

RESOLUTION NO. 470

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN
INTERLOCAL COOPERATION AGREEMENT BETWEEN THE
TOWN OF MOUNT CARMEL AND THE CITY OF KINGSPORT

WHEREAS, the City of Kingsport desires to enter into an agreement with the Town of Mount Carmel to provide maintenance services through the Public Works Department; and

WHEREAS, the agreement will provide certain maintenance service upon request from the town of Mount Carmel for traffic, water, sewer, street, and sanitation services, which may include but are not limited to technical and maintenance support of signal operation, street cleaning, pot hole patching, and sewer line camera inspection; labor, equipment and material pricing; and

WHEREAS, the agreement will be advantageous to and serve the public interest of the city.

Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, the interlocal agreement between the City of Kingsport and the Town of Mount Carmel, substantially in the form as hereinafter set out, along with all other documents necessary and proper to effectuate the purpose of the agreement said agreement being generally as follows:

INTERLOCAL AGREEMENT

This Interlocal Agreement is entered into this the ____ day of _____, 2011, by and between the TOWN OF MOUNT CARMEL, TENNESSEE, hereinafter referred to as the "Mt. Carmel", and the CITY OF KINGSPORT, TENNESSEE, hereinafter referred to as "Kingsport", both chartered municipalities of the State of Tennessee.

WITNESSETH:

WHEREAS, the parties are authorized to enter into this Interlocal Agreement pursuant to Tennessee Code Annotated § 12-9-101 et seq.; and

WHEREAS, the parties have the right to exercise such power, privilege or authority set forth in this Interlocal Agreement; and

WHEREAS, the board of mayor and aldermen of each of the parties has found and determined that the provision of services set forth herein provide the most efficient use of their powers and is to their mutual advantage and the provision of such services will be provided in a manner that will accord best with geographic, economic, population, and other factors influencing the needs and development of the parties: and

WHEREAS, it is deemed in the public interest for the parties hereto to enter into this Interlocal Agreement for the provision of certain public services, which include traffic, water, sewer, street, and sanitation services.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

1. The parties agree that Kingsport personnel, equipment and material must be available to Kingsport as needed to provide service to its citizens, and, therefore, subject to the availability of personnel, equipment and material as determined in the sole discretion of the Kingsport Director of Public Works, Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide for certain maintenance service upon request from Mt. Carmel for traffic, water, sewer, street, and sanitation services as defined herein within the corporate limits of Mt. Carmel at a price as follows:

- | | | |
|---------------|---|----------------|
| a) Labor: | Supervisor | \$60 per hour; |
| | Operator or Mechanic | \$40 per hour; |
| | Maintenance Worker | \$30 per hour; |
| b) Equipment: | See Exhibit A, attached hereto and incorporated herein by reference | |
| c) Materials: | Costs plus 15 percent. | |

All labor and equipment rates will have a minimum charge of two (2) hours per call.

Services include, but are not limited to:

Traffic Department

- Technical support for signal operation
- Maintenance support for signals
- Roadway Striping using paint machine
- Installation of signs and posts

Streets and Sanitation

- Street Cleaning
- Pot Hole Patching
- Leaf Collection
- Catch Basin Cleaning
- Storm Line Cleaning
- Brush Collection

Water and Waste Water Departments

- Sewer line camera inspection
- Directional boring of water/sewer lines
- Vacuum/Cleaning truck for sewer lines
- Assist in repair of water/sewer lines
- Leak/Line location
- Trouble shooting electrical & mechanical pump issues
- Removing sewer pumps
- Installing sewer pumps
- Pump and haul of sewage
- Assist in removal and disposal of sludge / biosolids
- Loaning of spare parts

2. The initial term of this Agreement will commence on _____, 2011 and end on June 30, 2012, and will automatically be extended for two (2) successive additional one (1) year terms commencing on July 1st and ending on June 30th of each successive year, unless either party notifies the other party, in writing, not less than thirty (30) days prior to the expiration of the initial term of its intention to terminate this Agreement. Any such

written notice will be served by certified or registered mail, return receipt requested. Additionally, either party may at any time terminate this Interlocal Agreement for its convenience upon thirty (30) days written notice to the other party, and such termination shall not be deemed a breach of this Interlocal Agreement. For any termination of this Interlocal Agreement Mt. Carmel will compensate Kingsport for all services delivered prior to the date of such termination.

