BMA MEETING
January 9, 2025
MINUTES

WORKSHOP
5:30 PM
Campbell Station Inn Update

Halle Reid, Tourism Manager, presented a plan for offices and public use of the Campbell Station Inn.

BMA MEETING
6:00 PM

Roll Call, Silent Prayer, Pledge of Allegiance

Mayor Williams called the meeting to order at 6:00 PM. Roll Call for attendance: Alderman Burnette, yes; Alderman Cain, yes; Vice-Mayor Meyer, yes; Alderman White, yes; Mayor Williams, yes; in additional to staff and member of the press.

Approval of Agenda

Motion was made to approve the agenda as presented. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Burnette, Cain, and White; no nays; motion passed.

Approval of Minutes

Motion was made to approve the amended minutes of December 12, 2024. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Burnette, Cain, and White; no nays; motion passed.

Presentation of Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024

Travis Lowe, with Pugh CPA, gave an overview of the FY24 Annual Comprehensive Financial Report.

Mayor's Report

Founder's Day Proclamation-Mayor Williams read the Founder's Day Proclamation Mayor Williams thanked the staff for the great Christmas activities throughout the season.

Ordinances & Resolutions

Ordinances

Public Hearing and Second Reading

Ordinance 24-23, an Ordinance of the Town of Farragut, Tennessee amending the Fiscal Year 2024-2025 General Fund, Capital Investment Program and ARPA Fund budgets, passed by Ordinance 24-07

Motion was made to approve Ordinance 24-23 on second and final reading. Moved by Vice-Mayor Meyer, seconded by Alderman White; Roll call vote; Alderman Burnette, yes; Alderman Cain, yes; Vice-Mayor Meyer, yes; Alderman White, yes; Mayor Williams, yes; motion passed.

First Reading

Ordinance 24-24, an ordinance on first reading to amend the Farragut Zoning Map for the property at 12823 Kingston Pike (formerly Summit View Nursing Home) from General Commercial (C-1) to Community Service (S-1), 5 Acres (Benefield Richters, Applicant)

Motion was made to approve Ordinance 24-24 on first reading. Moved by Vice-Mayor Meyer, seconded by Alderman White; Roll call vote; Alderman Burnette, yes; Alderman Cain, yes; Vice-Mayor Meyer, yes; Alderman White, yes; Mayor Williams, yes; motion passed.

Ordinance 25-01, an ordinance on first reading to amend the Farragut Municipal Code, Chapter 105 - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), to use the International Building Code for the requirement for a sprinkler system for structures in excess of 7,000 gross square feet or more than two stories that are Type I or II Construction and a Mercantile Occupancy Type (Town of Farragut, Applicant)

Motion was made to approve Ordinance 25-01 on first reading. Moved by Alderman Burnette, seconded by Alderman Cain; Roll call vote; Alderman Burnette, yes; Alderman Cain, yes; Vice-Mayor Meyer, yes; Alderman White, yes; Mayor Williams, yes; motion passed.

Business Items

Approval of a variance of 269 feet from the requirement for driveways to be at least 400 feet apart on an arterial street, as provided for in Article 5 of the Farragut Municipal Code, Section 22-150 (1) b. Distance between driveways, for the proposed access for the Serenade at Farragut Neighborhood Commercial Development at 421 N. Watt Road, 30 Units, 9.2 Acres, Zoned Neighborhood/Convenience Commercial (NCC), (Robert Campbell & Associates, Applicant)

Motion was made to approve the variance of 269 feet from the requirement for driveways to be at least 400 feet apart on an arterial street, as provided for in Article 5 of the Farragut Municipal Code, Section 22-150 (1) b. Distance between driveways, for proposed access for the Serenade at Farragut Neighborhood Commercial Development at 421 N. Watt Road. Moved by Alderman White, seconded by Vice-Mayor Meyer; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Burnette, Cain, and White; no nays; motion passed.

Approval of Amendment 2 to the Professional Services Agreement between the Town and Civil and Environmental Consultants, Inc. for Additional Services for the Stormwater Mapping and Assessment Project.

Motion was made to approve amendment 2 to the professional services agreement with Civil & Environmental Consultants, Inc. for additional work related to the Town-wide stormwater infrastructure mapping and assessment project. Moved by Alderman Burnette, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Burnette, Cain, and White; no nays; motion passed.

Approval of Amendment 4 to the Professional Services Agreement between the Town and Kimley Horn and Associates, Inc. for Additional Design Services for Union Road Improvements

Motion was made to approve the Amendment 4 to the Professional Services Agreement between the Town and Kimley Horn and Associates, Inc. for Additional Design Services for Union Road Improvements. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Burnette, Cain, and White; no nays; motion passed.

Town Attorney's Report

Tom Hale, Town Attorney, gave a status update on two lawsuits that the town is involved in.

The meeting adjourned at 6:52 PM.

Ron Williams, Mayor

Allison Myers, Town Recorder

FARRAGUT BOARD OF MAYOR AND ALDERMEN

Farragut Community Center

239 Jamestowne Blvd

AGENDA
January 9, 2025

WORKSHOP
5:30 PM
Campbell Station Inn Update

BMA MEETING
6:00 PM

I. Roll Call, Silent Prayer, Pledge of Allegiance

II. Approval of Agenda

III. Approval of Minutes

A. December 12, 2024

IV. Presentation of Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024

V. Mayor's Report

A. Founder's Day Proclamation

VI. Ordinances & Resolutions

A. Ordinances

1. Public Hearing and Second Reading

a) Ordinance 24-23, an Ordinance of the Town of Farragut, Tennessee amending the Fiscal Year 2024-2025 General Fund, Capital Investment Program and ARPA Fund budgets, passed by Ordinance 24-07

It is the policy of the Town of Farragut not to discriminate on the basis of race, color, natural origin, gender, gender identity, sexual orientation, age, religion, disability or veteran status pursuant to Title VI of the Civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs. To request accommodations due to disabilities, please call 865-966-7057 in advance of the meeting

2. **First Reading**
   a) **Ordinance 24-24**, an ordinance on first reading to amend the Farragut Zoning Map for the property at 12823 Kingston Pike (formerly Summit View Nursing Home) from General Commercial (C-1) to Community Service (S-1), 5 Acres (Benefield Richters, Applicant)
   b) **Ordinance 25-01,** an ordinance on first reading to amend the Farragut Municipal Code, Chapter 105 - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), to use the International Building Code for the requirement for a sprinkler system for structures in excess of 7,000 gross square feet or more than two stories that are Type I or II Construction and a Mercantile Occupancy Type (Town of Farragut, Applicant)

VII. Business Items

A. Approval of a variance of 269 feet from the requirement for driveways to be at least 400 feet apart on an arterial street, as provided for in Article 5 of the Farragut Municipal Code, Section 22-150 (1) b. Distance between driveways, for the proposed access for the Serenade at Farragut Neighborhood Commercial Development at 421 N. Watt Road, 30 Units, 9.2 Acres, Zoned Neighborhood/Convenience Commercial (NCC), (Robert Campbell & Associates, Applicant)

B. Approval of Amendment 2 to the Professional Services Agreement between the Town and Civil and Environmental Consultants, Inc. for Additional Services for the Stormwater Mapping and Assessment Project.

C. Approval of Amendment 4 to the Professional Services Agreement between the Town and Kimley Horn and Associates, Inc. for Additional Design Services for Union Road Improvements

VIII. Citizens Forum

IX. Town Administrator's Report

X. Town Attorney's Report

The Board of Mayor and Aldermen welcomes and invites Farragut residents to participate in public meetings.

Public Participation Guidelines for Farragut Board of Mayor and Aldermen meetings

At the end of each business meeting, there will be time reserved for public comment under the Citizen Forum agenda item. If you are interested in speaking, please fill out a blue comment card and turn it in to the Town Recorder or staff member. This time is set aside specifically for comments on items that are not on the Board of Mayor and Aldermen regular agenda for the meeting. Each speaker will be given three (3) minutes to speak on his/her topic.

The Board also seeks public comment on regular agenda items during the portion of the meeting devoted to discussion and consideration of the specific agenda item.

The Mayor may recognize individuals for public comment during both the regular agenda and Citizen Forum portions of the meeting based on the following guidelines.

1. The Mayor shall maintain and control the meeting to provide a professional and objective environment conducive to presentation and discussion of the agenda items;
2. Any Farragut resident interested in speaking should fill out a blue comment card stating which agenda item they would like to comment on and turn it in to the Town Recorder or a staff member;
3. Speakers shall come to the podium and identify themselves by name and street address;
4. Public comment shall be limited to three (3) minutes per individual. Time for public comment may be amended at the discretion of the Mayor; provided that when additional time is allowed, speakers with differing points of view are allowed the same amount of time if requested. Time is not transferable to other speakers;
5. Speakers should strive to avoid redundancy; different considerations than expressed by previous speakers on a subject are encouraged;
6. Comments that threaten violence or imminent physical harm toward any individual will not be tolerated.
7. Comments may support or oppose issues or measures;
8. Personal attacks on the character of individuals who hold different points of view that have no relationship to the merits of the matter or issue raised for discussion will not be tolerated.
9. An applicant, and/or their representative(s), for an item on the regular agenda shall be afforded the time necessary to present their request and respond to questions. The three (3) minute limitation shall not apply. However, the Mayor may ask an applicant to stay on point in order to facilitate the efficiency of the meeting.

Each speaker will be asked if they can agree to abide by the Comment Protocol. If so, please be prepared to speak when your name is called.

Tennessee Code Annotated 39-17-306. Disrupting meetings or processions.

(a) A person commits an offense if, with the intent to prevent or disrupt a lawful meeting, procession, or gathering, the person substantially obstructs or interferes with the meeting, procession, or gathering by physical action or verbal utterance.

(b) A violation of this section is a Class A misdemeanor.

Cambell Station Inn: Transforming a Landmark into a Destination

The Campbell Station Inn has always been a landmark for our community and has been the focus of many people's interests. We have a unique opportunity to take this historic landmark and make it a tourism destination. Visit Farragut would use this space to educate visitors about the history of the Inn while inspiring them to visit our attractions, restaurants and shops.

This proposal outlines how each space within the Inn, both inside and outside, could be utilized to maximize its potential as a community resource and tourism center.

Lower- Level

- Two rooms will be dedicated to rentals, creating a space for the community and visitors to host small gatherings, businesses meetings, or even programming classes. When spaces are not rented, the tourism team will create programming like small songwriters' performances, art displays, small business pop-ups, and other regular happenings.
- In the main entrance way, we would have a small host desk & a brochure rack stocked with helpful information about local attractions, restaurants, and events.
- The other large room would have rotating displays or period piece elements, to collaborate with the Farragut Museum in telling our regional history.
- A small but curated gift shop will feature Farragut-themed merchandise, including postcards, magnets, stickers, and other souvenirs. It will also offer a dedicated space for local artists and small businesses to showcase their products, creating a unique, community-focused shopping experience.

Other Notes:

- Allowing rooms to be rented will bring in another form of income to offset some of the additional costs, while also allowing more opportunities for different functions to happen in the space.
- Having a small rotating museum exhibit will allow us to tie this historic destination with the museum and to help direct our visitors to the museum

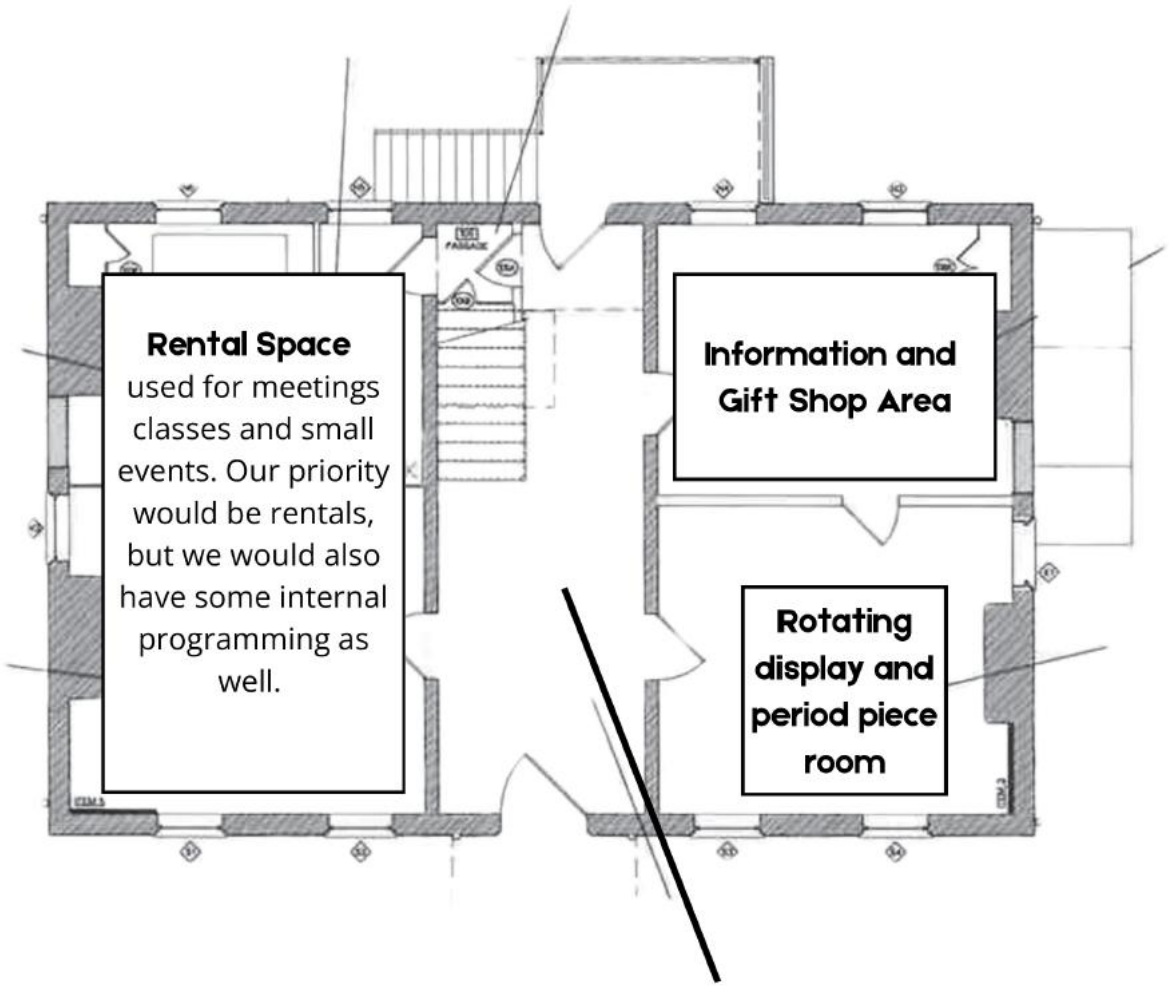
Upper Level

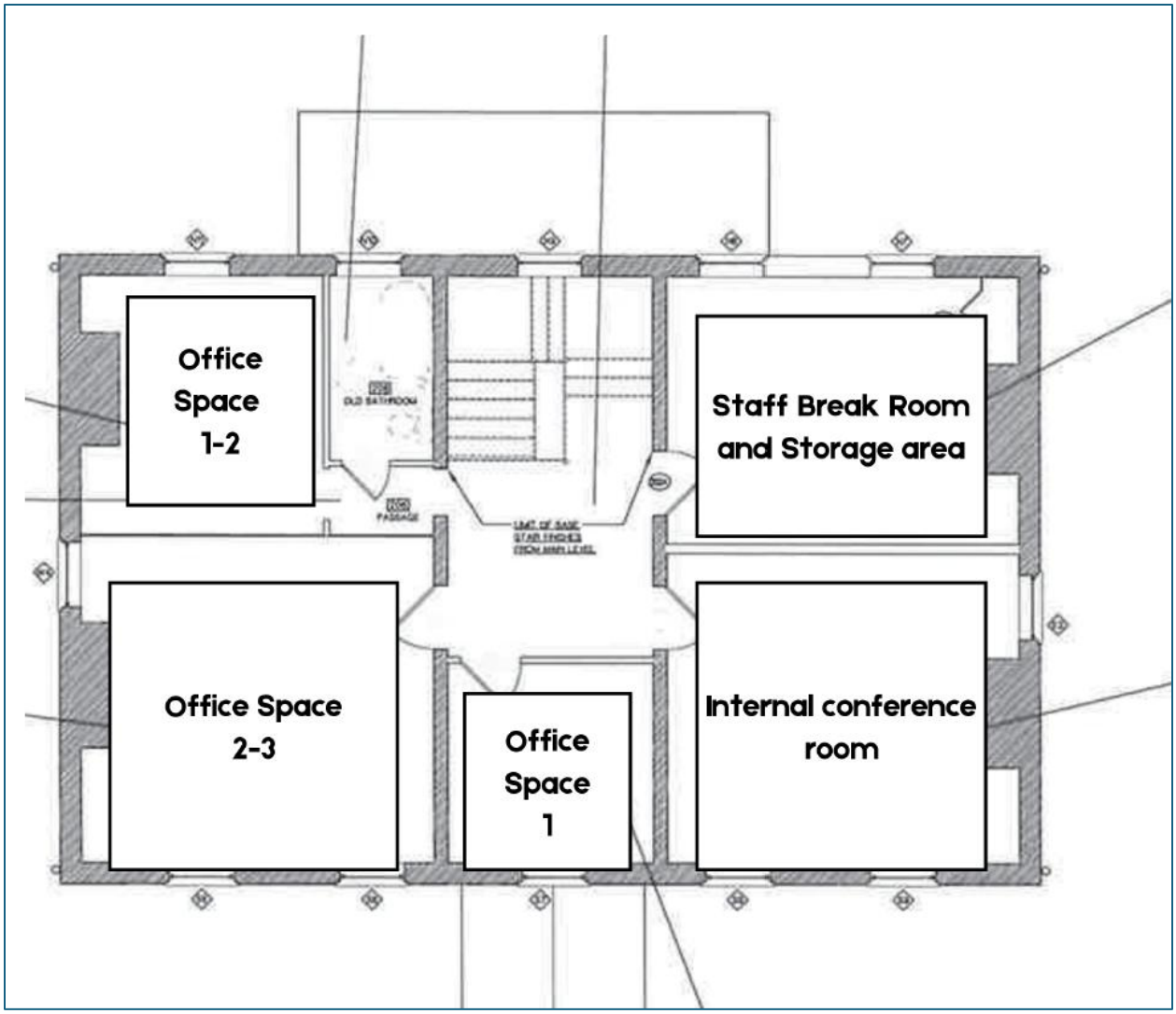
- Office space, a small conference room for internal staff use, small kitchenette/ break room area, and storage.
- .

Outdoors

- To make full use of the plaza, we'll establish a calendar of events that complements other town event venues like our parks and the Town Center Green.
- To enhance the plaza year-round we would create seasonal art elements like an umbrella walkway, flower quilt squares, and festive lighting.

Lower-Level Schematic




Office Space 1-2
Staff Break Room and Storage area
Office Space 2-3
Office Space 1
Internal conference room

BMA MEETING
December 12, 2024
MINUTES

Roll Call, Silent Prayer, Pledge of Allegiance

Mayor Williams called the meeting to order at 6:00 PM. Roll Call for attendance: Alderman Burnette, absent; Alderman Cain, yes; Vice-Mayor Meyer, yes; Alderman White, yes; Mayor Williams, yes; in additional to staff and member of the press.

Approval of Agenda

Motion was made to approve the agenda as presented. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Minutes

Motion was made to approve the minutes of November 14, 2024, as presented. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Mayor's Report

Mayor Williams thanked the staff for the Light the Park and Celebrate the Season events.

Alderman White reported that the new entrance to First Baptist Concord is open.

Ordinances & Resolutions
Ordinances
Public Hearing and Second Reading

Ordinance 24-21, Ordinance to amend the Farragut Municipal Code, Chapter 8, Business, Section 2. to replace the existing Business License in its entirety with a new ordinance titled Business Registration Program

Motion was made to approve Ordinance 24-21 on second and final reading. Moved by Vice-Mayor Meyer, seconded by Alderman Cain. Roll call vote; Alderman Burnette, absent; Alderman Cain, no; Vice-Mayor Meyer, yes; Alderman White, no; Mayor Williams, yes; motion failed.

