

# Town of Spring City

Mayor – Leon Locke  
Vice Mayor – Jody Bauer  
Commissioner – Reba Murphy  
Commissioner – Kevin Jenkins  
Commissioner – Thomas Beaver



City Manager – Thomas McCormick  
City Recorder – Brenda Dodson  
Public Works Director – Kevin Hackler  
Police Chief – Roger Day  
Fire Chief – Kevin Hackler

## MONTHLY WORKSHOP

**SPRING CITY BOARD OF COMMISSIONERS  
AT THE SPRING CITY POLICE AND FIRE DEPT. BUILDING  
229 FRONT STREET, SPRING CITY, TN**

**THURSDAY, MAY 28, 2026  
5:30 P.M.**

### AGENDA

1. **Discussion of Proposed Resolution R-2026-31** - A Resolution Declaring Certain Equipment Surplus Property and Authorizing Its Disposal.
2. **Discussion of Festivals and Events** - Discussion of festivals and events as they relate to the closure of Front Street, including consideration of full or partial street closures and the possible use of Nature Park or Veterans Park for public events.
3. **Discussion of Proposed Ordinance O-2026-6** - An Ordinance Amending the Water and Sewer Rate Schedule to Fund Water Tank Repairs and Maintenance.

#### **Funding options to be discussed:**

- A. Amending Ordinance O-2026-6 to include **sunset language** for the temporary front-loaded portion of the fifteen percent water and sewer rate increase.
- B. Establishing a **tank maintenance fee** based on the Utility Service Co., Inc. contract costs, including estimated roof repair, broken down by budget year and number of customers.
- C. Establishing a **flat tank maintenance fee** based on financing the remaining contract amount and the estimated Hillcrest roof repair through the Tennessee Municipal Bond Fund at an assumed 3.97% interest rate, resulting in an estimated tank fee range of \$14.27 to \$14.41 per customer per month during the full annual payment years.

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**Option A. Amend the Ordinance** by adding the following **sunset language** to Ordinance Number **O-2026-6**.

- a. **WHEREAS**, the Town Commissioners desire for the temporary front-loaded portion of the rate increase to automatically sunset beginning with the Town's FY2030-2031 budget following the reduction in payments under the Utility Service Co., Inc. contract after the initial five contract years, with the reduction estimated at One Hundred Forty-Three Thousand Four Hundred Seventy-Three Dollars (\$143,473.00), or approximately 7.5% based on the Town's projected FY2025-2026 year-end water and sewer revenue; and
- b. **SECTION 5. SUNSET.** Beginning with the Town's FY2030-2031 budget, the temporary front-loaded portion of the rate increase established by this Ordinance shall automatically sunset in the amount of One Hundred Forty-Three Thousand Four Hundred Seventy-Three Dollars (\$143,473.00), representing the estimated reduction in annual tank maintenance and repair costs following the initial five contract years under the Utility Service Co., Inc. agreement; provided, however, that the reduction shall not exceed the actual reduction in contract costs.

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## Option B. Tank Maintenance Fee Based Solely on the Contract and Roof Repair

- a. This option recovers the remaining Utility Service Co., Inc. contract amount beginning in FY2026-2027, plus the estimated Hillcrest roof repair spread over ten budget years.

Budget Year	Contract Year	Hillcrest Tank	Back Valley Tank	Clearwell Tank	Contract Cost Per Year	Roof Repair Over 10 Years	Total to Recover	Monthly Tank Fee
FY2026-2027	Year 2	\$90,345.00	\$5,000.00	\$93,389.00	\$188,734.00	\$32,200.00	\$220,934.00	\$17.79
FY2027-2028	Year 3	\$90,345.00	\$5,000.00	\$93,389.00	\$188,734.00	\$32,200.00	\$220,934.00	\$17.79
FY2028-2029	Year 4	\$90,345.00	\$5,000.00	\$93,389.00	\$188,734.00	\$32,200.00	\$220,934.00	\$17.79
FY2029-2030	Year 5	\$90,345.00	\$36,514.00	\$93,389.00	\$220,248.00	\$32,200.00	\$252,448.00	\$20.33
FY2030-2031	Year 6	\$20,636.00	\$36,514.00	\$19,625.00	\$76,775.00	\$32,200.00	\$108,975.00	\$8.77
FY2031-2032	Year 7	\$20,636.00	\$36,514.00	\$19,625.00	\$76,775.00	\$32,200.00	\$108,975.00	\$8.77
FY2032-2033	Year 8	\$20,636.00	\$36,514.00	\$19,625.00	\$76,775.00	\$32,200.00	\$108,975.00	\$8.77
FY2033-2034	Year 9	\$20,636.00	\$36,514.00	\$19,625.00	\$76,775.00	\$32,200.00	\$108,975.00	\$8.77
FY2034-2035	Year 10	\$20,636.00	\$13,407.00	\$19,625.00	\$53,668.00	\$32,200.00	\$85,868.00	\$6.91
FY2035-2036	Roof only	\$0.00	\$0.00	\$0.00	\$0.00	\$32,200.00	\$32,200.00	\$2.59
<b>Total Repaid</b>							<b>\$1,469,218.00</b>	

Item	Amount
Contract Year 1 already paid from reserve FY2025-2026	\$188,734.00
Remaining contract amount to recover beginning FY2026-2027	\$1,147,218.00
Hillcrest roof repair to recover over 10 budget years	\$322,000.00
Total amount to recover beginning FY2026-2027	\$1,469,218.00
Water customers billed monthly	1,035
<b>Monthly Average Tank Maintenance Fee Per Customer</b>	<b>\$11.83</b>

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## Option C. Tank Maintenance Fee Based on Tennessee Municipal Bond Fund Financing

- a. This option assumes the Town borrows the remaining amount to be recovered and repays the debt through one initial partial-year payment followed by ten full annual payments.

Budget Year	Loan Year	Annual Debt Payment	Monthly Fee Per Customer
FY2026-2027	Year 1	\$31,773.23	\$2.56
FY2027-2028	Year 2	\$178,917.45	\$14.41
FY2028-2029	Year 3	\$177,954.95	\$14.33
FY2029-2030	Year 4	\$178,793.95	\$14.40
FY2030-2031	Year 5	\$178,414.60	\$14.37
FY2031-2032	Year 6	\$177,836.75	\$14.32
FY2032-2033	Year 7	\$178,040.55	\$14.33
FY2033-2034	Year 8	\$178,006.15	\$14.33
FY2034-2035	Year 9	\$177,733.55	\$14.31
FY2035-2036	Year 10	\$177,222.75	\$14.27
FY2036-2037	Final Payment	\$177,453.90	\$14.29
<b>Total Repaid</b>		<b>\$1,812,147.83</b>	

Item	Amount
Contract Year 1 already paid from reserve FY2025-2026	\$188,734.00
Remaining contract amount to recover beginning FY2026-2027	\$1,147,218.00
Hillcrest roof repair to recover over 10 budget years	\$322,000.00
Total amount to recover beginning FY2026-2027	\$1,469,218.00
Loan term	10 years
Planning interest rate used for main schedule	3.97% fixed
Amount financed	\$1,470,000.00
Total Interest	\$342,147.83
Total Paid	\$1,812,147.83
Water customers billed monthly	1,035
<b>Monthly Tank Maintenance Fee Range Per Customer During Full Annual Payment Years</b>	<b>\$14.27 to \$14.41</b>