3. Kingsport will bill Mt. Carmel for services rendered within ten (10) days following the end of the month and Mt. Carmel will pay Kingsport on or before the 25th day following the end of such month. Such billing and payment will be based on the rates set out herein.

4. The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

5. Kingsport does not intend by this Agreement to assume any contractual obligations to anyone other than to Mt. Carmel. Mt. Carmel does not intend by the Agreement to assume any contractual obligations to anyone other than Kingsport. Kingsport and Mt. Carmel do not intend for there to be any third-party beneficiary to this Agreement.

6. Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and given by (i) nationally recognized overnight courier or by (ii) registered or certified mail, return receipt requested and postage prepaid, or (iii) hand delivery addressed as follows:

Kingsport:

City Manager
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

Mt. Carmel:

City Recorder
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

With copy to:

City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

With a copy to:

City Attorney
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

or at such other address as is from time to time designated by the party receiving the notice. Any such notice which is properly given to the nationally recognized overnight courier, placed in the mails with sufficient postage prepaid, or hand delivered shall be deemed to have been served as of five (5) days after given to the nationally recognized overnight courier or posting or on the actual date of delivery when hand delivered for purposes of establishing that the sending party complied with the applicable time limitations set forth herein, but shall not be binding on the addressee until actually received.

7. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision.

8. No board member, officer, or employee of Kingsport will be personally liable to Mt. Carmel in the event of any default or breach by Kingsport or for any amount which may become due to Mt. Carmel or on any obligations

under the terms of this Agreement. No board member, officer, or employee of Mt. Carmel will be personally liable to Kingsport in the event of any default or breach by Mt. Carmel or for any amount which may become due to Kingsport or any obligation under the terms of this Agreement.

9. The relationship of Kingsport and Mt. Carmel shall be that of independent contractors, and neither Kingsport or its employees, or Mt. Carmel or its employees, shall under any circumstances, be considered servants or agents of the other; and each party shall be at no time legally responsible for any negligence or other wrongdoing by the other party, or their servants, employees or agents. Neither party shall provide to the other any insurance coverage or other benefits, including worker's compensation, normally provided by that party for its employees.

10. Kingsport observes certain holidays which may alter the provision of services under this Agreement. The current holidays include: New Year's Day, Martin Luther King's birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and at the discretion of Kingsport board of mayor and aldermen other days. Kingsport may decide to observe any or all of the above-mentioned holidays during which services requested by Mt. Carmel may be unavailable on such holiday.

11. Kingsport's employees will be the responsibility of Kingsport. Notwithstanding any clause or part of this Agreement to the contrary, nothing herein will be construed to waive any governmental immunity, including such as set forth in the Governmental Tort Liability Act.

12. For all purposes of this Agreement unless the context shall otherwise require, the terms set forth in this Section whenever capitalized in this Agreement will have the indicated meanings:

13. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, severe weather, thunderstorms, severe wind, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by either party. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

14. No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

15. In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of the Interlocal Agreement.

16. Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties will deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this

paragraph, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to nonbinding mediation. If the matter is not resolved by mediation either party will have the right, at its sole option, without further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights including, but not limited to, the suspension or termination of this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate original counterparts, each of which constitutes an original.

TOWN OF MOUNT CARMEL, TENNESSEE

ATTEST:

Marian Sandidge
Marian Sandidge, City Recorder

By: Gary Lawson
Gary Lawson, Mayor

APPROVED AS TO FORM:

Allen J. Culp
Law Office May + Culp
City Attorney for Mount Carmel

CITY OF KINGSFORT, TENNESSEE

ATTEST:

James H. Demming, City Recorder

By: _____
Dennis R. Phillips, Mayor

APPROVED AS TO FORM:

J. Michael Billingsley
City Attorney for Kingsport

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 26th day of April, 2011.