First Reading

Ordinance 24-19, Ordinance to amend the Farragut Municipal Code, Appendix A., Zoning, Chapter 3., Section III., Rural Single-Family Residential District (R-1), Subsection B., Permitted Uses and Structures, to provide for a second detached single-family dwelling unit under certain conditions

Motion was made to approve Ordinance 24-19 on first reading. Moved by Vice-Mayor Meyer, seconded by Alderman White. Tyler Butler, applicant, had questions concerning the sanitary sewer requirements. Motion was made for Ordinance 24-19 to go back to the Farragut

Planning Commission for clarification to the requirement for the dwelling units to be on sanitary sewer. Moved by Mayor Williams, seconded by Vice-Mayor Meyer; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Ordinance 24-23, an Ordinance of the Town of Farragut, Tennessee amending the Fiscal Year 2024-2025 General Fund, Capital Investment Program and ARPA Fund budgets, passed by Ordinance 24-07

Motion was made to approve Ordinance 24-23 on first reading. Moved by Vice-Mayor Meyer, seconded by Alderman White. Roll call vote; Alderman Burnette, absent; Alderman Cain, no; Vice-Mayor Meyer, yes; Alderman White, no; Mayor Williams, yes; motion failed.

Business Items

Approval of Managed Services Provider Contract with TenHats

Motion was made to approve Managed Services Provider Contract with TenHats. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of contract with Henricksen for Farragut Town Hall furniture & fixtures through Omnia Contract #R221002 and Sourcewell Contract #091423-OFS

Motion was made to approve the contract with Henrickson for Farragut Town Hall furniture and fixtures through Omnia Contract #R221002 and Sourcewell Contract #091423-OFS in the amount of $268,154.33. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Contract for Town Hall Security & Installation

Motion was made to approve the contract with Everon in the amount of $121,813.96 for Town Hall Security and Installation. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Contract for Town Hall Security Licensing

Motion was made to approve the contract with Everon, in the amount of #35,116.85, for the Town Hall Security Licensing. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Purchase of Town Hall Network Equipment

Motion was made to approve the purchase from SHI Corp. for Town Hall Network Equipment through Omnia Contract #2018011-02 in the amount of $34,051.46. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Wright Construction Contract Change Order #1
Motion was made to approve the change order #1 with wright Construction not to exceed the amount of $110,832 in contract #2024-07 Farragut Town Hall Interior Renovations. The new contract amount will be $3,100,532 and to add 17 days to the contract. The new completion date is February 14, 2024. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Contract 2025-08, Farragut Fiber Optic Cable Infrastructure Project
Motion was made to approve contract 2025-08, Farragut Optic Cable Infrastructure Project, to Creek Enterprises LLC in the amount of $1,187,654. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Proposal from Cannon & Cannon for Construction Engineering Inspection (CEI) Services for the Farragut Fiber Optic Infrastructure Project
Motion was made to approve the professional services agreement with Cannon & Cannon for Construction Engineering Inspection (CEI) services in the amount of $150,000 for the Farragut fiber optic infrastructure project. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Approval of Utility Make Ready Work Agreements for the Farragut Fiber Optic Cable Infrastructure Project
Motion was made to approve the utility make ready work agreements, totaling $572,310, for the Farragut fiber optic cable infrastructure project. Moved by Vice-Mayor Meyer, seconded by Alderman White; voting yes, Mayor Williams, Vice-Mayor Meyer, Aldermen Cain, and White; Alderman Burnette was absent; no nays; motion passed.

Citizens Forum
Joe McBride, 11144 Hughland Drive, inquired about the status of the traffic study on Thronton Heights.
Joey Ruffalo, 11319 Campbell Lakes Drive, loaned the Town Christmas trees from the children's hospital gala.

Town Administrator's Report
David Smoak, Town Administrator, announced the following events:

- Campbell Station Skate continues
- Light the Park
- Wreaths Across America December 14 at Pleasant Forest Cemetery

The meeting adjourned at 6:46 PM.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

TOWN OF FARRAGUT

Farragut, Tennessee

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

Prepared By:
Allison M. Myers
Town Recorder

TOWN OF FARRAGUT, TENNESSEE

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INTRODUCTORY SECTION

December 30, 2024

The Board of Mayor and Aldermen and Citizens of the
Town of Farragut, Tennessee

The annual comprehensive financial report of the Town of Farragut, Tennessee, for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Farragut's MD&A can be found immediately following the report of the independent auditors.

The Town is required to undergo an annual audit in conformity with the provisions of generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. The Town's level of federal financial assistance for the fiscal year is above the amount that requires an audit in conformity with the provisions of the Single Audit Act and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Thus, an audit in conformity with this provision is required. The independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* and independent auditor's report on compliance for each major program and report on internal control over compliance required by Uniform Guidance is included.

The Reporting Entity and Its Services

The Town of Farragut is located in Knox County on the southwestern limits of the City of Knoxville, Tennessee, and in close proximity to the City of Oak Ridge, Tennessee. Farragut was first settled in the early 1800's and was basically an agrarian community until the early 1960's. It is now one of the most rapidly developing residential areas of Knox County.

The Town of Farragut was incorporated in 1980 as the citizens wished to have "control of their destiny" and planned orderly growth of commercial and residential areas. Farragut is primarily a bedroom community serving the business, educational, and industrial sectors of Knoxville, Tennessee, and the United States Government facilities located at Oak Ridge, Tennessee.

The Town of Farragut is unique in that it does not provide a full range of municipal services, nor does it levy any property taxes. The Town does provide street and drainage construction and maintenance, recreational activities, and facilities, planning and zoning, building codes enforcement, engineering, and administrative services. The Town also supports and maintains the Farragut Museum featuring an extensive collection of documents and memorabilia of Admiral David Glasgow Farragut, its namesake, who was born in the area, as well as a collection of local and Civil War art and artifacts.

The Knox County Board of Education provides educational services to students within the jurisdiction of the Town of Farragut. The county school system is a part of the government of Knox County. The Knox County Library Board opened a Farragut branch library on Campbell Station Road in 1997. Electrical service is provided by the Lenoir City Utility Board, Lenoir City, Tennessee; the First Utility District of Knox County provides water and sewer services; and natural gas is provided by the Knoxville Utility Board, Knoxville, Tennessee. The Knox County Sheriff's Department provides law enforcement and Rural/Metro Corporation, a private subscription fire department, provides fire protection. Private subscription companies including Tennessee Trash Service and Waste Management provide garbage collection. Each of these services was in place and in existence before the incorporation of the town on January 16, 1980.

The five-member Board of Mayor and Aldermen are elected to staggered four-year terms; the mayor runs at large; two aldermen are elected from each of the two wards. All elected officials serve without financial compensation. The Town Administrator is appointed by and serves at the pleasure of the Board of Mayor and Aldermen. All employees serve at the pleasure of the Town Administrator in accordance with the Town of Farragut Personnel Policies.

Economic Outlook

The Town has been successful for 44 years in meeting the demands of an increasing population without property taxes. The main sources of revenue are local sales tax, state-shared revenue and miscellaneous permits and fees.

The greater Knoxville five-county area enjoys a relatively stable economy and is somewhat insulated from national trends. This is due primarily to the two largest area employers: the University of Tennessee, and the three United States Department of Energy facilities in Oak Ridge, Tennessee – the Oak Ridge National Laboratory, the Y-12 nuclear weapons plant, and East Tennessee Technology Park, a former uranium enrichment facility. The University of Tennessee provides stable employment; the Oak Ridge/Department of Energy employment remains fairly stable.

Farragut's commerce consists mainly of small service-oriented commercial shopping areas. Employment within the Town is generally limited to retail sales and professional services which continue to grow.

Farragut's attractiveness is its small town, rural atmosphere and dedication to aesthetics. Stringent controls on zoning, building codes, and signage; regulations promoting the preservation of open space; the development of parks and recreational facilities; and excellent schools have made Farragut a very desirable place to live and raise a family. The growth is substantiated by an increase in population. The Town has experienced 1,196 single-family and 283 multi-family housing starts in the past ten years.

Major Initiatives

The major initiatives for Fiscal Year 2024 were the purchase of additional park land on McFee Road, completion of construction of the Little Turkey Creek greenway, installation of the Town Hall restroom building, completion of the engineering plans for the Union Road improvements and award of contract for the Virtue Road Phase II engineering plans.

Road/street resurfacing and sidewalk construction continues to be a priority. Resurfacing and maintenance costs for roads, streets, and sidewalks were $1,001,092.

Equipment purchases for Fiscal Year 2024 included the purchases of three GMC Terrains, two John Deere 1570 terrain cut commercial mowers, 2023 Ford F150 Super Cab, two 2024 Chevrolet Silverado's, 2024 GMC Terrain and two Nissan Frontiers. Some equipment was ordered in Fiscal Year 2023 but not received until Fiscal Year 2024. Equipment and vehicle purchases totaled $312,334 and were financed with current funds.

Current projects for Fiscal Year 2025 are improvements to the Campbell Station Inn, replacement of MBLP Field 1 and 2 turf, construction of McFee Park dog park, the engineering plans and construction of the pickleball complex at Mayor Bob Leonard Park, the Town Hall remodeling project and completion of the right-of-way acquisition for Union Road improvements. Road resurfacing and sidewalk construction are also planned.

Equipment to purchase in Fiscal Year 2025 includes the replacement of a 2013 John Deere tractor and a 2010 Dodge bucket truck.

Long-range plans include the widening and reconstruction of additional streets, the development of additional parkland, and continuing construction of a pedestrian circulation system.

Financial Information

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Town also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the financial staff of the Town.

As a part of the Town's audit, described earlier, the auditors considered the Town's internal control structure in order to determine the auditing procedures necessary, including that portion related to federal and state financial assistance programs, as well as to determine that the Town has complied with applicable laws and regulations. The results of the Town's audit for the fiscal year ended June 30, 2024, provide no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

In addition, the Town maintains a system of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town's governing body. Expenditures may not legally exceed appropriations authorized by the Board of Mayor and Aldermen. Any revision to the total expenditures of any fund must be approved by the board with an appropriate ordinance amendment.

General Government Functions

Revenue increased over the previous year's revenue by 3 percent. Local Taxes increased by 6 percent due to an increase in remittances from Knox and Loudon counties for sales taxes. Intergovernmental revenue, made up primarily of state taxes shared on a per capita basis with local governments, remained consistent with prior year. Expenditures increased by 9 percent from the previous year.

Fund Balance

As a result of this year's operations, the ending fund balance for all governmental fund types was $54,595,067. Of this total, the unassigned fund balance of the General Fund was $32,676,041. The administrative policy is to maintain a minimum reserve in the General Fund equal to thirty percent of the current annual operating budget of $10,809,103, or $3,242,731. Therefore, $29,433,310 was available for appropriation in future fiscal years.

Capital Improvements

Appropriations from the fund balance are generally utilized for specific capital improvement projects. Many of these projects are implemented over a multi-year schedule that requires continued appropriations or a carryover of the outstanding balances. All current and proposed capital projects will be financed without the issuance of debt obligations.

Other Funds and Designations

The Board of Mayor and Aldermen has established other funds and designations to provide revenue for specific projects, services, or other purposes. The revenue is appropriated from the General Fund and transferred into an individual fund. The Board of Mayor and Aldermen must adopt a budget with specific appropriations before funds may be expended. The board and management staff has established policies and goals for these funds and reserves that serve as guidelines for financial administration. This provides a sound financial base for the needs of the Town.

The following funds have been established:

Equipment Replacement Fund: Established to provide replacement of equipment or vehicles. Goal is to have adequate funds to finance the ten-year projected replacement schedule. Balance on June 30, 2024 is $989,533.

Capital Projects Fund: Established for major capital improvements such as construction and reconstruction of roads, installation of sidewalks, and development of recreational facilities. Goal is to maintain a balance necessary to fund scheduled projects. Balance on June 30, 2024 is $15,916,016.

Long-Range Financial Plan

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for budget appropriations to the Town Administrator. The Town Administrator, in concert with the Town Recorder, uses these requests as the starting point for development of a proposed budget. After meetings with department heads, the Town Administrator presents the budget to the Board of Mayor and Aldermen for approval. The board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town's fiscal year. The Town Administrator may make transfers of appropriations between departments. Transfers of appropriations between funds, however, require the approval of the Board of Mayor and Aldermen. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

The 2024-2025 budget process was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for all the Town's operating funds: General, State Street Aid, and Capital Investment Program. The State Street Aid plan presents the fund over eight fiscal years: four previous years, the adopted budget for FY25, and three projected years. The Capital Investment Program plan presents the fund over seven fiscal years: the adopted budget for FY25 and four projected years. The General Fund plan presents the fund over seven fiscal years: four previous years, the adopted budget for FY25, and two projected years. There are several benefits to these plans. First, the plans give future Boards a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on Town staff. The plans establish funding ceilings on recurring operating expenditures. Finally, the plans help the Town in absorbing the impact of economic booms and busts. The Town of Farragut is particularly susceptible to economic fluctuations due to its reliance on local sales tax.

The plan reflects the following assumptions based on historic trends and knowledge of economic conditions present when the budget was developed:

- The Town is hopeful regarding its FY25 sales tax collections based on the past twelve months of collections.
- The projected years of 2026 through 2035 assume conservative 2 percent annual increases.
- All other revenues during the planning horizon are expected to increase a conservative 2 percent per year as well.
- Approximately 67 percent of the General Fund's expenditures are associated with employee compensation.
- The General Fund makes contributions to the Town's Capital Investment, Equipment Replacement, ADA Capital Projects, and the State Street Aid funds. The total transfers to the funds for FY25 are $7,425,000.
- All operating expenditures for fiscal years 2026 through 2035 are adjusted for a 4 percent inflationary increase.
- For fiscal years 2025 through 2028, revenues are projected to exceed expenditures by an average of $4.6 million per year.
- The Town has prepared a long-term approach that allows organization to reduce the fund balance to a level of 30 percent of the operating expenditures, if needed. This allows the Town to maintain compliance with its fund balance policy and evaluate the Town's financial burden for non-reoccurring and capital expenditures.
- All long-term schedules can be found in the Fiscal Year 2025 budget document.

The long-range plan includes operating budget policies, financial structure policies of all funds and budget procedures.

Capital Assets

The Capital Assets of the Town include those assets used in the performance of general governmental functions as well as infrastructure (primarily roads). As of June 30, 2024, the Capital Assets of the Town totaled 70 million(net of accumulated depreciation). The amount carried on the books represents the estimated historical cost of the assets and is considerably less than the current value. Depreciation of Capital Assets is recognized in the Town's accounting system and was $2,076,834 for Fiscal Year 2024.

Independent Audit

State statues require an annual audit by independent Certified Public Accountants. The accounting firm of Pugh CPAs, Certified Public Accountants, was selected. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States. The auditors' report on the government-wide financial statements and combined and individual fund statements and schedules is included in the financial section of this report.

Awards

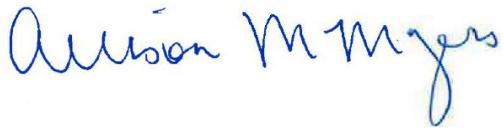
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Farragut for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable local requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the leadership and support of the Board of Mayor and Aldermen in planning and conducting the financial operations of the town in a responsible and progressive manner, nor without the efficient and dedicated services of the entire staff throughout the fiscal year.

Respectively Submitted,



Allison M. Myers
Town Recorder/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Farragut
Tennessee

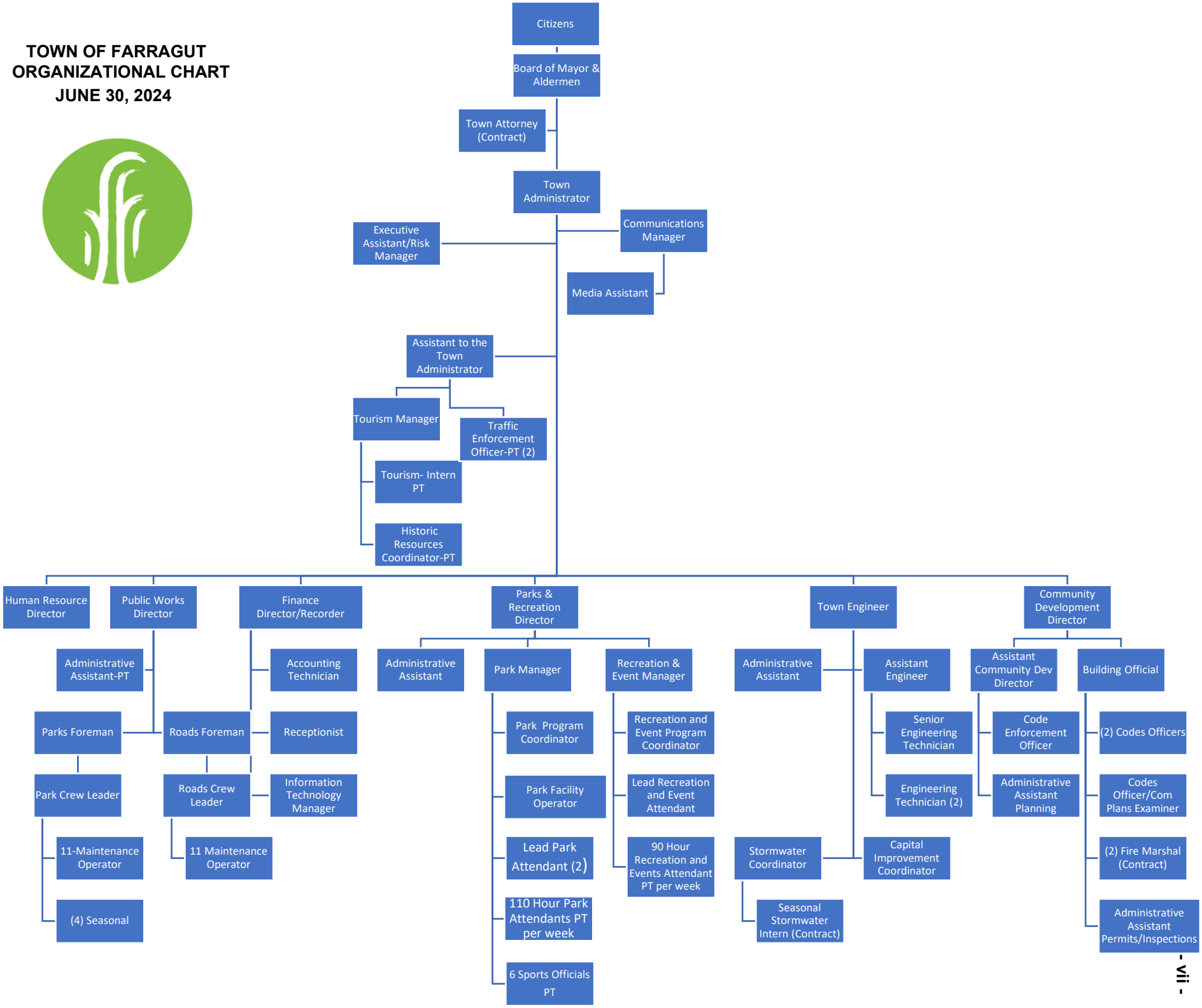
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

TOWN OF FARRAGUT
ORGANIZATIONAL CHART
JUNE 30, 2024



TOWN OF FARRAGUT, TENNESSEE

ROSTER OF TOWN OFFICIALS AND OTHERS

June 30, 2024

Board of Mayor and Aldermen

Ron Williams, Mayor

Louise Povlin, Vice-Mayor

David White, Alderman

Scott Meyer, Alderman

Drew Burnette, Alderman

Management

Town Judge	Keith Alley
Town Administrator	David Smoak
Town Recorder/Treasurer	Allison Myers
Community Development Director	Mark Shipley
Parks & Recreation Director	Ron Oestreich
Public Works Supervisor	William McKelvey
Town Engineer	Darryl Smith
Human Resources Manager	Michelle Pence

Independent Auditor

Travis D. Lowe, Vice President, CPA
Pugh & Company, P.C.
Knoxville, Tennessee

General Counsel

Thomas M. Hale, Attorney at Law
Kramer Rayson, LLP
Knoxville, Tennessee

FINANCIAL SECTION

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen
Town of Farragut, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparison statement for the general fund, the fiduciary activities, and the aggregate remaining fund information of the Town of Farragut, Tennessee (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in the financial position and the respective budgetary comparison statement for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standard generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages xii – xviii and required supplementary information on pages 35 – 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information section as listed in the table of contents and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* on pages 55 – 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounts and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the other supplementary information section and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical information sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Farragut's (the Town) Annual Financial Report presents a narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2024 by $124.2 million (net position). Of this amount, $51.9 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2024, the Town's governmental funds reported combined ending fund balance of $54.8 million. Approximately 60% of this total amount ($32.8 million) is unassigned fund balance available for spending at the government's discretion.
- At June 30, 2024, total unrestricted fund balance for the general fund was $32.9 million. The unassigned portion of unrestricted fund balance is $32.9 million, which is 347% of total general fund expenditures of $9.5 million.
- The Town has no outstanding long-term debt. Long-term liabilities consist of compensated absences totaling $229 thousand and lease liabilities totaling $6 thousand.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflow of resources, liabilities and deferred inflow of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as expenses pertaining to earned but unused compensated absences.

