90th Percentile: 2:12

Apparatus Response Times

- Average: 5:59
- 90th Percentile: 8:28

Volunteer Staff Hours

- Emergency Response Hours: 67 hours, 5 minutes

Training Hours

- Total: 233.5 Hours
 - o Company Level Training – 125.5 hours
 - o Officer Training – 32.5 hours
 - o Hazardous Materials Training – 4 hours
 - o Medical Training – 1 Hours
 - o Driver/Operator Training – 28 hours

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- Fire Prevention – 42.5 hours
 - 9 Inspections Completed
 - 7 Commercial Occupancies
 - 2 Food Trucks

Significant Activities

- Assistant Chief Carley Bledsoe's retirement party was held. Asst. Chief Bledsoe retired with 24 years of service to the Mount Carmel Fire Department and 30 years of service to Hawkins County.
- Hosted county-wide water supply drill in Phipps Bend Industrial Park.
- Hosted Tennessee Firefighting Commission Test.
- Attended Tennessee Fire Chiefs Association Spring meeting in Gatlinburg, TN.
- Attended two meetings with Hawkins County, Church Hill, and Surgoinsville leaders regarding E-911.
- Attended Hawkins County Fire Chief's Association meeting.
- Participated in Mount Carmel Nerf War event.
- Participated in Mount Carmel Elementary School's end of year events; including color run, field day, and reading reward days.
- Participated in Touch-A-Truck event at Carters Valley Elementary School.
- Significant work regarding upcoming FEMA Assistance to Firefighters Grant and Staffing for Adequate Fire and Emergency Response Grant.
- Four members attended Smoky Mountain Weekend fire training conference in Gatlinburg, TN.
- One member attended Advanced Hydrant Operations Course with Johnson City Fire Department.
- Firefighter Kendall Jackson obtained his Tennessee Firefighting Commission Hazardous Materials Awareness certification.
- Firefighter Michael Clark and Chief Mitch Walker obtained their Tennessee Firefighting Commission Hazardous Materials Technician certification.

Date: May 21, 2026
To: Jim Stables, Tyler Williams
Copy: Jason Salyer, Matt Malone
From: Chad Arnold
Subject: April 2026 Management, Operations & Maintenance Report - WWTP

Executive Summary

There were five (5) excursions to the NPDES permit during the month of April 2026.

Although there were 5 excursions to the permit in April, the plant is operating much better after two difficult months in February and March. The 5 excursions in April took place in a 48-hour time span which included a rain event. Operational changes were made and we were back in compliance shortly thereafter.

The new rental dewatering press is performing well. A PW Tech representative came on site and assisted in trouble shooting and optimizing the new rental press. After his visit, we were able to increase the output of the machine drastically, while also maintaining an acceptable amount of solids in the filtrate. This has allowed us to reduce the overall solids concentration of the plant to a point that we have not seen before in our time here, which is very exciting.

1 (one) sanitary sewer release from a residential lift station was reported to TDEC in the month of April 2026.

-523 Ivy Ln.

Operations

Loading and percent removal as follows:

Parameter	Influent, mg/L	Effluent *mg/L / lbs/day	Reduction % Monthly (85% minimum)	Reduction % Daily (40% minimum)
BOD average	298	19 / 17	94%	76%
TSS average	321	32 / 30	90%	46%

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

Flow as follows:

Flow*	MGD
Influent Flow Average, monthly	0.159 MGD*
Effluent Flow Average, monthly	0.118 MGD

*Mt Carmel STP is rated at **0.472 MGD**.

Please refer to the attachments for the state operating report.

Biosolids Dewatering & Disposal

- Dewatering
 - Dewatered 258,177 gallons.
 - 5 loads were transported to Eco-Safe Landfill in April 2026.
 - 53.5 wet tons disposed.

Biosolids Wet Tons Disposed via Landfill

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	41.8	48.2	34.8	53.5	-	-	-	-	-	-	-	-	178.3

Residential Lift Stations Maintenance Summary

- Inframark's Maintenance Team responded to sixteen (16) recorded residential lift station calls during the month of April 2026.
- One (1) residential lift station pump replacement was recorded during the month of April 2026.
- One (1) residential lift station pump was pulled and cleared of blockages that were preventing the pump from running.
- Four (4) residential pumps remain in inventory as of 5/21/2026. Three (3) remain in inventory awaiting installation on Ruritan Rd.

Residential Lift Station Pumps Replaced

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	3	3	3	1	-	-	-	-	-	-	-	-	10

Major Maintenance Items - WWTP

- Effluent flow meter failed calibration by Labtronx on 04/02/2026. A replacement was ordered. Flow totals have been too low.
- Installed floats in return sludge pump station. Pump 1 now cycles on and off via float operation and pump 2 has an on float, which will trigger its operation if something were to happen to pump 1, the lead pump.
- Dewatering press optimizations took place with Corey from PW Tech and the press is operating well. We have steadily reduced the overall solids in the plant and are not seeing a great deal of solids recirculation due to a poorly performing press.

Major Maintenance Items – Lift Stations

- Lift station 7 pump 2 was investigated for lack of auto operation and our maintenance team was able to fix this issue. Pump 2 now operates in automatic cycle.
- Lift station 4 pump 2 motor drive faults after resetting. A Benshaw drive representative came on site, and we showed him some of our Benshaw product installations. This drive is older and we are planning on a replacement soon.

Financial Update

Type	Month	Fiscal Year	Remaining Balance (1)
Repair & Maintenance Cap	\$11,951.37	\$125,945.70	\$(25,945.70)
Chemical Cap	\$0.00	\$20,225.31	\$2,092.69
Sludge Cap	\$4,350.22	\$31,813.24	\$86,211.76

(1) Annual Repair & Maintenance Budget - \$100,000.00
Annual Sludge Cap Budget - \$118,025.00
Annual Chemical Budget - \$22,318.00

NOTE: Expenses are applied to the Caps once Inframark has paid the invoices.

Capital Expenditures Procured by the Town of Mount Carmel

Type	Month	Fiscal Year
Residential Pump Maintenance	\$14,074.59	\$131,327.99
WWTP Maintenance	\$0	\$61,267.51
Machinery & Equipment Rental	\$4,766.07	\$91,798.21
TOTAL	\$18,840.66	\$284,393.71

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

Health & Safety

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

Personnel

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



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

There were five (5) excursions to the NPDES permit during the month of April 2026. These excursions were a result of excessive MLSS concentrations that led to floating solids in the final clarification process. Process changes were quickly made on April 27th to bring the plant back into compliance.

We have been making progress with solids removal since our non-compliance issues in February and March. The rental dewatering press has been optimized, and we have been able to achieve a cleaner filtrate with minimal solids.

The excursions occurring in April are detailed below:

1. *Effluent TSS Daily Maximum* was 73 mg/L (permit limit: 45 mg/L) on April 27.
2. *Effluent BOD Daily Maximum* was 76 mg/L (permit limit: 45 mg/L) on April 28.
3. *Effluent TSS Daily Maximum* was 174 mg/L (permit limit: 45 mg/L) on April 28.
4. *Effluent TSS Weekly Average* was 87 mg/L (permit limit: 40 mg/L) for the week of April 27.
5. *Effluent TSS Monthly Average* was 32 mg/L (permit limit: 30 mg/L) for the month of April 2026.

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

Sincerely,

A handwritten signature in blue ink that reads "Anthony C. Arnold".

Anthony C. Arnold
Project Manager – Mount Carmel STP

Enclosures

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

Date: June 17, 2026
To: Jim Stables, Tyler Williams
Copy: Jason Salyer, Matt Malone
From: Chad Arnold
Subject: May 2026 Management, Operations & Maintenance Report - WWTP

Executive Summary

There were no excursions to the NPDES permit during the month of May 2026.

We have made an impressive turn around at Mount Carmel STP since our permit violations in the first quarter of 2026. Effluent BOD and TSS continue to be in the single digits and microscopic examinations of the MLSS indicate a healthy biomass. The new rental press from PW Tech is performing well and is still producing an acceptable filtrate.

With the operational changes that have been made to the plant and the improved operation of the rental press, I can confidently say that the plant is in the best shape it has been in since our partnership with the Town of Mount Carmel began. We will continue to remain diligent in our work to avoid any excursions to the NPDES permit.

Two (2) sanitary sewer releases from residential lift stations were reported to TDEC in the month of May 2026.

-261 Poplar St.
 -503 Edgewood Dr.

Operations

Loading and percent removal as follows:

Parameter	Influent, mg/L	Effluent *mg/L / lbs/day	Reduction % Monthly (85% minimum)	Reduction % Daily (40% minimum)
BOD average	287	4 / 6	99%	98%
TSS average	310	6 / 9	98%	97%

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

Flow as follows:

Flow*	MGD
Influent Flow Average, monthly	0.158 MGD*
Effluent Flow Average, monthly	0.208 MGD

*Mt Carmel STP is rated at **0.472 MGD**.

Please refer to the attachments for the state operating report.

Biosolids Dewatering & Disposal

- Dewatering
 - Dewatered 110,359 gallons.
 - 3 loads were transported to Eco-Safe Landfill in May 2026.
 - 28.1 wet tons disposed.

Biosolids Wet Tons Disposed via Landfill

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	41.8	48.2	34.8	53.5	28.1	-	-	-	-	-	-	-	206.4

Residential Lift Stations Maintenance Summary

- Inframark's Maintenance Team responded to thirty (30) recorded residential lift station calls during the month of May 2026.
- Six (6) residential lift station pump replacements were recorded during the month of May 2026.
- Two (2) residential lift station pumps were pulled and cleared of blockages that were preventing the pump from running.
- 5 (5) residential pumps remain in inventory as of 6/17/2026. Three (3) remain in inventory awaiting installation on Ruritan Rd.

Residential Lift Station Pumps Replaced

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	3	3	3	1	6	-	-	-	-	-	-	-	16

Major Maintenance Items - WWTP

- Marion Environmental cleaned accumulated sludge from around the edge of final clarifier 2 in May. This work was performed with a vacuum truck. With the plant performing better, I felt that now was the time to clean this accumulated sludge and further improve our effluent quality.
- New effluent flow meter was installed on the week of 5/18/2026. Further calibration of the meter may be needed; we are waiting to assess this until after the Phase 1B Lift Station 3 project has been completed.
- Johnson Controls security system was upgraded with a new user control panel and cellular service communication. Individual user codes have been given to employees and Jason with Public Works. We have had issues with false alarms and call outs since the upgrade. Johnson is continuing to troubleshoot the situation. They have indicated that the next step is to upgrade the main control panel. As of right now, no further costs are being passed on to the Town, and it is being covered under the maintenance contract.

Major Maintenance Items – Lift Stations

- Lift station 7 pump 2 worked in automatic operation for about a month before we started experiencing overload trips. Troubleshooting found that the pump was not pulling high amps. We have purchased a new motor starter and overload, and it is awaiting installation.
- Lift station 4 pump 2 motor drive faults after resetting. We have found a suitable replacement for this drive.
- The replacement control panel and Mission SCADA panel for Lift Station 6 were delivered. Installation services are being investigated. I have reached out to Brad Chitwood with Source Automation regarding installation. Source Automation and Brad were the installers for the Town's existing Mission equipment and the newer replacement control panel for Lift Station 9.
- With the new budget year right around the corner, we are turning our focus to Lift Station 5, the main Lift Station. Both pumps routinely run together to manage in rushes of flow, and during rain events, both pumps run more often to prevent overflows. My recommendation going forward would be to purchase a standby, replacement pump, and necessary spare electrical parts for this Lift Station. Typical lead time for a replacement pump would be 4-6 weeks.

Financial Update

Type	Month	Fiscal Year	Remaining Balance (1)
Repair & Maintenance Cap	\$16,836.49	\$142,782.19	\$(42,782.19)
Chemical Cap	\$979.20	\$21,204.51	\$1,113.49
Sludge Cap	\$3,152.39	\$34,965.63	\$83,059.37

- (1) Annual Repair & Maintenance Budget - \$100,000.00
Annual Sludge Cap Budget - \$118,025.00
Annual Chemical Budget - \$22,318.00

NOTE: Expenses are applied to the Caps once Inframark has paid the invoices.

Capital Expenditures Procured by the Town of Mount Carmel

Type	Month	Fiscal Year
Residential Pump Maintenance	\$16,932.84	\$148,260.83
WWTP Maintenance	\$827.02	\$62,094.53
Machinery & Equipment Rental	\$19,766.07	\$111,564.28
TOTAL	\$37,525.93	\$321,919.64

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

Health & Safety

- There were no recordable injuries for the month of May 2026.
- Safety training is assigned to each team member individually and is completed on-line.

- Weekly Process Control Meetings are held weekly on Wednesdays, and safety topics are addressed during these meetings.

Personnel

- Lab Technician Kaitlyn Welsch has been studying to take her wastewater treatment certification exam this year.



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

There were no excursions to the NPDES permit during the month of May 2026.

The effluent flow meter failed and was replaced on the week of May 18. Further calibration of the new effluent flow meter may be necessary upon completion of the #3 Lift Station force main discharge line which is scheduled for July 2026.

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

Sincerely,

A handwritten signature in blue ink that reads "Anthony C. Arnold". The signature is fluid and cursive, with the first name "Anthony" and last name "Arnold" clearly distinguishable.

Anthony C. Arnold
Project Manager – Mount Carmel STP

Enclosures

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



TOWN OF MOUNT CARMEL

BOARD OF MAYOR AND ALDERMEN SPECIAL CALLED MEETING MINUTES

A special called meeting of the Town of Mount Carmel, Tennessee Board of Mayor and Aldermen was held at Mount Carmel Town Hall, 100 Main Street E., on June 11, 2026, at 5:00 p.m.

CALL TO ORDER

5:00 pm by Mayor John Gibson

INVOCATION AND PLEDGE OF ALLEGIANCE

Led by Vice-Mayor Bare and Alderman Shugart

ROLL CALL:

BMA	Present	Absent	Town Administration Present
Alderman Darby Patrick	✓		Jim Stables, Town Manager
Alderman James Cross	✓		Tyler Williams, Asst. Town Manager/CFO/Recorder
Alderman Mindy Shugart	✓		Allen Coup, Town Attorney
Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson	✓		

WELCOME FROM THE MAYOR

Mayor Gibson welcomed everyone

VISITOR COMMENTS

None

OLD BUSINESS

None

NEW BUSINESS

- A. DISCUSSION AND CONSIDERATION: Resolution 26-680: Appointment of Tyler Williams as Acting Town Manager

Motion: Vice-Mayor Bare

Second: Alderman Binstock

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

- B. DISCUSSION AND CONSIDERATION: Authorize Negotiations for Town Manager Contract

To appoint the Mayor to negotiate a Town Manager Contract with Tyler Williams

Motion: Alderman Shugart

Second: Vice-Mayor Bare

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

- C. DISCUSSION AND CONSIDERATION: Authorize the Mayor's signature for Town Attorney Professional Services Agreement pursuant to Resolution 26-678

Motion: Alderman Binstock

Second: Vice-Mayor Bare

	AYES	NAYS	OTHER
Alderman Darby Patrick	✓		
Alderman James Cross	✓		
Alderman Mindy Shugart		✓	

Alderman Philip Binstock	✓		
Alderman Jim Gilliam	✓		
Vice-Mayor Jim Bare	✓		
Mayor John Gibson			Abstain

ADJOURN

Motion: Alderman Shugart at **5:15 P.M.**

Second: Alderman Binstock

Approved: *All present voting in favor*

Approve: _____
John Gibson, Mayor

Attest: _____
Tyler Williams, Town Recorder



LEGISLATIVE MEMORANDUM

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

THRU: Tyler Williams, Acting Town Manager

DATE: June 25, 2026

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

SUMMARY:

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

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

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

REQUESTING DEPARTMENT(S):

Administration

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Ordinance 26-548



ORDINANCE # 26 – 548

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

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

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

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

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

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

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

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

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

SECTION 4. This ordinance shall take effect upon publication after its final passage in a newspaper of general circulation, the public welfare requiring it.

Voting by the Board, as follows, May 21, 2026, First Reading:

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

Voting by the Board, as follows, June 25, 2026, Second Reading:

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

John K. Gibson, Mayor

ATTEST:

APPROVED AS TO FORM:

Tyler S. Williams, CMFO
Town Recorder

Matthew Matney, Town Attorney



LEGISLATIVE MEMORANDUM

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

FROM: John Gibson, Mayor

DATE: June 25, 2026

RE: **DISCUSSION AND CONSIDERATION:** Resolution 26-681: Appoint Town Manager

SUMMARY:

The purpose of Resolution 26-681 is to appoint Tyler S. Williams as Town Manager for the Town of Mount Carmel, Tennessee, and to approve the Employment Agreement governing the terms and conditions of his service.

On June 11, 2026, the Board appointed Tyler S. Williams to serve as Acting Town Manager during a period of administrative transition. Since that appointment, Mr. Williams has overseen the daily operations of the Town, ensured continuity of municipal services, implemented policies adopted by the Board, and provided administrative leadership.

Following discussions and negotiations between the Mayor and Mr. Williams regarding permanent employment, an Employment Agreement was developed and reviewed.

The Board has determined that Mr. Williams possesses the qualifications, experience, institutional knowledge, and leadership necessary to effectively serve as Town Manager and advance the goals and objectives of the Town.

REQUESTING DEPARTMENT(S):

Mayor

FISCAL IMPACT:

Fiscal impacts associated with the appointment are contained within the approved Employment Agreement and will be administered through the Town's adopted budget and personnel appropriations.

STAFF RECOMMENDATION:

N/A

ATTACHMENTS:

Resolution 26-681

Employment Agreement



RESOLUTION 26-681

A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE APPOINTING TYLER WILLIAMS AS TOWN MANAGER

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel appointed Tyler S. Williams to serve as Acting Town Manager pursuant to Resolution No. 2026-680 effective June 11, 2026; and

WHEREAS, since his appointment as Acting Town Manager, Tyler S. Williams has successfully administered the day-to-day operations of the Town, ensured continuity of municipal services, implemented Board policies, and provided effective leadership during a period of administrative transition; and

WHEREAS, the Mayor has conducted discussions and negotiations with Tyler S. Williams regarding a permanent appointment and has reviewed and negotiated an Employment Agreement governing the terms and conditions of his service as Town Manager;

WHEREAS, the Board finds that Tyler S. Williams possesses the qualifications, experience, institutional knowledge, and leadership necessary to serve as Town Manager and to advance the goals and objectives of the Town of Mount Carmel; and

WHEREAS, the Board has reviewed and approved an Employment Agreement with Tyler S. Williams governing the terms and conditions of his service as Town Manager, a copy of which is attached hereto and incorporated herein by reference as “Exhibit A”;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 25th day of June, 2026, that

SECTION 1. Tyler S. Williams is hereby appointed Town Manager for the Town of Mount Carmel, Tennessee, effective June 25, 2026.

SECTION 2. The Employment Agreement attached hereto and incorporated herein by reference as “Exhibit A” is hereby approved and the Mayor is authorized to execute the same.

SECTION 3. The Town Manager shall possess and exercise all powers, duties, and responsibilities assigned to the office of Town Manager by the Town Charter, Municipal Code, ordinances, resolutions, and applicable law, subject to the direction and oversight of the Board of Mayor and Aldermen.

SECTION 4. The Board finds that this appointment promotes the efficient administration of municipal affairs, ensures continuity of government operations, and advances the long-term interests of the Town and its residents.

SECTION 5. Any prior resolutions or actions inconsistent with this appointment are hereby superseded. Resolution No. 2026-680 shall remain effective only insofar as necessary to document prior service as Acting Town Manager.

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

ADOPTED this 25th day of June, 2026.

John K. Gibson, Mayor

Attest:

Tyler S. Williams, CMFO
Town Recorder

Employment Agreement

Town Manager

This Agreement, made and entered in to this 25th day of June, 2026, by and between the Town of Mount Carmel, Tennessee, (hereinafter called "Employer") and Tyler S. Williams, (herein after called "Employee") an individual who has the education, training, and experience in local government management and who, as a member of the International City/County Management Association (ICMA), is subject to the ICMA Code of Ethics, both of whom agree as follows:

ARTICLE I

Section 1.01: Term

This Agreement will remain in full force and effect until such time as it is terminated pursuant to the provisions of this Agreement.

Section 1.02: Duties and Authority

A. Employer agrees to employ Tyler S. Williams as Town Manager to perform the functions and duties specified in the Charter of the Town of Mount Carmel, and by the Municipal Code of the Town of Mount Carmel, including those duties delegated to the Town Manager/Town Administrator as outlined in Ordinance No. 17-463, and to perform other legally permissible and proper duties and functions as assigned by Employer.

B. Employee shall be the chief executive officer of the Employer and faithfully perform Employee's lawfully prescribed and assigned duties with reasonable care, diligence, skill, and expertise in compliance with all applicable, lawful governing body directives; state, local, and federal laws; and Employer policies, rules, and ordinances as they exist or may hereafter be amended.

C. Except as may be provided otherwise by applicable law, or regulation, Employee shall have the ultimate supervisory and managerial authority and responsibility to hire, direct, assign, reassign, evaluate, change the terms and conditions of employment, and terminate the employment of all other employees of Employer consistent with the policies of the governing body and the ordinances and charter of the Employer, which authority may be delegated by Employee to such other employees as Employee deems appropriate.