Gary Lawson
GARY LAWSON, MAYOR

ATTEST:

Marian Sandidge
MARIAN SANDIDGE, CITY RECORDER

APPROVED AS TO FORM:

Allen J. Culp
CITY ATTORNEY - Law Office May + Culp

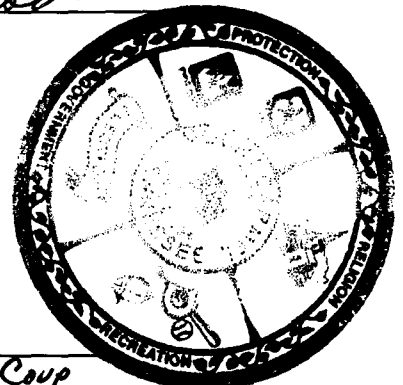


EXHIBIT B
CITY OF KINGSPORT
EQUIPMENT RATES

ITEM #	DESCRIPTION OF EQUIPMENT	RATE	UNIT
1	AIR COMPRESSOR, PORTABLE OR PULL TYPE	\$ 44.00	HR
2	ARROW BOARD, TRAILER OR TRUCK MOUNTED	\$ 30.00	H R
3	ASPHALT RECLAIMER/RECYCLER MACHINE	\$ 164.00	HR
4	BACKHOE	\$ 46.00	HR
5	BORE MACHINE, DIRECTIONAL	\$ 125.00	HR
6	CHIP SPREADER MACHINE	\$ 69.00	HR
7	CHIPPER, BRUSH	\$ 45.00	HR
8	CONCRETE MIXER, PORTABLE OR PULL TYPE	\$ 39.00	HR
9	CURBING MACHINE	\$ 80.00	HR
10	DISTRIBUTOR, ASPHALT, PULL TYPE	\$ 36.00	HR
11	DRAGLINES AND CRANES	\$ 92.00	HR
12	EXCAVATOR, TRACK TYPE (TRACKHOE)	\$ 105.00	HR
13	GENERATOR, PORTABLE	\$ 10.00	H R
14	JOINT & CRACK SEALING MACHINE	\$ 35.00	HR
15	LIGHT TOWER, TRAILER MOUNTED	\$ 30.00	HR
16	LOADER, FRONT END TRACK TYPE	\$ 87.00	HR
17	LOADER, FT END RUBBER TIRED (ARTICULATED)/SKID STEER	\$ 72.00	H R
18	MESSAGE SIGN, TRAILER MOUNTED	\$ 30.00	HR
19	MOTOR GRADER	\$ 78.00	HR
20	PAINT MACHINE, TRUCK MOUNTED (LARGE)	\$ 102.00	H R
21	PAINT MACHINE, WALK BEHIND	\$ 39.00	HR
22	PAVER, ASPHALT PULL TYPE	\$ 15.00	H R
23	PAVER, ASPHALT SELF-PROPELLED	\$ 186.00	HR
24	PROFILER, MILLING MACHINE	\$ 368.00	HR
25	ROLLER, STEEL WHEEL	\$ 107.00	H R
26	ROLLER, WALK BEHIND	\$ 10.00	HR
27	THERMOPLASTIC MARKING MACHINE, WALK BEHIND	\$ 30.00	HR
28	TRACTOR, CRAWLER (DOZER)	\$ 118.00	HR
29	TRACTOR, W/SWEEPER/DITCHER/WHEEL	\$ 75.00	HR
30	TRAFFIC LINE REMOVER (WATER BLASTER)	\$ 53.00	H R
31	TRAILER, LINE CLEANING	\$ 55.00	HR
32	TRAILER, LOW BOY TANDEM	\$ 26.00	H R
33	TRAILER, TILT/PLATFORM/GENERAL	\$ 11.00	HR
44	TRUCK, BUCKET	\$ 87.00	HR
34	TRUCK, CRANE/EXCAVATOR/REFUSE COLLETION	\$ 78.00	HR
35	TRUCK, DUMP	\$ 82.00	H R
36	TRUCK, PICKUP/UTILITY/SERVICE BODY	\$ 16.00	HR
37	TRUCK, SEWER CAMERA	\$ 125.00	H R
38	TRUCK, SEWER/CULVERT/CATCH BASIN/CLEANER (VAC-AM/COMBO VAC	\$ 125.00	HR
39	TRUCK, STAKE OR FLATBED	\$ 65.00	HR
40	TRUCK, SWEEPER	\$ 68.00	HR
41	TRUCK, TRACTOR	\$ 48.00	HR
42	TRUCK, W/STREET FLUSHER	\$ 84.00	HR
43	WELDER, PORTABLE OR PULL TYPE	\$ 10.00	HR



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Execute an Interlocal Agreement with The Town of Mt. Carmel to Provide Maintenance Services through The City of Kingsport Public Works Department.