Both of the government-wide statements pertain to functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include street and drainage construction and maintenance, recreation, planning and zoning, building codes enforcement, engineering, and administrative services.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are reported in governmental funds. These statements, however, focus on near term inflows and outflows of spendable resources and spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds organized according to their type (general, special revenue, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, ARPA Fund, and the Capital Projects Fund which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements.

The Town adopts an annual appropriated budget for the general, special revenue, and capital projects funds. Budgetary comparison statements have been provided in the basic financial statements for the general and special revenue funds to demonstrate compliance with the budget. Budgetary comparison statements for the capital projects funds are included in Other Supplementary Information.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Combining Statements

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE STATEMENTS FINANCIAL ANALYSIS

The Town presents the following comparative analysis of government-wide net position:

Condensed Statement of Net Position
Governmental Activities

	2024	2023
Assets		
Current and Other Assets	$ 61,585,331	$ 59,928,851
Capital Assets, Net	70,131,085	59,061,200
Total Assets	131,716,416	118,990,051
Deferred Outflows of Resources	3,825	19,666
Total Assets and Deferred Outflows of Resources	$ 131,720,241	$ 119,009,717
Liabilities, Deferred Inflows and Net Position		
Liabilities		
Current Liabilities	$ 6,426,883	$ 8,363,924
Long-Term Liabilities	670,343	713,247
Total Liabilities	7,097,226	9,077,171
Deferred Inflows of Resources	434,213	360,660
Net Position		
Net Investment in Capital Assets	69,225,910	57,821,014
Restricted	3,078,560	2,504,875
Unrestricted	51,884,332	49,245,997
Total Net Position	124,188,802	109,571,886
Total Liabilities, Deferred Inflows and Net Position	$ 131,720,241	$ 119,009,717

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $124.0 million at June 30, 2024.

The largest portion of the Town's net position (55.7%) reflects its investment of $69.2 million in capital assets (e.g. land, buildings, infrastructure, improvements, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the Town's net position, $2.5 million (2.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $51.9 million (42.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position for the government as a whole.

Analysis of Change in Net Position

The Town's net position increased by $14.6 million during the current fiscal year as shown below:

Condensed Statement of Activities
Governmental Activities

	2024	2023
Program Revenues		
Charges for Services	$ 1,756,084	$ 1,986,202
Operating Grants and Contributions	117,594	9,211
Capital Grants and Contributions	5,758,280	2,364,008
General Revenues		
Sales Taxes	13,290,805	12,371,784
Wholesale Beer and Liquor Taxes	1,682,008	1,679,335
Other State Taxes	1,248,960	1,287,166
Room Occupancy Tax	569,655	587,028
TVA In-Lieu Taxes	288,068	282,619
Interest	2,800,911	1,730,489
Other Revenues	23,957	878,796
Total Revenues	27,536,322	23,176,638
Program Expenses		
General Government	8,365,876	7,976,873
Public Works	4,553,530	4,613,387
Total Program Expenses	12,919,406	12,590,260
Change in Net Position	14,616,916	10,586,378
Net Position at Beginning of Year	109,571,886	98,917,404
Restatement	0	68,104
Net Position at End of Year	$ 124,188,802	$ 109,571,886

The $14.6 million increase in net position is the result of $27.5 million in revenues offset by $12.9 million in expenses in the current year. Revenues of $27.5 million increased by $4.4 million over prior year revenues, primarily due to increases in sales taxes, capital grants, and interest. Sales taxes increased $919 thousand primarily due continued growth in Town's sales tax base. Capital grants increased $3.4 million primarily due to recognition of grant revenues used to fund the expansion of capital projects. Interest increased $1.1 million primarily to more favorable interest rates during the current period. Expenses of $12.9 million increased by $329 thousand during the year, primarily due to an increase in overall General Government costs of $389 thousand. This increase is primarily due to increased personnel costs and continued rising costs of products and services.

FUND STATEMENTS FINANCIAL ANALYSIS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Town include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of $54.8 million, an increase of $3.5 million over the prior year. Approximately $32.8 million of this total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is either nonspendable, restricted, or assigned to indicate that it is not available for new spending because it represents prepayments, or it has already been restricted or assigned under the Town's tentative plans.

Revenues for governmental functions overall totaled approximately $27.5 million in the fiscal year ended June 30, 2024, which represents an increase of 18.8% over the fiscal year ended June 30, 2023. Expenditures for governmental functions, totaling $24.0 million, an increase of 57.8% over the fiscal year ended June 30, 2023. In the fiscal year ended June 30, 2024, revenues for governmental functions exceeded expenses by $3.4 million or 12.3% of revenues.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was $33.1 million of which $165 thousand was assigned by management for specific purposes. Additionally, $56 thousand was committed to specific items. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents approximately 347% of total general fund expenditures of $9.5 million, while total fund balance represents approximately 350% of that same amount.

In the General Fund, sales taxes increased by $825 thousand due to increased collections from merchants and wholesalers; interest increased by $455 thousand due to more favorable interest rates; other revenues decreased $800 thousand primarily due to received settlement proceeds in the prior fiscal year. Regarding General Fund expenditures, general government expenditures increased by $616 thousand over fiscal year 2023 due mostly to the additional positions and salaries and health insurance costs, while public works expenditures increased by $103 thousand over Fiscal Year 2023 due primarily to increase in salaries and employee benefits in addition to an increase in repairs and maintenance expenses.

In the Capital Projects Fund, assigned fund balance was $15.9 million at the end of the current fiscal year, an increase of $1.5 million over the prior year.

In the Capital Projects Fund, revenues increased by $1.7 million due to increases in grants funding received. Expenditures increased by $6.5 million from Fiscal Year 2024 due to an increase in expenditures for capital outlay. The increase in capital outlay in the Capital Projects Fund is primarily due to continued project costs for signal upgrades costs for the McFee Road project.

In the ARPA Fund, revenues increased by $1.9 million due to increases in grant funding recognition. Expenditures increased by $1.9 million from Fiscal Year 2024 due to an increase in expenditures for capital outlay. The increase in capital outlay in the ARPA fund is primarily due to continued expenditures for on-going stormwater projects and town hall renovations.

In the remaining non-major funds, fund balance was $5.5 million at the end of the current fiscal year, an increase of $922 thousand over the prior year. Expenditures decreased by $267 thousand over Fiscal Year 2023 due to decreased spending in the State Street Aid Fund and Equipment Replacement Fund.

Budget Highlights

General Fund

During the year, actual revenues exceeded budgetary estimates by $3.3 million in the General Fund. This is due primarily to higher-than-anticipated local and state sales taxes, code enforcement services, recreation fees and interest. Actual expenditures were below budgetary estimates by $1.4 million in the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets and Debt Administration

The Town's capital assets for its governmental activities as of June 30, 2024 amount to $70.1 million (net of accumulated depreciation), an increase of $11.0 million over the June 30, 2023 total. Capital assets include land, buildings, infrastructure, improvements, furniture, fixtures, and equipment, transportation equipment, the Admiral Farragut Collection, and construction in progress. The following table reflects the capital assets at the end of both the current and prior fiscal years:

Capital Assets, Net of Depreciation
Governmental Activities

	2024	2023
Land	$ 6,484,504	$ 6,484,504
Admiral Farragut Collection	120,957	120,957
Construction-in-Progress	17,153,287	6,305,554
Buildings	3,091,501	3,091,501
Improvements	24,524,896	23,056,255
Furniture, Fixtures, and Equipment	3,201,333	3,203,881
Transportation Equipment	814,245	613,577
Infrastructure	37,558,156	37,040,145
Lease Assets - Infrastructure	18,564	18,564
Total Capital Assets	92,967,443	79,934,938
Less: Accumulated Deprecation/Amortization	22,836,358	20,873,738
Net Capital Assets	$ 70,131,085	$ 59,061,200
Net Capital Assets - Beginning	$ 59,061,200	$ 55,992,528
Increase/(Decrease) in Net Capital Assets	11,069,885	3,068,672
Net Capital Assets - Ending	$ 70,131,085	$ 59,061,200

Major capital asset events during the current fiscal year included the following:

- Town Hall renovations and improvements.
- Acquisition of various equipment and vehicles for use in governmental activities.
- Completion of the Little Turkey Creek Greenway
- McFee Road land purchase.
- Traffic signal enhancements.
- Various road improvements.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Please refer to the Notes to Financial statements (See Note 5 - Capital Assets) for further information regarding capital assets.

At the end of the current fiscal year, the Town had no long-term debt. Long-term liabilities consist of compensated absences and lease liabilities as presented below:

	2024	2023
Compensated Absences	$ 229,999	$ 225,863
Lease Liabilities	5,679	8,311
	$ 235,678	$ 234,174

Please refer to the Notes to Financial statements (See Note 7 - Long-Term Liabilities) for further information regarding long-term liabilities.

Outstanding Long-Term Liabilities
Governmental Activities

OTHER MATTERS

The General Fund expenditures in Fiscal Year 2025 are budgeted at $11,173,602. The budget adequately covers the operational needs of all departments and investments in equipment, technology and other resources that allow staff to deliver services effectively. Also included in the Fiscal Year 2025 budget are transfers to other funds, including a $725,000 transfer to the Equipment Replacement Fund, a $5,000,000 transfer to the Capital Investment Fund, $1,500,000 to the State Street Aid Fund, $50,000 to the Insurance Fund and a $150,000 transfer to the ADA Capital Fund.

The Town of Farragut budget for FY2025 is balanced with revenues exceeding expenditures. There is no debt in the current budget. The Town has been debt free since 2001.

Fiscal Year 2025 projected revenue for the General Fund is $17,027,108, up $1,980,534 or 9% from the Fiscal Year 2024 budget of $15,502,240. The single largest source of the Town's revenue comes from local sales tax at 60%. State sales tax is the second largest at 19% followed by wholesale drink tax at 9%. The Town estimates and budgets the revenues for each fiscal year very conservatively. This is due to the primary source of revenue being local sales tax and state sales tax.

The Town's Fiscal Year 2025 Capital Investment Program (CIP) is $17,630,216. The CIP budget emphasizes the continuation of investing in the design and construction of capital projects and major infrastructure. Some areas of focus are the purchase of land for expansion of our parks, park enhancements, road improvements and new pedestrian connections – all essential to future growth and development.

The fiscal 2025 budget will provide the excellent services that the citizens of Farragut have grown accustomed to receiving. This level of service is directly attributable to the Town's well-trained and dedicated workforce coupled with the support of a progressive Board of Mayor and Alderman.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and Town Aldermen with a general overview of the Town's finances. If you have any questions about this report or need additional information, contact:

Town of Farragut, Tennessee
11408 Municipal Center Drive
Farragut, Tennessee 37934
(865) 966-7057

BASIC FINANCIAL STATEMENTS

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 56,496,357
Accounts Receivable	2,565,394
Due from Other Governments	2,002,072
Lease Receivable	456,161
Prepaid Items and Other	65,347
Capital Assets:	
Nondepreciable	23,758,748
Depreciable Assets, Net of Accumulated Depreciation	46,372,337
Total Assets	131,716,416
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Other Post-Employment Benefits Outflows	3,825
Total Deferred Outflows of Resources	3,825
LIABILITIES	
Accounts Payable	1,168,868
Accrued Liabilities	244,612
Unearned Grant Revenue	5,013,403
Long-Term Liabilities	
Due Within One Year	232,766
Due in More Than One Year:	
Lease Obligations	2,912
Other Post-Employment Benefit Liability	434,665
Total Liabilities	7,097,226
DEFERRED INFLOWS OF RESOURCES	
Deferred Other Post-Employment Benefits Inflows	31,633
Deferred Lease Revenue	402,580
Total Deferred Inflows of Resources	434,213
NET POSITION	
Net Investment in Capital Assets	69,225,910
Restricted for:	
State Street Aid	2,842,847
Capital Projects	235,713
Unrestricted	51,884,332
Total Net Position	$ 124,188,802

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
General Government	$ 8,365,876	$ 1,756,084	$ 117,594	$ 0	$ (6,492,198)
Public Works	4,553,530	0	0	5,758,280	1,204,750
Total Governmental Activities	$ 12,919,406	$ 1,756,084	$ 117,594	$ 5,758,280	(5,287,448)
	General Revenues:				
	Sales Taxes				13,290,805
	Wholesale Beer and Liquor Taxes				1,682,008
	Other State Taxes				1,248,960
	Room Occupancy Tax				569,655
	TVA In-Lieu of Taxes				288,068
	Interest				2,800,911
	Other Revenues				23,957
	Total General Revenues				19,904,364
	Change in Net Position				14,616,916
	Net Position - Beginning				109,571,886
	Net Position - Ending				$ 124,188,802

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	General	Capital Projects	ARPA	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 31,222,283	$ 14,472,347	$ 5,375,241	$ 5,426,486	$ 56,496,357
Accounts Receivable	166,033	2,046,265	331,576	21,520	2,565,394
Lease Receivable	456,161	0	0	0	456,161
Due from Other Governments	1,928,177	0	0	73,895	2,002,072
Due from Other Funds	5,763	57,350	0	0	63,113
Prepaid Items	64,847	0	0	0	64,847
Other Assets	500	0	0	0	500
Total Assets	$ 33,843,764	$ 16,575,962	$ 5,706,817	$ 5,521,901	$ 61,648,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 87,051	$ 659,946	$ 400,351	$ 21,520	$ 1,168,868
Accrued Liabilities	244,612	0	0	0	244,612
Due to Other Funds	0	0	57,350	5,763	63,113
Unearned Grant Revenue	0	0	5,013,403	0	5,013,403
Total Liabilities	331,663	659,946	5,471,104	27,283	6,489,996
Deferred Inflows of Resources					
Deferred Inflows - Leases	402,580	0	0	0	402,580
Fund Balances					
Nonspendable	51,476	0	0	0	51,476
Restricted	0	0	235,713	2,842,847	3,078,560
Committed	55,692	0	0	0	55,692
Assigned	165,511	15,916,016	0	2,651,771	18,733,298
Unassigned	32,836,842	0	0	0	32,836,842
Total Fund Balances	33,109,521	15,916,016	235,713	5,494,618	54,755,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,843,764	$ 16,575,962	$ 5,706,817	$ 5,521,901	$ 61,648,444

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Ending Fund Balance - Governmental Funds		$ 54,755,868
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital Assets	$ 92,967,443	
Less: Accumulated Depreciation	(22,836,358)	70,131,085
Long-term liabilities, including compensated absences, lease obligations, net pension liability, and other post-employment benefits liability are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences	(229,999)	
Lease Obligations	(5,679)	
Net Other Post-Employment Benefits Liability	(434,665)	(670,343)
Deferred outflows increase the amount of net position reported in the statement of net position, but are not reported as assets in the funds. Similarly, deferred inflows decrease the amount of net position reported in the statement of net position, but are not reported as liabilities in the funds.		
Deferred Outflows Related to Other Post-Employment Benefits	3,825	
Deferred Inflows Related to Other-Post-Employment Benefits	(31,633)	(27,808)
Net Position of Governmental Activities		$ 124,188,802

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

	General Fund	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local Taxes:					
Local Option Sales Taxes	$ 10,406,132	$ 0	$ 0	$ 0	$ 10,406,132
Other Taxes	1,602,210	0	0	558,903	2,161,113
Intergovernmental:					
State Taxes	3,393,038	0	0	820,393	4,213,431
Other Local Revenues	288,068	0	0	0	288,068
Grants	0	3,631,399	2,126,881	117,594	5,875,874
Charges for Services	1,560,791	0	0	0	1,560,791
Fines, Forfeitures and Court Costs	57,109	0	0	0	57,109
Interest	1,352,028	830,521	347,701	270,660	2,800,910
Other Revenues	148,939	0	0	23,957	172,896
Total Revenues	18,808,315	4,461,920	2,474,582	1,791,507	27,536,324
Expenditures					
Current:					
General Government	6,906,128	0	0	421,085	7,327,213
Public Works	2,546,097	0	0	1,001,092	3,547,189
Capital Outlay	0	10,479,059	2,355,326	312,334	13,146,719
Total Expenditures	9,452,225	10,479,059	2,355,326	1,734,511	24,021,121
Net Change in Fund Balance Before Other Financing Sources (Uses)	9,356,090	(6,017,139)	119,256	56,996	3,515,203
Other Financing Sources (Uses):					
Transfers In	0	7,500,000	0	865,000	8,365,000
Transfers Out	(8,365,000)	0	0	0	(8,365,000)
Total Other Financing Sources (Uses)	(8,365,000)	7,500,000	0	865,000	0
Net Change in Fund Balances	991,090	1,482,861	119,256	921,996	3,515,203
Fund Balances, July 1st	32,118,431	14,433,155	116,457	4,572,622	51,240,665
Fund Balances, June 30th	$ 33,109,521	$ 15,916,016	$ 235,713	$ 5,494,618	$ 54,755,868

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Net Change in Fund Balances – Total Governmental Funds		$ 3,515,203
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Assets Purchased	$ 13,146,719	
Depreciation Expense	(2,076,834)	
Net Change in Capital Assets		11,069,885
Certain assets, liabilities, deferred inflows, and deferred outflows accounted for using the economic resources focus and accrual basis of accounting are reported in the Statement of Net Position but are not report in the fund financial statements, which include only items that are accounted for using current financial resources measurement and modified accrual basis of accounting. These amounts do not provide or require the use of current financial resources and, therefore, are not reflected in the revenues and expenditures of governmental funds.		
Change in Assets and Deferred Outflows of Resources		
Deferred Pension Outflows	(19,510)	
Deferred Other Post-Employment Benefit Outflows	3,669	(15,841)
Change in Liabilities and Deferred Inflows of Resources		
Net Pension Liability	45,543	
Other Post-Employment Benefit Liability	(1,135)	
Compensated Absences	(4,136)	
Lease Obligations	2,632	
Deferred Other Post-Employment Benefit Inflows	4,765	47,669
Change in Net Position of Governmental Activities		$ 14,616,916

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Taxes				
Local Option Sales Taxes	$ 9,350,000	$ 9,350,000	$ 10,406,132	$ 1,056,132
Wholesale Beer Tax	615,000	615,000	636,438	21,438
Wholesale Liquor Tax	570,000	570,000	623,885	53,885
Cable Television Franchise Tax	375,000	375,000	341,887	(33,113)
Total Local Taxes	10,910,000	10,910,000	12,008,342	1,098,342
Intergovernmental				
State Sales Tax	2,750,000	2,750,000	2,884,673	134,673
State Beer Tax	11,600	11,600	5,662	(5,938)
Street Transportation and Street Aid	45,000	45,000	43,042	(1,958)
TVA In-Lieu Taxes	280,000	280,000	288,068	8,068
Sports Wagering Tax	27,000	27,000	43,638	16,638
Mixed Drink Tax	360,000	360,000	416,023	56,023
Total Intergovernmental	3,473,600	3,473,600	3,681,106	207,506
Charges for Services				
Code Enforcement Services	505,400	505,400	761,342	255,942
Planning Services	34,500	34,500	56,613	22,113
Public Safety	90,000	90,000	88,059	(1,941)
Recreation Fees	232,500	232,500	447,311	214,811
Community Center	25,000	25,000	63,885	38,885
Rent and Lease Revenue	103,340	103,340	143,581	40,241
Total Charges for Services	990,740	990,740	1,560,791	570,051
Fines, Forfeitures and Court Costs				
Fines and Costs	5,000	5,000	27,379	22,379
Clerk's Fees	300	300	260	(40)
Licenses	19,100	19,100	29,470	10,370
Total Fines, Forfeitures and Court Costs	24,400	24,400	57,109	32,709
Interest Income	105,160	105,160	1,352,028	1,246,868
Other Revenues	3,500	3,500	148,939	145,439
Total Revenues	15,507,400	15,507,400	18,808,315	3,300,915

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures:				
General Government				
Legislative				
Operating Expenditures	55,490	55,490	33,816	21,674
Materials and Supplies	550	550	107	443
Total Legislative	56,040	56,040	33,923	22,117
Town Court				
Salaries	87,400	87,400	81,159	6,241
Fringe Benefits	7,052	7,052	7,242	(190)
Operating Expenditures	100	100	26	74
Materials and Supplies	100	100	20	80
Total Town Court	94,652	94,652	88,447	6,205
Town Administration				
Salaries	836,425	873,731	787,547	86,184
Fringe Benefits	349,828	349,828	283,645	66,183
Operating Expenditures	161,108	184,108	177,627	6,481
Materials and Supplies	4,000	4,000	2,528	1,472
Total Town Administration	1,351,361	1,411,667	1,251,347	160,320
Information Technologies				
Salaries	95,596	95,596	97,014	(1,418)
Fringe Benefits	30,520	30,520	29,780	740
Operating Expenditures	563,200	563,200	458,442	104,758
Total Information Technologies	689,316	689,316	585,236	104,080
Community Development				
Salaries	699,863	699,863	724,495	(24,632)
Fringe Benefits	341,602	341,602	355,314	(13,712)
Operating Expenditures	251,350	295,850	259,501	36,349
Materials and Supplies	13,500	9,000	5,944	3,056
Total Community Development	1,306,315	1,346,315	1,345,254	1,061