D. Except as may be provided otherwise by applicable law, or regulation, Employee shall have the authority to establish internal regulations, rules, and

procedures which the Employee deems necessary for the efficient and effective operation of the Employer.

Section 1.03: Ethical Commitments

The Employee agrees to follow the Code of Ethics of the International City/County Management Association (ICMA) and the ethics rules, regulations, and laws of the State of Tennessee. Consistent with the standards outlined in the Code, the Employee shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fundraising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time. Employer shall support Employee in keeping these commitments by refraining from any order, direction or request that would require Employee to violate the ICMA Code of Ethics.

ARTICLE II

Section 2.01: Hours of Work

The Employee shall work a minimum of 40 hours per week, including sick leave, holidays, vacation, etc., with such hours to be set by Employer in accordance with standard operating hours of the Employer.

Section 2.02: Compensation

A. Employer agrees to pay Employee an annual base salary of \$115,000.00 payable in installments at the same time that the other employees of the Employer are paid.

B. This Agreement shall be automatically amended to reflect any salary adjustments that are provided for or required by the Employer's compensation policies to include all yearly cost of living (COLA) salary adjustments on the same basis as applied to other employees. However, Employee shall not be included in Employer's Pay Plan and is not eligible for annual anniversary step raises.

Section 2.03: Health, Disability, Life Insurance, Retirement and Other Benefits

Employer agrees to provide, and Employee shall be entitled to, the same level of insurance and retirement benefits provided to other employees.

Section 2.04: Leave

Upon commencement of this Agreement, the Employee shall be credited with 40 accrued sick leave hours and 80 accrued vacation leave hours. In addition, Employee shall be eligible to accrue sick leave at the same rate as all other employees, which is 4

hours per pay period as defined in Section 4.2 of the Employer's "Personnel Policies and Procedures," document (Eff. 7/01/26). Employee shall also be eligible to accrue vacation leave as defined in Section 4.1 of the Employer's "Personnel Policies and Procedures," document (Eff. 7/01/26). at the 11-15 years of service row (160 hours/year).

Additionally, Employee will be granted executive leave as defined in Section 3.6 of the Employer's "Personnel Policies and Procedures," document (Eff. 7/01/26) and permitted to utilize it consistently with the terms defined therein.

Section 2.05: Professional Development

Employer agrees to budget for and to pay the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional growth and development, and for the good of the Town.

Employer agrees to budget for and to pay the travel and subsistence expenses of Employee for professional and official travel to meetings, seminars, institutes and other events appropriate to continue the professional development of Employee and to adequately pursue necessary official functions for the Town, including but not limited to the Annual Conference of the International City/County Management Association (ICMA), the Tennessee Municipal League (TML), and the Tennessee City Management Association (TCMA).

The Employee shall advise the Board of Mayor and Aldermen, in writing or by e-mail, of attendance at professional meetings requiring overnight stay prior to leaving the Town. The Board shall not require Employee to use vacation leave when participating in professional development activities.

Section 2.06: Community Involvement

Employer recognizes the desirability of the Employee's participation in local civic and community organizations in order that he maintain continuing awareness of community attitudes and ideas. In support of this involvement, Employer will pay the approved dues and/or membership fees of civic, business, and community organizations in which the Employee is an active member.

ARTICLE III

Section 3.01: Resignation

Employee may terminate this Agreement by providing a minimum of 30 days' notice of Employee's voluntary resignation subject to any applicable requirements set forth by state or local law.

Section 3.02: Termination With Cause

Termination with Cause may occur upon a finding that the employee: (a) has been convicted of a felony or crime involving moral turpitude; or (b) has engaged in actions deemed by the Employer to be conflicts of interest as defined by State law or in the Town's Personnel Rules and Regulations; or (c) has engaged in actions deemed by the Employer to constitute gross negligence; or (d) has engaged in conduct or activities deemed by the Employer to be detrimental to the good name and reputation of the Employer, provided that the Employee was given written notice of specific allegations of such inappropriate conduct, and that the Employee failed to substantially cure such alleged deficiencies within thirty (30) days.

Section 3.03: Termination Without Cause

A. Termination without cause may occur in Tennessee at any time, for any reason, with exceptions as defined by the Tennessee Department of Labor. For the purpose of this Agreement, termination without cause shall occur when:

- a. The majority of the governing body votes to terminate the Employee at a properly posted and duly authorized public meeting.
- b. If the Employer, citizens or legislature acts to amend any provisions of the Charter or Code pertaining to the role, powers, duties, authority, or responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.
- c. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Agreement and will be regarded as a termination.
- d. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of the suggestion.

B. In recognition of the professional, nonpartisan role of the Town Manager and the desirability of maintaining stability and continuity in the administration of municipal operations following municipal elections, a political cooling off period is hereby established.

If the Employee is involuntarily terminated by the Town without cause within six (6) months following any regular or special municipal election, or appointment of an

elected official, resulting in a change in the membership of the governing body, Employee's severance benefit, as defined under Section 3.04 (A) of this Agreement, shall be increased by six (6) additional months, not to exceed twelve (12) months total compensation.

In addition, the Town shall continue to provide health, dental, and other insurance benefits substantially equivalent to those provided immediately prior to termination for a period of six (6) months or until the Town Manager obtains substantially equivalent employment benefits, whichever occurs first.

C. Employee's refusal to comply with a directive that violates the ICMA Code of Ethics shall in no event serve as cause for termination.

Section 3.04: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 3.03. Severance is not available for termination with cause (after due process), or voluntarily resignation.

A. If the Employee is terminated, the Employer shall provide a minimum severance payment based on the following schedule:

Continuous Service	Severance Benefit
0–6 months	2 months base salary
6–12 months	4 months base salary
12–24 months	6 months base salary
24–48 months	9 months base salary
48 months or more	12 months base salary

This severance shall be paid in a lump sum or in a continuation of salary on the existing biweekly basis, at the Employee's option.

B. In the event of Termination Without Cause, Employee shall be compensated for all unused vacation and sick leave as prescribed in the Employer's Personnel Policies and Procedures document.

C. In addition, the Town shall continue to provide health, dental, and other insurance benefits substantially equivalent to those provided immediately prior to termination for a period of six (6) months or until Employee obtains substantially equivalent employment benefits, whichever occurs first.

ARTICLE IV

Section 4.01: Integration

This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. This Agreement may be amended only by mutual consent and an express written agreement signed by the Employer and Employee. Such amendments must be incorporated and made a part of this Agreement.

Section 4.02: Successors in Interest

The provisions of this contract will be binding upon and will inure to the benefit of the parties, and their respective successors and approved assigns, if any.

Section 4.03: Effective Date

This Agreement becomes effective on June 25, 2026, and will continue until terminated. The compensation benefits outlined in Section 2.02 shall have an effective date of the pay period beginning June 22, 2026.

Section 4.04: Severability

The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions are deemed to be in full force and effect as if they have been executed by both Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.

Section 4.05: Precedence

In the event of any conflict between the terms, conditions, and provisions of this Agreement and the provisions of Employer's policies, or Employer's ordinance or Employer's rules and regulations, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Agreement must take precedence over contrary provisions of Employer's policies, ordinances, rules, and regulations or any such permissive law during the term of this Agreement.

SIGNATURES FOLLOWING

THIS AGREEMENT has been executed as of the date first hereinabove written.

TOWN OF MOUNT CARMEL, TENNESSEE

By: John K. Gibson, Mayor

Date: _____

TYLER S. WILLIAMS

By: Tyler S. Williams, Town Manager

Date: _____



LEGISLATIVE MEMORANDUM

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

THRU:

FROM: James Stables, Town Administrator/Manager

DATE: June 25, 2026

RE: **RESOLUTION NO. 26-682** REVISING THE TOWN OF MOUNT
CARMEL PERSONNEL RULES & REGULATIONS TO UPDATE AND
ACCOMMODATE FY 2026/2027 BUDGET ORDINANCE 26-547

SUMMARY:

This Resolution is presented to revise the Town's Personnel Rules & Regulations to update and accommodate FY 2026/2027 Budget Ordinance 26-547.

REQUESTING DEPARTMENT(S):

Town Administration

FISCAL IMPACT:

No fiscal impact other than as reflected and available in FY 2026/2027 Approved Budget Ordinance 26-547.

STAFF RECOMMENDATION:

Staff recommends passage

ATTACHMENTS:

(1) Mount Carmel Personnel Policies and Procedures revised 06/01/2026

RESOLUTION 26-682
REVISING THE TOWN OF MOUNT CARMEL
PERSONNEL RULES & REGULATIONS TO
ACCOMMODATE FY 2026/2027 BUDGET
ORDINANCE 26-547

BEFORE THE MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL,
TENNESSEE

WHEREAS, the Town of Mount Carmel recognizes the importance of maintaining clear, current, and comprehensive personnel policies and procedures to guide the employment practices of the Town and ensure compliance with applicable federal and state laws; and,

WHEREAS, Budget Ordinance 26-547 for fiscal year 2026/2027, upon passage created new positions and pay rates that require an update of APPENDIX C- Town of Mount Carmel Pay Plan as adopted through the Budget Ordinance; and,

WHEREAS, the ability to recruit and retain qualified and motivated employees is found in showing true respect and appreciation, and a section has been added to provide for employment tenure bonuses to qualified employees; and,

WHEREAS, the revised Personnel Policies and Procedures have been reviewed by all relevant stakeholders and decision makers, and are recommended for adoption; and,

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN, as follows,

- 1. The revised Personnel Policies and Procedures document, as presented and attached hereto as Exhibit A, is hereby adopted and shall be effective as of July 1, 2026.**
- 2. This revised policy shall supersede and replace all previous personnel policies and procedures adopted by the Town, ensuring the pay plan is reflected as adopted in the FY 2026/2027 Budget .**
- 3. Town Administration is hereby authorized and directed to implement the revised policy and ensure that all Town employees are informed of and have access to the updated document.**

This Resolution was duly considered and adopted by the Board of Mayor and Aldermen, in and for the Town of Mount Carmel, Tennessee, this 25th day of **June 2026**.

.

John Gibson, Mayor

Attest:

Tyler Williams, Town Recorder

Matthew D. Matney, Town Attorney approved as to form

PERSONNEL

POLICIES & PROCEDURES

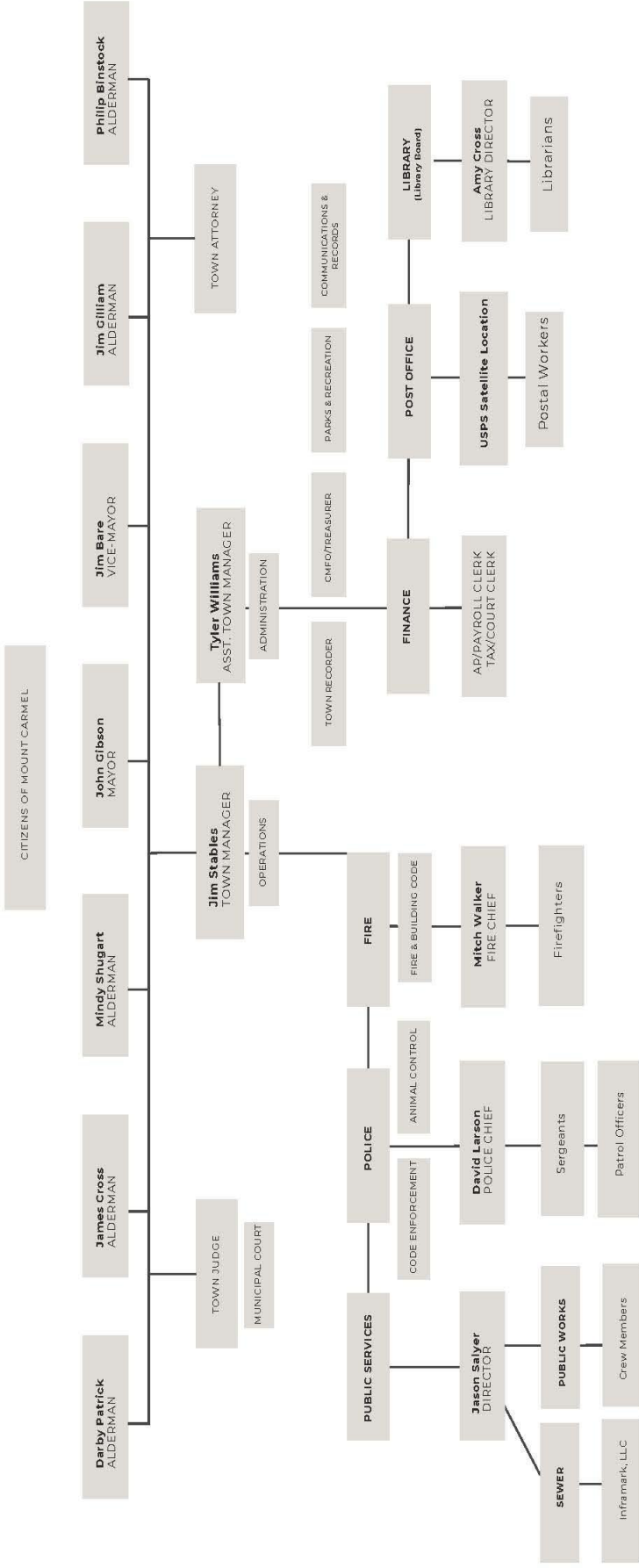


TOWN OF MOUNT CARMEL, TENNESSEE

Revision: 06/01/2026
Adopted: 06/25/2026
Effective: 07/01/2026



ORGANIZATIONAL CHART



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SECTION 1: PERSONNEL POLICIES

1.1 INTRODUCTION TO PERSONNEL REGULATIONS

The Town of Mount Carmel Personnel Policy and Procedures hereinafter referred to as “Personnel Regulations,” adopted by resolution, is applicable to all employees of the Town of Mount Carmel whose activities and functions are subject to the control and direction of the Town Administrator. These policies and procedures and all other Town manuals do not bestow any additional rights to employees regarding employment or employment benefits. These policies and procedures are not part of a contract, and no employee has any contractual right to the matters set forth herein. This will serve as notice to all employees that the employment relationship may be terminated by either the Town or the employee at any time for any reason. All employees are “at will” and the Town is an “at will” employer under Tennessee law. The Town reserves the right to change all such policies, practices, and procedures in whole or in part at any time, with or without notice to employees.

These Personnel Regulations shall be made available to all employees. Regular employees will receive a copy of the regulations upon employment. Any employee who desires to review the regulations during work hours may review the departmental copy.

1.2 PURPOSE AND OBJECTIVES

The primary purpose of these policies is to establish an understanding, cooperation and efficiency in local government operations by establishing a system of personnel administration which provides consistent, impartial and effective policies and procedures for the employees of the Town of Mount Carmel Tennessee without regard to race, color, religion, gender or gender identity, age, national origin, disability, military status, genetic information, communication with an elected public official, free speech, refusing to participate in or remain silent about illegal activities, exercising a statutory constitutional right or any right under clear public policy, political affiliation, or any other basis protected by law. The objectives of these policies are to promote and increase efficiency, provide fair and equal opportunities, develop a process of recruitment and selection of employees, and promote high morale among employees.

It is the Town of Mount Carmel's policy not to discriminate against any employee or applicant for employment or during the course of employment due to race, color, religion, gender or gender identity, age, national origin, disability, military status, genetic information, communication with an elected public official, free speech, refusing to participate in or remain silent about illegal activities, exercising a statutory constitutional right or any right under clear public policy, political affiliation, or any other basis protected by law. Race, color, religion, age, sex, national origin or ancestry, marital status, veteran's status, or ability in accordance with applicable federal, state, and local law. If an employee believes that he or she has been involved in any incident that was discriminatory, he or she should report the incident immediately to Management. The Town further complies with all federal and state laws protecting employees from discrimination.

It is the policy of the Town of Mount Carmel to apply and foster a sound program of personnel administration to ensure the legal employment and placement of applicants, the establishment of a classification and compensation program, the establishment of an employee relations system and the provision of employee development and training and record retention.

1.3 COVERAGE

The Personnel Regulations will apply to all employees unless otherwise stated under exempt positions. Temporary, seasonal, and part-time employees are subject to all regulations but do not have access to additional benefits, such as, insurance benefits, leave accrual, holiday pay, or retirement benefits.

All offices and positions of the local government placed in the exempt service are:

1. all elected officials.
2. members of appointed boards and commissions.
3. consultants, advisers, and legal counsel rendering temporary professional service.
4. the local government attorney.
5. independent contractors.
6. part-time employees paid by the hour or the day who are not considered regular unless otherwise indicated.
7. the local government judge.

Some policies apply to all employees and officers of the municipality, including those placed in the exempt service, such as policies related to discrimination and/or harassment, and policies required by state or federal law.

1.4 ADMINISTRATION

These rules will be administered by the Town Administrator and Assistant Town Administrator under the direction of the Board of Mayor and Aldermen in conformity with the ordinance establishing a personnel system.

The governing body is responsible for the appointment of the Administrator, establishment of overall policy guidelines for the operation of municipal government including adoption of the Personnel Regulations and amendments thereto, development and adoption of an annual fiscal budget.

The Town Administrator is the Chief Executive/Administrative Officer for the Town of Mount Carmel. The administrator is hired and serves at the pleasure of the governing body. The administrator is responsible to the governing body for the proper operations of all town functions. The responsibilities of the administrator include appointment and termination of all Town employees, enforcement and application of all laws, provisions of the Town Charter and Municipal Code, and acts of the governing body including but not limited to the Personnel Regulations and pay classification plan. The administrator is also responsible for the implementation of additional rules, policies, and procedures, which may be necessary for the proper operation of the Town or its various departments, provided that such rules and procedures are consistent with the Personnel Regulations adopted by the governing body.

The Assistant Town Administrator may fulfill the role of Town Recorder and Chief Municipal Finance Officer for the Town of Mount Carmel overseeing those administrative functions of the Town. The Assistant Town Administrator is hired and serves at the pleasure of the Town Administrator. In addition to the Town Recorder and Chief Municipal Finance Officer responsibilities, the Assistant Town Administrator may also be responsible for appointment and termination of Town employees, enforcement and application of all laws, provisions of the Town Charter and Municipal Code, and acts of the governing body including but not limited to the Personnel Regulations and pay classification plan. The Assistant Town Administrator is also responsible for the implementation of additional rules, policies, and procedures, which may be necessary for the proper operation of the Town or its various departments, provided that such rules and procedures are consistent with the Personnel Regulations adopted by the governing body. Additionally, the Assistant Town Administrator shall serve as the Acting Town Administrator when needed or required.

The Town Administrator, Assistant Town Administrator and Department Heads and supervisors are responsible for the administration and enforcement of the Personnel Regulations for employees in their respective program areas.

The Town Administrative Department's responsibility and functions regarding the administration of the personnel regulations shall include, but not be limited to, the development and presentation of personnel regulations and recommended amendments consistent with proper employment practices to the Town Administrator for consideration and presentation to the governing body. The Administrative Department shall also provide technical assistance to Department Heads and supervisors on the interpretation and application of the Personnel Regulations.

Amendments to the rules and regulations shall be made in accordance with the procedure herein. Nothing in the personnel rules and regulations document shall be deemed to give employees any more property rights in their jobs than may already be given by the local government charter. The local government reserves the right to alter or change any or all these rules without prior notice to employees.

1.5 AMENDMENTS TO PERSONNEL POLICIES

Amendments or revisions to these regulations, policies and procedures may be recommended for adoption by the Town Administrator or by the Board of Mayor and Aldermen of its own initiative. Such amendments or revisions of these regulations, policies and procedures shall become effective upon approval by the Board of Mayor and Aldermen.

All departmental regulations, policies and procedures as presently constituted or hereinafter adopted, which are not in conflict with these regulations, shall remain in full force and effect.

1.6 SEVERABILITY

If any Charter, Article or Section of these Regulations is found to conflict with Federal, State or Town laws and regulations, or Court decision, that section will continue in effect only to the extent permitted by such law or regulation or Court decision. If any Charter, Article or Section of these regulations is or becomes invalid or unenforceable, such invalidity or unenforceable nature will not affect or impair any other Charter, Article or Section of these regulations.

SECTION 2: HIRING PROCEDURES

2.1 EQUAL OPPORTUNITY EMPLOYMENT

It is the obligation and policy of the Town of Mount Carmel to provide equal opportunity employment to all employees and applicants for employment. No person will be discriminated against in employment because of race, color, religion, sex, age, national origin, disability, military status, communication with elected public officials, free speech, refusing to participate in or remain silent about illegal activities exercising a statutory constitutional right or any right under clear public policy, political affiliation, genetic information, or any other basis protected by law.

The Town of Mount Carmel will provide reasonable accommodation to qualified disabled individuals unless the accommodation would pose an "undue hardship" on the Town.

This policy applies to all terms, conditions, and privileges of employment and all policies of the Town, including hiring, placement, training, employee development, promotion, transfer, compensation, benefits, grievances, educational assistance, layoffs, termination, and retirement.

2.2 JOB ANNOUNCEMENTS

Department Heads who need to fill a budgeted job opening should contact town administrative personnel to begin the recruitment process. The Town Recorder (or their designee) will prepare and publicize job announcements to bring notice of vacancies to as many qualified candidates as possible.