From: John G. Campbell, City Manager

Action Form No.: AF-79-2011
Work Session: April 04, 2011
First Reading: N/A

Final Adoption: April 04, 2011
Staff Work By: R. McReynolds, D. Sherer
Presentation By: R. McReynolds

Recommendation: Approve the Resolution

Executive Summary:

On January 26, 2011 we met with Mayor Gary Lawson and Police Chief Jeff Jackson regarding a potential interlocal agreement between the City of Kingsport and the Town of Mt. Carmel both chartered municipalities of the state of Tennessee.

The Interlocal Agreement was developed to provide certain maintenance service upon request from the City of Mt. Carmel for traffic, water, sewer, street, and sanitation services. These services include but are not limited to technical and maintenance support of signal operation, street cleaning, pot hole patching, and sewer line camera inspection; labor, equipment and material pricing are reflected in the agreement. While continuing to serve the residents of Kingsport is our main priority, approving this resolution will enable us to provide service to Mt. Carmel on an as needed basis.

We are of the opinion by entering into this agreement the provision of services is to our mutual advantage.

Attachments:

1. Resolution
2. Interlocal Agreement

Funding source appropriate and funds are available: _____ Y N O

Joh
Mallicote
Marsh
Munsey
Parham
Shupe
Phillips

RESOLUTION NO. 2011-206**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN
INTERLOCAL COOPERATION AGREEMENT BETWEEN THE
TOWN OF MOUNT CARMEL AND THE CITY OF KINGSPORT**

WHEREAS, the City of Kingsport desires to enter into an agreement with the Town of Mount Carmel to provide maintenance services through the Public Works Department; and

WHEREAS, the agreement will provide certain maintenance service upon request from the town of Mount Carmel for traffic, water, sewer, street, and sanitation services, which may include but are not limited to technical and maintenance support of signal operation, street cleaning, pot hole patching, and sewer line camera inspection; labor, equipment and material pricing; and

WHEREAS, the agreement will be advantageous to and serve the public interest of the city.

Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, the interlocal agreement between the City of Kingsport and the Town of Mount Carmel, substantially in the form as hereinafter set out, along with all other documents necessary and proper to effectuate the purpose of the agreement said agreement being generally as follows:

INTERLOCAL AGREEMENT

This Interlocal Agreement is entered into this the ____ day of _____, 2011, by and between the TOWN OF MOUNT CARMEL, TENNESSEE, hereinafter referred to as the "Mt. Carmel", and the CITY OF KINGSPORT, TENNESSEE, hereinafter referred to as "Kingsport", both chartered municipalities of the State of Tennessee.

WITNESSETH:

WHEREAS, the parties are authorized to enter into this Interlocal Agreement pursuant to Tennessee Code Annotated § 12-9-101 et seq.; and

WHEREAS, the parties have the right to exercise such power, privilege or authority set forth in this Interlocal Agreement; and

WHEREAS, the board of mayor and aldermen of each of the parties has found and determined that the provision of services set forth herein provide the most efficient use of their powers and is to their mutual advantage and the provision of such services will be provided in a manner that will accord best with geographic, economic, population, and other factors influencing the needs and

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

1. The parties agree that Kingsport personnel, equipment and material must be available to Kingsport as needed to provide service to its citizens, and, therefore, subject to the availability of personnel, equipment and material as determined in the sole discretion of the Kingsport Director of Public Works, Kingsport will furnish all personnel, labor, equipment, trucks and all other items necessary to provide for certain maintenance service upon request from Mt. Carmel for traffic, water, sewer, street, and sanitation services as defined herein within the corporate limits of Mt. Carmel at a price as follows:

- | | | |
|---------------|---|----------------|
| a) Labor: | Supervisor | \$60 per hour; |
| | Operator or Mechanic | \$40 per hour; |
| | Maintenance Worker | \$30 per hour; |
| b) Equipment: | See Exhibit A, attached hereto and incorporated herein by reference | |
| c) Materials: | Costs plus 15 percent. | |

All labor and equipment rates will have a minimum charge of two (2) hours per call.