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures (Continued):				
Engineering				
Salaries	635,899	635,899	593,224	42,675
Fringe Benefits	297,870	303,410	259,724	43,686
Operating Expenditures	96,480	90,240	53,542	36,698
Materials and Supplies	5,300	6,000	5,464	536
Capital Outlay	45,660	45,660	10,806	34,854
Total Engineering	1,081,209	1,081,209	922,760	158,449
General Government Buildings				
Operating Expenditures	213,550	213,550	97,300	116,250
Repairs and Maintenance	43,200	43,200	33,789	9,411
Total General Government Buildings	256,750	256,750	131,089	125,661
Parks and Recreation				
Salaries	548,243	548,243	557,316	(9,073)
Fringe Benefits	213,958	213,958	193,753	20,205
Operating Expenditures	333,530	333,530	259,943	73,587
Materials and Supplies	38,285	38,285	29,672	8,613
Total Parks and Recreation	1,134,016	1,134,016	1,040,684	93,332
Human Resources				
Salaries	117,968	117,968	119,512	(1,544)
Fringe Benefits	66,928	66,928	65,392	1,536
Operating Expenditures	29,860	29,860	29,569	291
Total Human Resources	214,756	214,756	214,473	283
Community Center				
Salaries	246,005	247,005	214,141	32,864
Fringe Benefits	54,403	59,903	56,302	3,601
Operating Expenditures	274,950	236,550	112,158	124,392
Materials and Supplies	24,500	22,700	13,260	9,440
Repairs and Maintenance	55,500	89,200	44,090	45,110
Total Community Center	655,358	655,358	439,951	215,407
Economic Development				
Operating Expenditures	116,600	129,100	119,510	9,590
Total Economic Development	116,600	129,100	119,510	9,590

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures (Continued):				
Non-Departmental				
Operating Expenditures	227,000	417,000	253,264	163,736
Liability Insurance	55,000	72,000	54,576	17,424
Property Insurance	75,000	85,000	84,636	364
Community Support	135,500	135,500	135,500	0
Taxes Shared with Knox County Schools	180,000	180,000	205,478	(25,478)
Total Non-Departmental	672,500	889,500	733,454	156,046
Total General Government	7,628,873	7,958,679	6,906,128	1,052,551
Public Works				
Salaries	1,464,760	1,474,760	1,334,215	140,545
Fringe Benefits	862,164	862,164	741,189	120,975
Operating Expenditures	143,500	133,500	116,387	17,113
Materials and Supplies	65,000	81,500	79,148	2,352
Maintenance and Repairs	176,000	157,000	147,488	9,512
Capital Outlay	139,000	141,500	127,670	13,830
Total Public Works	2,850,424	2,850,424	2,546,097	304,327
Total Expenditures	10,479,297	10,809,103	9,452,225	1,356,878
Net Change in Fund Balance Before Other Financing Sources (Uses)	5,028,103	4,698,297	9,356,090	4,657,793
Other Financing Sources (Uses)				
Operating Transfers Out	(8,365,000)	(8,365,000)	(8,365,000)	0
Total Other Financing Sources (Uses)	(8,365,000)	(8,365,000)	(8,365,000)	0
Net Change in Fund Balance	(3,336,897)	(3,666,703)	991,090	4,657,793
Fund Balance, July 1st	32,118,431	32,118,431	32,118,431	0
Fund Balance, June 30th	$ 28,781,534	$ 28,451,728	$ 33,109,521	$ 4,657,793

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION –
PENSION AND OPEB TRUST FUNDS

June 30, 2024

	Pension and OPEB Trust Funds
ASSETS	
Cash and Cash Equivalents	$ 4,542
Investments	
Mutual Funds - Equity	26,108
Mutual Funds - Fixed Income	7,931
Total Investments	34,039
Total Assets	38,581
LIABILITIES	747
NET POSITION	
Restricted for Pension	0
Restricted for OPEB	37,834
Total Net position	37,834
Total Net Position and Liabilities	$ 38,581

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION AND OPEB TRUST FUNDS**

For the fiscal year ended June 30, 2024

	Total Pension and OPEB Trust Funds
ADDITIONS	
Contributions - Employer	$ 64,668
Investment Income (Loss):	
Interest and Dividend Income	10,919
Net Appreciation (Depreciation) in Fair Value of Investments	6,797
Total Investment Income (Loss)	17,716
Total Additions	82,384
DEDUCTIONS	
Benefits and Refunds	408,234
Administrative Expenses	2,547
Total Deductions	410,781
CHANGE IN NET POSITION	(328,397)
NET POSITION - RESTRICTED FOR PENSION AND OPEB, BEGINNING OF YEAR	366,231
NET POSITION - RESTRICTED FOR PENSION AND OPEB, END OF YEAR	$ 37,834

The accompanying notes are an integral part of these financial statements.

TOWN OF FARRAGUT, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) FINANCIAL REPORTING ENTITY

The Town of Farragut, Tennessee (the Town), operates under a Mayor and Board of Aldermen form of government and is organized into the following departments: Administration, Engineering, Community Development, Public Works, and Parks and Recreation.

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) followed in the United States of America. The Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The GASB periodically issues new or reviewed standards that are implemented by the Town. The Town is a primary government and has no component units.

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. *Business-type activities* rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal year.

The Town currently has no business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses, including depreciation, of the various departments of the Town are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Interest on general long-term debt and depreciation expense on assets shared by multiple departments are not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. However, interfund services, if any, are not eliminated. Net interfund activity is shown in the government-wide financial statements.

The fund financial statements emphasis is on the major funds. Non-major funds are summarized into a single column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION

The Town uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the Town's financial management by segregating transactions related to certain functions or activities. The following categories are used by the Town:

Governmental Fund Types

Governmental funds are those through which most of the governmental functions of the Town are financed. The focus of governmental fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income. Governmental funds include the following fund types:

General Fund: The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other major capital projects) that are legally restricted to expenditures for specific purposes. There are no special revenue funds presented as major funds in the basic financial statements as follows.

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. There are two capital projects fund presented as a major funds in the basic financial statements as follows:

Capital Projects Fund: The Capital Projects Fund is used to account for the primary capital improvement projects of the Town.

ARPA Fund: The ARPA Fund is used to account for expenditures incurred for the use of ARPA grant funding.

Fiduciary Fund Types

Pension and OPEB Trust Funds: These funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plan and other postemployment benefit plans.

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the source and use of liquid resources, and 3) demonstrate how the Town's actual experience conforms to the annual budget. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Revenues susceptible to accrual include local sales tax, state-shared sales tax, other state-shared taxes, highway user tax, wholesale beer and liquor taxes, and interest earned on pooled investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the Town; therefore, revenues are based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town reports deferred revenues in the governmental funds if the potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town of Farragut has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

As a general rule, the effect of interfund activity, except for interfund services, has been eliminated from the government-wide financial statements. At June 30, 2024, there were no significant encumbrances in the major and non-major funds of the Town.

Amounts reported as program revenue include 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular department, and 3) capital grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department are included as general revenues. The general revenues support the net costs of the departments not covered by program revenues.

When both restricted and unrestricted resources are available for use, it is the Town of Farragut’s policy to use restricted resources first, then unrestricted resources, as they are needed.

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES

Deposits and Investments - Cash and cash equivalents include cash on hand, bank deposits and short-term investments with maturities of three months or less at the time of purchase, including deposits with the State Treasurer’s Local Government Investment Pool (LGIP). The Town pools substantially all of its cash and cash equivalents. All bank deposits are fully insured by the Tennessee Investment Collateral Pool.

Deposits with LGIP may be withdrawn with a maximum of one day’s notice and are valued at cost. The State Pooled Investment Fund, of which LGIP is a part, is managed like a Rule SEC 2a-7 fund. The same investment guidelines are followed, but the State Pooled Investment Fund is not reported to the SEC.

The State Pooled Investment Fund is governed by the State Funding Board in accordance with Tennessee Code Annotated. The Funding Board is comprised of the State Treasurer, the Comptroller, the Commissioner of Finance and Administration, the Secretary of State and the Governor. Reporting is done monthly, quarterly and annually and there are regularly scheduled meetings. The Funding Board has developed an Investment Policy which meets Rule SEC 2a-7 requirements and State laws.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES (Continued)

Receivables - All receivables are shown net of an allowance for uncollectible accounts.

Prepaid Items - Prepaid items consist of payments to vendors for costs applicable to future accounting periods. Expenditure recognition is deferred until the period the prepaid items are actually consumed or used (consumption method).

Leases - For leases in which the Town is a lessor, the Town recognizes a lease receivable and a deferred inflow of resources at the commencement date of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the amount of the initial measurement of the lease receivable, plus any payments received at of before the commencement of the lease term that relate to future periods. The Town recognizes interest revenue on the lease receivable and rental revenue from the deferred inflows of resources on a straight-line basis over the term of the lease.

For leases in which the Town is a lessee, the Town recognizes a lease liability and a lease asset at the commencement of the lease term. The lease liability is measured at the present value of payments expected to be made during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term. The Town reduces the lease liability as payments are made and recognized expense for interest on the liability. The Town amortizes the lease asset over the shorter of the lease term or the useful life of the underlying asset.

Capital Assets - Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives (land and construction-in-progress are not depreciated):

Assets	Useful Life (Years)
Building	50
Improvements	20-50
Equipment and Vehicles	5-25
Infrastructure	25-50

Deferred Outflows of Resources/Inflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES (Continued)

Compensated Absences - Accumulated unpaid annual leave is accrued in the government-wide statements. Long-term liabilities of the governmental funds are not shown on the fund financial statements, as these benefits are not expected to be liquidated with expendable available financial resources. Upon resignation or retirement, accrued annual leave may be paid for leave earned as of the resignation or retirement date. Annual leave may be accrued up to a maximum of 240 hours at the end of each calendar year. Any unused annual leave above the maximum limit on January 1st of each year shall be forfeited. Permanent employees are granted annual leave in varying amounts as follows:

Time of Service	Accrual Rate
Less than three (3) years	8 hours per month
Three (3) to ten (10) years	12 hours per month
Ten (10) to twenty (20) years	16 hours per month
Over twenty (20) years	20 hours per month

Long-Term Obligations - In the government-wide financial statements, long-term debt (if applicable) and other long-term obligations are reported as liabilities in the governmental activities. Debt premiums are deferred and amortized over the life of the debt. Debt payable is reported net of the applicable premium or discount.

In the fund financial statements, when applicable, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the period in which the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position and Fund Balance - Government-wide net position is classified into three components. “Net investment in capital assets” consists of capital assets net of accumulated depreciation and reduced by outstanding debt used to finance the purchase or construction of those assets. “Restricted” net position is noncapital net position that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the Town. “Unrestricted” net position is remaining net position that does not meet the definition of the other two categories.

Governmental fund balance is classified as fund balance. The City follows GASB No. Statement 54, *Fund Balance and Governmental Fund Type Definitions.* Under this statement fund balances are classified into the following categories:

a. Nonspendable fund balances comprise those amounts that cannot be spent due to their form (e.g. inventory and prepaids) or funds that legally or contractually are required to be maintained intact.

a. Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitutional provisions or enabling legislation.

b. Committed fund balances comprise those amounts that are set aside for a specific purpose by the Town’s highest level of decision making authority (Board of Mayor and Aldermen) through its highest level of formal action (ordinance). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

c. Assigned fund balances consist of amounts that are set aside with the intent to be used for a specific purpose by the Town’s highest level of decision making body. Assigned fund balances may not cause a deficit in unassigned fund balance.

d. Unassigned fund balances consist of excess funds that have not been classified in the previous four categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES (Continued)

The Board of Mayor and Aldermen has granted the Town Administrator the authority to assign funds for specific purposes in an amount not to exceed $20,000 per purpose or in total not to exceed $200,000.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds are spent first, assigned funds next, and unassigned funds last.

Pension Plan - For purposes of measuring the net pension liability, pension expense, and deferred outflows and inflows of resources related to the single-employer pension plan, management determines these amounts using the same basis as they are reported in the pension trust fund financial statements. Benefit payments are recognized by the Plan when due and payable in accordance with benefit terms and the Plan reports its investments at estimated fair value. The Plan's financial statements are presented in the accompanying financial statements as a pension trust fund.

Use of Estimates - The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses/expenditures, and the disclosure of contingent assets and liabilities at the date of the basic financial statements. Actual results could differ from those estimates.

Evaluation of Subsequent Events - Management has evaluated subsequent events through December 30, 2024, which is the date the financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Administrator submits an annual budget to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen adopt the budget after holding public hearings. Once approved, the Board of Mayor and Aldermen may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.
2. Each fund's appropriated budget is prepared on the following basis. Revenues are budgeted by source. Expenditures are budgeted by fund, which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the Board of Mayor and Aldermen. Within these controls, management may transfer appropriations without the Board of Mayor and Aldermen's approval.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Fund and Capital Projects Funds.
4. The General Fund, Special Revenue Funds, and Capital Projects Funds have legally adopted budgets.
5. Budgets for the governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

(B) SUPPLEMENTAL APPROPRIATIONS

Budgeted amounts are as originally adopted (or as subsequently amended) by the Board of Mayor and Aldermen. The following revisions were made to the original fiscal 2024 budgeted expenditures and other financing uses by additional appropriations for the following major governmental funds:

Fund	Original Budget	Revisions	Final Budget
General Fund	$ 18,844,297	$ 329,806	$ 19,174,103
Capital Projects Fund	$ 17,592,500	$ 9,575,085	$ 27,167,585
ARPA Fund	$ 7,400,000	$ 1,971,353	$ 9,371,353

NOTE 3 - DEPOSITS AND INVESTMENTS

(A) DEPOSITS

Custodial Credit Risk - Deposits - For cash and cash equivalents, this is the risk that, in the event of a bank failure, the Town's deposits may not be available, or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's policy requires that deposits be either (1) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance or (2) that deposits be placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held.

Included in Cash and Cash equivalents at June 30, 2024 were balances in the State Treasurer's Local Government Investment Pool (LGIP) in the amount of $52,370,230. Deposits with the LGIP are not subject to categorization and are reported at amortized cost. The LGIP is not registered with the SEC as an investment company. However, the LGIP has a policy that it will operate in a manner consistent with the SEC's Rule 2a-7. SEC Rule 2a-7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares. There are no minimum or maximum dollar limits on the size of withdrawal transactions. In most cases, a withdrawal will be honored the same day it is requested. However, withdrawals of $5,000,000 or more will be honored the next working day after request.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

(B) INVESTMENTS

Fiduciary Investments

Investment Policies:

Risks and Uncertainties - The trust's investments include various types of investments funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount the Town may invest in one issuer.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreements, investments are held in the name of the trust for the benefit of the Town to pay retirement benefits of the employees.

Fair Value - GASB Statement 72 Fair Value Measurements and Disclosures (GASB 72) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB 72 also established a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The City has the following recurring fair value measurement as of June 30, 2024:

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Town's Pension Trust Fund are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Pension Trust Funds are deemed to be actively traded and are classified as a Level 1 in the fair value hierarchy.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

(B) INVESTMENTS (Continued)

Fiduciary Investments (Continued)

Below is a table that presents information about certain assets measured at estimated fair value on a recurring basis:

	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 34,039	$ 34,039	$ 0	$ 0

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

As of June 30, 2024, interfund receivables and payables were as follows:

	Due from Other Funds	Due to Other Funds	Total Balances
General Fund	$ 5,763	$ 0	$ 5,763
Capital Projects	57,350	0	57,350
ARPA	0	(57,350)	(57,350)
Tourism Fund	0	(5,763)	(5,763)
Total	$ 63,113	$ (63,113)	$ 0

Interfund balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Balances are usually cleared on a monthly basis.

Transfers during the year are as follows:

	Transfers From: General Fund
Transfers To:	
Major Governmental Funds:	
Capital Projects	$ 7,500,000
Non-Major Governmental Funds:	
State Street Aid	500,000
Equipment Replacement	215,000
ADA	150,000
Total Transfers	$ 8,365,000

NOTE 4 - INTERFUND TRANSFERS (Continued)

Transfers from the General Fund to the Capital Projects Fund are made to provide funds for capital projects. Transfers from the General Fund to the State Street Aid Fund are made to provide funds for street resurfacing and maintenance projects. Transfers from the General Fund to the Equipment Replacement Fund are made to provide funds for equipment purchases. Transfers from the General Fund to the ADA Capital Projects Fund are made to provide funds for facilities improvements related to the Americans with Disabilities Act.

NOTE 5 - CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the fiscal year ending June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 6,484,504	$ 0	$ 0	$ 6,484,504
Admiral Farragut Collection	120,957	0	0	120,957
Construction-in-Progress	6,305,554	12,834,385	(1,986,652)	17,153,287
Total Non-Depreciable Assets	12,911,015	12,834,385	(1,986,652)	23,758,748
Depreciable Assets:				
Buildings	3,091,501	0	0	3,091,501
Improvements	23,056,255	1,468,641	0	24,524,896
Furniture, Fixtures, and Equipment	3,203,881	0	(2,548)	3,201,333
Transportation Equipment	613,577	312,334	(111,666)	814,245
Infrastructure	37,040,145	518,011	0	37,558,156
Lease Assets-Infrastructure	18,564	0	0	18,564
Total Depreciable Assets	67,023,923	2,298,986	(114,214)	69,208,695
Accumulated Depreciation / Amortization:				
Buildings	(1,833,350)	(67,516)	0	(1,900,866)
Improvements	(4,593,805)	(924,057)	0	(5,517,862)
Furniture, Fixtures, and Equipment	(1,569,065)	(190,493)	2,548	(1,757,010)
Transportation Equipment	(315,849)	(80,090)	111,666	(284,273)
Infrastructure	(12,551,770)	(810,345)	0	(13,362,115)
Lease Assets-Infrastructure	(9,899)	(4,333)	0	(14,232)
Total Accumulated Depreciation / Amortization	(20,873,738)	(2,076,834)	114,214	(22,836,358)
Total Assets Being Depreciated	46,150,185	222,152	0	46,372,337
Governmental Activities Capital Assets, Net	$ 59,061,200	$ 13,056,537	$ (1,986,652)	$ 70,131,085

Depreciation and amortization expense was charged to the governmental functions in the government-wide financial statements as follows:

General Government	$ 1,065,454
Public Works	1,011,380
Total Capital Assets	$ 2,076,834

NOTE 6 - LEASES

Town as Lessor

The Town, as a lessor, has entered into lease agreements involving communication facilities and office space. The lease terms range from five to ten years. During the year ended June 30, 2024, the Town recognized the following related to its lessor agreements:

Lease Revenue	$ 111,349
Interest Income Related to Leases	19,091
	$ 130,440

Future payments that are included in the measurement of the lease receivable at June 30, 2024 are presented below for the years ending June 30:

Fiscal Year June 30,	Principal Payments	Interest Payments
2025	$ 111,072	$ 18,966
2026	97,467	13,853
2027	69,956	10,151
2028	75,631	6,879
2029	46,627	3,824
2030-2031	55,408	2,113
	$ 456,161	$ 55,786

Town as Lessee

In 2013, the Town entered into a lease agreement for the use of a parking lot. The lease agreement requires the Town to make quarterly payments of $750, including interest at 5.0% through April 2026.

Changes in lease liabilities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Parking Lot	$ 8,311	$ 0	$ 2,632	$ 5,679	$ 2,767

The following is a summary of the Town's payments of lease liabilities to maturity:

Fiscal Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 2,767	$ 233	$ 3,000
2026	2,912	88	3,000
Totals	$ 5,679	$ 321	$ 6,000

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Lease Liabilities	$ 8,311	$ 0	$ 2,632	$ 5,679	$ 2,767
Compensated Absences	225,863	277,392	273,256	229,999	229,999
	$ 234,174	$ 277,392	$ 275,888	$ 235,678	$ 232,766

NOTE 8 - FUND BALANCE

Following is more detailed information on the governmental fund balances as of June 30, 2024:

	General Fund	Capital Projects Fund	ARPA Fund	Non-Major Governmental Funds	Totals
Nonspendable for:					
Prepaid Items	$ 51,476	$ 0	$ 0	$ 0	$ 51,476
Restricted for:					
State Street Aid	0	0	0	2,842,847	2,842,847
Capital Projects	0	0	235,713	0	235,713
Total Restricted for:	0	0	235,713	2,842,847	3,078,560
Committed for:					
Capital Projects / Improvements	55,692	0	0	0	55,692
Assigned for:					
Tourism	0	0	0	1,100,761	1,100,761
Stormwater	74,124	0	0	0	74,124
Museum	83,393	0	0	0	83,393
Tree Program	7,994	0	0	0	7,994
Capital Projects	0	15,916,016	0	1,551,010	17,467,026
Total Assigned for:	165,511	15,916,016	0	2,651,771	18,733,298
Unassigned:	32,836,842	0	0	0	32,836,842
Totals	$ 33,109,521	$ 15,916,016	$ 235,713	$ 5,494,618	$ 54,755,868

NOTE 9 - EMPLOYEE RETIREMENT PLANS

(A) DEFINED BENEFIT PLAN

Plan Settlement

Effective April 8, 2024 the Town entered into an acceptance agreement with a third-party insurance carrier to provide for an annuity placement to settle the Town's net pension liability. Per the agreement, the Town's net pension liability was transferred to the third-party insurance carrier May 1, 2024 and participants notified. The Town contributed $64,668 to the plan to facilitate the transfer of the defined benefit plan's assets and liabilities.