In-House Posting - Notice of vacant regular positions will be made available to internal employees on the Town's official website. Notice of regular vacancies will be posted internally and externally until the position is filled.

Public Advertisement - Applicants shall be recruited from a geographic area as wide as necessary and for a period sufficient to ensure that qualified applicants are obtained for Town Service. The Town's Administrative Office and the Department Head will determine what forms of media to extend the advertisement. Vacancies where appropriate will be posted on the Town's website until the position is filled. All internal and external candidates shall make application through the Town's website and submit their signed/scanned application via email to the Town Administrator.

2.3 EMPLOYMENT OF RELATIVES/FRIENDS

As a public employer, the Town of Mount Carmel must maintain a process of fairness in all things. Career opportunities must be equal in matters of relationships, just as in other employment matters: sex, age, national origin, race, religion, creed, color, ancestry, disability, and marital status. A person's name should be neither a help nor a hindrance to advancing as far as ability and performance will allow. Decisions to hire are based on the individual applicant's merits. We will not employ, transfer, or promote someone unless it is in the best interest of all concerned. Further, the Town maintains a strict prohibition against hiring relatives into departments where other relatives are employed and against letting relatives make employment decisions about other relatives. We take special precautions to avoid conflicts of interest, or the appearance of conflicts of interest, in dealing with related employees.

Standard hiring criteria must be applied; direct reporting of one relative to another is generally avoided. Be careful about providing information that would give a friend or related employee unfair advantage over others. Personal relationships that might create conflicts of interest should be discussed with your Department Head or with the Town Administrator. If a relationship between two employees conflicts with this policy, a change to an appropriate job or shift change that does not create a conflict may be sought for one of the individuals.

2.4 CITIZENSHIP AND IMMIGRATION STATUS VERIFICATION

The Town will not discriminate based on a person's national origin or citizenship status with regard to recruitment, hiring, or discharge. However, the Town will not knowingly employ any person who is or becomes an unauthorized immigrant. In compliance with the Immigration Reform and Control Act, all employees hired after November 6, 1986, regardless of national origin, ancestry, or citizenship, must provide suitable documentation to verify identity and employability. The documentation must be provided within three days of employment, or the individual will be subject to separation.

SECTION 3: CLASSIFICATION, PAY, AND FRINGE BENEFITS

3.1 EMPLOYEE COMPENSATION

Employee compensation shall be in an amount set by the Town Pay Plan established by the Town Administrator and adopted through the budget process by the Board of Mayor and Aldermen as identified in Appendix C. Appendix C shall not apply to reserve police officers, as they are not considered employees of the Town, and shall receive compensation in the amount of \$18.00 per hour for all hours scheduled and worked.

A non-exempt municipal employee who does not work their regularly scheduled work week shall be paid only for hours worked, unless such absence is authorized as paid leave by the employee's supervisor, or the Town Administrator.

Regular paydays for all municipal employees shall be bi-weekly, no later than every other Friday. Direct Deposit into a financial institution is required. All non-exempt employees will sign their timecards at the end of each pay period and supervisors will also be required to sign timecards. Signature on timecard is a verification the employee has worked the exact hours shown on the timecard and no more or no less for the applicable period shown on said card. Exempt salaried employees are required to submit a signed exception record at the end of each pay period, indicating that they worked a minimum of 80 hours in the pay period, or had any work hour exceptions, such as, holiday, vacation, sick or any other types of paid or unpaid leave.

The appropriate deductions, as required by State and Federal law, shall be made from each employee's pay. It is the policy of the Town that no advance on future wages shall be made.

3.2 PERFORMANCE APPRAISAL / EVALUATION

The performance of all employees will be appraised and reviewed at least annually by their immediate supervisor. Evaluations for new hires shall occur before the end of the first sixth (6) months. Written appraisals will be discussed with the employees, so they will know how they are progressing and what they may do to improve their performance.

Department Heads will review employee performance evaluations for consistency and application of proper evaluation standards for each employee being evaluated. The failure to submit an evaluation after notice may subject the Department Head to counseling or disciplinary action. Completed employee performance evaluations shall be placed in the employee's personnel file. The Town Administrator will perform an annual performance evaluation for all Department Heads.

As important as these written performance/appraisals are, they are not meant as substitutes for ongoing discussions between employees and their supervisors about their performance. Annual step pay increases, not classified as COLA, will be tied to an employee's minimum acceptable performance. Employees must not be under any formal discipline or a performance improvement plan and receive an overall "meets expectations" rating to receive their step pay raise for the year, which will be effective on the next pay period beginning after their actual hire/promotion date anniversary.

3.3 BENEFITS

A list of current benefits is available from the Town recorder.

3.4 HOURS OF WORK

The standard work week for each department will be determined by the department head with approval of the Town Administrator. Up to one hour will be allowed for an unpaid lunch, including travel time, and will not be considered part of the regular workday.

3.5 ATTENDANCE

Employees shall attend their assigned places of work in accordance with the policies regarding hours of work, holidays, and leave. If an employee, for some unavoidable reason, cannot report for work, they shall notify their supervisor or department head at least 30 minutes prior to the start of their assigned work shift. The Department Head will set the department specific notification process. Failure on the part of an employee to comply with these policies may be cause for non-payment for the workday absence, and/or disciplinary action.

3.6 OVERTIME COMPENSATION

All non-exempt general employees shall receive overtime pay at the rate of one and one-half times their regular rate of pay for each hour worked in excess of 40 hours, and non-exempt sworn police employees for each hour worked in excess of 43 hours. All non-exempt general employees may also accrue compensatory time off in lieu of overtime for all hours worked in excess of 40 hours (regular employees)/43 hours (sworn non-exempt police employees) in any one work week so long as approved in advance by the employees' Department Head and the Town Administrator and may accrue such compensatory time off up to a maximum of 80 hours.

Compensatory time, or overtime must be documented by a detailed explanation of the work or project(s) that required working overtime hours in the workweek on each employee's timecard. All compensatory time off accrued for all Town employees qualifying for compensatory time off, the time must be used by the end of the following month.

Exempt employees who are paid by salary shall not be entitled to overtime compensation, additional holiday pay, or compensatory time. However, exempt employees will be granted 60 hours of executive leave annually that must be used during the fiscal year awarded, no accruals will be allowed or maintained, and at the end of the fiscal year will be reset to 60 hours. Executive leave should be used and will not be paid out and should be utilized in no less than 4-hour blocks and for no more than 16 consecutive hours (2-days). Executive leave should not be routinely abutted with other types of leave to extend the overall time off. If an exempt employee wishes to use executive leave, they must submit their request to the town administrator on the appropriate form. Executive leave requests should be submitted at least 1 day in advance for requests of 4 to 8 hours, and 3 days in advance for requests of more than 8 hours.

3.7 CALL OUT PAY

Employees in Public Works and Wastewater may be required to return to the Town to. When a non-exempt employee, after departing from their regularly scheduled workplace, reports back to work for unscheduled service after hours, the Town will pay him or her a minimum of two (2) hour's wages from the time he or she begins work at the worksite until the time they leave the worksite. Each non-exempt employee who is called out will be paid at one and one-half (1½) times their regular hourly rate while on call-out duty.

3.8 MANDATORY UNIFORM ALLOWANCE

1. Uniforms, when required, will be provided by the Town. The cost to maintain those uniforms will also be paid by the Town
2. Personal Protective Equipment. Full-time employees may be reimbursed for the purchase of safety-toe protective footwear (including steel-toe shoes or steel-toe boots) and non-specialty prescription safety eye wear as Personal Protective Equipment, or other equipment as defined in departmental SOP or as adopted otherwise. Cost will be reimbursed up to \$200 for steel toe boots and a winter coat one time per fiscal year.

3.9 SERVICE ANNIVERSARY RECOGNITION BONUS

The Town of Mount Carmel recognizes that employee longevity contributes to organizational stability, institutional knowledge, and the delivery of quality public services. To acknowledge and reward dedicated service, eligible

employees shall receive a one-time monetary bonus upon reaching designated service anniversary milestones. Employees may also be publicly recognized by the Board of Mayor and Aldermen.

Eligibility

1. Regular full-time and regular part-time employees are eligible for a Service Anniversary Recognition Bonus.
2. Service years shall be calculated based on continuous employment with the Town of Mount Carmel.
3. Approved leaves of absence that do not constitute a break in service shall be counted toward years of service in accordance with applicable Town policies and state and federal law.
4. Employees must be actively employed on the date of their service anniversary to receive the bonus.

Bonuses shall be processed through payroll and will be paid as a flat bonus amount, with the Town being responsible for all withholdings. Employees are eligible to receive each milestone bonus only once. Town Administration shall verify eligibility and years of service prior to payment.

Eligible full-time and part-time employees shall receive the following one-time bonus payments upon reaching the corresponding service milestone:

Years of Continuous Service	Full-Time Bonus Amount	Part-Time Bonus Amount
5 Years	\$250	\$100
10 Years	\$500	\$250
15 Years	\$1,000	\$500
20 Years	\$1,500	\$750
25 Years	\$2,500	\$1,250
30 Years	\$3,500	\$2,000

Upon initial adoption of this policy, the Town shall provide Service Anniversary Recognition Bonuses to eligible employees who attained a qualifying service anniversary milestone on or after January 1, 2025, but prior to the effective date of this policy.

SECTION 4: LEAVE POLICIES

4.1 VACATION LEAVE

Each full-time regular employee shall earn vacation time in accordance with the following schedule (unless additional benefits are negotiated at the time of job acceptance):

Years of Service	Hours per pay period	weeks/hours earned per year	PD hours earned per pay period / yearly	PD weeks/hours earned per year
1-5	3.08 hours	2 weeks (80 hours)	3.23 hours	2 weeks (84 hours)
6-10	4.62 hours	3 weeks (120hr)	4.96 hours	3 weeks (129 hours)
11-15	6.16 hours	4 weeks (160hr)	6.62 hours	4 weeks (172 hours)
16-20	7.70 hours	5 weeks (200hr)	8.27 hours	5 weeks (215 hours)
20+	9.23 hours	6 weeks (240hr)	9.92 hours	6 weeks (258 hours)

Vacation time can be carried over by no more than 80 hours into the next anniversary year, unless requested by the employee and authorized by the Town Administrator/Manager in writing. If carry over hours exceed 80 hours, unused

vacation leave will be converted into sick leave. Employees may be paid for up to two weeks of unused vacation per year (anniversary). Vacation leave shall be taken on a normal workweek basis. Paid holidays falling within a period of vacation leave shall not be counted as vacation. Each employee, upon retirement or voluntary separation, including a 2-week notice to the town (actually worked), shall be paid for any unused vacation leave.

Unless there is an emergency, all employees shall provide their supervisor with at least two weeks' notice when requesting vacation time. Department heads must apply for vacation leave to the Town Administrator for approval.

Vacation leave shall not accrue to any employee when an employee is on leave for more than (15) days in the month, unless otherwise directed by the Town Administrator.

4.2 SICK LEAVE

Each regular full-time employee will accrue sick leave at the rate of 4 hours per pay period or 6 hours per pay period for full time police officers working 12-hour shifts. Employees may accumulate up to 720 hours of sick leave, which may be carried over from one calendar year to another. Any unused sick leave in excess shall only be credited as additional time worked when calculating the employee's retirement benefits towards TCRS retirement. No employee shall be paid for accumulated sick leave. All accumulated sick leave shall expire upon an employee's separation from employment.

Employees become eligible to use sick leave in the following situations:

- When an employee is incapacitated by sickness or a non-job-related injury, or they are seeking medical, dental, or other diagnosis or treatment.
- When necessary, care and attendance of a member of the employee's immediate family is approved by a department head.
- When employees have received notice from their doctor that they may jeopardize the health of others because they have been exposed to a contagious disease.

Sick leave benefits shall begin on the first day of such absence and shall continue for 10 workdays or 80 hours. Any additional time-off necessary shall be taken by utilizing Short-term Disability Insurance provided by the town and can be supplemented by employee vacation time.

Sick leave shall be requested in advance for any non-emergency medical, dental, or other diagnosis or treatment. Employees shall, when possible, notify their department head of their illness or incapacity before they are due to report to work on the first day of any sick leave.

To prevent abuse of the sick leave privilege, department heads are required to satisfy themselves that an employee is genuinely ill before sick leave is authorized. An absence due to sickness of 3 or more days consecutively, or greater than 6 days cumulatively, may require a doctor's certificate. Sick leave may be denied, and appropriate disciplinary action taken when an employee is shown to be abusing sick leave privileges.

Sick leave shall not accrue to any employee until the required eligibility period has elapsed, when an employee is on leave for more than fifteen (15) days in the month, unless otherwise directed by the Town Administrator.

An employee, upon exhausting all earned sick leave, may use vacation. After an employee has exhausted their accrued sick leave and vacation leave, leave without pay may be granted at the discretion of the Town Administrator as a reasonable accommodation to people with disabilities. Also, employees may be placed on special leave without pay, or they may be terminated if unable to perform their job or another job with or without reasonable accommodation. Should employees later be able to return to work, upon presentation of certification by a doctor, they may be given preference for employment in a position for that they are qualified, with the approval of the Town Administrator.

Employees may not borrow against future sick leave.

4.3 HOLIDAY LEAVE

The Town shall recognize and observe all federal holidays, as amended from time to time, with such changes automatically incorporated into this policy.

In addition to all federally designated holidays, the Town shall observe the following Town-designated paid holidays:

- Good Friday
- Day After Thanksgiving
- Christmas Eve
- New Year's Eve

All full-time employees shall be entitled to paid leave for the holidays recognized and observed under this policy. Holidays shall be observed on the dates prescribed by federal law or, in the case of Town-designated holidays, on the dates established by the Town.

The Town offices, except essential services, shall be closed on official holidays. When a holiday falls on Saturday, it shall be observed on the preceding Friday. When a holiday falls on a Sunday, it shall be observed on the following Monday.

All regular full-time non-exempt employees required to work on a Town-observed holiday will receive straight time holiday pay, and in addition will be paid for hours worked on the Town-observed holiday at the rate of one and one-half times their regular rate of pay. Emergency services personnel and sewer personnel will utilize the actual holiday for observance.

If a holiday occurs while an employee is on Workers' Compensation leave or other disability compensation leave, and is not using sick leave or vacation leave, no credit for the holiday shall be allowed. To receive pay for an observed holiday, an employee must not have been absent on the workday immediately preceding or immediately following the holiday unless on vacation time authorized by the supervisor or documented/excused sick leave on such days.

4.4 CIVIL LEAVE

Employees are eligible for paid civil leave in the following situations:

1. When an employee is called to serve as a juror or is appointed to serve as a clerk or judge on an election board, the employee is entitled to his regular pay.
2. For voting if the employees' working hours prevent voting during the time the polls are open.
3. When an employee is called to perform emergency civilian duty.
4. When an employee is subpoenaed to appear in court on behalf of the Town.

An employee who is required by subpoena to appear in court as a plaintiff, defendant or witness on a personal matter shall not be granted civil leave but may be granted vacation leave or leave without pay.

4.5 FUNERAL LEAVE

Up to three (3) days with pay may be granted for attendance of funerals of the immediate family of an employee. Any additional days may be charged to vacation, sick leave, or taken as leave without pay with the approval of the Department Head.

The employee's immediate supervisor must first approve all funeral leave. In situations where several employees wish to have time off to attend a funeral or funerals, discretion must be used by supervisory personnel so that Town service can be maintained.

4.6 MILITARY LEAVE/VETERANS' RE-EMPLOYMENT

Any employee who is or becomes a member of the armed forces of the United States (including the Army, Army Reserves, Army National Guard, Navy, Naval Reserve, Marine Corps, Marine Corps Reserve, Air Force, Air Force Reserve, Air National Guard, Coast Guard, Coast Guard Reserve, Commissioned Corps of the Public Health) and leaves work for initial training for the Guard or Reserves, leaves work to join active-duty military, or is called to active duty, will be placed on military leave. Such employee must present his/her supervisor or department head with advance notice of the active-duty orders. The employee's seniority, status and pay will remain unchanged during his/her time of military leave. Continued health insurance coverage will be offered up to 24 months. The Town will continue to pay the portions of the premiums they were responsible for while the service member was employed if the leave is for fewer than 31 days. For military leaves longer than 31 days the employee must pay up to 102% of the cost of premiums due for such policy. An employee wishing to continue health insurance coverage during his/her military leave shall provide a mailing address where notices of premium payments due may be sent.

The process for reinstatement of employees returning from military leave begins when the employee submits an "application for re-employment." Said application must be submitted within ninety (90) days of the end of service, or from the end of hospitalization continuing after discharge for a period of not more than one (1) year for an injury/illness related to deployment. The returning employee will be re-employed in the position they would have attained had they not been absent for military service, with the same seniority, status and pay.

Any employee who is a member or may become a member of any reserve component of the armed forces of the United States or of the Tennessee Army and Air National Guard will be entitled to a leave of absence from their respective duties for periods of military service during which they are engaged in the performance of duty or training in the service of this state, or of the United States, under competent orders. While on such leave, the employee will be granted paid leave up to twenty (20) days in anyone (1) calendar year.

Qualified employees who seek paid leave under this policy must provide the official order calling for their service or training to their supervisor. Employees serving in the National Guard or Military Reserve will receive full compensation for a period of twenty (20) days of military leave each calendar year, excluding holidays and scheduled off days. Such leave will not be charged to any form of accrued paid leave. An employee requesting military leave shall provide the Town the dates for training and travel time in advance. After the twenty (20) working days of full compensation, the Town may provide partial compensation to its employees while under competent orders. After the twenty (20) working days of full compensation, members of any reserve component of the armed forces of the United States, including members of the Tennessee army and air national guard, may use up to five (5) days of sick leave in lieu of vacation leave for the purposes of not having to take leave without pay.

MILITARY RESERVISTS LEAVE

Active State Duty: Army/Air National Guard and TN State Guard, Civil Air Patrol

In addition to the leave of absence provided above, employees who are members of the Tennessee army and air national guard on active state duty or the Tennessee state guard and civil air patrol shall be entitled to an unpaid leave of absence from their respective duties, without loss of time, pay not specifically related to leave of absence time, regular leave or vacation, or impairment of efficiency rating for all periods of service during which under competent orders he/she is engaged in the performance of duty or training in the service of this state, including the performance of duties in an emergency.

Pursuant to T.C.A. § 42-7-102, members of the United States air force auxiliary civil air patrol who participate in a training program for the civil air patrol, or in emergency and disaster services, as defined in T.C.A. § 58-2-101, are entitled to a leave of absence with pay for a period of not more than fifteen (15) days during a calendar year for such purposes if the leave of absence is at the request of the employee's wing commander or the wing commander's designated representative. Employees granted leave are entitled to their regular salary during the time that they are away from their regular duties. All the rights and benefits of the employee continue as if a leave of absence had not been granted.

It is the responsibility of the employee to make arrangements with their department head for leave to attend monthly meetings on regular off time, with the expectation that the paid leave granted herein will be applied to the annual training periods required for reservists.

8-33-110. Unpaid leave for members of Tennessee army and air national guard, Tennessee state guard and civil air patrol.

In addition to the leave of absence provided in § 8-33-109, all officers and employees of this state, or any department or agency thereof, or of any county, municipality, school district, or other political subdivision, all other public employees of this state and all private sector employees who are members of the Tennessee army and air national guard on active state duty or the Tennessee state guard and civil air patrol shall be entitled to an unpaid leave of absence from their respective duties, without loss of time, pay not specifically related to leave of absence time, regular leave or vacation or impairment of efficiency rating for all periods of service during which under competent orders they are engaged in the performance of duty or training in the service of this state, including the performance of duties in an emergency.

4.7 Workers Compensation

Town employees are subject to the provisions of the Tennessee Workers' Compensation Act and are entitled to the benefits of that law, whether by injury or occupational disease arising out of and in the course of employment.

Injury or occupational disease occurring out of and in the course of employment shall be reported to the Recorder and/or supervisor as soon as possible and the Recorder shall file the necessary reports.

The Town Recorder will furnish information and reports concerning injuries, or alleged injuries, or occupational diseases which are or may be within the scope of the Workers' Compensation Act, in order that proper medical attention is provided, compensation and expenses are paid, investigation and determination of applicable benefit eligibility may be made, and that compensation is terminated when the disability ceases or benefits are exhausted.

An employee entitled to be paid Workers' Compensation for temporary disability may be granted sick leave with full pay for the first five (5) working days of such disability, excluding the day of injury (assuming such employee has sufficient accumulated sick leave).

Worker's compensation pays an employee 66.67% of their weekly salary once the employee has been disabled for more than seven (7) days. Compensation will be made as of the eighth day of disability due to an occupational injury. If the employee is disabled for fourteen (14) days or more, worker's compensation will pay the employee retroactively from the first full day of absence from work up to the return date to work. Employees receiving worker's compensation payments may not supplement their pay with accrued paid leave. An employee who is receiving Workers' Compensation for an injury or occupational disease arising from the course and scope of employment, shall have the option of electing to use accumulated sick leave and/or vacation leave for the first seven calendar days of Workers' Compensation leave. After such sick and/or vacation leave has been used, the employee shall not be entitled to any compensation except that authorized by the Workman's Compensation Act. Such injured employees shall be carried in a leave without pay status for a period not to exceed one (1) year after which employment may cease.