Services include, but are not limited to:

Traffic Department

- Technical support for signal operation
- Maintenance support for signals
- Roadway Striping using paint machine
- Installation of signs and posts

Streets and Sanitation

- Street Cleaning
- Pot Hole Patching
- Leaf Collection
- Catch Basin Cleaning
- Storm Line Cleaning
- Brush Collection

Water and Waste Water Departments

- Sewer line camera inspection
- Directional boring of water/sewer lines
- Vacuum/Cleaning truck for sewer lines
- Assist in repair of water/sewer lines
- Leak/Line location
- Trouble shooting electrical & mechanical pump issues
- Removing sewer pumps
- Installing sewer pumps
- Pump and haul of sewage
- Assist in removal and disposal of sludge / biosolids
- Loaning of spare parts

2. The initial term of this Agreement will commence on _____, 2011 and end on June 30, 2012, and will automatically be extended for two (2) successive additional one (1) year terms commencing on July 1st and ending on June 30th of each successive year, unless either party notifies the other party, in writing, not less than thirty (30) days prior to the expiration of the initial term of its intention to terminate this Agreement. Any such

written notice will be served by certified or registered mail, return receipt requested. Additionally, either party may at any time terminate this Interlocal Agreement for its convenience upon thirty (30) days written notice to the other party, and such termination shall not be deemed a breach of this Interlocal Agreement. For any termination of this Interlocal Agreement Mt. Carmel will compensate Kingsport for all services delivered prior to the date of such termination.

3. Kingsport will bill Mt. Carmel for services rendered within ten (10) days following the end of the month and Mt. Carmel will pay Kingsport on or before the 25th day following the end of such month. Such billing and payment will be based on the rates set out herein.

4. The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

5. Kingsport does not intend by this Agreement to assume any contractual obligations to anyone other than to Mt. Carmel. Mt. Carmel does not intend by the Agreement to assume any contractual obligations to anyone other than Kingsport. Kingsport and Mt. Carmel do not intend for there to be any third-party beneficiary to this Agreement.

6. Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and given by (i) nationally recognized overnight courier or by (ii) registered or certified mail, return receipt requested and postage prepaid, or (iii) hand delivery addressed as follows:

Kingsport:

Mt. Carmel:

City Manager
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

With copy to:

With a copy to:

City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

or at such other address as is from time to time designated by the party receiving the notice. Any such notice which is properly given to the nationally recognized overnight courier, placed in the mails with sufficient postage prepaid, or hand delivered shall be deemed to have been served as of five (5) days after given to the nationally recognized overnight courier or posting or on the actual date of delivery when hand delivered for purposes of establishing that the sending party complied with the applicable time limitations set forth herein, but shall not be binding on the addressee until actually received.

7. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision.

8. No board member, officer, or employee of Kingsport will be personally liable to Mt. Carmel in the event of any default or breach by Kingsport or for any amount which may become due to Mt. Carmel or on any obligations

under the terms of this Agreement. No board member, officer, or employee of Mt. Carmel will be personally liable to Kingsport in the event of any default or breach by Mt. Carmel or for any amount which may become due to Kingsport or any obligation under the terms of this Agreement.

9. The relationship of Kingsport and Mt. Carmel shall be that of independent contractors, and neither Kingsport or its employees, or Mt. Carmel or its employees, shall under any circumstances, be considered servants or agents of the other; and each party shall be at no time legally responsible for any negligence or other wrongdoing by the other party, or their servants, employees or agents. Neither party shall provide to the other any insurance coverage or other benefits, including worker's compensation, normally provided by that party for its employees.

10. Kingsport observes certain holidays which may alter the provision of services under this Agreement. The current holidays include: New Year's Day, Martin Luther King's birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and at the discretion of Kingsport board of mayor and aldermen other days. Kingsport may decide to observe any or all of the above-mentioned holidays during which services requested by Mt. Carmel may be unavailable on such holiday.