Plan Financial Statements

The Town's Statement of Fiduciary Net Position for the OPEB plan as of June 30, 2024 is as follows:

	Supplemental Retirement Plan
ASSETS	
Cash and Cash Equivalents	$ 747
Total Assets	$ 747
LIABILITIES	$ 747
NET POSITION	
Restricted for Pension	0
Total Net position	0
Total Net Position and Liabilities	$ 747

NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)

(B) DEFINED BENEFIT PLAN (Continued)

Plan Financial Statements (Continued)

The Town's Statement of Changes in Fiduciary Net Position for the OPEB plan for the year ending June 30, 2024 is as follows:

	Supplemental Retirement Plan
ADDITIONS	
Contributions - Employer	$ 64,668
Investment Income (Loss):	
Interest and Dividend Income	10,575
Net Appreciation (Depreciation) in Fair Value of Investments	9,112
Total Investment Income (Loss)	19,687
Total Additions	84,355
DEDUCTIONS	
Benefits and Refunds	408,234
Administrative Expenses	2,547
Total Deductions	410,781
CHANGE IN NET POSITION	(326,426)
NET POSITION - RESTRICTED FOR PENSION AND OPEB, BEGINNING OF YEAR	326,426
NET POSITION - RESTRICTED FOR PENSION AND OPEB, END OF YEAR	$ 0

General Information About the Defined Benefit Plan

Plan Description - Certain former employees of the Town were provided a defined benefit pension plan through the Town of Farragut Supplemental Retirement Plan (the "DB Plan"), a single-employer pension plan administered by USI Consulting Group. The Plan was created under the authority of the Farragut Board of Mayor and Aldermen and may be amended by them at any time. The assets of the DB Plan were invested and held in trust with Commercial Bank and Trust Company.

Benefits Provided - The principal goal of the funding policy was to assure that future pension plan contributions and current plan assets would be sufficient to provide for all benefits expected to be paid to current active, inactive, and retired members, and their beneficiaries. Contributions would include the cost of current service plus a series of amortization payments or credits to fully fund or recognize any unfunded or overfunded past service costs. Participants were eligible to retire with an unreduced benefit at the first month following the earlier of social security normal retirement age or the participant's sixty-seventh birthdate. An early retirement benefit was available that reduces the accrued benefit in accordance with the Social Security reduction formula, as determined by the U.S. Social Security Administration, except that no reduction shall apply after the participant reaches age sixty-five. All participants were vested in the Plan.

NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)

(C) DEFINED BENEFIT PLAN

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. An annual adjustment of 3% per annum in payment and deferral periods, according to the Plan provisions, is applied to current benefits.

Employees Covered by Benefit Terms - At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to, but not yet Receiving Benefits	0
Active Employees	0
	0

The Plan is closed to new entrants.

Contributions - The Town has made employer contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability for past service costs. The DB Plan is noncontributory, and no contributions are required by members of the DB Plan. For the year ended June 30, 2024, the employer contributions for the Town to the DB plan were $64,668.

Net Pension Liability

Pension Liability - The Town's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of July 1, 2023.

Actuarial Assumptions - The total pension liability as of the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Closed
Remaining Amortization Period:	2 Years as of July 1, 2023
Asset Valuation Method:	Market Value of Plan Assets
Salary Increase:	N/A
Cost of Living Increases:	3.00% During Payment and Deferral Periods
Investment Rate of Return:	5.00%
Retirement Age:	Age 65
Mortality:	2023 Optional Combined Table Provided in IRS Notice 2022-22

NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)

(A) DEFINED BENEFIT PLAN (Continued)

Net Pension Liability (Continued)

The long-term expected rate of return on DB Plan investments was determined by the investment advisor. Best-estimates of arithmetic real rates of return for each major asset class included in the DB Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity - Large Cap	8%	5.24%
US Equity – Small / Mid Cap	6%	6.37%
Non-US Equity – Developed	7%	6.07%
Non-US Equity – Emerging	5%	8.02%
US Corporate Bonds – Core	30%	1.17%
US Corporate Bonds – High Yield	10%	2.91%
Non US Debt – Developed	10%	0.31%
US Treasuries (Cash Equivalents)	5%	-0.44%
TIPS (Inflation-Protected)	5%	0.38%
Real Estate	4%	4.75%
Hedge Funds	10%	3.31%
Total	100%	

Rate of Return (Loss) - The annual money-weighted rate of return (loss) on the DB Plan's investments, net of investment expenses, for the fiscal year 2024 was 7.44%.

Discount Rate - The discount rate used to measure the total pension liability for fiscal year 2024 was 5.0%. The projection of cash flows used to determine the discount rate assumes that contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)

(B) DEFINED BENEFIT PLAN (Continued)

Change in the Net Pension Liability

The changes in the net pension liability are shown below:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	$ 371,969	$ 326,426	$ 45,543
Changes for the year:			
Interest	15,248	0	15,248
Differences Between Expected and Actual Experience	38,701	0	38,701
Changes of Assumptions	(17,684)	0	(17,684)
Contributions – Employer	0	64,668	(64,668)
Net Investment Income	0	18,940	(18,940)
Benefit Payments, Including Refunds of Employee Contributions; Plan Settlements	(408,234)	(408,234)	0
Administrative Expense	0	(1,800)	1,800
Net Changes	(371,969)	(326,426)	(45,543)
Balances at June 30, 2024	$ 0	$ 0	$ 0

The DB Plan's fiduciary net position as a percentage of the total pension liability was 0.00% for the year ended June 30, 2024.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability using the stated discount rate of 5.0%, as well as what the net pension liability would be if it were calculated using a discount that is 1% lower or 1% higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.0%)	1% Increase (6.00%)
Net Pension Liability	$ 0	$ 0	$ 0

NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)

(B) DEFINED BENEFIT PLAN (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

Pension Expense - For the fiscal year ended June 30, 2024, the Town recognized negative pension expense of $26,033.

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings of Pension Plan Investments	$ 0	$ 0

Payable to the Pension Plan

At June 30, 2024, there were no amounts payable to the DB Plan.

(C) DEFINED CONTRIBUTION PLANS

The Town provides a defined contribution retirement plan for regular full-time employees through the State of Tennessee. Employees may contribute to a 401(k) plan up to applicable Internal Revenue Code limits. For employees hired after February 21, 2012, and opted in the Social Security system (see below), the Town will contribute 6% of gross wages and match up to 8% of gross wages for employee contributions into the 401(k) plan based upon years of service. Employees are 100% vested after three years of service. Any amounts forfeited may be used to reduce the City's current period contribution requirement. For fiscal year ending June 30, 2024, the amount of the City's contributions (net of forfeitures) was $255,913.

The Town also provides a FICA replacement plan available through the State of Tennessee. Town employees voted to approve an irrevocable Social Security Divided Vote Referendum on February 21, 2012, to join or not to join Social Security. Therefore, employees who voted to remain out of the Social Security system will permanently remain out of Social Security while Town employees. Employees who voted to join the Social Security system and are part-time, temporary, seasonal and paid intern employees hired after the February 21, 2012, are members of the Social Security system. For employees that voted to remain out of Social Security, the Town will contribute 10% of gross wages and match employee contributions up to 2%. Employees are 100% vested immediately.

(D) DEFERRED COMPENSATION PLAN

Employees of the Town may participate in a deferred compensation plan adopted under the provisions of *Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect To Service For State and Local Governments)*.

The deferred compensation plan is available to all full time employees of the Town. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the Tennessee State Deferred Compensation Plan and Trust. The assets are not available to the general creditors of the Town.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Financial Statements

The Town's Statement of Fiduciary Net Position for the OPEB plan as of June 30, 2024 is as follows:

	Other Post-Employment Benefits Trust
ASSETS	
Cash and Cash Equivalents	$ 3,795
Investments	
Mutual Funds - Equity	26,108
Mutual Funds - Fixed Income	7,931
Total Investments	34,039
Total Assets	$ 37,834
LIABILITIES	$ 0
NET POSITION	
Restricted for Pension	0
Restricted for OPEB	37,834
Total Net position	37,834
Total Net Position and Liabilities	$ 37,834

The Town's Statement of Changes in Fiduciary Net Position for the OPEB plan for the year ending June 30, 20204 is as follows:

	Other Post-Employment Benefits Trust
ADDITIONS	
Contributions - Employer	$ 0
Investment Income (Loss):	
Interest and Dividend Income	344
Net Appreciation (Depreciation) in Fair Value of Investments	(2,315)
Total Investment Income (Loss)	(1,971)
Total Additions	(1,971)
DEDUCTIONS	
Benefits and Refunds	0
Administrative Expenses	0
Total Deductions	0
CHANGE IN NET POSITION	(1,971)
NET POSITION - RESTRICTED FOR PENSION AND OPEB, BEGINNING OF YEAR	39,805
NET POSITION - RESTRICTED FOR PENSION AND OPEB, END OF YEAR	$ 37,834

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information About the OPEB Plan

Plan Description - The Town provides a single-employer postretirement welfare benefit plan for employees (the "OPEB Plan"). The OPEB Plan is administered by USI Consulting Group. The assets of the OPEB Plan are invested and held in trust with Commercial Bank and Trust Company.

Benefits Provided - The Town offers the OPEB Plan to provide partial payment of health insurance premiums for eligible retirees age 60 with 20 years of service until age 65. Spouses are eligible only during the period that the retiree is eligible and if covered at the time of retirement.

Employees Covered by Benefit Terms - At the measurement date of June 30, 2024, the following employees of the Town were covered by the benefit terms of the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to, but not yet Receiving Benefits	0
Active Employees	61
	61

The Town's funding policy is to make annual contributions to trust equal to an actuarially determined contribution amount. For the year ended June 30, 2024, the employer contribution was $0. In addition, the Town is paying plan benefits directly outside of the trust. For the year ended June 30, 2024, these contributions were $56,253.

Net OPEB Liability

OPEB Liability - The Town's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of July 1, 2022.

Actuarial Assumptions - The total OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Remaining Amortization Period:	28 Years
Salary Increase:	3.00%
Inflation	2.50%
Healthcare Cost Trend Rate	7.00% initially, decreasing to an ultimate rate of 5.00%
Investment Rate of Return:	6.70%
Mortality:	RPH-2014 Total Dataset mortality table with mortality improvements projected by Scale MP-2021 on a generational basis

Rate of Return (Loss) - The annual money-weighted rate of return (loss) on the OPEB Plan's investments, net of investment expenses, for the fiscal year 2024 was -4.95%.

Discount Rate - The discount rate used to measure the total OPEB liability as of June 30, 2024 was 6.70%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer's 20-Year Municipal GO index.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

The changes in the net pension liability are shown below:

	Increase (Decrease)			
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Non-Trust Contributions (c)	Net Pension Liability (Asset) (a) - (b) - (c)
Balances at June 30, 2023	$ 473,334	$ 39,804	$ 0	$ 433,530
Changes for the year:				
Service Cost	23,954	0	0	23,954
Interest	31,464	0	0	31,464
Differences Between Expected and Actual Experience	0	(4,637)	0	4,637
Contributions – Employer		0	56,253	(56,253)
Expected Investment Income	0	2,667	0	(2,667)
Benefit Payments	(56,253)	0	(56,253)	0
Net Changes	(835)	(1,970)	0	1,135
Balances at June 30, 2024	$ 472,499	$ 37,834	$ 0	$ 434,665

The OPEB Plan's fiduciary net position as a percentage of the total pension liability was 8.01% for the year ended June 30, 2024.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability related to the Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the discount rate.

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Total OPEB Liability	$ 471,336	$ 434,665	$ 401,755

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability related to the Plan, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the healthcare cost trend rate.

	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Total OPEB Liability	$ 385,476	$ 434,665	$ 493,426

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

OPEB Expense - For the fiscal year ended June 30, 2024, the Town recognized negative OPEB expense of $7,299.

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 3,825	$ 0
Change in Assumptions	0	31,633
	$ 3,825	$ 31,633

Amounts reported in deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

For the Years Ended June 30,	Amount
2025	$ (3,797)
2026	(3,797)
2027	(3,801)
2028	(3,840)
2029	(4,765)
Thereafter	(7,808)

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

NOTE 11 - RISK FINANCING ACTIVITIES

The Town purchases commercial insurance through and participates in the Public Entity Partners (PEP) pool to handle risks arising from workers' compensation, torts, asset theft, damage or destruction, errors or omissions, or acts of God, whereby these risks are transferred to the pool and/or an insurance company. No significant reductions were made in insurance coverage from the previous year. No insurance settlements exceeded coverage in any of the prior three years.

Coverage through the pool is for payment of damage claims to defend the Town in and damage suit that is included in the coverage, up to the policy's applicable limits, at the pool's expense. This includes any other necessary costs relating to the defense. The Town has the responsibility of following any reporting requirements, including timely reporting of any incidents that might result in a damage claim. The Town is to everything necessary to protect the rights of recovery of the pool and enforcement of these rights by complying with all terms of the policy. PEP has the right to apply premium rate changes as necessary.

NOTE 12 - PENDING LITIGATION

The Town is involved in various litigations arising in the ordinary course of its operations. The Town is vigorously defending each of the suits. The outcome of these suits is not presently determinable. However, management believes that if any suit results in an unfavorable outcome that its insurance coverage is sufficient to cover any judgment.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
SUPPLEMENTAL RETIREMENT PLAN

For the Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Interest	15,248	17,046	16,089	15,594	15,140	14,142	13,694	13,227	14,108	13,554
Changes of Benefit Terms	0	0	0	0	0	0	0	0	0	0
Differences between Expected and Actual Experience	38,701	16,826	10,580	2,776	1,851	1,782	1,648	3,095	(26,036)	1,270
Changes of Assumptions	(17,684)	870	(348)	(1,437)	(1,127)	10,569	0	0	0	0
Benefit Payments	(408,234)	(7,297)	(7,084)	(6,978)	(6,579)	(6,483)	(6,294)	(7,633)	(3,824)	(3,671)
Net Change in Total Pension Liability	(371,969)	27,445	19,237	9,955	9,285	20,010	9,048	8,689	(15,752)	11,153
Total Pension Liability - Beginning	371,969	344,524	325,287	315,332	306,047	286,037	276,989	268,300	284,052	272,899
Total Pension Liability - Ending (a)	$ 0	$ 371,969	$ 344,524	$ 325,287	$ 315,332	$ 306,047	$ 286,037	$ 276,989	$ 268,300	$ 284,052
Plan Fiduciary Net Position										
Contributions - Employer	$ 64,668	$ 15,071	$ 0	$ 6,082	$ 0	$ 0	$ 0	$ 0	$ 0	$ 100,000
Contributions - Employee	0	0	0	0	0	0	0	0	0	0
Net Investment Income (Loss)	18,940	16,970	(34,851)	45,890	3,755	13,817	11,209	20,028	5,065	3,206
Benefit Payments, Including Refunds of Employee Contributions	(408,234)	(7,297)	(7,084)	(6,978)	(6,579)	(6,483)	(6,294)	(7,633)	(3,824)	(3,671)
Administrative Expense	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(2,175)	(1,800)	(1,900)	(1,649)	(5,270)
Net Change in Plan Fiduciary Net Position	(326,426)	22,944	(43,735)	43,194	(4,624)	5,159	3,115	10,495	(408)	94,265
Plan Fiduciary Net Position - Beginning	326,426	303,482	347,217	304,023	308,647	303,488	300,373	289,878	290,286	196,021
Plan Fiduciary Net Position - Ending (b)	$ 0	$ 326,426	$ 303,482	$ 347,217	$ 304,023	$ 308,647	$ 303,488	$ 300,373	$ 289,878	$ 290,286
Net Pension Liability - Ending (a) - (b)	$ 0	$ 45,543	$ 41,042	$ (21,930)	$ 11,309	$ (2,600)	$ (17,451)	$ (23,384)	$ (21,578)	$ (6,234)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	87.76%	88.09%	106.74%	96.41%	100.85%	106.10%	108.44%	108.04%	102.19%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF CONTRIBUTIONS TO DEFINED BENEFIT PLAN
SUPPLEMENTAL RETIREMENT PLAN

For the Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Actuarially Determined Contribution	$ 24,493	$ 15,071	$ 0	$ 5,792	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions in Relation to the Actuarially Determined Contribution	64,668	15,071	0	6,082	0	0	0	0	0	100,000
Contribution Deficiency (Excess)	$ (40,175)	$ 0	$ 0	$ (290)	$ 0	$ 0	$ 0	$ 0	$ 0	$ (100,000)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

Valuation Date: July 1, 2023

Methods and Assumptions used to Calculate Actuarially Determined Contribution:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Closed
Remaining Amortization Period:	1 Year
Asset Valuation Method:	Market Value of Plan Assets
Salary Increase:	N/A
Cost of Living Increases:	3.00% During Payment and Deferral Periods
Investment Rate of Return:	5.00%
Retirement Age:	Age 65
Mortality:	2023 Optional Combined Table Provided in IRS Notice 2022-22

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF INVESTMENT RETURNS (LOSSES)
SUPPLEMENTAL RETIREMENT PLAN

For the Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	7.44%	5.67%	-10.16%	15.29%	1.23%	4.61%	3.54%	6.99%	1.76%	1.14%

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS TRUST

For the Years Ended June 30,

	2024	2023
Total OPEB Liability		
Service Cost	$ 23,954	$ 29,557
Interest	31,464	27,465
Changes of Benefit Terms	0	481,818
Changes of Assumptions	0	(41,163)
Benefit Payments	(56,253)	(24,343)
Net Change in Total OPEB Liability	(835)	473,334
Total OPEB - Beginning	473,334	0
Total OPEB - Ending (a)	$ 472,499	$ 473,334
Plan Fiduciary Net Position		
Contributions - Employer	$ 56,253	$ 64,343
Expected Investment Income	2,667	0
Difference Between Expected and Actual Experience	(4,637)	(196)
Benefit Payments	(56,253)	(24,343)
Net Change in Plan Fiduciary Net Position	(1,970)	39,804
Plan Fiduciary Net Position - Beginning	39,804	0
Plan Fiduciary Net Position - Ending (b)	$ 37,834	$ 39,804
Net OPEB - Ending (a) - (b)	$ 434,665	$ 433,530
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.01%	8.41%
Covered Employee Payroll	$ 3,650,353	$ 3,561,320
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.91%	12.17%

Note: This is a 10-year schedule. However, the OPEB plan began in fiscal year 2023.
Years will be added to this schedule in future fiscal years until 10 years of information is available.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF CONTRIBUTIONS TO OPEB PLAN
OTHER POST-EMPLOYMENT BENEFITS TRUST

For the Years Ended June 30,

	2024	2023
Total OPEB Liability		
Actuarially Determined Contribution	$ 58,991	$ 46,597
Contributions in Relation to the Actuarially Determined Contribution	56,253	64,343
Contribution Deficiency (Excess)	$ 2,738	$ (17,746)
Covered Employee Payroll	$ 3,650,353	$ 3,561,320
Contributions as a Percentage of Employee Covered Payroll	1.54%	1.81%

Notes:

This is a 10-year schedule. However, the OPEB plan began in fiscal year 2023. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Valuation Date: July 1, 2022

Methods and Assumptions used to Calculate Actuarially Determined Contribution:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Remaining Amortization Period:	28 Years
Salary Increase:	3.00%
Inflation	2.50%
Healthcare Cost Trend Rate	7.00% initially, decreasing to an ultimate rate of 5.00%
Investment Rate of Return:	6.70%
Mortality:	RPH-2014 Total Dataset mortality table with mortality improvements projected by Scale MP-2021 on a generational basis

TOWN OF FARRAGUT, TENNESSEE

SCHEDULES OF INVESTMENT RETURNS (LOSSES)
OTHER POST-EMPLOYMENT BENEFITS TRUST

For the Years Ended June 30,

	2024	2023
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	-4.95%	-5.70%

Note: This is a 10-year schedule. However, the OPEB plan began in fiscal year 2023. Years will be added to this schedule in future fiscal years until 10 years of information is available.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FARRAGUT, TENNESSEE

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2024

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for financial resources that are legally restricted for a specific purpose.