Employees injured on the job that receive a restricted release or restricted permission to return to work may be returned to their prior position if reasonable accommodation can be made without violating the medical restriction(s) or does not pose a safety risk to themselves or others. Likewise, such an employee may be placed in another position for which they are qualified within the Town if such an open position exists, and the injured employee's restrictions may be accommodated. Nothing herein should be construed as a commitment on the part of the Town to make work or create a position for an injured employee.

4.8 ABSENCE WITHOUT LEAVE

Absence by an employee from place of duty not specifically authorized or covered in this manual shall be charged as absence without leave. Absence without leave shall be in a non-pay status and may be cause for disciplinary action, up to and including discharge.

4.9 FAMILY LEAVE

The Family and Medical leave policy is applicable to employees who have worked at least 12 months for the Town and who have worked at least 1,250 hours during the preceding 12-month period, and work for an employer with 50 or more employees within 75 miles of the work site. Until such time the Town employs 50 or more employees, no employees shall be deemed eligible under the Act.

SECTION 5: WORKPLACE VIOLENCE AND HARASSMENT

5.1 WORKPLACE VIOLENCE

Employees are expected to maintain a productive work environment free from harassing or disruptive activity including threats of physical violence. No form of bullying or harassment will be tolerated, including sexual harassment and harassment based on race, color, religion, gender or gender identity, age, national origin, disability, military status, genetic information, communication with an elected public official, free speech, refusing to participate in or remain silent about illegal activities, exercising a statutory constitutional right or any right under clear public policy, political affiliation, or any other basis protected by law. This policy applies to all Town employees, elected officials, appointed officials, part-time/temporary employees, and contractors.

1. No employee or non-employee shall be allowed to harass any other employee or non-employee by exhibiting behavior including, but not limited to, the following:

- a. Verbal harassment – Verbal threats toward persons or property; the use of vulgar or profane

- language directed towards others; disparaging or derogatory comments or slur; offensive flirtations or propositions; verbal intimidation; exaggerated criticism or name-calling; spreading untrue or malicious gossip about others.
- b. Physical Harassment – Any physical assault, such as hitting, pushing, kicking, holding, impeding, or blocking the movement of another person.
 - c. Visual Harassment – Displaying derogatory or offensive posters, cartoons, publications, or drawings.
 - d. Bullying – Workplace bullying refers to unwanted aggressive behavior that involves a real or perceived power imbalance. The behavior is repeated, or has the potential to be repeated, over time. The imbalance of power involves the use of physical strength, access to embarrassing information, or popularity to control or harm others. This behavior may be performed by individuals (or a group) directed towards an individual (or a group of individuals)
2. All employees, except those authorized to carry weapons for official job-related purposes, are prohibited from carrying weapons while performing work for the Town.
 3. Under no circumstances are the following items permitted on Town property, including Town-owned parking areas, except when issued or sanctioned by the Town for use in the performance of the employee's job:
 - dangerous chemicals; or
 - explosives or blasting caps; or
 - other objects carried for the purposes of injury or intimidation.
 4. Charges of violence and harassment may be reported to any supervisory employee of the local government, including the Town Administrator and the Mayor. The Town will promptly investigate reports of workplace violence including suspicious individuals or activities. Depending on the severity of the charges or whether a crime is committed, the Town Administrator may request that the Police Chief provide assistance or assume responsibility for the investigation. All employees are required to assist during the investigation by providing testimony, statements, and evidence, as required. Failure to cooperate or creating an interference may result in disciplinary action.

5.2 HARASSMENT

Employees are obligated to report instances of harassment. Employees are also obligated to cooperate in every investigation of harassment. The obligation includes, but is not limited to, coming forward with evidence, both favorable and unfavorable, for a person accused of such conduct; fully and truthfully make written reports or verbally answer questions when required to do so by the investigator. All employees are required to assist during the investigation by providing testimony, statements, and evidence, as required. Failure to cooperate may result in disciplinary action.

Copies of the investigative report with recommendations for appropriate action will be turned over to the Town Administrator for further action. Anyone determined to be responsible for threats of, or actual violence, or other conduct that is in violation of this policy will be subject to prompt disciplinary action up to and including termination.

The following actions constitute an unlawful practice and are absolutely prohibited by the Town when they affect employment decisions, create a hostile job environment, cause distractions, or unreasonably interfere with work performance. They are:

1. sexual harassment or unwelcome sexual advances,
2. requests for sexual favors.
3. verbal or physical conduct of a sexual nature in the form of pinching, grabbing, patting, or propositioning.
4. explicit or implied job threats or promises in return for submission to sexual favors.
5. inappropriate sexually oriented comments on appearance.
6. sexually oriented stories.
7. displaying sexually explicit or pornographic material, no matter how the material is

- displayed; and/or
- 8. sexual assault on the job by supervisors, fellow employees, or non-employees
- 9. Demeaning insulting, intimidating or sexually suggestive written, recorded or electronically transmitted materials (such as email, instant message, and internet materials)

Employees must avoid any action or conduct which could be viewed as sexual or other discriminatory harassment. Persons who engage in unlawful sexual or other discriminatory harassment will be subject to disciplinary action up to and including termination of employment.

Employees and others will not be retaliated against for raising complaints of sexual or other discriminatory harassment, unless the claim is one that is made in dishonest bad faith.

Making Harassment Complaints

Prevention is the best tool for the elimination of harassment. Therefore, the following rules shall be strictly enforced. An employee who feels he/she is being subjected to harassment should immediately contact their supervisor or the Town Administrator or any other individual with whom the employee feels the most comfortable.

The employee should be prepared to provide the following information:

- (a) The employee's name, department, and position title.
- (b) The name of the person or persons committing the sexual harassment including their titles, if known.
- (c) The specific nature of harassment, how long it has gone on, and any adverse action (demotion, failure to promote, dismissal, refusal to hire, transfer, etc.), taken against the employee because of the harassment, or any other threats made against the employee because of the harassment. (d) Witnesses to the harassment.
- (e) Whether the employee has previously reported the harassment and, if so, when and to whom.

Reporting and Investigation of Harassment Complaints

The Town Administrator is the person designated by the Town to be the investigator of complaints of harassment against employees. In the event the harassment complaint is against the Town Administrator, the investigator shall be the Town attorney, or independent attorney provided by the Town's Employment Practices Liability Insurance provider.

When an allegation of harassment is made by any employee, the person to whom the complaint is made shall immediately prepare a report of the complaint according to the preceding section and submit it to the Town Administrator.

The investigator shall make and keep a written record of the investigation, including notes of verbal responses made to the investigator by the person complaining of harassment, witnesses interviewed during the investigation, the person against whom the complaint of harassment was made, and any other person contacted by the investigator in connection with the investigation.

Upon conclusion of the investigation, the investigator shall prepare a confidential report of the findings and present them to the Town Administrator. The report shall include the written statement for the person complaining of harassment, the written statement of witnesses, the written statement of the person against whom the complaint of harassment was made, and all the investigator's notes connected to the investigation.

Action on Complaints of Harassment

Upon review of the investigator's report, the Town Administrator shall, within a reasonable time, determine whether the conduct of the person against whom a harassment complaint has been made constitutes harassment in violation of this policy. In making that determination, the Town Administrator shall look at the record as a whole and at the totality of circumstances, including the nature of the conduct in question, the context in which the conduct, if any, occurred, and the conduct of the person complaining.

If the Town Administrator determines that the complaint of harassment is well founded, in whole or in part, he/she shall take prompt and effective remedial action against the employee found to have engaged in harassment, which may include disciplinary action up to and including termination. To the extent possible, the disciplinary action

should be consistent with the nature and severity of the offense and may take into consideration such factors as the effect of the offense on the complainant, or on employee morale and public perception of the offense. Disciplinary action will be determined on a case-by-case.

A written record of the disciplinary action shall be kept, including verbal reprimands. In all events, an employee found guilty of harassment shall be warned not to retaliate in any way against the person making the complaint of harassment, witnesses or any other person connected with the investigation of the complaint of harassment.

In cases where the harassment is committed by a non-employee against a municipal government employee in the workplace, the Town Administrator shall take whatever lawful action against the non-employee is necessary to bring the harassment to an immediate end.

SECTION 6: MISCELLANEOUS POLICIES

6.1 DRUG AND SUBSTANCE ABUSE POLICY

To provide a safe, healthy, productive, and drug-free working environment for its employees to properly conduct the public business, the Town has adopted a drug and alcohol testing policy. The types of tests required are pre-employment (for safety-sensitive positions), transfer (for certain safety sensitive positions), reasonable suspicion, post-accident, random (for safety-sensitive positions), return-to-duty, and follow-up post rehabilitation testing. A copy of the full policy can be obtained from the Town recorder.

6.2 TRAVEL POLICY

Employees shall be reimbursed for official travel in the performance of their duties, as well as for official expenses personally incurred related to their position. A copy of Town of Mount Carmel approved Travel Policy is available in the recorder's office.

6.3 USE OF LOCAL GOVERNMENT VEHICLES AND EQUIPMENT

All local government vehicles and equipment are for official use only. No other person other than a local government employee may operate a local government vehicle or piece of machinery. Passengers may be carried only as part of official business. Drivers and/or operators must have a valid driver's license and other certifications as required for a particular vehicle or piece of equipment and be approved by the department head or the Town Administrator.

Any employee who is required as an employment condition to possess and maintain a valid driver's or commercial driver's license or any employee who drives a Town vehicle must immediately, before reporting for duty the next workday, inform his/her supervisor if his/her license becomes denied, expired, restricted, suspended, or revoked any time during employment with the local government. A periodic review (no less than once every three (3) years) of employees' driving records will be conducted by the Town Administrator or their designee. If a town vehicle becomes damaged or is found to be damaged, the employee must immediately notify their supervisor.

6.4 PERSONAL / BUSINESS CELL PHONES

Employees should ensure personal cell phones do not interfere with their work or the Town's operations. Cell phones shall be turned off or set to silent or vibrate mode during meetings, conferences and in other locations where incoming calls may disrupt normal workflow.

Business cell phones are typically provided to positions that require immediate and on-going communication due to management responsibilities, field operations and emergency response purposes. Since they are provided to conduct Town business, the employee should limit personal usage to calls that are essential. If an individual is abusing the privilege of using a Town cell phone, disciplinary action may be taken, along with discontinuation of the use of the Town cell phone. Employees must be aware that any electronic communication devices owned by the Town are open to audit for monetary and/or content review or for any purpose and are always subject to public record requests.

6.5 CUSTOMER COURTESY

All contact with customers, citizens, and coworkers should be managed in a professional manner. Professionalism, politeness, and courtesy are essential. Lack of courtesy and professionalism may result in disciplinary action.

6.6 ATTENDANCE AND PERSONAL CONDUCT

Employees are expected to report to work as scheduled, on time and prepared to start working. Employees also are expected to remain at work for their entire work schedule. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

Employees are representatives of the Town and as such, are expected and encouraged to conduct themselves always in a manner so as not to bring discredit upon the Town of Mount Carmel. Employees engaging in activities that are harmful to public perception of the Town may face disciplinary action.

6.7 DRESS CODE

Non-Uniform

Personal appearance and manner of dress is an important part of your job responsibilities. Employees are expected to dress and groom in a manner which reflects good taste, and which is appropriate for the type of work performed. Since all employees deal with co-workers and the public daily, personal hygiene is a requirement. Employees should ensure their personal hygiene will not be offensive to others around them. This includes but is not limited to – scented body products, perfume/cologne, oral hygiene, and body odor. An employee who does not meet the standards of this policy will be required to take corrective actions, which may include leaving the premises. Any work time missed because of failure to comply with this policy will not be compensated, and repeated violations of this policy may be cause for disciplinary action.

Uniform

In departments where uniforms are provided, all employees are expected to wear the uniform according to departmental policy. All uniforms are expected to be kept neat and in good repair. There may be an allowance allotted and/or uniforms will be provided for those employees required to wear uniforms and is specific to their respective department.

6.8 NON-SMOKER PROTECTION ACT

The Town complies with the Non-Smoker Protection Act of 2007 which prohibits smoking in all public places such as buildings, equipment, and Town-owned vehicles. All employees who operate Town-owned vehicles are prohibited from smoking in the vehicle or piece of equipment. Violators of this policy will be subject to disciplinary action.

6.9 COMPUTER USE AND MONITORING

Computers, the Internet, and e-mail, as with other technologies, should be used to maximize the Town's efforts in serving its citizens. It is every employee's duty to use the Town's computer resources and communication devices responsibly, professionally, ethically, and lawfully. These policies are not intended to, and do not, grant users any contractual rights. The term "Computer Resources" refers to the Town's computers, electronic equipment, and its entire computer network.

Computer Use Policy Overview

The computer resources are the property of the Town and should be used for legitimate business purposes. While personal use of Town computer resources, including the Internet and electronic mail is not forbidden, it is discouraged. Personal use shall be minimal and shall not interfere with the performance of job duties and responsibilities. Users are permitted access to the computer to assist them in performing their jobs. Confidential information or other information that would cause citizens to lose confidence in the Town or its personnel should not be provided using e-mail or shared with individuals outside the Town's employment ranks.

No one may use loopholes or acts of subterfuge within the computer security systems or knowledge of a special password to damage computer systems, to compromise sensitive information, to obtain extra resources, to take resources from another user, to gain access to systems or to use systems from which proper authorization has not been given. Users may not impersonate other individuals or misrepresent themselves.

Use of the computer is a privilege that may be restricted or revoked at any time. All information contained in the computer and all documents generated there from are for the exclusive use of the Town in connection with the conduct of its business and are the sole property of the Town.

Waiver of Privacy Rights

Users expressly waive any right of privacy in anything they create, store, send or receive using a town computer.

Compliance with Laws and Licenses

In their use of computers, users must comply with all software licenses and copyrights and all state, federal and international laws governing intellectual property and online activities.

Communication of Trade Secrets

Unless expressly authorized by the Town, sending, transmitting, or otherwise disseminating proprietary data, trade secrets or other confidential information of the Town is prohibited.

Use of Encryption Software

Users may not install or use encryption software on any computers without first obtaining written permission from the Town.

Monitoring Usage

The Town has the right to monitor sites visited by employees on the Internet, monitoring chat groups and newsgroups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by others. Employee violations of any of the provisions outlined in this policy may subject employees to disciplinary action.

Public Records

All employee correspondence in the form of electronic mail, including computers, computer files, software, Internet access, voice mail and the e-mail system, are public records under the Tennessee Public Records Act and may be subject to public inspection under the law.

6.10 SOCIAL MEDIA USE AND INTERNET POSTING

This policy applies to every employee, whether part-time, full-time, currently employed by the Town of Mount Carmel in any capacity who posts any material whether written, audio, video or otherwise on any website, blog or any other medium accessible via the internet.

The policy applies to municipal employees posting content to non-Town created social media platforms in their personal capacity. Employees are prohibited from posting anything on the internet that could be construed as an act of unlawful harassment, a threat, or other evidence of discrimination. Employees should limit their personal internet activities to non-working hours, meal periods and/or rest breaks.

An employee may not characterize him or herself as representing the Town, directly or indirectly, in any online posting unless pursuant to a written policy of the Town or at the direction of a supervisor.

The simultaneous use of a Town email address, job title, official Town name, or logo in conjunction of a posting shall be evidence of an attempt to represent the Town in an official capacity. Other communications leading a reasonable viewer to conclude that a posting was made in an official capacity shall also be deemed evidence to represent the Town in an official capacity.

Any postings on non-Town social media made in an official capacity may be subject to the Tennessee Open Records Act.

When posting in a personal social media account an employee should take reasonable care to distinguish that his content is a personal expression and not that of the agency.

Employees who violate the terms of this policy are subject to discipline up to and including termination.

6.11 RECORDING AND CAMERA DEVICES

Electronic recorders are prohibited, except when the use of an audio recorder is part of the employee's job responsibilities as strictly defined within his/her job description. Electronic recordings are allowed during official Board of Mayor and Aldermen and other various commission meetings. Audio recordings may also be utilized during disciplinary or grievance hearings for documentation purposes at the discretion of the Department Head and/or Town Administrator. Failure to comply will result in prompt disciplinary actions.

6.12 DISCIPLINARY ACTION

The Town's progressive discipline process is designed to provide a structured corrective action process to improve and prevent a recurrence of undesirable employee behavior and performance issues.

The Town reserves the right to discharge employees at will, for cause or for no reason, except that no employee will be discharged for reasons that are prohibited by state and federal law. Acceptable disciplinary actions include, but are not limited to:

- Retraining
- Personal Improvement Plan
- Counseling and verbal warning
- Written warning
- Suspension/probation and final written warning
- Suspension or Termination

Behavior that is illegal, and/or involves theft, substance abuse, intoxication, fighting and any other acts of violence or threats at work may not be subject to routine or normal progressive discipline, and may result in immediate termination. Such behavior may also be reported to the appropriate local law enforcement authorities.

All employees are required to promptly self-report any criminal charges, arrests, or convictions to Town Administration or their immediate supervisor, as such disclosures are essential to maintaining the integrity, safety, and compliance standards of the Town.

Employees who have been terminated for cause are not eligible for rehire.

SECTION 7: POLITICAL ACTIVITY, ETHICS, AND CONDUCT

7.1 CODE OF ETHICS

The code of ethics for personnel of the municipality was adopted in 2007. By Ordinance 320. It applies to all full-time and part-time elected or appointed officials and employees, whether compensated or not, including those of any separate board, commission, committee, authority, corporation, or other instrumentality appointed or created by the municipality.

7.2 TERMINATION, ACCOUNTABILITY AND DISCLOSURE ACT

All employees are responsible for disclosing conflicts of interest. This could include, but is not limited to, the hiring of immediate family members, using confidential information to obtain financial gain, the use of Town personnel, resources, property, supplies or funds for personal use or gain or entering certain contracts without having an open bidding process and voting on issues where personal gain is involved.

7.3 GENETIC INFORMATION AND NONDISCRIMINATION ACT

The Town of Mount Carmel is committed to providing a work environment free of discrimination and harassment based on genetic information. It is the Town's policy to notify employees and health care providers not to provide genetic information when the Town requests health related information. The notice should be included on request forms and/or provided on a separate form when employees or healthcare providers are asked to submit health-related information.

It is the Town's policy to comply with GINA's confidentiality requirements by treating genetic information in the same way as medical information. It is also the policy of the Town not to retaliate against any employee for complaining about discrimination or harassment based on genetic information. If you feel you have been discriminated against or retaliated against, or harassed based on genetic information, follow the complaint procedure detailed in the workplace harassment policy.

7.4 AMERICANS WITH DISABILITIES ACT (ADA/ADAAA)

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) are federal laws that require employers with 15 or more employees to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

The Town is committed to the fair and equal employment of individuals with disabilities under the ADA. It is the Town's policy to provide reasonable accommodation to individuals with disabilities who are qualified for the job in question unless the accommodation imposes an undue hardship on the Town. The Town prohibits any harassment of, or discriminatory treatment of, employees based on a disability or because an employee has requested reasonable accommodation.

In accordance with the ADA, reasonable accommodations will be provided to qualified individuals with disabilities to enable them to perform the essential functions of their jobs or to enjoy the equal benefits and privileges of employment. This policy applies to all applicants for employment and all employees.

Eligibility

The ADA policy applies to any qualified individual with a disability who can perform the essential functions of the job with, or without, reasonable accommodation.

Disability

"Disability" refers to a physical or mental impairment that substantially limits one or more major life activities. A "qualified person with a disability" means an individual with a disability who has the requisite skills, experience, and education for the job in question, and who can perform the essential functions of the job with or without reasonable accommodation.

Reasonable Accommodation

The Town will seek to provide a reasonable accommodation for a known disability or at the request of an individual with a disability. A "reasonable accommodation" is any change or adjustment to the job application process, work environment, or work processes that would make it possible for the individual with a disability to perform the essential functions of the job and does not place undue hardship on the Town.

Essential Job Functions

For each position, the job description typically will identify essential job functions. The Town Administrator will review job descriptions on a periodic basis to evaluate job functions designated as essential. An applicant's or employee's questions about a job's requirements should be directed to their supervisor.

Requesting Reasonable Accommodation(s)

An applicant or employee with a disability is responsible for requesting accommodation(s) from the Town Administrator or designee and engaging in an informal process to clarify what the applicant or employee needs and to identify possible accommodations. The Town will inform the applicant or employee of his/her rights under the ADA and document the interactive process discussions. An applicant or employee may be required to provide documentation from an appropriate professional, such as a doctor or a rehabilitation counsellor, concerning the applicant's disability and functional limitations. If an applicant or employee disagrees with the result of the medical examination, the applicant or employee may request a second examination performed and paid for by the applicant or employee. In the event of a disagreement in the two previous medical opinions, a third opinion may be obtained with both parties sharing the cost of the examination.

The applicant or employee should describe the problem created by a workplace barrier so that appropriate accommodation(s) may be considered. Typically, the Town Administrator will collaborate with the applicant or employee to identify possible reasonable accommodations and to assess the effectiveness of each in allowing the applicant or employee to complete the hiring process or perform the essential functions of the job.