11. Kingsport's employees will be the responsibility of Kingsport. Notwithstanding any clause or part of this Agreement to the contrary, nothing herein will be construed to waive any governmental immunity, including such as set forth in the Governmental Tort Liability Act.

12. For all purposes of this Agreement unless the context shall otherwise require, the terms set forth in this Section whenever capitalized in this Agreement will have the indicated meanings:

13. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, severe weather, thunderstorms, severe wind, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by either party. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

14. No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

15. In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of the Interlocal Agreement.

16. Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties will deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this

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IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate original counterparts, each of which constitutes an original.

TOWN OF MOUNT CARMEL, TENNESSEE

ATTEST:

Nancy Carter, City Recorder

By: _____
Gary Lawson, Mayor

APPROVED AS TO FORM:

Joseph E. May
City Attorney for Mount Carmel

CITY OF KINGSPORT, TENNESSEE

ATTEST:

James H. Demming, City Recorder

By: _____
Dennis R. Phillips, Mayor

APPROVED AS TO FORM:

J. Michael Billingsley
City Attorney for Kingsport

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 5th day of April, 2011.

ATTEST:

ANGELA MARSHALL
Deputy City Recorder



DENNIS R. PHILLIPS, Mayor

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, City Attorney

INTERLOCAL AGREEMENT

This Interlocal Agreement is entered into this the 1st day of July, 2011, by and between the TOWN OF MOUNT CARMEL, TENNESSEE, hereinafter referred to as the "Mt. Carmel", and the CITY OF KINGSFORT, TENNESSEE, hereinafter referred to as "Kingsport", both chartered municipalities of the State of Tennessee.

WITNESSETH:

WHEREAS, the parties are authorized to enter into this Interlocal Agreement pursuant to Tennessee Code Annotated § 12-9-101 et seq.; and

WHEREAS, the parties have the right to exercise such power, privilege or authority set forth in this Interlocal Agreement; and

WHEREAS, the board of mayor and aldermen of each of the parties has found and determined that the provision of services set forth herein provide the most efficient use of their powers and is to their mutual advantage and the provision of such services will be provided in a manner that will accord best with geographic, economic, population, and other factors influencing the needs and development of the parties: and

WHEREAS, it is deemed in the public interest for the parties hereto to enter into this Interlocal Agreement for the provision of certain public services, which include traffic, water, sewer, street, and sanitation services.

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- Assist in removal and disposal of sludge / biosolids
- Loaning of spare parts

2. The initial term of this Agreement will commence on July 01, 2011 and end on June 30, 2012, and will automatically be extended for two (2) successive additional one (1) year terms commencing on July 1st and ending on June 30th of each successive year, unless either party notifies the other party, in writing, not less than thirty (30) days prior to the expiration of the initial term of its intention to terminate this Agreement. Any such written notice will be served by certified or registered mail, return receipt requested. Additionally, either party may at any time terminate this Interlocal Agreement for its convenience upon thirty (30) days written notice to the other party, and such termination shall not be deemed a breach of this Interlocal Agreement. For any termination of this Interlocal Agreement Mt. Carmel will compensate Kingsport for all services delivered prior to the date of such termination.

3. Kingsport will bill Mt. Carmel for services rendered within ten (10) days following the end of the month and Mt. Carmel will pay Kingsport on or before the 25th day following the end of such month. Such billing and payment will be based on the rates set out herein.

4. The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

5. Kingsport does not intend by this Agreement to assume any contractual obligations to anyone other than to Mt. Carmel. Mt. Carmel does not intend by the Agreement to assume any contractual obligations to anyone other than Kingsport. Kingsport and Mt. Carmel do not intend for there to be any third-party beneficiary to this Agreement.

6. Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and given by (i) nationally recognized overnight courier or by (ii) registered or certified mail, return receipt requested and postage prepaid, or (iii) hand delivery addressed as follows:

Kingsport:

City Manager
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

Mt. Carmel:

City Recorder
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

With copy to:

City Attorney
City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

With a copy to:

Town Attorney
Town of Mount Carmel
P.O. Box 1421
Mount Carmel, TN 37645

or at such other address as is from time to time designated by the party receiving the notice. Any such notice which is properly given to the nationally recognized overnight courier, placed in the mails with sufficient postage prepaid, or hand delivered shall be deemed to have been served as of five (5) days after given to the nationally recognized overnight courier or posting or on the actual date of delivery when hand delivered for purposes of establishing that the sending party complied with the applicable time limitations set forth herein, but shall not be binding on the addressee until actually received.

7. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision.

8. No board member, officer, or employee of Kingsport will be personally liable to Mt. Carmel in the event of any default or breach by Kingsport or for any amount which may become due to Mt. Carmel or on any obligations under the terms of this Agreement. No board member, officer, or employee of Mt. Carmel will be personally liable to Kingsport in the event of any default or breach by Mt. Carmel or for any amount which may become due to Kingsport or any obligation under the terms of this Agreement.

9. The relationship of Kingsport and Mt. Carmel shall be that of independent contractors, and neither Kingsport or its employees, or Mt. Carmel or its employees, shall under any circumstances, be considered servants or agents of the other; and each party shall be at no time legally responsible for any negligence or other wrongdoing by the other party, or their servants, employees or agents. Neither party shall provide to the other any insurance coverage or other benefits, including worker's compensation, normally provided by that party for its employees.

10. Kingsport observes certain holidays which may alter the provision of services under this Agreement. The current holidays include: New Year's Day, Martin Luther King's birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and at the discretion of Kingsport board of mayor and aldermen other days. Kingsport may decide to observe any or all of the above-mentioned holidays during which services requested by Mt. Carmel may be unavailable on such holiday.

11. Kingsport's employees will be the responsibility of Kingsport. Notwithstanding any clause or part of this Agreement to the contrary, nothing herein will be construed to waive any governmental immunity, including such as set forth in the Governmental Tort Liability Act.

12. For all purposes of this Agreement unless the context shall otherwise require, the terms set forth in this Section whenever capitalized in this Agreement will have the indicated meanings:

13. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, severe weather, thunderstorms, severe wind, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by either party. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

14. No amendment to this Interlocal Agreement will be made except upon the written consent of the parties.

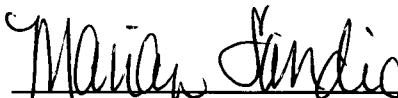
15. In the event that any provision or portion of this Interlocal Agreement is found to be invalid or unenforceable, then such provision or portion thereof will be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any of this Interlocal Agreement will not affect the validity or enforceability of any other provision or portion of the Interlocal Agreement.

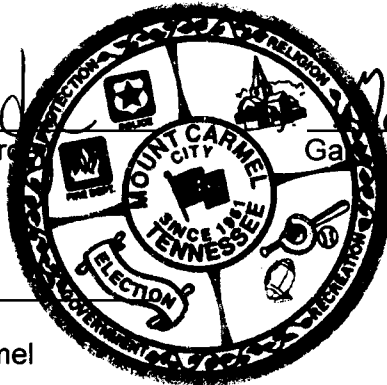
16. Upon the occurrence of an alleged default, or a dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement or, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), the parties will engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it will be to meet for the purpose of attempting to resolve such Dispute. The designated officers will meet as often as the parties will deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this paragraph, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to nonbinding mediation. If the matter is not resolved by mediation either party will have the right, at its sole option, without further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights including, but not limited to, the suspension or termination of this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate original counterparts, each of which constitutes an original.