State Street Aid Fund - Established to account for the State gasoline tax.

Tourism Fund - Established to account for the Room occupancy tax.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Equipment Replacement Fund - Established to provide funds for the replacement of equipment or vehicles.

ADA Capital Projects Fund - Established to provide funds for capital project improvements for citizens' accessibility.

TOWN OF FARRAGUT, TENNESSEE

COMBINING BALANCE SHEET

Non-Major Governmental Funds

June 30, 2024

	Special Revenue Funds			Capital Projects Funds			
	State Street Aid	Tourism	Total Special Revenue Funds	Equipment Replacement	ADA	Total Capital Projects Fund	Total Non-Major Governmental Funds
ASSETS							
Cash and Cash Equivalents	$ 2,768,952	$ 1,106,524	$ 3,875,476	$ 989,533	$ 561,477	$ 1,551,010	$ 5,426,486
Accounts Receivable	0	21,520	21,520	0	0	0	21,520
Due From Other Governments	73,895	0	73,895	0	0	0	73,895
Total Assets	$ 2,842,847	$ 1,128,044	$ 3,970,891	$ 989,533	$ 561,477	$ 1,551,010	$ 5,521,901
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 0	$ 21,520	$ 21,520	$ 0	$ 0	$ 0	$ 21,520
Due to Other Funds	0	5,763	5,763	0	0	0	5,763
Total Liabilities	0	27,283	27,283	0	0	0	27,283
Fund Balances							
Restricted	2,842,847	0	2,842,847	0	0	0	2,842,847
Assigned	0	1,100,761	1,100,761	989,533	561,477	1,551,010	2,651,771
Total Fund Balances	2,842,847	1,100,761	3,943,608	989,533	561,477	1,551,010	5,494,618
Total Liabilities and Fund Balances	$ 2,842,847	$ 1,128,044	$ 3,970,891	$ 989,533	$ 561,477	$ 1,551,010	$ 5,521,901

TOWN OF FARRAGUT, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Non-Major Governmental Funds

For the Fiscal Year ended June 30, 2024

	Special Revenue Funds			Capital Projects Funds			
	State Street Aid	Tourism	Total Special Revenue Funds	Equipment Replacement	ADA	Total Capital Projects Fund	Total Non-Major Governmental Funds
Revenues							
State Shared Revenue	$ 820,393	$ 0	$ 820,393	$ 0	$ 0	$ 0	$ 820,393
Local Taxes	0	558,903	558,903	0	0	0	558,903
Interest	135,128	49,894	185,022	58,427	27,211	85,638	270,660
Other Income	0	0	0	23,957	0	23,957	23,957
Grant Revenue	0	117,594	117,594	0	0	0	117,594
Total Revenues	955,521	726,391	1,681,912	82,384	27,211	109,595	1,791,507
Expenditures							
General Government	0	421,085	421,085	0	0	0	421,085
Public Works	1,001,092	0	1,001,092	0	0	0	1,001,092
Capital Outlay	0	0	0	312,334	0	312,334	312,334
Total Expenditures	1,001,092	421,085	1,422,177	312,334	0	312,334	1,734,511
Net Change in Fund Balance Before Other Financing Sources (Uses)	(45,571)	305,306	259,735	(229,950)	27,211	(202,739)	56,996
Other Financing Sources (Uses)							
Transfers In	500,000	0	500,000	215,000	150,000	365,000	865,000
Total Other Financing Sources (Uses)	500,000	0	500,000	215,000	150,000	365,000	865,000
Net Change in Fund Balance	454,429	305,306	759,735	(14,950)	177,211	162,261	921,996
Fund Balance, July 1st	2,388,418	795,455	3,183,873	1,004,483	384,266	1,388,749	4,572,622
Fund Balance, June 30th	$ 2,842,847	$ 1,100,761	$ 3,943,608	$ 989,533	$ 561,477	$ 1,551,010	$ 5,494,618

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUND - STATE STREET AID

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Intergovernmental - State Gasoline Tax	$ 838,000	$ 838,000	$ 820,393	$ (17,607)
Interest	30,000	30,000	135,128	105,128
Total Revenues	868,000	868,000	955,521	87,521
Expenditures:				
Public Works:				
Street Repairs and Maintenance	80,000	98,000	96,932	1,068
Resurface Program	1,300,000	2,350,000	854,155	1,495,845
Centerline	50,000	32,000	8,559	23,441
Guardrails	15,000	15,000	9,675	5,325
Sidewalk Maintenance	50,000	50,000	2,882	47,118
Traffic Calming	40,000	40,000	28,889	11,111
Total Expenditures	1,535,000	2,585,000	1,001,092	1,583,908
Net Change in Fund Balance Before Other Financing Sources (Uses)	(667,000)	(1,717,000)	(45,571)	1,671,429
Other Financing Sources (Uses)				
Operating Transfers In	500,000	500,000	500,000	0
Total Other Financing Sources (Uses)	500,000	500,000	500,000	0
Net Change in Fund Balance	(167,000)	(1,217,000)	454,429	1,671,429
Fund Balance, July 1st	2,388,418	2,388,418	2,388,418	0
Fund Balance, June 30th	$ 2,221,418	$ 1,171,418	$ 2,842,847	$ 1,671,429

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUND - TOURISM

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Local Taxes	$ 500,000	$ 500,000	$ 558,903	$ 58,903
Interest	8,000	8,000	49,894	41,894
Grant Revenue	47,500	117,537	117,594	57
Total Revenues	555,500	625,537	726,391	100,854
Expenditures:				
General Government				
Salaries	172,284	172,284	122,618	49,666
Benefits	35,892	38,892	31,032	7,860
Contracted Services	94,000	164,037	142,781	21,256
Operating Expenses	171,015	168,015	118,293	49,722
Material and Supplies	28,745	28,745	6,361	22,384
Total Expenditures	501,936	571,973	421,085	150,888
Net Change in Fund Balance	53,564	53,564	305,306	251,742
Fund Balance, July 1st	795,455	795,455	795,455	0
Fund Balance, June 30th	$ 849,019	$ 849,019	$ 1,100,761	$ 251,742

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 200,000	$ 200,000	$ 830,521	$ 630,521
Federal and State Grants	5,930,000	5,930,000	3,631,399	(2,298,601)
Total Revenues	6,130,000	6,130,000	4,461,920	(1,668,080)
Expenditures:				
Capital Outlay:				
Park Land Purchase	5,600,000	5,600,000	5,603,634	(3,634)
Red Mill Trailhead	170,000	170,000	0	170,000
Anchor Park Pedestrian Crossing	230,000	230,000	36,126	193,874
School Zone Signal Improvements	175,000	175,000	8,374	166,626
PW Storage Shed Roof Replacement	60,000	60,000	20,548	39,452
Sonja Drive Sidewalk	500,000	500,000	103,845	396,155
Little Turkey Creek Greenway - Brookmere-Sheffield	0	652,906	609,313	43,593
Mid-Block Crossing McFee and Grigsby Chapen	100,000	335,000	22,865	312,135
Turkey Creek and Brixworth Greenway	200,000	200,000	103,100	96,900
Town Center Improvements	0	500,000	0	500,000
Town Hall Playground Restroom Building	50,000	105,080	68,561	36,519
MBLP Field 2 Turf Replacement	820,000	820,000	0	820,000
MBLP Field 1 Turf Replacement and ADA Access	1,000,000	1,000,000	0	1,000,000
MBLP Walktrail and ADA Repair and paving	180,000	180,000	0	180,000
McFee Park Phase 5: Dog Park and Storage	450,000	450,000	0	450,000
McFee Park Entrance Gates and Fencing	95,000	95,000	79,748	15,252
McFee Bike Trails and Trailhead	0	43,385	2,620	40,765
Campbell Station Road / I-40 Interchange	2,062,500	2,062,500	0	2,062,500
Campbell Station Inn Improvements	0	250,000	45,967	204,033
Union Road Improvements	5,850,000	7,153,708	249,475	6,904,233
Virtue Road - Phase II (Brook mere to Boyd Station)	0	663,600	147,632	515,968
Signal System Upgrade (CMAQ)	0	5,858,181	3,377,251	2,480,930
Watt Road Roundabout	50,000	63,225	0	63,225
Total Expenditures	17,592,500	27,167,585	10,479,059	16,688,526
Net Change in Fund Balance Before Other Financing Sources (Uses)	(11,462,500)	(21,037,585)	(6,017,139)	15,020,446
Other Financing Sources (Uses)				
Operating Transfers In	7,500,000	7,500,000	7,500,000	0
Total Other Financing Sources (Uses)	7,500,000	7,500,000	7,500,000	0
Net Change in Fund Balance	(3,962,500)	(13,537,585)	1,482,861	15,020,446
Fund Balance, July 1st	14,433,155	14,433,155	14,433,155	0
Fund Balance, June 30th	$ 10,470,655	$ 895,570	$ 15,916,016	$ 15,020,446

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND - ARPA FUND

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 70,000	$ 70,000	$ 347,701	$ 277,701
Federal Grants	1,721,566	3,739,157	2,126,881	(1,612,276)
Total Revenues	1,791,566	3,809,157	2,474,582	(1,334,575)
Expenditures:				
Capital Outlay:				
Broadband Infrastructure	1,200,000	1,200,000	160,170	1,039,830
Stormwater	3,700,000	4,171,353	552,815	3,618,538
Town Hall Renovations	2,500,000	4,000,000	1,642,341	2,357,659
Total Expenditures	7,400,000	9,371,353	2,355,326	7,016,027
Net Change in Fund Balance	(5,608,434)	(5,562,196)	119,256	5,681,452
Fund Balance, July 1st	116,457	116,457	116,457	0
Fund Balance, June 30th	$ (5,491,977)	$ (5,445,739)	$ 235,713	$ 5,681,452

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND - EQUIPMENT REPLACEMENT

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 7,000	$ 7,000	$ 58,427	$ 51,427
Sale of Capital Assets	0	0	23,957	23,957
Total Revenues	7,000	7,000	82,384	75,384
Expenditures:				
Capital Outlay:				
Equipment	111,000	339,020	312,334	26,686
Total Expenditures	111,000	339,020	312,334	26,686
Net Change in Fund Balance Before Other Financing Sources (Uses)	(104,000)	(332,020)	(229,950)	102,070
Other Financing Sources (Uses)				
Operating Transfers In	215,000	215,000	215,000	0
Total Other Financing Sources (Uses)	215,000	215,000	215,000	0
Net Change in Fund Balance	111,000	(117,020)	(14,950)	102,070
Fund Balance, July 1st	1,004,483	1,004,483	1,004,483	0
Fund Balance, June 30th	$ 1,115,483	$ 887,463	$ 989,533	$ 102,070

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND - ADA CAPITAL PROJECTS

For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 1,000	$ 1,000	$ 27,211	$ 26,211
Total Revenues	1,000	1,000	27,211	26,211
Expenditures:				
Capital Outlay:				
Improvement Projects	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance Before Other Financing Sources (Uses)	1,000	1,000	27,211	26,211
Other Financing Sources (Uses)				
Operating Transfers In	150,000	150,000	150,000	0
Total Other Financing Sources (Uses)	150,000	150,000	150,000	0
Net Change in Fund Balance	151,000	151,000	177,211	26,211
Fund Balance, July 1st	384,266	384,266	384,266	0
Fund Balance, June 30th	$ 535,266	$ 535,266	$ 561,477	$ 26,211

TOWN OF FARRAGUT, TENNESSEE

COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION AND OPEB TRUST FUNDS

June 30, 2024

	Supplemental Retirement Plan	Other Post-Employment Benefits Trust	Total Pension and OPEB Trust Funds
ASSETS			
Cash and Cash Equivalents	$ 747	$ 3,795	$ 4,542
Investments			
Mutual Funds - Equity	0	26,108	26,108
Mutual Funds - Fixed Income	0	7,931	7,931
Total Investments	0	34,039	34,039
Total Assets	$ 747	$ 37,834	$ 38,581
LIABILITIES	$ 747	$ 0	$ 747
NET POSITION			
Restricted for Pension	0	0	0
Restricted for OPEB	0	37,834	37,834
Total Net position	0	37,834	37,834
Total Net Postion and Liabilities	$ 747	$ 37,834	$ 38,581

TOWN OF FARRAGUT, TENNESSEE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION AND OPEB TRUST FUNDS

For the Fiscal Year Ended June 30, 2024

	Supplemental Retirement Plan	Other Post-Employment Benefits Trust	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions - Employer	$ 64,668	$ 0	$ 64,668
Investment Income (Loss):			
Interest and Dividend Income	10,575	344	10,919
Net Appreciation (Depreciation) in Fair Value of Investments	9,112	(2,315)	6,797
Total Investment Income (Loss)	19,687	(1,971)	17,716
Total Additions	84,355	(1,971)	82,384
DEDUCTIONS			
Benefits and Refunds	408,234	0	408,234
Administrative Expenses	2,547	0	2,547
Total Deductions	410,781	0	410,781
CHANGE IN NET POSITION	(326,426)	(1,971)	(328,397)
NET POSITION - RESTRICTED FOR PENSION AND OPEB, BEGINNING OF YEAR	326,426	39,805	366,231
NET POSITION - RESTRICTED FOR PENSION AND OPEB, END OF YEAR	$ 0	$ 37,834	$ 37,834

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF INTERNAL RECEIVABLES AND PAYABLES

For the Fiscal Year Ended June 30, 2024

	Due From		
Due to	General Fund	ARPA	Total
Tourism Fund	$ 5,763	$ 0	$ 5,763
Capital Projects	0	57,350	57,350
	$ 5,763	$ 57,350	$ 63,113

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF INTERFUND TRANSFERS

June 30, 2024

	Transfers From: General Fund
Transfers To:	
Major Governmental Funds:	
Capital Projects	$ 7,500,000
Non-Major Governmental Funds:	
State Street Aid	500,000
Equipment Replacement	215,000
ADA	150,000
Total Transfers	$ 8,365,000

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF CHANGES IN LEASE OBLIGATIONS

June 30, 2024

	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/23	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 06/30/24
Governmental Activities									
Leases Payable									
Payable through General Fund									
Parking Lot	$ 28,477	5.00%	10/24/13	04/24/26	$ 8,311	$ 0	$ 2,632	$ 0	$ 5,679

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF LEASE OBLIGATIONS, PRINCIPAL, AND INTEREST REQUIREMENT BY FISCAL YEAR

June 30, 2024

	Parking Lot	
Year Ended June 30,	Principal	Interest
2025	$ 2,767	$ 233
2026	2,912	88
	$ 5,679	$ 321

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2024

Federal Grantor / Pass Through Grantor Program	ALN	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
U.S. Department of Transportation				
Passed through the Tennessee Department of Transportation:				
Highway Planning and Construction	20.205	160196	$ 0	$ 199,300
Highway Planning and Construction	20.205	170024	0	3,377,251
Highway Planning and Construction	20.205	220153	0	118,105
Total U.S. Department of Transportation			0	3,694,656
U.S. Department of the Treasury				
Passed through the Tennessee Department of Environment and Conservation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	356,979
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	3,616
Total Passed the Tennessee Department of Environment and Conservation			0	360,595
Passed through the Tennessee Department of Finance and Administration:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,802,511
Passed through the Tennessee Department of Tourist Development				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	106,282
Total U.S. Department of the Treasury			0	2,269,388
Total Federal Awards			0	5,964,044
State Assistance			0	0
Total Federal Awards and State Financial Assistance			$ 0	$ 5,964,044

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

TOWN OF FARRAGUT, TENNESSEE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDED AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of the Town of Farragut (the "Town") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Town.

Federal Financial Assistance. The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments. Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments. Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs. The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the Town were defined using a risk-based approach in accordance with Uniform Guidance.

Assistance Listing Number. The Assistance Listing Number is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (Assistance Listing Number), which is reflected in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATE

The Town has elected not to use the 10% de minimis indirect rate as allowed under Uniform Guidance.

NOTE 4 - CONTINGENCIES

The federal and state awards received by the government are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, the grantor agency could make a claim for reimbursement.

TOWN OF FARRAGUT, TENNESSEE

STATISTICAL INFORMATION SECTION

June 30, 2024

This part of the Town of Farragut's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

CONTENTS	SCHEDULES
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	1 through 4
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source.	5 through 10
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	11 through 15
Demographic And Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	16 through 17
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	18 through 20

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 1

NET POSITION BY COMPONENT
(Prepared Using the Accrual Basis of Accounting)

Last Ten Fiscal Years

June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GOVERNMENTAL ACTIVITIES										
Investment in Capital Assets	$ 69,065,109	$ 57,821,014	$ 55,979,214	$ 53,875,318	$ 44,421,180	$ 41,345,661	$ 38,229,057	$ 36,025,657	$ 34,433,541	$ 30,933,909
Restricted	3,078,560	2,504,875	1,384,793	1,081,620	868,734	658,224	692,264	555,861	304,362	448,849
Unrestricted	51,884,332	49,245,997	41,621,501	38,005,476	37,904,289	35,923,543	33,291,802	28,432,440	24,286,673	22,355,601
Total Governmental Activities Net Position	$ 124,028,001	$ 109,571,886	$ 98,985,508	$ 92,962,414	$ 83,194,203	$ 77,927,428	$ 72,213,123	$ 65,013,958	$ 59,024,576	$ 53,738,359

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 2

CHANGES IN NET POSITION
(Prepared Using the Accrual Basis of Accounting)

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental Activities										
General Government	$ 8,365,876	$ 7,976,873	$ 6,570,582	$ 5,681,521	$ 5,444,414	$ 5,177,444	$ 4,919,549	$ 4,600,409	$ 4,476,319	$ 4,438,200
Public Works	4,553,530	4,613,387	4,023,114	3,470,452	3,912,639	3,209,995	2,948,320	2,640,384	2,961,762	2,899,140
Debt Service	0	0	0	0	0	0	0	3,750	7,500	11,250
Total Governmental Activities Expenses	12,919,406	12,590,260	10,593,696	9,151,973	9,357,053	8,387,439	7,867,869	7,244,543	7,445,581	7,348,590
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	1,756,083	1,986,202	1,736,332	1,769,250	1,483,042	1,486,674	1,467,541	1,246,020	789,459	665,447
Public Works	0	0	0	0	0	3,276	78,790	81,444	63,654	26,208
Operating Grants and Contributions	117,594	9,211	0	958,485	810,606	793,941	751,888	624,491	566,655	542,193
Capital Grants and Contributions	5,758,280	2,364,008	61,178	1,217,990	388,491	260,049	882,108	283,951	461,919	315,176
Total Governmental Activities Program Revenues	7,631,957	4,359,421	1,797,510	3,945,725	2,682,139	2,543,940	3,180,327	2,235,906	1,881,687	1,549,024
NET (EXPENSE) REVENUE										
Governmental Activities	$ (5,287,449)	$ (8,230,839)	$ (8,796,186)	$ (5,206,248)	$ (6,674,914)	$ (5,843,499)	$ (4,687,542)	$ (5,008,637)	$ (5,563,894)	$ (5,799,566)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
General Revenues										
Sales Tax	$ 13,290,805	$ 12,371,784	$ 11,445,996	$ 10,154,231	$ 8,740,897	$ 8,312,413	$ 8,699,605	$ 7,947,811	$ 7,865,155	$ 7,454,308
Wholesale Beer and Liquor Taxes	1,521,208	1,679,335	1,525,650	1,446,295	1,295,972	1,259,944	1,384,611	1,408,064	1,297,172	1,245,044
Other State Taxes	1,248,960	1,287,166	952,316	1,195,270	1,041,516	1,011,435	1,148,104	1,201,800	1,355,878	832,914
TVA In-Lieu of Taxes	569,655	282,619	244,056	259,200	278,902	268,529	257,134	255,852	242,633	239,638
Room Occupancy Tax	288,068	587,028	471,200	0	0	0	0	0	0	0
Interest Income	2,800,911	1,730,489	105,838	61,567	552,859	669,022	312,625	104,581	44,880	16,106
Other Revenues	23,957	878,796	6,120	173,361	31,543	36,461	84,628	79,911	44,393	44,549
Total Governmental Activities	19,743,564	18,817,217	14,751,176	13,289,924	11,941,689	11,557,804	11,886,707	10,998,019	10,850,111	9,832,559
CHANGE IN NET POSITION	$ 14,456,115	$ 10,586,378	$ 5,954,990	$ 8,083,676	$ 5,266,775	$ 5,714,305	$ 7,199,165	$ 5,989,382	$ 5,286,217	$ 4,032,993