Based on this interactive process, reasonable accommodations will be selected that are appropriate for both the Town and the individual. While an individual's preference will be considered, the Town is free to choose between equally effective accommodations with consideration toward expense and impact on the rest of the organization. A request for reasonable accommodation may be denied if it would create an undue hardship for the Town. The Town Administrator will provide notification in writing of denial based on undue hardship. Factors to be considered when determining whether an undue hardship exists include the cost of the accommodation, the organization's overall financial resources, the financial resources of the facility at which the accommodation is to be made, the number of employees at the facility, the total number of employees of the organization, and the type of operation.

Safety

All employees are expected to comply with all safety procedures. The Town Administrator will not place qualified

individuals with disabilities in positions in which they will pose a direct threat to the health or safety of others or themselves. A “direct threat” means a significant risk to the health or safety of oneself or others that cannot be eliminated by reasonable accommodation. The determination that an individual with a disability poses a direct threat typically will be made by the Town Administrator and will be based on factual, objective evidence. A written copy of the determination will be given to the applicant or employee so that he or she may submit additional information and/or challenge the determination that he or she poses a direct threat.

Confidentiality

All information obtained concerning the medical condition or history of an applicant or employee will be treated as confidential information, maintained in separate medical files, and disclosed only as permitted by law.

Complaint Procedure

It is the policy of the Town to prohibit any harassment of, or discriminatory treatment of, applicants or employees based on a disability for requesting a reasonable accommodation. If an individual feels he or she has been subject to such treatment or has witnessed such treatment, the situation may be reported to any supervisory employee of the Town including the Town Administrator. The Town’s policy prohibits retaliation against an applicant or employee for exercising his or her rights under the ADA or applicable state fair employment laws. Any employee found to have engaged in retaliation against an applicant or employee for exercising his or her rights or for making a request for reasonable accommodation under this policy will be subject to disciplinary action up to and including discharge. If an applicant or employee feels he or she has been retaliated against, the situation may be reported to any supervisory employee of the Town, or any of the following, the Town Administrator, department head or Town recorder.

APPENDICES

APPENDIX A - ACKNOWLEDGEMENT OF RECEIPT – MOUNT CARMEL PERSONNEL POLICY

This is to acknowledge that I have received a copy of the Town of Mount Carmel (“the Town”) Personnel Policy and understand that it outlines certain Town policies, procedures and benefits as may exist at the time of publication. I understand that it is my responsibility to familiarize myself with all information within the Personnel Regulations.

I understand that the Personnel Regulations do NOT constitute a contract or agreement of any kind; it is merely a statement of policies and procedures. I understand that the contents of the Personnel Regulations do not confer any rights on, promises to me, or guarantee my employment for any period. I understand that the Town can alter, eliminate, or otherwise change any policy, information, or benefit described in the Personnel Regulation (except the “at-will” employment policy), without notice, at any time and it is my responsibility to review the manual periodically on the website to observe any recent changes.

I understand that my employment with the Town is employment at will and can be terminated by me of the Town at any time for any reason or no reason. I understand that, although other terms and conditions of my employment may change, this at-will employment relationship will remain in effect throughout my employment with the Town. I understand that this at-will relationship may not be modified by any oral or implied promises or agreements. I understand that no employee has a right to continued employment by virtue of anything stated or inferred in the Personnel Regulations.

I understand that nothing in the Personnel Regulations or any summary brochure or employee handbook should be deemed to be a promise by the Town to provide any benefit. Rather, the Town reserves the right to alter or eliminate any benefit, without notice, at any time.

I understand that the Personnel Regulations replaces (supersedes) all prior Town policies and all prior Town Personnel regulations, employee handbooks or manuals, and any information contained in any such prior policy, handbook, or manual is no longer in effect.

I understand and agree that all Town property must be returned upon separation from employment. By signing below, I understand and agree that the Town may deduct from my final paycheck any pre-funded benefit and any other amount due (on a depreciated/prorated basis) for failure to return Town property if the deduction(s) do not reduce final pay to below minimum wage.

Employee Signature

Date

APPENDICES

APPENDIX B - ACKNOWLEDGEMENT FORM – EMPLOYEE DRUG & ALCOHOL TESTING POLICY

As an applicant or an employee, I have carefully read the Town of Mount Carmel's drug and alcohol testing policy. I have received a copy of the Town of Mount Carmel's drug and alcohol testing policies, understood its requirements, and agreed without reservation to follow this policy. As an applicant, I am aware that my offer of employment is conditional upon the results of a drug and/or alcohol test. As an employee, I am aware that I may be required to undergo drug and/or alcohol tests, that I will be informed prior to the drug and/or alcohol test, and that I may be subject to immediate dismissal if I refuse to take the test.

As an applicant or an employee with the Town of Mount Carmel, I hereby consent to and acknowledge that I am scheduled to undergo drug and/or alcohol testing. The test for alcohol will be a breath analysis test. The drug test will involve an analysis of a urine sample, which I will provide at a designated site. The purpose of the test will be to evaluate for the presence of the following substances: amphetamines, marijuana, cocaine, opiates, PCP, alcohol, and/or any additional drugs listed in the Tennessee Drug Control Act. I authorize qualified personnel to take and have analyzed appropriate specimens to determine if drugs and/or alcohol are present in my system. I acknowledge that the drug/alcohol test results will be made available to the testing laboratory, medical review officer (MRO), the (personnel director), or his/her designee. As an applicant, I am aware that a confirmed and verified positive drug/alcohol test result will rescind my conditional offer of employment. As an employee, I am aware that a confirmed and verified positive test result may lead to disciplinary action up to and including immediate dismissal. I will present a copy of this form to the collection site when I report for my scheduled drug/alcohol test. I also understand that failure to provide adequate breath for testing without a valid medical explanation, failure to provide adequate urine for controlled substances testing without a valid medical explanation and engaging in conduct that clearly obstructs the testing process are the same as refusing to test.

Name of Applicant or Employee	Social Security Number
Department Supervisor	Department
(Signature of Applicant or Employee)	Date
(Signature of Witness)	

APPENDICES

APPENDIX C – TOWN OF MOUNT CARMEL EMPLOYEE PAY PLAN
ADOPTED PAY PLAN - FY 2026/27 TOWN OF MOUNT CARMEL, TN

FY 2026/2027 Pay Plan																		
	Part-Time		Part-Time		Public Safety		Public Works		Administrative Support		Police Officer		Police Supervisor		Department Directors		Assistant Town Administrator	
	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual
Entry	11.53	11,992.50	18.45	7,195.50	17.90	37,224.72	21.75	45,241.04	23.58	52,713.70	26.36	58,947.67	29.43	61,209.72	34.06	70,846.36		
Step 1	11.82	12,292.31	18.91	7,375.39	18.34	38,155.34	22.29	46,372.07	24.16	54,031.54	27.02	60,421.36	30.16	62,739.96	34.91	72,617.52		
Step 2	12.12	12,599.62	19.38	7,559.77	18.80	39,109.22	22.85	47,531.37	24.77	55,382.33	27.70	61,931.89	30.92	64,308.46	35.79	74,432.96		
Step 3	12.42	12,914.61	19.87	7,748.77	19.27	40,086.95	23.42	48,719.65	25.39	56,766.89	28.39	63,480.19	31.69	65,916.17	36.68	76,293.78		
Step 4	12.73	13,237.48	20.37	7,942.49	19.75	41,089.13	24.01	49,937.64	26.02	58,186.06	29.10	65,067.20	32.48	67,564.08	37.60	78,201.13		
Step 5	13.05	13,568.41	20.87	8,141.05	20.25	42,116.35	24.61	51,186.08	26.67	59,640.71	29.83	66,693.88	33.29	69,253.18	38.54	80,156.15		
Step 6	13.37	13,907.62	21.40	8,344.57	20.75	43,169.26	25.22	52,465.74	27.34	61,131.73	30.57	68,361.22	34.13	70,984.51	39.50	82,160.06		
Step 7	13.71	14,255.31	21.93	8,553.19	21.27	44,248.49	25.85	53,777.38	28.02	62,660.02	31.34	70,070.25	34.98	72,759.12	40.49	84,214.06		
Step 8	14.05	14,611.70	22.48	8,767.02	21.81	45,354.71	26.50	55,121.81	28.72	64,226.52	32.12	71,822.01	35.85	74,578.10	41.50	86,319.41		
Step 9	14.40	14,976.99	23.04	8,986.19	22.35	46,488.57	27.16	56,499.86	29.44	65,832.19	32.92	73,617.56	36.75	76,442.55	42.54	88,477.40		
Step 10	14.76	15,351.41	23.62	9,210.85	22.91	47,650.79	27.84	57,912.36	30.18	67,477.99	33.75	75,458.00	37.67	78,353.62	43.60	90,689.33		
Step 11	15.13	15,735.20	24.21	9,441.12	23.48	48,842.06	28.54	59,360.16	30.93	69,164.94	34.59	77,344.45	38.61	80,312.46	44.69	92,956.56		
Step 12	15.51	16,128.58	24.81	9,677.15	24.07	50,063.11	29.25	60,844.17	31.71	70,894.07	35.46	79,278.06	39.58	82,320.27	45.81	95,280.48		
Step 13	15.90	16,531.79	25.43	9,919.08	24.67	51,314.69	29.98	62,365.27	32.50	72,666.42	36.34	81,260.01	40.57	84,378.28	46.95	97,662.49		
Step 14	16.29	16,945.09	26.07	10,167.05	25.29	52,597.55	30.73	63,924.41	33.31	74,483.08	37.25	83,291.51	41.58	86,487.73	48.13	100,104.05		
Step 15	16.70	17,368.72	26.72	10,421.23	25.92	53,912.49	31.50	65,522.52	34.14	76,345.16	38.18	85,373.80	42.62	88,649.93	49.33	102,606.65		
Step 16	17.12	17,802.93	27.39	10,681.76	26.57	55,260.31	32.29	67,160.58	35.00	78,253.78	39.14	87,508.14	43.69	90,866.17	50.56	105,171.82		
Step 17	17.55	18,248.01	28.07	10,948.80	27.23	56,641.81	33.10	68,839.59	35.87	80,210.13	40.11	89,695.85	44.78	93,137.83	51.83	107,801.12		
Step 18	17.98	18,704.21	28.78	11,222.52	27.91	58,057.86	33.92	70,560.58	36.77	82,215.38	41.12	91,938.24	45.90	95,466.27	53.12	110,496.14		
Step 19	18.43	19,171.81	29.50	11,503.09	28.61	59,509.31	34.77	72,324.60	37.69	84,270.77	42.15	94,236.70	47.04	97,852.93	54.45	113,258.55		
Step 20	18.90	19,651.11	30.23	11,790.66	29.33	60,997.04	35.64	74,132.71	38.63	86,377.54	43.20	96,592.62	48.22	100,299.25	55.81	116,090.01		



LEGISLATIVE MEMORANDUM

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

FROM: Tyler Williams, Acting Town Manager

DATE: June 25, 2026

RE: **DISCUSSION AND CONSIDERATION:** Resolution 26-683: Re-Appoint
Municipal Judge

SUMMARY:

The purpose of Resolution 26-683 is to re-appoint Jim R. Williams as Municipal Judge for the Town of Mount Carmel and establish the term and compensation associated with the appointment.

The Charter of the Town of Mount Carmel and applicable Tennessee law provide for the appointment of a Municipal Judge by the Board of Mayor and Aldermen. The Municipal Judge presides over the Municipal Court and exercises the powers and responsibilities established by the Town Charter, Municipal Code, and state law.

The Board has determined that the continued service of Jim R. Williams as Municipal Judge is in the best interests of the Town and its residents. Re-appointment will provide continuity in the administration of the Municipal Court and ensure the ongoing and efficient adjudication of matters within the Court's jurisdiction.

This appointment establishes a term of appointment beginning July 1, 2026, and ending June 30, 2028, unless sooner vacated or terminated in accordance with applicable law, and maintains compensation at \$400 per month.

REQUESTING DEPARTMENT(S):

Administration

FISCAL IMPACT:

\$400/month compensation, as previously approved and maintained during prior term.

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Resolution 26-683



RESOLUTION 26-683

A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE APPOINTING JIM WILLIAMS AS MUNICIPAL JUDGE

WHEREAS, Tennessee law and the Charter of the Town of Mount Carmel provide that the municipal court shall be presided over by a municipal court judge and authorize the Board of Mayor and Aldermen to appoint the Municipal Judge; and

WHEREAS, the Board of Mayor and Aldermen has determined that it is in the best interest of the Town of Mount Carmel to re-appoint Jim Williams to serve as Municipal Judge; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 25th day of June, 2026, that

SECTION 1. Jim R. Williams is hereby appointed Municipal Judge for the Town of Mount Carmel, Tennessee.

SECTION 2. The appointment shall be effective July 1, 2026-June 30, 2028, unless sooner vacated or terminated in accordance with applicable law.

SECTION 3. Compensation for the Municipal Judge shall be Four Hundred Dollars (\$400.00) per month.

SECTION 4. The Municipal Judge shall possess and exercise all powers, duties, and responsibilities provided by the Charter of the Town of Mount Carmel, the Mount Carmel Municipal Code, and the laws of the State of Tennessee.

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

ADOPTED this 25th day of June, 2026.

John K. Gibson, Mayor

Attest:

**Tyler S. Williams, CMFO
Town Recorder**



LEGISLATIVE MEMORANDUM

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

FROM: Tyler Williams, Acting Town Manager

DATE: June 25, 2026

RE: **DISCUSSION AND CONSIDERATION: Resolution 26-684: Adopt
Wastewater Utility Rate Study & Future Rate Adjustments**

SUMMARY:

The purpose of Resolution 26-684 is to formally adopt the Municipal Technical Advisory Service (MTAS) Town of Mount Carmel Sewer System Financial Sufficiency Review dated April 29, 2026, and implement the recommended wastewater rate structure necessary to restore and maintain the long-term financial sustainability of the Town's wastewater utility.

The Town of Mount Carmel owns and operates a municipal wastewater collection and treatment system that must be maintained in a financially self-sustaining manner. Tennessee law requires utility systems to generate sufficient revenues to support operating expenses, maintenance, debt obligations, reserves, and future capital improvements.

As a result of concerns regarding the financial condition of the wastewater utility, the Tennessee Comptroller of the Treasury, Board of Utility Regulation Ordered the Town to engage a qualified consultant to conduct a financial sufficiency review and develop recommendations for achieving long-term financial stability.

The Town retained the Municipal Technical Advisory Service (MTAS), which completed a comprehensive review of the wastewater utility on April 29, 2026. The study evaluated current revenues, expenditures, reserve levels, and future capital needs and developed several alternative rate structures. Following review of the report, MTAS recommended Option 4 – Hybrid, which combines increases to the minimum monthly charge with adjustments to volumetric usage rates.

This resolution adopts MTAS Option 4 and establishes the following wastewater rates effective July 1 of each fiscal year:

Fiscal Year	Minimum Monthly Charge (First 2,000 Gallons)	Additional Usage Charge (Per 1,000 Gallons)
FY 2027	\$52.79	\$8.52
FY 2028	\$61.04	\$9.85

FY 2029	\$64.09	\$10.34
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\$10.34

FY 2030	\$67.27	\$10.86
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\$10.86

The rate adjustments are intended to generate sufficient revenues to support utility operations, maintenance requirements, capital improvements, reserve funding, and long-term financial sustainability. The anticipated impact is improved financial performance of the wastewater utility and compliance with state regulatory requirements.

REQUESTING DEPARTMENT(S):

Administration

STAFF RECOMMENDATION:

Staff recommends approval

ATTACHMENTS:

Resolution 26-684

TBOUR Order

MTAS Sewer System Financial Sufficiency Review



RESOLUTION 26-684

A RESOLUTION OF THE TOWN OF MOUNT CARMEL, TENNESSEE ADOPTING THE MTAS WASTEWATER UTILITY RATE STUDY AND ESTABLISHING SEWER RATES FOR FISCAL YEARS 2027 THROUGH 2030

WHEREAS, the Town of Mount Carmel owns and operates a municipal wastewater collection and treatment system for the benefit of its citizens and customers; and

WHEREAS, Tennessee law requires municipal utility systems to be operated in a financially self-sustaining manner and maintain adequate revenues to support operations, maintenance, debt obligations, and capital improvements; and

WHEREAS, the Tennessee Comptroller of the Treasury, Board of Utility Regulation, ordered the Town to engage a qualified expert to perform a rate study and develop recommendations to address the financial condition of the wastewater utility; and

WHEREAS, The Town retained the Municipal Technical Advisory Service (MTAS) to perform a comprehensive financial sufficiency review of the wastewater system; and

WHEREAS, MTAS completed its Town of Mount Carmel Sewer System Financial Sufficiency Review dated April 29, 2026, which evaluated the financial condition of the wastewater utility and developed alternative rate structures to restore and maintain financial sustainability; and

WHEREAS, the Board of Mayor and Aldermen has reviewed the MTAS rate study and finds that adoption of the recommended rate plan (Option 4) is necessary to maintain compliance with state requirements, ensure the long-term financial stability of the wastewater utility, and provide adequate funding for future system improvements and capital needs.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen meeting at Mount Carmel, Tennessee, on this 25th day of June, 2026, that

SECTION 1. The Town hereby accepts and adopts the findings, conclusions, and recommendations contained in the Municipal Technical Advisory Service (MTAS) Town of Mount Carmel Sewer System Financial Sufficiency Review dated April 29, 2026, which is incorporated herein by reference.

SECTION 2. The Board hereby approves and adopts MTAS Option 4 – Hybrid as the official wastewater rate implementation plan of the Town.

SECTION 3. The Board hereby adopts the wastewater rate schedule recommended by MTAS under Option 4 – Hybrid (Minimum Bill Increase and Additional Usage Rate Increase). The wastewater rates shall be adjusted effective July 1 of each fiscal year as follows:

Fiscal Year	Effective Date	Minimum Monthly Charge (First 2,000 gallons)	Additional Usage Charge (Per 1,000 gallons)
FY 2027	July 1, 2026	\$52.79	\$8.52
FY 2028	July 1, 2027	\$61.04	\$9.85
FY 2029	July 1, 2028	\$64.09	\$10.34
FY 2030	July 1, 2029	\$67.27	\$10.86

The Board finds that the above rate adjustments are necessary to maintain the financial sufficiency of the wastewater utility, achieve and maintain a positive statutory change in net position, provide adequate reserves for future capital improvements, and comply with the directives of the Tennessee Comptroller of the Treasury and the recommendations contained in the MTAS Financial Sufficiency Review

SECTION 4. The rates shall remain in effect until modified by subsequent action of the Board of Mayor and Aldermen.

SECTION 5. The Town Recorder is directed to provide a copy of this Resolution and any supporting documentation to the Tennessee Comptroller of the Treasury, Board of Utility Regulation, as evidence of the Town's implementation of the recommendations contained in the MTAS rate study

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

ADOPTED this 25th day of June, 2026.

John K. Gibson, Mayor

Attest:

Tyler S. Williams, CMFO
Town Recorder



Jason E. Mumpower
Comptroller

Entity Referred: **Town of Mount Carmel**
Referral Reason: **Decrease In Net Position**
Utility Type Referred: **Sewer**

Staff Summary:

In 2024, the Town of Mount Carmel (the "Utility") was referred to the Tennessee Board of Utility Regulation following three consecutive years of a statutory decrease in Net Position within its Sewer Fund pursuant to Tenn. Code Ann. § 7-82-703. According to the Utility, the primary cause of this decline was the failure to adjust sewer rates over the past decade.

Since the referral, the Utility has implemented a 35% rate increase and has initiated conversation with a third party regarding the completion of a rate study.

Staff Recommendation:

The Board should order the following:

1. The Utility shall have a qualified expert as approved by Board staff, perform a rate study that includes the following:
 - a. a review of the capitalization policy, including any recommended modifications;
 - b. a review of the debt management policy, including any recommended modifications;
 - c. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
 - d. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
 - e. verification that all governing body members of the utility are in compliance with all relevant training requirements;
2. By **Aug 31, 2025**, the Utility shall send Board staff a copy of the contract between the Utility and the qualified expert who is to perform the tasks in paragraph 1.
3. By **Feb 15, 2026**, the Utility shall provide Board staff with the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation.
4. Board staff is given the authority to grant up to two extensions of up to six months of the foregoing deadlines upon a showing of good cause by the Utility.
5. Should the Utility fail to comply with any directive in this order, Board staff and Counsel shall issue subpoenas for the Utility's governing body and/or Manager to appear in-person before the Board during its next meeting following non-compliance of this order.



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

Town of Mount Carmel

Sewer System

Financial Sufficiency Review

Brad Peters, Public Works Consultant

April 29, 2026



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Introductory Section

Town of Mount Carmel Wastewater System

The Town of Mount Carmel operates a municipal wastewater system that provides collection and treatment services to customers within the Town. The wastewater system is reported as an enterprise fund and is intended to be financially self-supporting through user charges.

Rate Study Purpose

In 2024, the Town of Mount Carmel sewer utility was referred to the Tennessee Board of Utility Regulation due to a decrease in net position and a negative statutory change in net position. The purpose of this report is to evaluate the financial condition of the wastewater system and evaluate rate alternatives to ensure the system maintains a positive statutory change in net position through FY 2030.