**TOWN OF MOUNT CARMEL,
TENNESSEE**

ATTEST:


Marian Sandidge, City Recorder

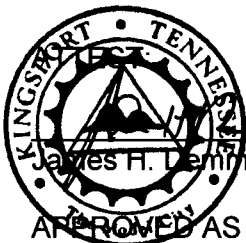



Gary Lawson, Mayor

APPROVED AS TO FORM:


Law Office of May & Coyle
City Attorney for Mount Carmel

CITY OF KINGSFORT, TENNESSEE




James H. Demming, City Recorder

By:


Dennis R. Phillips, Mayor

APPROVED AS TO FORM:

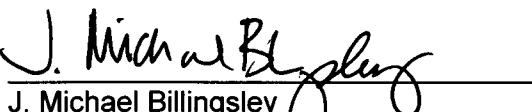

J. Michael Billingsley
City Attorney for Kingsport

EXHIBIT A
CITY OF KINGSPORT
EQUIPMENT RATES

ITEM #	DESCRIPTION OF EQUIPMENT	RATE	UNIT
1	AIR COMPRESSOR, PORTABLE OR PULL TYPE	\$ 44.00	HR
2	ARROW BOARD, TRAILER OR TRUCK MOUNTED	\$ 30.00	HR
3	ASPHALT RECLAIMER/RECYCLER MACHINE	\$ 164.00	HR
4	BACKHOE	\$ 46.00	HR
5	BORE MACHINE, DIRECTIONAL	\$ 125.00	HR
6	CHIP SPREADER MACHINE	\$ 69.00	HR
7	CHIPPER, BRUSH	\$ 45.00	HR
8	CONCRETE MIXER, PORTABLE OR PULL TYPE	\$ 39.00	HR
9	CURBING MACHINE	\$ 80.00	HR
10	DISTRIBUTOR, ASPHALT, PULL TYPE	\$ 36.00	HR
11	DRAGLINES AND CRANES	\$ 92.00	HR
12	EXCAVATOR, TRACK TYPE (TRACKHOE)	\$ 105.00	HR
13	GENERATOR, PORTABLE	\$ 10.00	HR
14	JOINT & CRACK SEALING MACHINE	\$ 35.00	HR
15	LIGHT TOWER, TRAILER MOUNTED	\$ 30.00	HR
16	LOADER, FRONT END TRACK TYPE	\$ 87.00	HR
17	LOADER, FT END RUBBER TIRED (ARTICULATED)/SKID STEER	\$ 72.00	HR
18	MESSAGE SIGN, TRAILER MOUNTED	\$ 30.00	HR
19	MOTOR GRADER	\$ 78.00	HR
20	PAINT MACHINE, TRUCK MOUNTED (LARGE)	\$ 102.00	HR
21	PAINT MACHINE, WALK BEHIND	\$ 39.00	HR
22	PAVER, ASPHALT PULL TYPE	\$ 15.00	HR
23	PAVER, ASPHALT SELF-PROPELLED	\$ 186.00	HR
24	PROFILER, MILLING MACHINE	\$ 368.00	HR
25	ROLLER, STEEL WHEEL	\$ 107.00	HR
26	ROLLER, WALK BEHIND	\$ 10.00	HR
27	THERMOPLASTIC MARKING MACHINE, WALK BEHIND	\$ 30.00	HR
28	TRACTOR, CRAWLER (DOZER)	\$ 118.00	HR
29	TRACTOR, W/SWEEPER/DITCHER/WHEEL	\$ 75.00	HR
30	TRAFFIC LINE REMOVER (WATER BLASTER)	\$ 53.00	HR
31	TRAILER, LINE CLEANING	\$ 55.00	HR
32	TRAILER, LOW BOY TANDEM	\$ 26.00	HR
33	TRAILER, TILT/PLATFORM/GENERAL	\$ 11.00	HR
44	TRUCK, BUCKET	\$ 87.00	HR
34	TRUCK, CRANE/EXCAVATOR/REFUSE COLLETION	\$ 78.00	HR
35	TRUCK, DUMP	\$ 82.00	HR
36	TRUCK, PICKUP/UTILITY/SERVICE BODY	\$ 16.00	HR
37	TRUCK, SEWER CAMERA	\$ 125.00	HR
38	TRUCK, SEWER/CULVERT/CATCH BASIN/CLEANER (VAC-ALL)/COMBO VAC	\$ 125.00	HR
39	TRUCK, STAKE OR FLATBED	\$ 65.00	HR
40	TRUCK, SWEEPER	\$ 68.00	HR
41	TRUCK, TRACTOR	\$ 48.00	HR
42	TRUCK, W/STREET FLUSHER	\$ 84.00	HR
43	WELDER, PORTABLE OR PULL TYPE	\$ 10.00	HR