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 3

FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL FUND										
Nonspendable	$ 51,476	$ 51,476	$ 72,905	$ 82,254	$ 0	$ 0	$ 0	$ 570,366	$ 0	$ 0
Committed	55,692	52,416	496,598	0	0	0	0	0	0	0
Assigned	165,511	168,409	43,944	48,469	43,944	34,439	34,439	806,448	2,657,585	685,412
Unassigned	32,676,041	31,846,130	27,840,483	27,237,439	18,507,137	19,651,601	17,066,461	13,611,782	9,019,693	8,491,599
Total General Fund	$ 32,948,720	$ 32,118,431	$ 28,453,930	$ 27,368,162	$ 18,551,081	$ 19,686,040	$ 17,100,900	$ 14,988,596	$ 11,677,278	$ 9,177,011
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	$ 3,078,560	$ 2,504,875	$ 1,343,751	$ 1,081,620	$ 866,134	$ 640,773	$ 668,880	$ 534,283	$ 289,029	$ 448,849
Assigned	18,567,787	16,617,359	13,485,527	10,863,100	19,560,900	16,421,062	16,356,122	15,731,625	12,786,708	13,330,651
Total All Other Governmental Funds	$ 21,646,347	$ 19,122,234	$ 14,829,278	$ 11,944,720	$ 20,427,034	$ 17,061,835	$ 17,025,002	$ 16,265,908	$ 13,075,737	$ 13,779,500

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	$ 12,406,091	$ 11,812,285	$ 9,686,651	$ 9,236,233	$ 7,717,564	$ 7,260,901	$ 7,902,960	$ 7,265,320	$ 7,353,775	$ 7,001,582
Intergovernmental	10,377,726	6,765,115	4,277,751	5,242,614	4,838,820	4,645,410	5,220,490	4,456,649	3,641,554	2,971,151
Charges for Service	1,560,791	1,513,148	1,427,602	1,655,743	1,240,151	1,253,227	1,356,152	1,149,960	1,009,500	869,850
Fines, Forfeitures and Costs	57,109	39,868	109,263	119,714	95,181	117,410	62,881	77,912	89,487	61,664
Interest Income	2,800,910	1,730,488	81,268	61,567	552,859	669,022	312,625	104,581	44,880	16,106
Other Revenues	172,896	1,315,735	255,203	1,042,287	179,253	155,774	227,363	185,495	624,906	431,043
Total Revenues	27,375,523	23,176,639	15,837,738	17,358,158	14,623,828	14,101,744	15,082,471	13,239,917	12,764,102	11,351,396
EXPENDITURES										
General Government	7,327,213	6,599,609	5,945,354	5,204,631	4,875,331	4,656,143	4,471,768	4,429,532	4,189,530	4,135,657
Public Works	3,547,189	3,564,929	3,200,326	2,668,790	2,387,795	2,543,397	2,344,484	2,035,934	2,354,518	2,201,801
Capital Outlay	13,146,719	5,054,644	3,572,105	10,594,424	5,130,462	4,280,231	3,268,595	2,285,438	4,165,960	882,588
Debt Service:										
Principal	0	0	0	0	0	0	0	250,000	250,000	250,000
Interest	0	0	0	0	0	0	0	3,750	7,500	11,250
Total Expenditures	24,021,121	15,219,182	12,717,785	18,467,845	12,393,588	11,479,771	10,084,847	9,004,654	10,967,508	7,481,296
Net Change in Fund Balance	$ 3,354,402	$ 7,957,457	$ 3,119,953	$ (1,109,687)	$ 2,230,240	$ 2,621,973	$ 4,997,624	$ 4,235,263	$ 1,796,594	$ 3,870,100
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	3.9%	4.1%

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 5

LARGEST REMITTERS OF SALES TAX REVENUE AND APPLICABLE RATES

For the Fiscal Year Ended June 30, 2024

Remitter	Value	Percentage of Total Remitted	Local Option Sales Tax Rate	Rank
Knox County, Tennessee	$ 10,380,117	99.75%	2.25%	1
Loudon County, Tennessee	26,015	0.25%	2.00%	2
	$ 10,406,132	100.00%		

Note: The Town's local option sales tax is collected by the State of Tennessee. The state remits the revenue to the county where the revenue is derived. The counties further remit the revenue to the various municipalities within their county boundaries.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 6

LOCAL SALES TAX REVENUE BY INDUSTRY

Current Fiscal Year and Nine Years Ago

	Fiscal Year 2024				Fiscal Year 2015			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Retail Trade	271	45.62%	$ 13,207,519	84.64%	276	53.80%	$ 8,958,725	89.32%
Services	204	34.34%	1,406,856	9.02%	144	28.07%	639,635	6.38%
Manufacturing	15	2.53%	1,036	0.01%	22	4.29%	7,498	0.07%
Wholesale Trade	23	3.87%	289,066	1.85%	38	7.41%	165,225	1.65%
Construction	9	1.52%	6,999	0.04%	6	1.17%	1,179	0.01%
Finance Insurance Real Estate	8	1.35%	4,167	0.03%	4	0.78%	1,443	0.01%
Transportation and Utilities	11	1.85%	422,090	2.71%	4	0.78%	141,301	1.41%
Agriculture	5	0.84%	35,989	0.23%	5	0.97%	13,530	0.13%
Other, Non Classified	48	8.08%	229,950	1.47%	14	2.73%	102,748	1.02%
Total	594	100.00%	$ 15,603,672	100.00%	513	100.00%	$ 10,031,284	100.00%

Source: Tennessee Department of Revenue, Research Section

Notes:

1 Figures subject to revision due to amended taxpayer returns.

2 Figures represent local sales tax collected by taxpayers during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.

3 Does not include Farragut's share of county clerk or out-of-state taxpayer amounts.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 7

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Commercial Property	Residential Property	Agricultural Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage Actual Value
2024	2023	$ 378,430,045	$ 1,134,826,875	$ 4,306,075	$ 1,517,562,995	$ 5,516,203,100	27%
2023	2022	380,044,590	1,122,397,300	4,464,775	1,506,906,665	5,599,520,612	27%
2022	2021	375,171,570	1,100,198,415	4,485,725	1,479,855,710	5,469,811,761	27%
2021	2020	270,480,460	759,351,485	3,072,325	1,032,904,270	3,768,834,887	27%
2020*	2019	267,853,600	746,670,440	0	1,014,524,040	3,722,267,429	27%
2019	2018	260,803,785	739,866,170	6,875,170	1,007,545,125	3,706,053,800	27%
2018	2017	255,348,875	727,679,780	6,765,720	989,794,375	3,599,901,000	27%
2017	2016	249,441,925	709,901,580	6,896,320	966,239,825	3,544,729,200	27%
2016	2015	246,137,530	691,984,225	7,206,875	945,328,630	3,466,903,000	27%
2015	2014	189,280,533	659,245,220	4,684,500	853,210,253	3,149,071,533	27%

Source: Knox County Property Assessor

Notes: Knox County Property Assessor assigns a value of zero to all tax exempt property.

Property assessed for industrial purposes is not segregated from commercial property, thus industrial property is not reported separately. The Town of Farragut does not assess a property tax. Thus, there is no direct tax rate.

* Information not available for zero values.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 8

DIRECT AND OVERLAPPING PROPERTY TAXES
(Rate per $100 of Assess Value)

Last Ten Calendar Years

Fiscal Year Ending June 30,	Total Direct Tax Rate	Overlapping Tax Rate - Knox County
2024	-	$ 1.55
2023	-	1.55
2022	-	1.55
2021	-	2.12
2020	-	2.12
2019	-	2.12
2018	-	2.12
2017	-	2.32
2016	-	2.12
2015	-	2.12

Source: Knox County, Tennessee

Note: The Town of Farragut does not have a property tax, thus, there is no direct tax rate.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 9

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

June 30, 2024

	Fiscal Year 2024				Fiscal Year 2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Metro Knoxville HMA, LLC Property Valuatio	$ 26,201,800	1	6.9%	Metro Knoxville HMA, LLC Property Valuatio	$ 19,533,320	1	2.33%
Overlook at Farragut Apartment, LLC	21,600,000	2	5.7%				
Farragut Senior Living, LLC	10,728,120	3	2.8%				
Hart TC IV, LLC	10,382,320	4	2.7%	Hart TC IV, LLC	11,095,320	2	1.32%
TN Knoxville Furrow, LLC	9,590,560	5	2.5%				
LB Knoxville, LLC	8,979,440	6	2.4%	LB Knoxville	5,262,240	6	0.63%
Knoxville Tennessee Turkey Creek, LLC	8,468,760	7	2.2%				
Costco Wholesale Corporation	7,368,240	8	1.9%	Costco Wholesale Corporation	5,781,320	4	0.69%
SNH Park Place II, Inc.	7,154,120	9	1.9%				
NHC Healthcare / Farragut, LLC	6,861,040	10	1.8%	NHC Healthcare / Farragut, LLC	5,390,200	5	0.64%
				Parkside Plaza Office	6,800,000	3	0.81%
				Metro Knoxville HMA, LLC	5,249,920	7	0.63%
				11400 PopIPrivate Investment	4,120,000	8	0.49%
				Moser-Biddle Corp.	3,732,800	9	0.44%
				Farragut Land Partners	3,591,280	10	0.43%
Totals	$ 117,334,400		30.9%		$ 70,556,400		8.41%

Source: Knox County Property Assessor, Comprehensive Financial Report

Notes: The above represents the ten (10) largest taxpayers located within the Town of Farragut, Tennessee who were assessed property tax by Knox County, Tennessee.
Percentage of Total Taxable Assessed Value represents only the taxable assessed value within the Town's incorporated area.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 10

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

The Town of Farragut, Tennessee does not levy property taxes.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 11

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total	Percentage of Personal Income	Per Capita
	General Obligation/ Bonds	Capital Outlay Notes	Lease Obligations			
2024	$ 0	$ 0	$ 5,679	$ 0	0	$ 0
2023	0	0	8,311	0	0	0
2022	0	0	13,314	0	0	0
2021	0	0	18,564	0	0	0
2020	0	0	0	0	0	0
2019	0	0	0	0	0	0
2018	0	0	0	0	0	0
2017	0	0	0	0	0	0
2016	0	250,000	0	250,000	0	0
2015	0	500,000	0	500,000	0	0

Note: Information is not available for personal income.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 12

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2024	$ 0	0	$ 0
2023	0	0	0
2022	0	0	0
2021	0	0	0
2020	0	0	0
2019	0	0	0
2018	0	0	0
2017	0	0	0
2016	0	0	0
2015	0	0	0

Note: Information is not available for personal income.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2024

Governmental Unit	Outstanding Debit	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with General Government Revenue			
Town of Farragut – Direct Debt	$ 5,679	100%	$ 5,679
Debt Repaid with Property Taxes			
Knox County, Tennessee Overlapping Debt	0	-	0
Total Direct an Overlapping Det			$ 5,679

Source: Knox County, Tennessee government

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding indebtedness of those overlapping governments that is borne by the residents and businesses of the Town of Farragut. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of Knox County, Tennessee's taxable assessed value within the Town's boundaries and dividing it by Knox County, Tennessee's total taxable assessed value.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 14

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

The State of Tennessee nor the Town of Farragut itself imposes no legal debt margins. Thus, for the current year and prior nine fiscal years, the Town has had no legal debt margin constraints.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 15

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

For the current and prior nine years there was no pledged revenue coverage.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 16

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

Calendar Year	Population	Per Capita Personal Income	Median Age	Public School Enrollment	Private School Enrollment	Unemployment Rate (4)
2024	23,506 (5)			5,599 (2)	1,521	2.90%
2023	23,506 (5)	(6)	(6)	5,588 (2)	1,434	3.00%
2022	23,506 (5)	(6)	(6)	5,549 (2)	1,348	2.70%
2021	23,506 (5)	(6)	(6)	5,420 (2)	850	3.80%
2020	22,676 (3)	(6)	(6)	5,380 (2)	1,152	4.60%
2019	22,676 (3)	(6)	(6)	5,421 (2)	1,131	3.60%
2018	22,676 (3)	(6)	(6)	5,464 (2)	1,058	3.20%
2017	22,676 (3)	(6)	(6)	5,400 (2)	1,182	2.70%
2016	22,676 (3)	(6)	(6)	7,312	1,235	4.30%
2015	20,676 (1)	(6)	(6)	7,147	1,194	4.80%

Sources:
(1) 2010 Federal Census
(2) Farragut Primary, Intermediate, Middle and High Schools
(3) Based on Local Census (04/2016)
(4) State of Tennessee, Labor and Workforce Development
(5) 2020 Federal Census
(6) Information Not Available

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 17

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

June 30, 2024

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Town Employment**	**Employees**	**Rank**	**Percentage of Town Employment**
Tennova Health West/Women	695	1	-	979	1	-
Knox County Schools	693	2	-	649	2	-
Costco	220	3	-	195	5	-
Kroger	217	4	-	275	3	-
NHC Healthcare	215	5	-	251	4	-
Ingles Food Store	183	6	-	188	6	-
Publix	180	7	-	119	10	-
Top Golf	110	8	-			-
Burlington	53	9	-			-
Kohl's	64	10	-	120	9	-
Summitt View				176	7	-
JC Penney				129	8	-
Totals	2,630			3,081		

Source: Individual company or organization.

Notes: Employee figures for the residents of the Town of Farragut are not available, thus, the schedule does not present the Percentage of Town Employment

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 18

TOWN EMPLOYMENT (INCLUDING PART-TIME) BY FUNCTION / PROGRAM

Last Ten Fiscal Years

Function / Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration										
(Including part-time)*	18	15	13	9	9	9	9	9	10	10
Community Development	11	9	9	9	9	9	9	7	7	7
Engineering	7	8	7	7	6	6	6	6	6	6
Public Works										
(Including part-time and seasonal)	21	32	30	30	28	27	27	27	26	24
Parks and Recreation										
(Including part-time and seasonal)	38	34	36	33	31	31	25	25	25	22
	95	98	95	88	83	82	76	74	74	69

Source: Town personnel record

Note: * Increase in 2023 and 2022 due to reorganization of positions to the Administration Department.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 19

OPERATING INDICATORS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

Function / Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Works / Engineering:										
Street Resurfacing (miles)	7.23	4.50	3.59	4.23	3.05	4.52	3.89	3.72	3.69	3.56
Right-of-Way Mowing (miles)	31.92	31.92	31.92	31.92	31.92	31.92	31.92	31.92	31.92	31.92
Parks and Recreation:										
Athletic Field User Groups	83	91	91	74	94	96	62	65	65	63
Community Room Rentals (1)	373	-	-	-	10	(1) 26	32	26	30	21
Classroom Rentals	104	286	-	-	-	-	-	-	-	-
Assembly Hall Rentals-Community Center	254	48	43	37	-	-	-	-	-	-
Gym Rentals-Community Center	789	196	226	-	-	-	-	-	-	-
Park Shelter Rentals	-	723	682	587	333	(2) 595	607	672	586	519
Building Department:										
New Single-Family Residential Permits	86	75	141	134	75	83	141	159	112	119
New Multi-Family Residential Permits	0 (3)	7 (3)	-	11	-	237	28	-	-	-
Residential Addition Permits	43	39	48	56	43	42	74	64	52	48
Commercial Structure Permits	19	10	7	6	12	13	8	5	6	5
Commercial Addition/Renovation Permit	27	39	37	27	29	32	18	34	37	41
Accessory Structure Permits	12	11	19	24	18	29	17	28	18	26

Source: Various Town Departments

Notes:

(1) The last rentals in the Community Room were early December 2019. Future rentals will be at the Community Center.

(2) Due to COVID-19 these numbers are lower than the past due to park closures.

(3) Number of multi-family residential buildings permitted.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 20

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM

Last Ten Fiscal Years

Function / Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Works / Engineering:										
Streets Maintained (miles)	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	140.68
Vehicle Fleet	29	28	26	26	25	24	23	22	21	21
Parks and Recreation:										
Park Acreage	212.24	142.24	142.24	142.24	142.24	142.24	142.24	142.24	142.24	142.24
Playgrounds	4	4	4	3	3	3	3	3	3	3
Diamond Athletic Fields	5	5	5	5	5	5	5	-	-	-
Rectangular Fields	8	8	8	8	8	8	8	-	-	-
Courts (Tennis, Basketball and Volleyball	9	9	9	4	4	4	4	-	-	-
Picnic Areas and Covered Shelters	17	17	17	9	9	9	9	9	9	9
Bronze Sculptures	9	9	9	9	9	9	9	9	9	9

Source: Inventory Schedules
Various Town Departments

COMPLIANCE SECTION

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Board of Aldermen
Town of Farragut
Farragut, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the fiduciary activities, each major fund, budgetary comparison for the general fund, and the aggregate remaining fund information of the Town of Farragut, Tennessee (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Farragut, Tennessee's basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Farragut, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Farragut, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Farragut, Tennessee's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Farragut, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Farragut's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 30, 2024

PUGH & COMPANY, P.C.
315 NORTH CEDAR BLUFF ROAD, SUITE 200
KNOXVILLE, TENNESSEE 37923
Telephone: 865-769-0660
Fax: 865-769-1660

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Mayor and Board of Aldermen
Town of Farragut
Farragut, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Farragut's (the Town) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further discussed in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for the resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance exists* when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
December 30, 2024

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) ____ Yes __X__ No

Major federal programs for the Town of Farragut, Tennessee for the fiscal year ended June 30, 2024 are:

Program Name	Assistance Listing #
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between Type A & Type B programs: $750,000

Auditee qualified as low-risk auditee? ____ Yes __X__ No

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Current Year Audit Findings: None

Section III - Federal Award Findings

Current Year Audit Findings: None

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2024

The status of prior year findings for the year ended June 30, 2024:

Financial Statement Findings:

Prior Year Finding Number	Finding Title	Status/ Current Year Finding Number
2023-001	Internal Control Over Financial Reporting	Corrected

Federal Award Findings and Questioned Costs: None

Town of Farragut

P R O C L A M A T I O N

WHEREAS, residents of the southwest corner of Knox County area were concerned about low development standards and unfettered commercial development in the 1970s; and

WHEREAS, a dedicated group of men and women grew weary of having their concerns ignored by Knox County government; and

WHEREAS, this Farragut Community Group, being concerned that what was known as the Concord community would be annexed by the City of Knoxville, took on the task of incorporating a new municipality, with its own elected body and planning commission, in 1979; and

WHEREAS, the effort required the group to devote countless hours to registering voters, creating a map of the town's boundaries, and convincing neighbors that incorporation could be accomplished with no new taxes; and

WHEREAS, after incorporation was achieved on Jan. 16, 1980, the group continued to fight against annexation and for its share of sales tax revenue; and

WHEREAS, the Farragut Community Group was ultimately successful in defending the new municipality, named for Civil War naval hero Admiral David Farragut, and elected its first Board of Mayor and Aldermen on April 1, 1980; and

WHEREAS, the Town of Farragut continues to define quality of life with a beautiful, close-knit, connected community where families and businesses thrive.

Now, **Therefore**, the Board of Mayor and Aldermen of Farragut, Tennessee, does hereby designate the third week of January as Founders Week to recognize the contributions of Farragut Community Group members Ralph McGill, Eric Johnson, Betty Dick, Ron Simandl, Gene McNalley, George Dorsey and David Rodgers and express appreciation for the hard work that resulted in the incorporation of the Town of Farragut.

Signed this 9th day of January 2025.

_____

Ron Williams, Mayor

AGENDA NUMBER V.A.1.a. **MEETING DATE** January 9, 2025

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Finance Director/Town Recorder

SUBJECT: Ordinance 24-23, an Ordinance of the Town of Farragut, Tennessee amending the Fiscal Year 2024-2025 General Fund, Capital Investment Program and ARPA Fund budgets, passed by Ordinance 24-07

INTRODUCTION:

The purpose of this agenda item is to approve Ordinance 24-23 on second reading to amend the Fiscal Year 2025 General Fund, Capital Investment Program and ARPA Fund budgets.

General Fund

DISCUSSION:

The General Fund will be amended by increasing expenditures from $11,173,602 to $11,188,302, an increase of $14,700 for the following line items in the Public Works Department. Funds will be utilized from fund balance.

Public Works 43000	Original Budget	Amount to Amend	Amended Budget
Clothing & Uniforms-1380	23,380	5,100	28,480
Operating Supplies-3000	6,000	500	6,500
Major Equipment/Machinery-9490	22,000	9,100	31,100
		14,700	**Total Increase**

FINANCIAL SECTION: General Fund

Account Number: General Fund Expenditures

FY2025 Budget	Requested Amendment	FY2025 Amended Budget
$11,173,602	$14,700	$11,188,302

Approved By: A. Myers

Capital Investment Program

DISCUSSION:

The Capital Investment Program will be amended by increasing expenditures from $17,897,616 to $21,835,681, an increase of $3,938,065. Additional Funds are needed for the projects below.