Disclaimer

MTAS utilized the Town's financial information, the FY 2026 budget assumptions, and the attached multi-year financial models to develop the projections included in this report. Any other data utilized in the preparation of this report was provided by the Town and has not been verified nor audited. If there are discrepancies in the data provided this report may not be valid.

Order from the Tennessee Comptroller of the Treasury

The Comptroller's staff recommendation included the following key directives for the sewer utility:

- The utility shall engage a qualified expert and perform a rate study that includes reviews of capitalization and debt policies, a five-year capital asset budget, and relevant utility fees.
- By Aug. 31, 2025, the utility shall provide Board staff a copy of the contract between the utility and the qualified expert.
- By Feb. 15, 2026, the utility shall provide Board staff the completed rate study and either proof of implementation of the resulting recommendations or a proposed plan of implementation. Due to a request from MTAS for additional time to complete the report, an extension until Aug. 15, 2026 was given to meet this requirement.
- Board staff may grant one additional six-month extension upon a showing of good cause.

State Requirement for the Financial Operation of Public Utilities

Tennessee law requires municipal utility systems to be financially self-supporting. A system may be considered financially distressed if it meets one or more conditions, including a negative statutory change in net position for two consecutive years.

Statutory change in net position is defined as the GAAP change in net position adjusted to remove capital contributions and other non-operating/non-available items so regulators can evaluate whether utility operations are financially self-sustaining.

System Background

Operations

The Town owns a sanitary sewer system that provides wastewater collection service to more than 2,000 customers. The system is overseen by a five-member utilities board appointed by the mayor with the advice and consent of the BMA. In 2025, the Town outsourced sewer operations to Inframark, LLC, and eliminated all municipal sewer personnel and related expenses. The Town also pays the First Utility District \$1 per customer each month for billing services.

Current Rate Structure

In March of 2025, the Town approved a 35% rate increase effective April 1, 2025. In March of 2026, the Town approved an additional 4.6% increase, consistent with CPI-U inflationary indicators, and adopted the following rates, effective April 1, 2026:

- Minimum monthly sewer charge (including first 2,000 gallons): \$45.90
- Each additional 1,000 gallons: \$7.41

Evaluation of Financial Condition

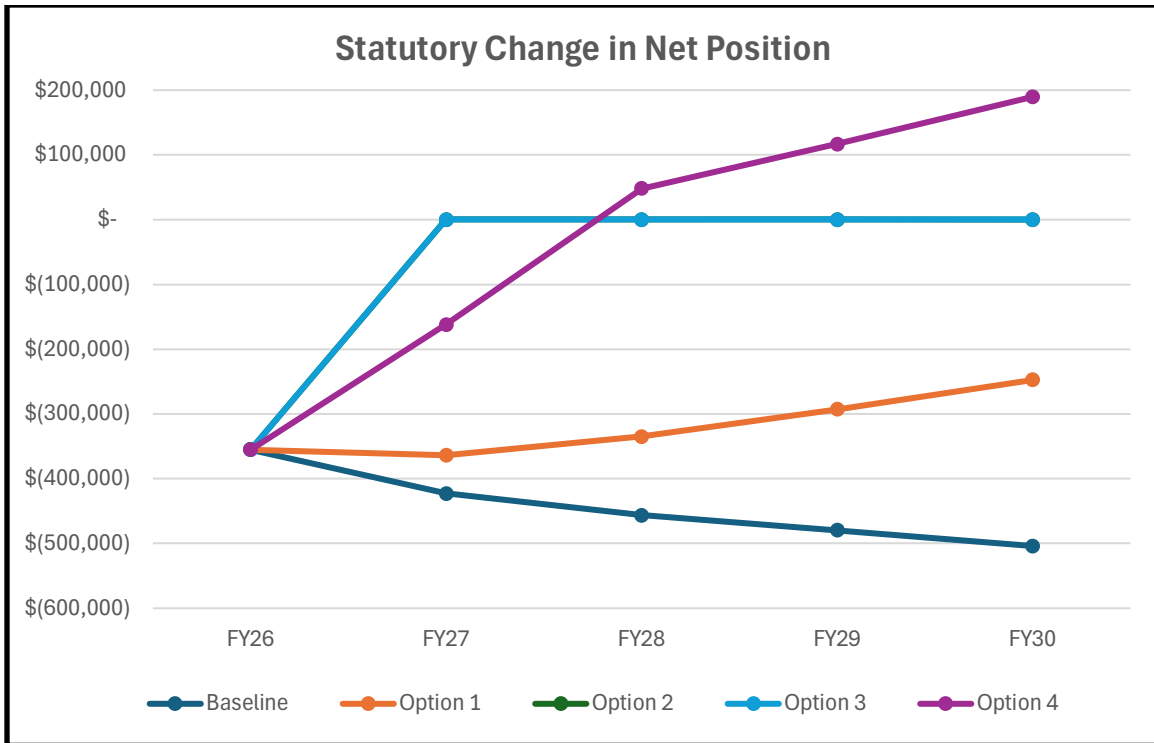
MTAS prepared five financial analysis models for developing future projections for the wastewater system for FY 2026 through FY 2030. A baseline condition is included for comparison purposes. Options 1 through 4 represent rate adjustments intended to restore and maintain a positive statutory change in net position.

Summary of Key Financial Measures by Option

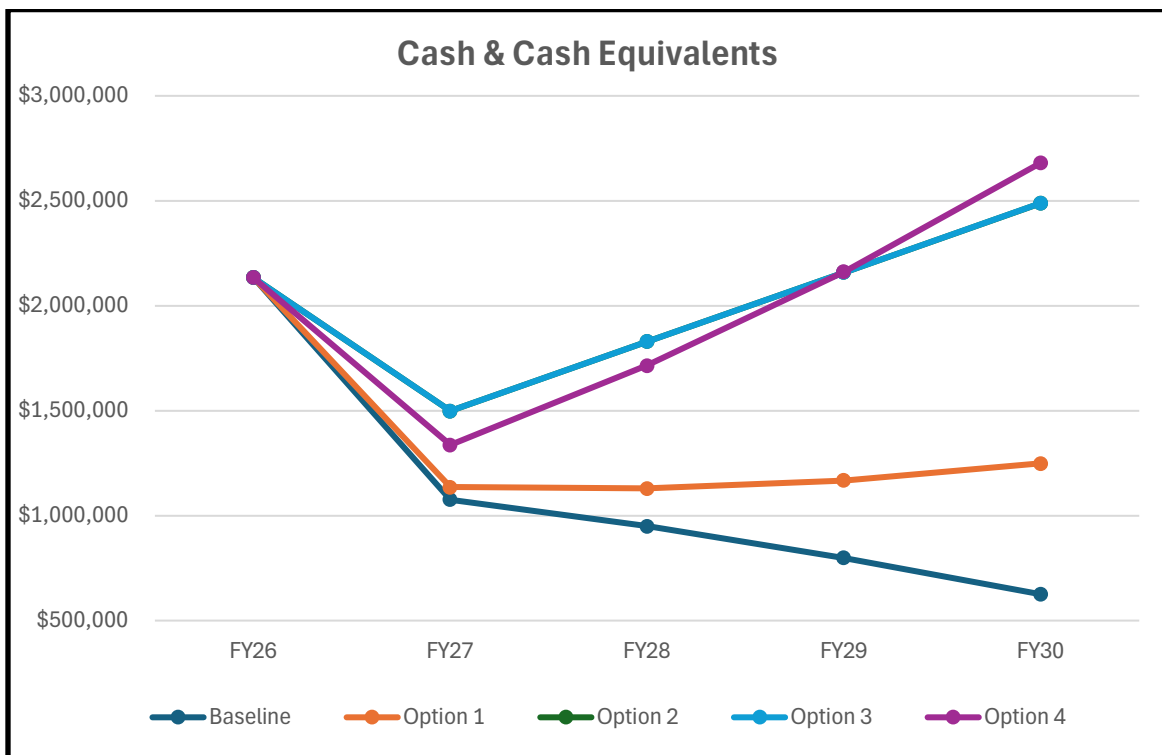
The baseline and four options developed by MTAS are as follows:

- Baseline - No Change (Not Viable)
- Option 1: Uniform Minimum Bill Increase (4.6%)
- Option 2: Incremental Minimum Bill Increases
- Option 3: Incremental Additional Usage Rate (per 1,000 gallons above minimum)
- Option 4: Hybrid - Minimum Bill Increase + Additional Usage Rate Increase (Recommended)

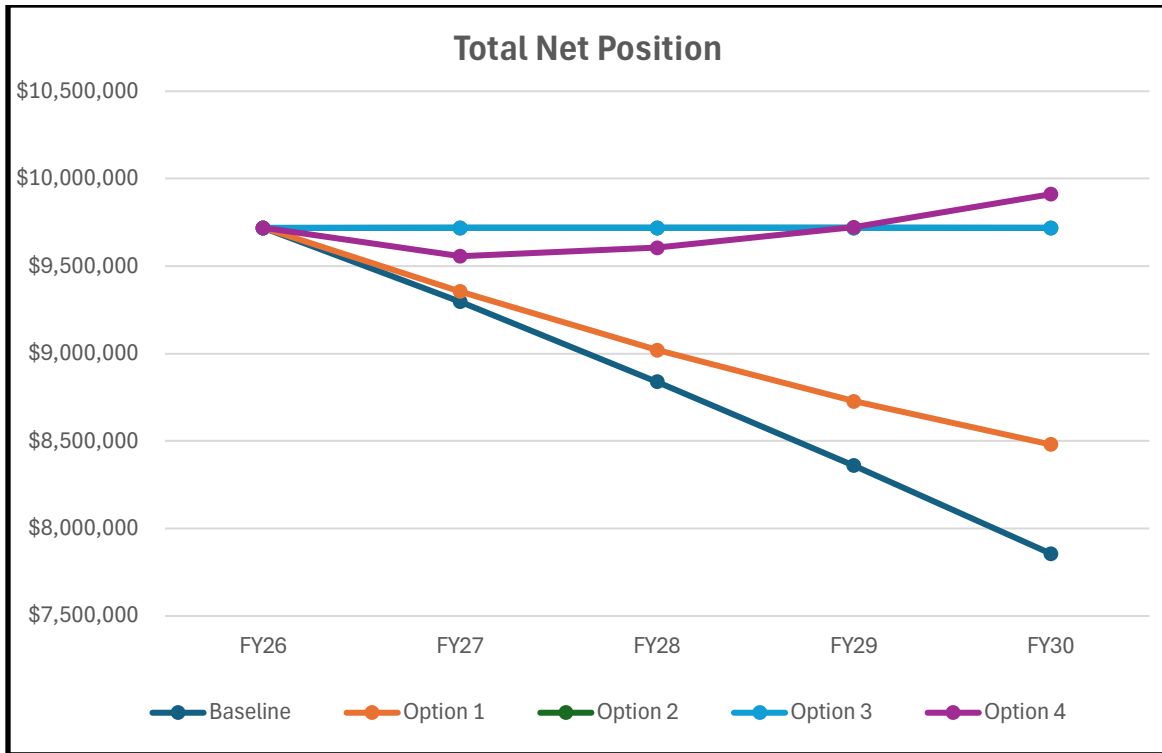
The following charts compare statutory change in net position, cash, and total net position for each option. Detailed breakdowns of the options follow in subsequent sections of this report.



Note: the data for Option 2 and Option 3, respectively, is almost identical. The graph line for Option 3 is on top of Option 2.



Note: the data for Option 2 and Option 3, respectively, is almost identical. The graph line for Option 3 is on top of Option 2.



Note: the data for Option 2 and Option 3, respectively, is almost identical. The graph line for Option 3 is on top of Option 2.

Baseline - Maintain Current Rates (Not Viable)

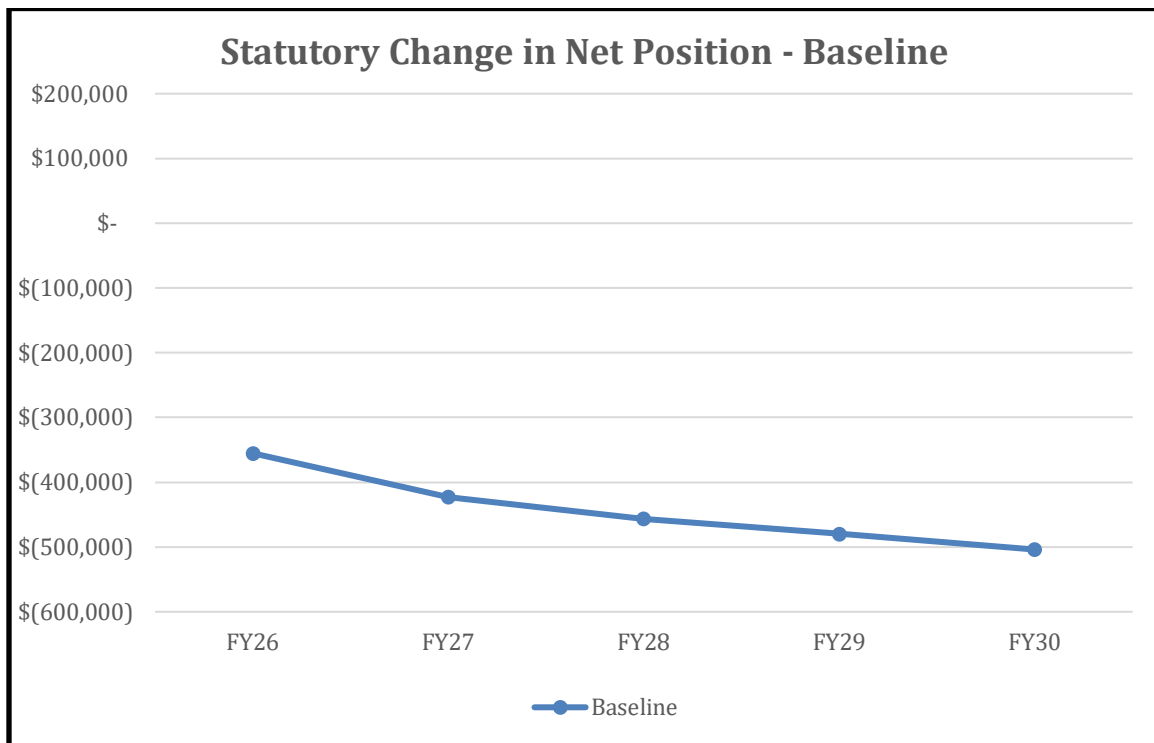
This model illustrates financial conditions if no increases are implemented.

Rate Structure and Typical Bills – No Baseline

Fiscal Year	Minimum Bill (includes 2,000 gal.)	Additional Usage Rate (per 1,000 gal.)	Typical Bill - 2,000 gal.	Typical Bill - 5,000 gal.
FY 26	\$45.90	\$7.41	\$45.90	\$68.13
FY 27	\$45.90	\$7.41	\$45.90	\$68.13
FY 28	\$45.90	\$7.41	\$45.90	\$68.13
FY 29	\$45.90	\$7.41	\$45.90	\$68.13
FY 30	\$45.90	\$7.41	\$45.90	\$68.13

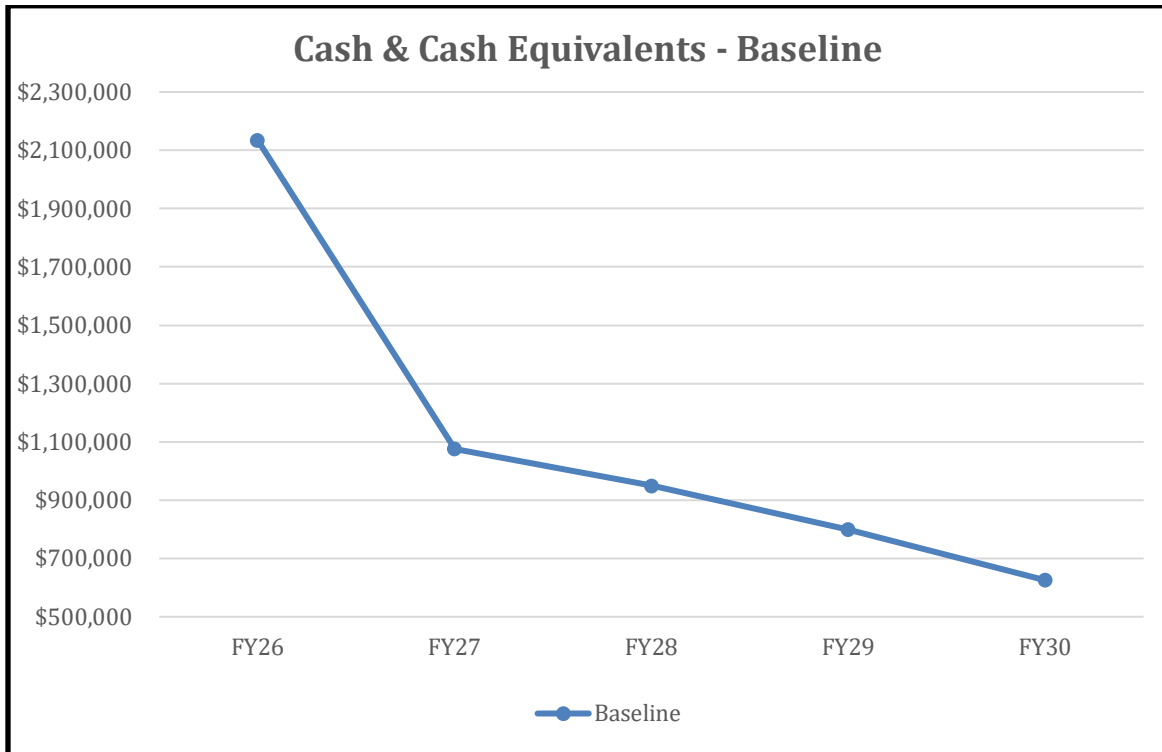
Projected Statutory Change in Net Position – Baseline

Fiscal Year	Option 1
FY 26	\$(355,281)
FY 27	\$(363,498)
FY 28	\$(396,738)
FY 29	\$(419,964)
FY 30	\$(443,839)



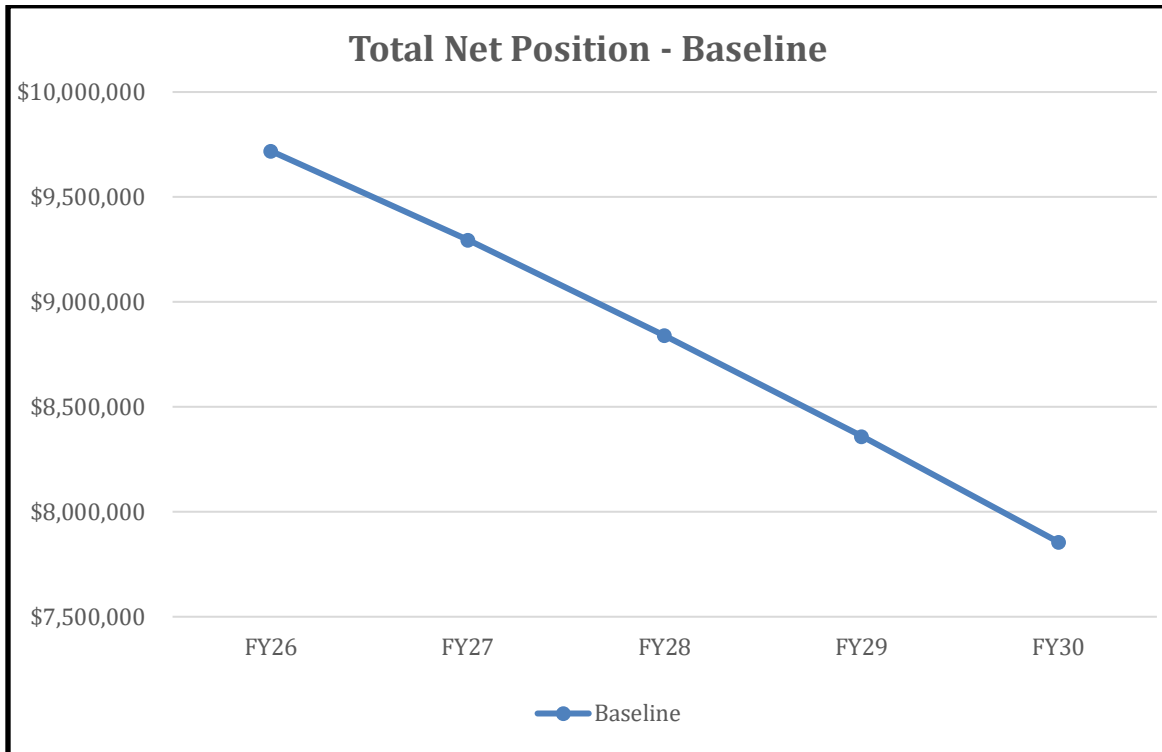
Projected Cash – Baseline

Fiscal Year	Baseline
FY 26	\$2,134,843
FY 27	\$1,076,050
FY 28	\$949,477
FY 29	\$799,431
FY 30	\$625,262



Total Net Position – Baseline

Fiscal Year	Baseline
FY 26	\$9,718,733
FY 27	\$9,295,934
FY 28	\$8,839,464
FY 29	\$8,359,885
FY 30	\$7,856,001



Key Observations

- Statutory change in net position is projected to be negative from FY 2027 through FY 2030.
- Cash balances decline over the study period as operating revenues do not keep pace with operating costs and capital needs.

Option 1 - Uniform Minimum Bill Increase

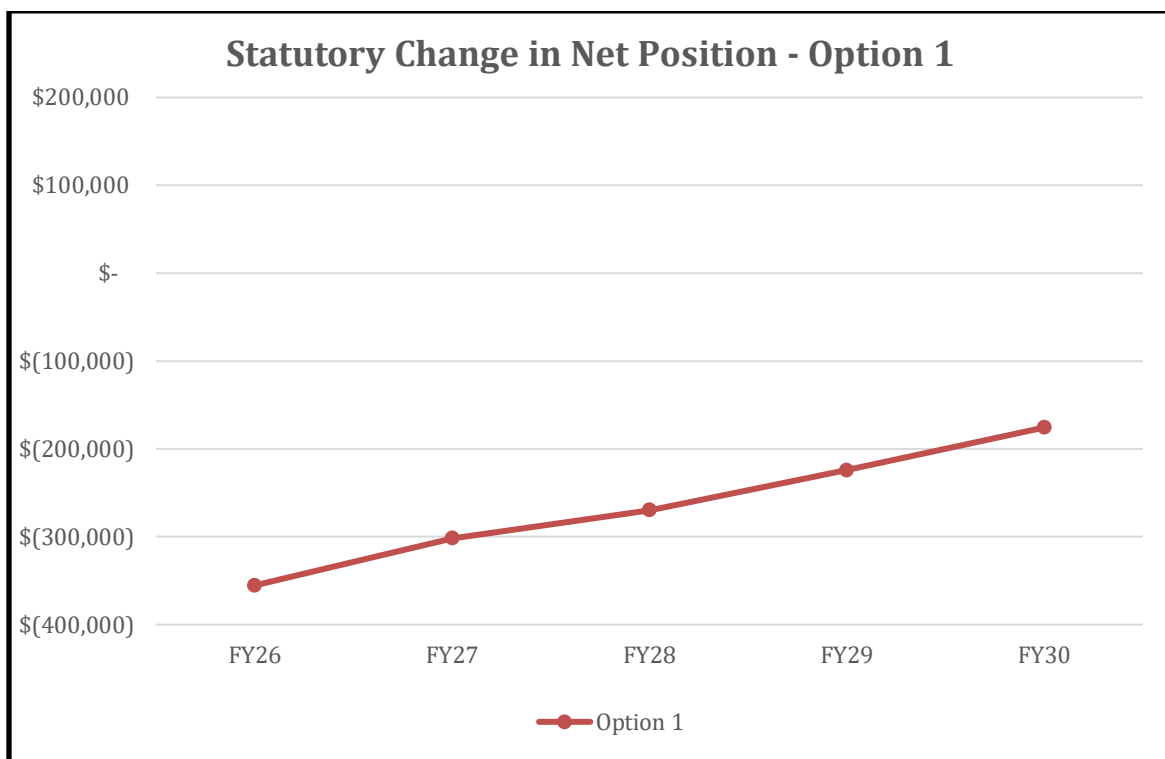
This option increases the minimum bill each year and additional volumetric rate (per 1000/gal) annually by 4.6%. The results are below.

Rate Structure and Typical Bills

Fiscal Year	Minimum Bill (includes 2,000 gal.)	Additional Usage Rate (per 1,000 gal.)	Typical Bill - 2,000 gal.	Typical Bill - 5,000 gal.
FY 26	\$45.90	\$7.41	\$45.90	\$68.13
FY 27	\$48.01	\$7.75	\$48.01	\$71.26
FY 28	\$50.22	\$8.11	\$50.22	\$74.54
FY 29	\$52.53	\$8.48	\$52.53	\$77.97
FY 30	\$54.95	\$8.87	\$54.95	\$81.56

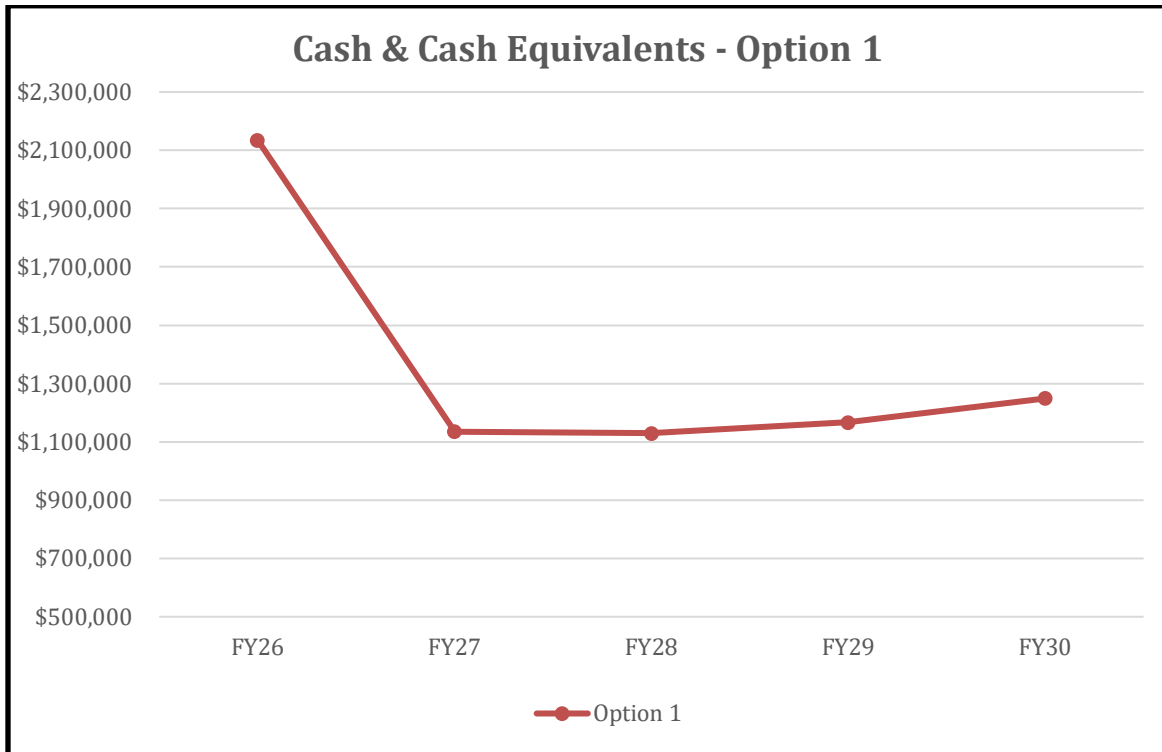
Projected Statutory Change in Net Position – Option 1

Fiscal Year	Option 1
FY 26	\$(355,281)
FY 27	\$(301,680)
FY 28	\$(269,730)
FY 29	\$(224,223)
FY 30	\$(175,650)



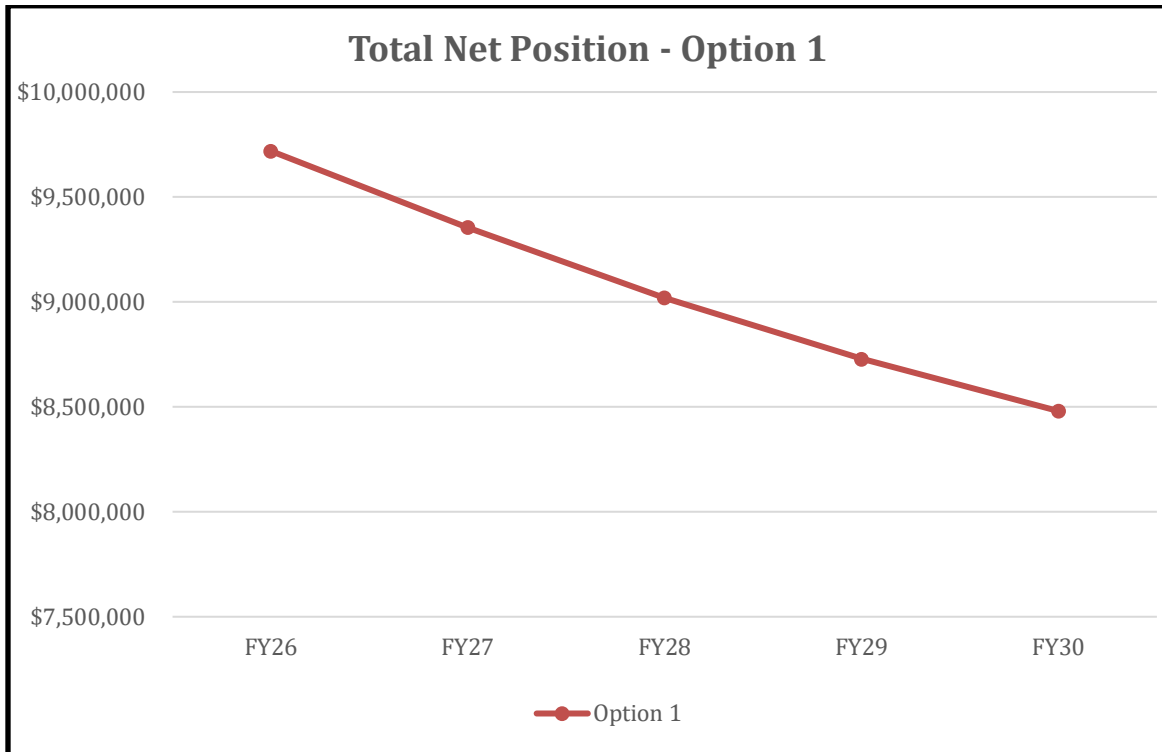
Projected Cash – Option 1

Fiscal Year	Option 1
FY 26	\$2,134,843
FY 27	\$1,197,169
FY 28	\$1,257,155
FY 29	\$1,362,647
FY 30	\$1,516,712



Total Net Position – Option 1

Fiscal Year	Option 1
FY 26	\$9,718,733
FY 27	\$9,417,053
FY 28	\$9,147,324
FY 29	\$8,923,101
FY 30	\$8,747,451



Key Observations

- Provides immediate and stable revenue improvement by increasing both the minimum bill and the volumetric charge by CPI-U (4.6%).
- Does not result in a statutory positive change in net position for any year in the study.

Option 2 - Incremental Minimum Bill Increases (beginning FY 2027)

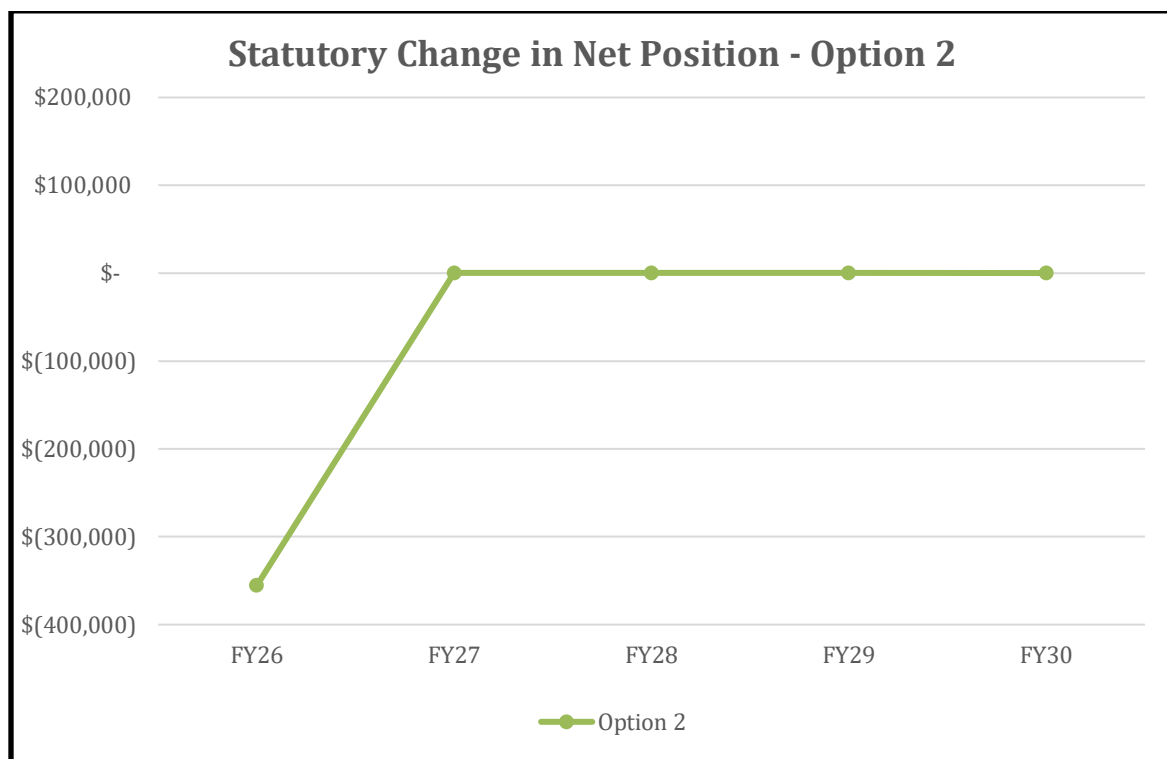
This option sets the minimum bill each year so that the utility reaches a positive statutory change in net position. The additional volumetric rate (per 1000/gal) does not change. The results are below.

Rate Structure and Typical Bills

Fiscal Year	Minimum Bill (includes 2,000 gal.)	Additional Usage Rate (per 1,000 gal.)	Typical Bill - 2,000 gal.	Typical Bill - 5,000 gal.
FY 26	\$45.90	\$7.41	\$45.90	\$65.12
FY 27	\$62.55	\$7.41	\$62.55	\$83.79
FY 28	\$63.92	\$7.41	\$63.92	\$85.16
FY 29	\$64.84	\$7.41	\$64.84	\$86.08
FY 30	\$65.78	\$7.41	\$65.78	\$87.02

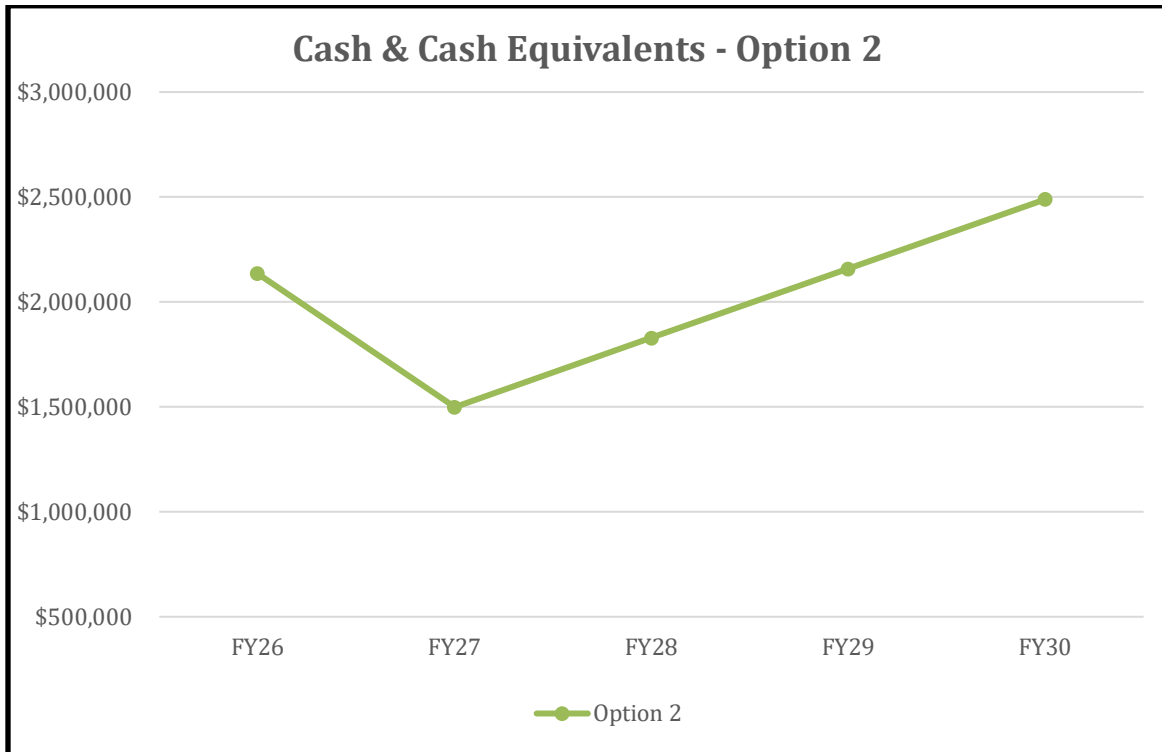
Projected Statutory Change in Net Position – Option 2

Fiscal Year	Option 2
FY 26	\$(355,281)
FY 27	\$43
FY 28	\$40
FY 29	\$86
FY 30	\$168



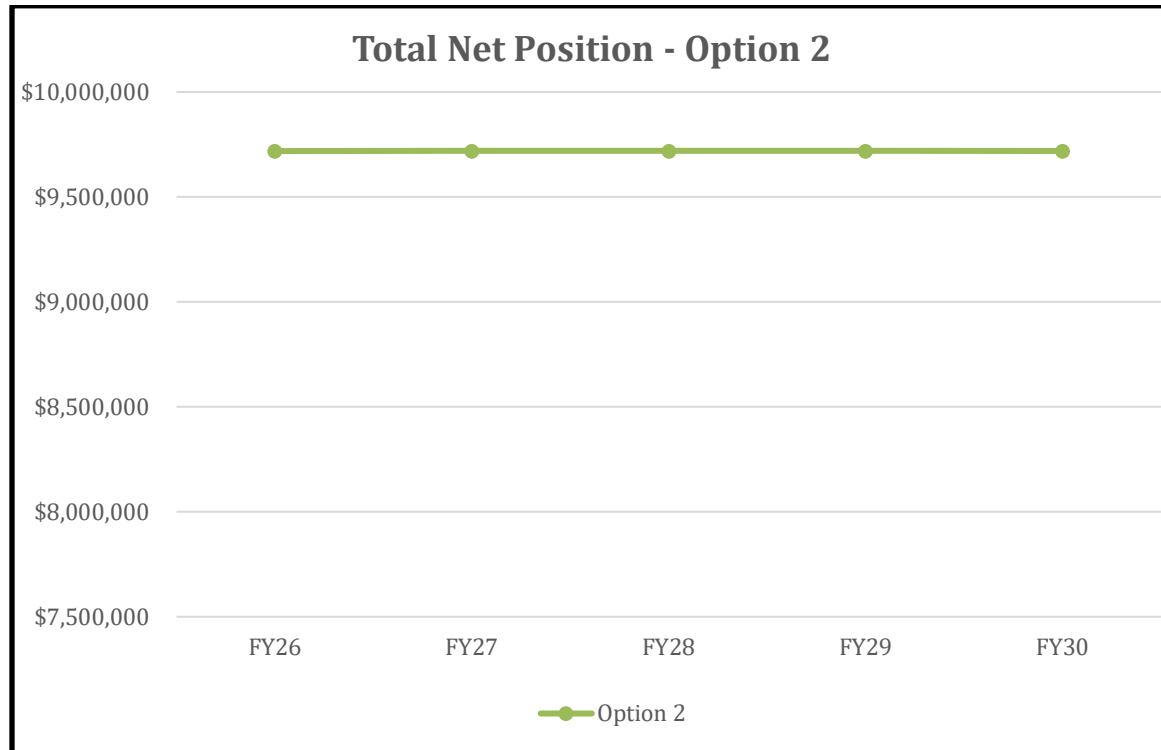
Projected Cash – Option 2

Fiscal Year	Option 2
FY 26	\$2,134,843
FY 27	\$1,498,893
FY 28	\$1,828,647
FY 29	\$2,158,448
FY 30	\$2,488,331



Total Net Position – Option 2

Fiscal Year	Option 2
FY 26	\$9,718,733
FY 27	\$9,718,776
FY 28	\$9,718,816
FY 29	\$9,718,903
FY 30	\$9,719,071



Key Observations

- Implements minimum bill increases over time beginning in FY 2027.
- Statutory change in net position remains slightly positive in each year of the study period.
- Spreads the additional cost evenly across the customer base.
- Provides no additional cash for capital expenses.

Option 3 - Increase Additional Usage Rate (per 1,000 gallons above minimum)

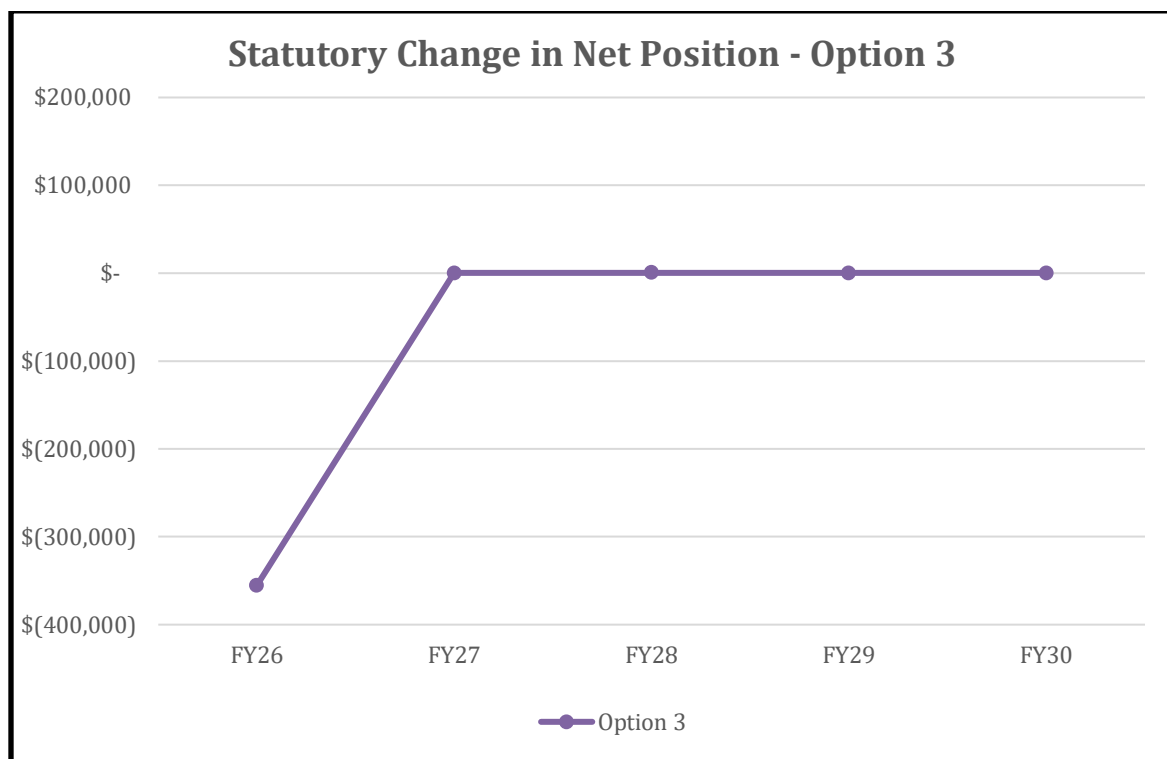
This option keeps the minimum bill at its current level and increases the additional volumetric rate (per 1000/gal) so that the utility achieves a positive statutory change in net position annually. The results are below.

Rate Structure and Typical Bills

Fiscal Year	Minimum Bill (includes 2,000 gal.)	Additional Usage Rate (per 1,000 gal.)	Typical Bill - 2,000 gal.	Typical Bill - 5,000 gal.
FY 26	\$45.90	\$7.41	\$45.90	\$68.13
FY 27	\$45.90	\$16.30	\$45.90	\$94.80
FY 28	\$45.90	\$17.20	\$45.90	\$97.50
FY 29	\$45.90	\$17.80	\$45.90	\$99.30
FY 30	\$45.90	\$18.25	\$45.90	\$100.65

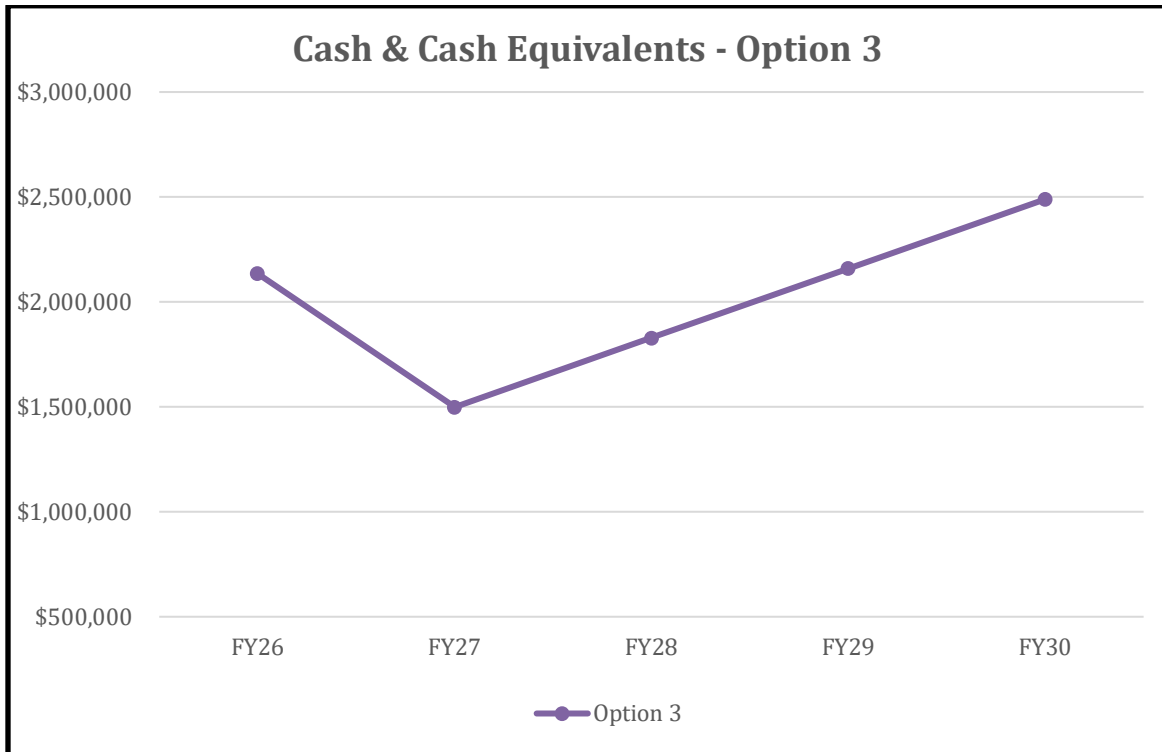
Projected Statutory Change in Net Position – Option 3

Fiscal Year	Option 3
FY 26	\$(355,281)
FY 27	\$1,593
FY 28	\$5,313
FY 29	\$6,728
FY 30	\$1,333



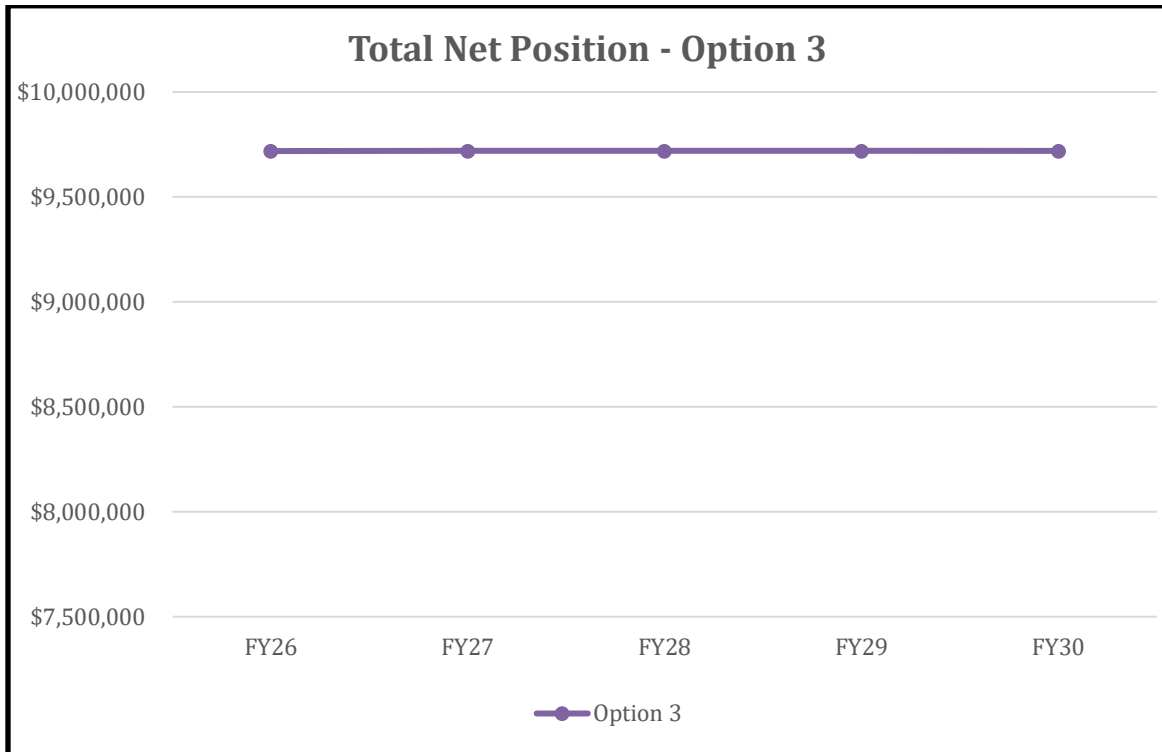
Projected Cash – Option 3

Fiscal Year	Option 3
FY 26	\$2,134,843
FY 27	\$1,500,442
FY 28	\$1,835,470
FY 29	\$2,171,912
FY 30	\$2,502,960



Total Net Position – Option 3

Fiscal Year	Option 3
FY 26	\$9,718,733
FY 27	\$9,720,326
FY 28	\$9,725,639
FY 29	\$9,732,367
FY 30	\$9,733,700



Key Observations

- Shifts revenue recovery toward higher-volume users by increasing the additional usage rate per 1,000 gallons.
- Statutory change in net position is projected to be positive, but the margin is small and is more sensitive to consumption variability.
- Does not build reserves or provide cash for capital improvements.

Option 4 - Hybrid (Minimum Bill Increase + Additional Usage Rate Increase) – Recommended

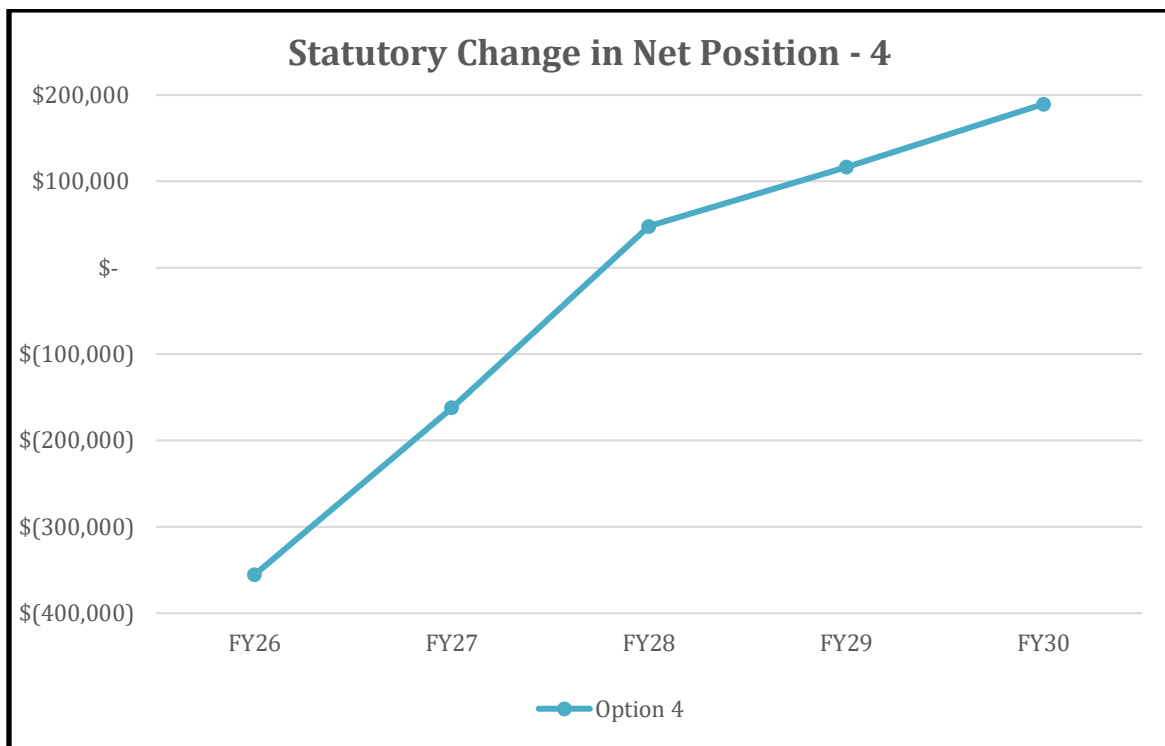
This option increases the minimum bill by 15% in FY27, 15.6% in FY28, and 5% in successive years. The additional volumetric rates (per 1000/gal) increase by the same percentage.

Rate Structure and Typical Bills

Fiscal Year	Minimum Bill (includes 2,000 gal.)	Additional Usage Rate (per 1,000 gal.)	Typical Bill - 2,000 gal.	Typical Bill - 5,000 gal.
FY 26	\$45.90	\$7.41	\$45.90	\$68.13
FY 27	\$52.79	\$8.52	\$52.79	\$78.35
FY 28	\$61.04	\$9.85	\$61.04	\$90.59
FY 29	\$64.09	\$10.34	\$64.09	\$95.11
FY 30	\$67.27	\$10.86	\$67.27	\$99.85

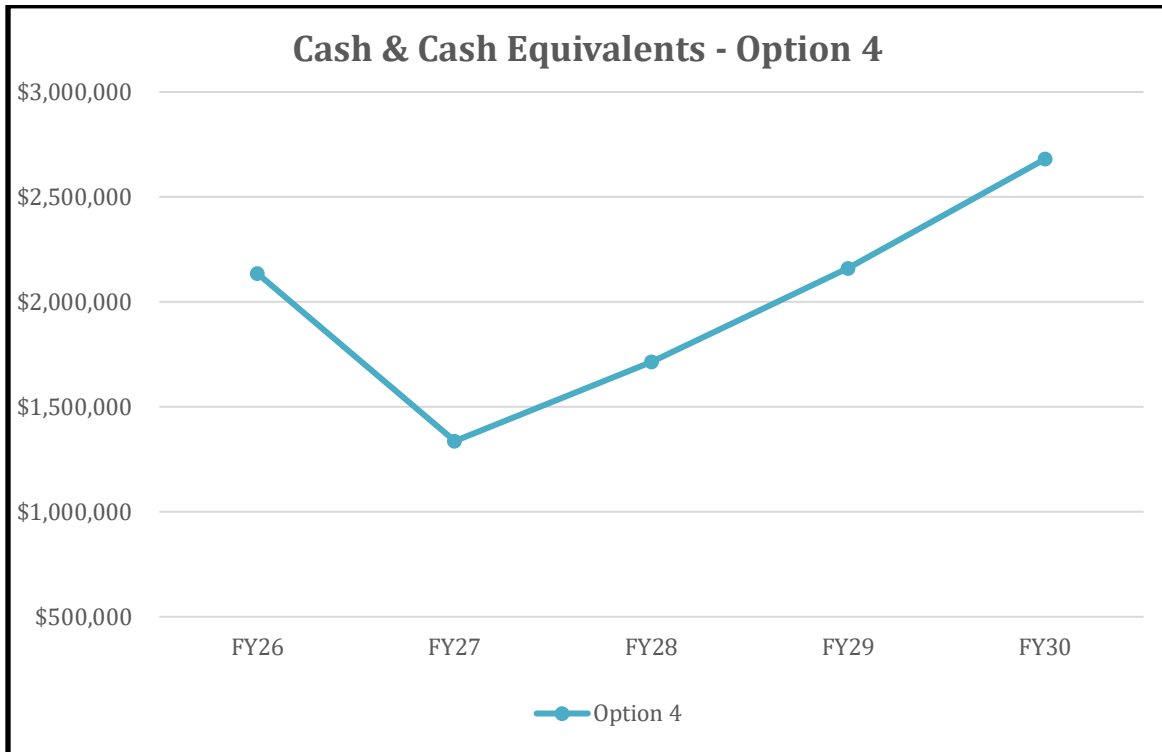
Projected Statutory Change in Net Position – Option 4

Fiscal Year	Option 4
FY 26	\$(355,281)
FY 27	\$(161,867)
FY 28	\$48,217
FY 29	\$116,796
FY 30	\$189,697



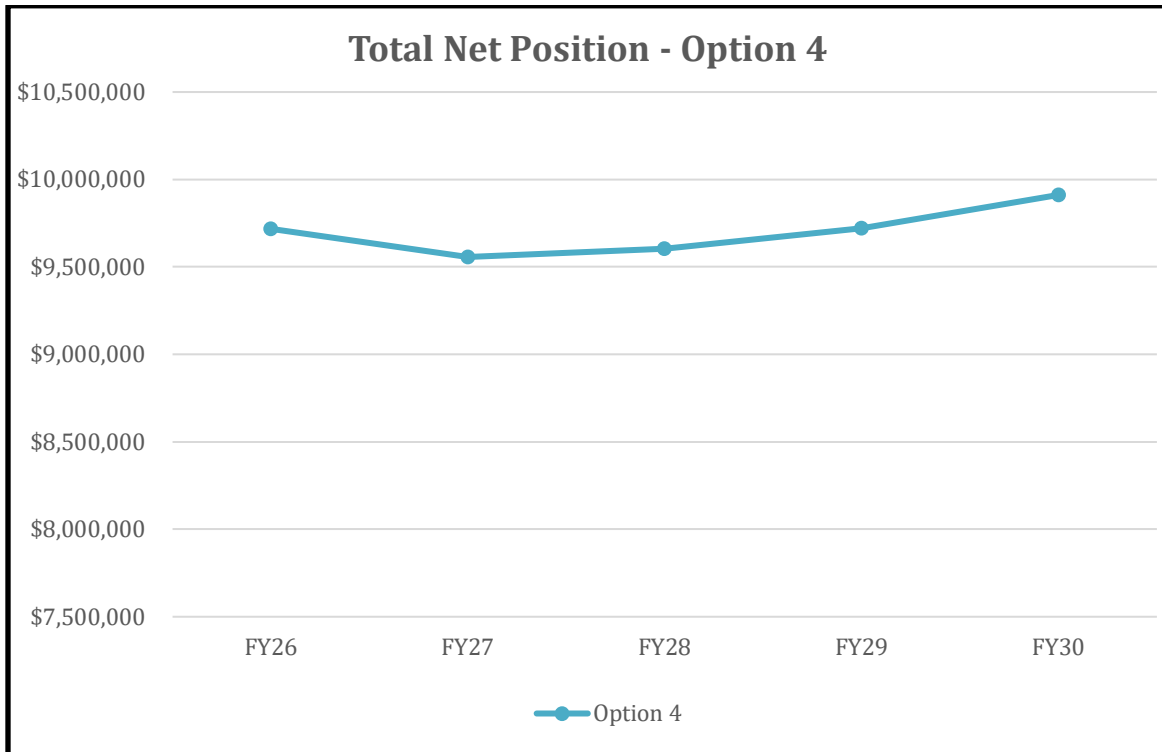
Projected Cash – Option 4

Fiscal Year	Option 4
FY 26	\$2,134,843
FY 27	\$1,336,983
FY 28	\$1,714,915
FY 29	\$2,161,426
FY 30	\$2,680,838



Total Net Position – Option 4

Fiscal Year	Option 4
FY 26	\$9,718,733
FY 27	\$9,556,867
FY 28	\$9,605,084
FY 29	\$9,721,880
FY 30	\$9,911,577



Key Observations

- Balances revenue stability and equity by combining a minimum bill increase with an additional usage rate increase.
- Statutory change in net position is projected to remain positive through FY 2030.

Recommendations

Options 1-4 are all viable for the utility because they increase cash balances by funding depreciation and generating operating surpluses. These balances represent capital replacement reserves and are a positive indicator of financial sustainability – not excess revenue.

Based on the four financial options evaluated, MTAS recommends Option 4 - Hybrid. This approach restores and maintains a positive statutory change in net position through FY 2030 while balancing customer impacts between minimum-volume and higher-volume users.

Under Option 4, the wastewater utility will be positioned to:

- Maintain a positive statutory change in net position each year through FY 2030
- Generate sufficient revenue to fund operating costs and inflationary increases
- Fund depreciation through rates, supporting future capital replacement
- Maintain and rebuild cash reserves over the study period

The Town should review and update the rate structure and multi-year financial analysis annually to reflect actual operating results, updated cost estimates, and future capital needs.

Other Items

Capitalization Policy

On January 22, 2026, the Town passed Resolution 26-667, “A Resolution of the Town of Mount Carmel Board of Mayor and Aldermen Adopting a Capitalization Policy.” A copy of the Resolution is included in Appendix I of this report.

Debt Management Policy

On January 22, 2026, the Town passed Resolution 26-668, “A Resolution of the Town of Mount Carmel Board of Mayor and Aldermen Adopting a Debt Management Policy.” A copy of the Resolution is included in Appendix II of this report.

Capital Asset Budget

The TBOUR referral requires “the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs.” Section 2.6 of the “Wastewater Treatment Plant Operation and Maintenance Agreement”, signed April 24, 2025, between the Town and Inframark, LLC states the following:

“Within the first ninety (90) days of the Commencement Date, Operator shall provide Client with a listing of any recommended Capital Improvements that the Operator believes will be required for the Facilities. Thereafter, Operator may recommend Capital Improvements or operations changes to the Client as are necessary or recommended to

perform the Services in compliance with the terms of this Agreement and Applicable Law....”

MTAS requested a list of capital improvements from Inframark, which is included as Appendix III. Most of the items provided appear to be maintenance and repair in nature. Because the list did not include an implementation schedule or estimated costs, these items were not evaluated as part of this report.

Board Training Requirements

Utility Board continuing education requirement verification shall be the responsibility of the Town.