- Appraisal service for McFee Road Land purchase will increase $10,800, these expenditures will be funded through fund balance.
- McFee Dog Park-Expenditures will increase due to the allocation of the grant funding from the Boyd Foundation.

Amendment From Fund Balance	Original Budget	Amended Budget	
McFee Land Purchase	0	10,800	Appraisal
McFee Dog Park-Boyd Foundation	0	25,000	Assigning grant funding to the expenditure
		35,800	**From Fund Balance**

The following project amendments are required to transfer budgeted funding from Fiscal Year 2024 to Fiscal Year 2025.

From Fiscal Year to Another FY24 to FY25	Original Budget	Amended Budget	
CMAQ Project	0	2,172,142	
Mid-Block Crossing Grigsby Chapel	0	312,135	
Town Center Improvements	0	500,000	
Virtue Road Engineering	0	515,968	
Union Road Right of Way	0	337,495	
Watt Road Roundabout	0	63,225	
McFee Gates	0	1,000	
Public Works Storage Shed Roof	0	300	
		3,902,265	**Total from FY24**
		3,938,065	**Total for the Amendment**

FINANCIAL SECTION: Capital Investment Program

Account Number: CIP Expenditures

FY2025 Budget	Requested Amendment	FY2025 Amended Budget
$17,897,616	$3,938,065	$21,835,681

Approved By: A. Myers

ARPA Fund

DISCUSSION:

The ARPA Fund will be amended by increasing expenditures from $4,696,981 to $9,357,991, an increase of $4,661,010. Additional Funds are needed for the projects below.

- Stormwater Parking Facilities will increase $27,334, this expenditure will be funded through fund balance.
- Stormwater Master Plan will increase $206,849, this expenditure will be funded through fund balance.
- Stormwater Improvements will increase $32,450, this expenditure will be funded through fund balance.

Amendment From Fund Balance	Original Budget	Amount to Amend	Amended Budget	
Stormwater Parking Facilities	2,706,579	27,334	2,733,913	
Stormwater Master Plan	0	206,849	206,849	
Stormwater Improvements	1,675,681	32,450	1,708,131	
		266,633	**From Fund Balance**	

The following project amendments are required to transfer budgeted funding from Fiscal Year 2024 to Fiscal Year 2025.

From Fiscal Year to Another FY24 to FY25	Original Budget	Amount to Amend	Amended Budget
Town Hall	0	2,668,232	2,668,232
Stormwater Improvements	204,328	1,471,353	1,675,681
Broadband Fiber Project	1,786,074	254,792	2,040,866
		4,394,377	**Total from FY24**
		4,661,010	**Total for the Amendment**

FINANCIAL SECTION: ARPA Fund Budget

Account Number: ARPA Fund Expenditures

FY2025 Budget	Requested Amendment	FY2025 Amended Budget
$4,696,981	$4,661,010	$9,357,991

Approved By: A. Myers

RECOMMENDATION BY: Allison Myers, Finance Director/Town Recorder

PROPOSED MOTION: Motion to approve Ordinance 24-23 on second and final reading.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

VOTE/TOTAL	BURNETTE	MEYER	CAIN	WHITE	WILLIAMS
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	24-23
PREPARED BY	Myers
1ST READING	December 12, 2024
2ND READING	January 9, 2025
PUBLISHED IN	Farragut Press
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE AMENDING THE FISCAL YEAR 2024-2025 GENERAL FUND AND CAPITAL INVESTMENT FUND BUDGETS, PASSED BY ORDINANCE 24-07

WHEREAS, the Town of Farragut adopted the fiscal year 2024-25 budget by passage of Ordinance Number 24-07 on June 13, 2024; and

WHEREAS, pursuant to the Tennessee State Constitution, Section 24 of Article II, no public money shall be expended except pursuant to appropriations made by law; and

WHEREAS, expenses will be greater than budgeted in the General Fund, Capital Investment Fund, and ARPA Fund budgets; and

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF FARRAGUT, TENNESSEE THAT CHANGES BE MADE TO THE FISCAL YEAR 2024-2025 BUDGET AS FOLLOWS:

SECTION 1. Ordinance 24-07 is hereby amended by:

The **General Fund** will be amended by increasing expenditures from $11,173,602 to $11,188,302, an increase of $14,700 in the Public Works Department.

The **Capital Investment Program Budget** will be amended by increasing expenditures from $17,897,616 to $21,835,681, an increase of $3,938,065 for the following.

CIP Budget Amendments-310

Amendment From Fund Balance	**Original Budget**	**Amended Budget**	
McFee Land Purchase	0	10,800	Appraisal
McFee Dog Park-Boyd Foundation	0	25,000	Assigning grant $$ to an expenditure
		35,800	**From Fund Balance**

From Fiscal Year to Another FY24 to FY25	**Original Budget**	**Amended Budget**
CMAQ Project	0	2,172,142
Mid-Block Crossing Grigsby Chapel	0	312,135
Town Center Improvements	0	500,000
Virtue Road Engineering	0	515,968
Union Road Right of Way	0	337,495
Watt Road Roundabout	0	63,225

McFee Gates	0	1,000	
Public Works Storage Shed Roof	0	300	
		3,902,265	**Total from FY24**
		3,938,065	**Total for the Amendment**

The **ARPA Fund** will be amended by increasing expenditures from $4,696,981 to $9,357,991, an increase of $4,661,010 for the following projects.

ARPA Budget Amendments-316

Amendment From Fund Balance	**Original Budget**	**Amount to Amend**	**Amended Budget**
Stormwater Parking Facilities	2,706,579	27,334	2,733,913
Stormwater Master Plan	0	206,849	206,849
Stormwater Improvements	1,675,681	32,450	1,708,131
		266,633	**From Fund Balance**
From Fiscal Year to Another FY24 to FY25	**Original Budget**	**Amount to Amend**	**Amended Budget**
Town Hall	0	2,668,232	2,668,232
Stormwater Improvements	204,328	1,471,353	1,675,681
Broadband Fiber Project	1,786,074	254,792	2,040,866
		4,394,377	**Total from FY24**
		4,661,010	**Total for the Amendment**

SECTION 2. The Board of Mayor and Aldermen authorizes the Town Recorder to make said changes in the accounting system.

SECTION 3. This ordinance shall take effect after its final passage and publication, the public welfare requiring it.

Ron Williams, Mayor

Allison Myers, Town Recorder

Ordiance 24-23 Budget Amendment

General Fund Budget Amendments-110

Public Works 43000	Original Budget	Amount to Amend	Amended Budget	
Clothing & Uniforms-1380	23,380	5,100	28,480	
Operating Supplies-3000	6,000	500	6,500	
Major Equipment/Machinery-9490	22,000	9,100	31,100	
		14,700	**Total Increase**	

CIP Budget Amendments-310

Amendment From Fund Balance	Original Budget	Amended Budget	
McFee Land Purchase	0	10,800	Appraisal
McFee Dog Park-Boyd Foundation	0	25,000	Assigning grant $$ to an expenditure
		35,800	**Balance**

From Fiscal Year to Another FY24 to FY25	Original Budget	Amended Budget	
CMAQ Project	0	2,172,142	
Mid-Block Crossing Grigsby Chapel	0	312,135	
Town Center Improvements	0	500,000	
Virtue Road Engineering	0	515,968	
Union Road Right of Way	0	337,495	
Watt Road Roundabout	0	63,225	
McFee Gates	0	1,000	
Public Works Storage Shed Roof	0	300	
		3,902,265	**Total from FY24**
		3,938,065	**Total for the Amendment**

ARPA Budget Amendments-316

Amendment From Fund Balance	Original Budget	Amount to Amend	Amended Budget	
Stormwater Parking Facilities	2,706,579	27,334	2,733,913	
Stormwater Master Plan	0	206,849	206,849	
Stormwater Improvements	1,675,681	32,450	1,708,131	
		266,633	**Balance**	

From Fiscal Year to Another FY24 to FY25	Original Budget	Amount to Amend	Amended Budget	
Town Hall	0	2,668,232	2,668,232	
Stormwater Improvements	204,328	1,471,353	1,675,681	
Broadband Fiber Project	1,786,074	254,792	2,040,866	
		4,394,377	**Total from FY24**	
		4,661,010	**Total for the Amendment**	

AGENDA NUMBER VI.A.2.a. **MEETING DATE January 9, 2025**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Mark Shipley, Community Development Director

SUBJECT: Request for approval of Ordinance 24-24, an ordinance on first reading to amend the Farragut Zoning Map for the property at 12823 Kingston Pike (formerly Summit View Nursing Home) from General Commercial (C-1) to Community Service (S-1), 5 Acres (Benefield Richters, Applicant)

INTRODUCTION AND BACKGROUND: During discussion with the Planning Commission the staff noted that the applicant would like to re-purpose the former Summit View Nursing Home at the east intersection of N. Hobbs Road and Kingston Pike. The property is currently zoned General Commercial (C-1), and the applicant has requested that this be changed to Community Service (S-1) so that the inside of the building can be converted to an independent living and care facility for 65 residents.

In the Zoning Ordinance, an *independent living and care facility* is defined as "a residential use that could be single-family detached or attached to house older persons who are frail but not infirmed that require a lower-level assistance than residents in assisted-care living facilities. Independent living residents do not require assistance or acute nursing home care but rather receive limited services including, but not restricted to nursing care, meals, housekeeping, social programs, daily maintenance and other services. Such homes may be licensed by the State of Tennessee as homes for the aged and are intended to be residential in character and will generate lower levels of impact than traditional residential units. Independent care facilities may be part of a senior living community. The parcel or tract of land and the units within the facility shall remain under single ownership so that individual units are not transferable simple."

The applicant's plan is that no nursing staff will be on site. Each unit will have a living/sleeping area and bathroom but no cooking facilities. The existing dining and recreational facilities associated with the nursing home's layout will remain. As referenced in the letter included in the packet from Amy Sherrill, the proposed use will comply with the existing parking layout. The 65-unit layout will require 72 spaces (65 bedrooms plus 7 guest spaces) and 73 parking spaces exist on the site.

DISCUSSION: Since the S-1 Zoning District can provide for large footprint institutional type facilities and serve as a transitional zoning district to abutting lower density residential, an application for a rezoning to S-1 shall include a Concept Layout Plan that clearly addresses the plan of development for the proposed rezoning area. However, as discussed with the Planning Commission, in the case of this project no external modifications are being made and the site is fully developed. The requirement for a Concept Layout Plan, at least to the extent of a new development, would not appear to be applicable in this case. The only item needed for the Concept Layout Plan and that was mentioned with the Planning Commission is the general location and type of transitional area for the portion of the site that abuts the property to the north that is zoned residential. Some options for the transition area were reviewed at the Planning Commission workshop discussion meeting in November.

In addition to examining different options for the transitional area, some other discussion points that were reviewed with the Planning Commission as part of the workshop discussion in November were the following:

1. The requested rezoning is consistent with the Future Land Use Map designation for this property. That designation is Civic/Institutional.

2. The requested rezoning would help address the strategy in the Comprehensive Land Use Plan of "Encouraging Greater Housing Choice."
3. Multi-family residential is not a permitted use in the S-1 District. The use proposed would be an independent living and care facility with age restrictions and interior unit layouts that cater to this type of use.
4. Given the Town's dependence on sales tax, the Town's Strategic Plan includes a planning priority for identifying potential retailers to increase local sales tax revenue with remaining commercially zoned properties. The requested rezoning would rezone a property that is commercially zoned to a non-commercial zone.
5. Unlike a nursing home, the residents of the independent living and care facility would be able to support the Town's tax base since they could leave the facility to shop, eat, recreate, etc.

RECOMMENDATION: Included in the packet is an updated Concept Layout Plan showing the location and type of transitional area proposed for the project where it abuts property that is zoned residential. The applicant has decided to provide a 35-foot-wide planted buffer strip as their type of transitional plan. This is one of the options permitted for a transitional area. Since the transition area width is required to be 50 feet, the plant material could be distributed over a wider area than is shown on their Concept Layout Plan. The applicant will be required to submit a landscape plan for this buffer strip for approval by the Visual Resources Review Board (VRRB). A completion letter of credit will also be required based on the plan approved by the VRRB to ensure that the buffer strip will be planted at the appropriate time to satisfy the transitional area requirement for the rezoning to the S-1 District.

At their meeting on December 19, 2024, the Planning Commission unanimously recommended approval of the requested rezoning. The staff recommends approval of Ordinance 24-24 on first reading since the rezoning is consistent with the Future Land Use Map and advances the strategy in the Town's Comprehensive Land Use Plan of Encouraging Greater Housing Choice.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	WILLIAMS	MEYER	WHITE	CAIN	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	

ORDINANCE: **24-24**
PREPARED BY: **Shipley**
REQUESTED BY: **Benefield Richters**
CERTIFIED BY FMPC: **December 19, 2024**
PUBLIC HEARING: _____
PUBLISHED IN: _____
DATE: _____
1ST READING: _____
2ND READING: _____
PUBLISHED IN: _____
DATE: _____

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO SECTION 13-4-201, TENNESSEE CODE ANNOTATED.

BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Zoning Ordinance, Ordinance 86-16, as amended, is hereby amended as follows:

SECTION 1.

The Farragut Zoning Ordinance, Ordinance 86-16, as amended, is hereby amended by rezoning the property at 12823 Kingston Pike from C-1 to S-1 (See Exhibit A).

SECTION 2.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of _____, 2024, with approval recommended by the Farragut Municipal Planning Commission (FMPC).

_____
Scott Russ, Chairman

_____
Shannon Preston, Secretary

farragut TENNESSEE

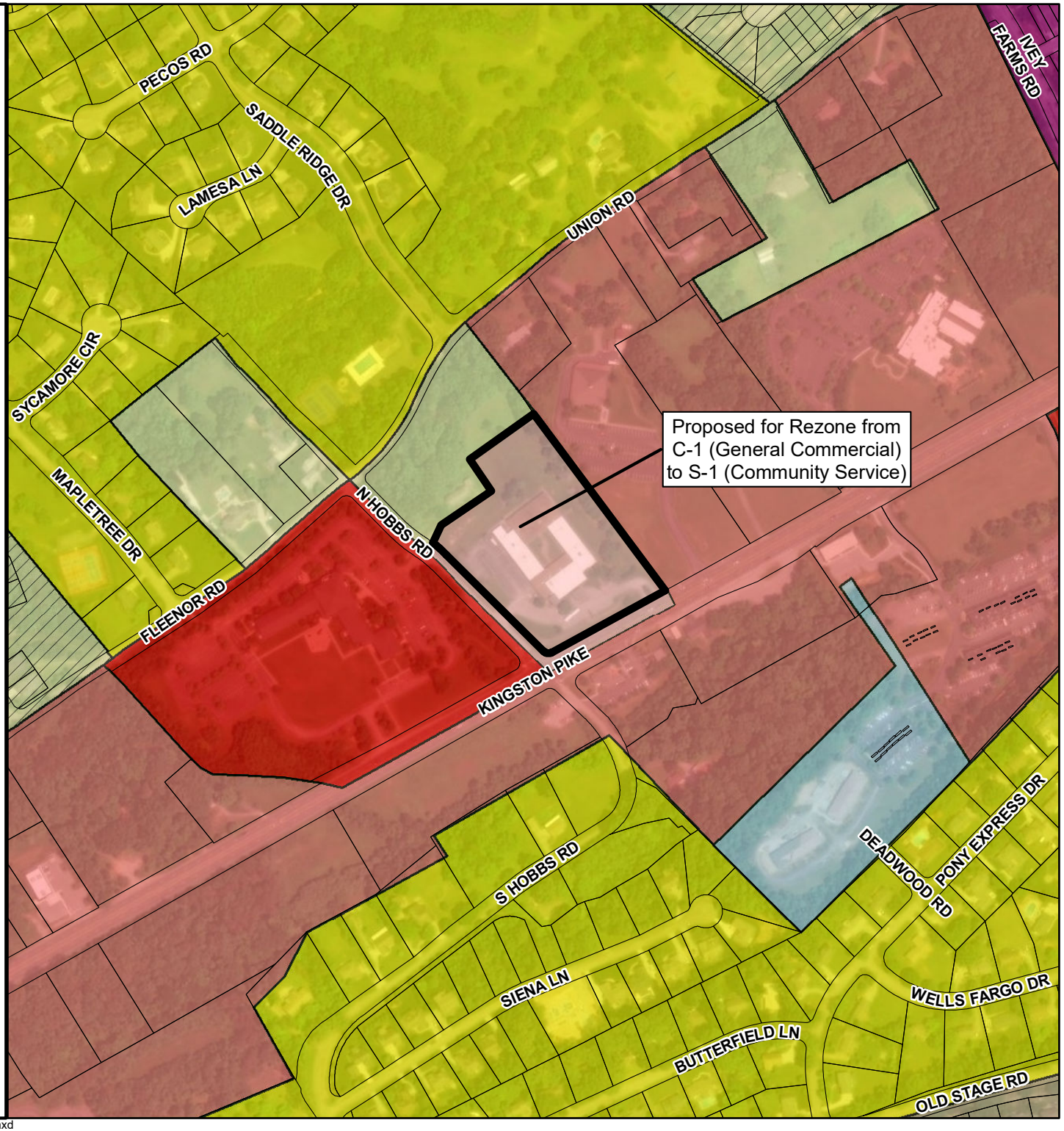
Exhibit A
Ordinance 24-24

Rezone of 12823 Kingston Pike
Parcel 151, Tax Map 04501

Proposed for Rezone from
C-1 (General Commercial)
to S-1 (Community Service)

Legend

- Parcels
- Subject Area
- Business District Four Story
- S-1, Community Service
- R-1, Rural Single-Family Residential
- R-2, General Single-Family Residential
- R-3, Small Lot Single-Family Residential
- R-1/OSR, Open Space Residential Overlay
- O-1, Office
- Neighborhood/Convenience Commercial
- C-1, General Commercial
- C-1-3, General Commercial, Three Stories



1 in = 400 ft

Document Path: G:\Farragut\Map Documents\2024\Ordinance-24-24 Zoning.mxd

RESOLUTION PC-24-20

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO APPROVE AN AMENDMENT TO THE FARRAGUT ZONING MAP, ORDINANCE 86-16, TO RECOMMEND THE APPROVAL OF THE REZONING OF THE PROPERTY AT 12823 KINGSTON PIKE FROM GENERAL COMMERCIAL (C-1) TO COMMUNITY SERVICE (S-1)

WHEREAS, the Tennessee Code Annotated, Section 13-4-201et seq, provides that the Municipal Planning Commission shall make and adopt a general plan for the physical development of the municipality; and

WHEREAS, the Farragut Municipal Planning Commission has adopted various elements of a zoning plan as an element of the general plan for physical development; and

WHEREAS, a public hearing was held on this request on December 19, 2024;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval of Ordinance 24-24 to the Farragut Board of Mayor and Aldermen, an ordinance amending the Farragut Zoning Map, Ordinance 86-16, by rezoning the property at 12823 Kingston Pike from C-1 to S-1.

ADOPTED this 19th day of December 2024.

_____
Scott Russ, Chairman

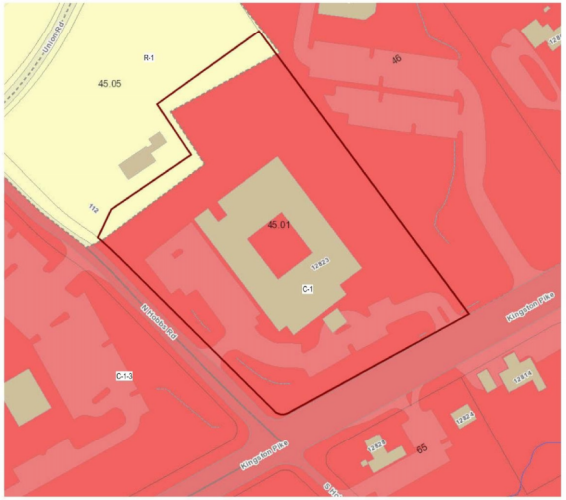
_____
Shannon Preston, Secretary

EXISTING AERIAL

0 100' 200' 300'

EXISTING TOPOGRAPHY

0 100' 200' 300'



ZONING MAP

0 100' 200' 300'

benefield · richters

planning
architecture

902 North Central Street
Knoxville, TN 37917
(865) 637-7009

SUMMIT VIEW

12823 KINGSTON PIKE, FARRAGUT, TN 37934

CONCEPT LAYOUT PLAN - EXISTING CONDITIONS

issue	issued by	drawn by	date

NOTE: PLANS ARE FOR REZONING - DRAWINGS CONTAIN CONCEPTUAL INFORMATION NOT INTENDED FOR CONSTRUCTION PURPOSES.

AMY SHERRILL REGISTERED ARCHITECT STATE OF TENNESSEE

10/9/2024

sheet

A-2

© the benefield richters company

benefield · richters

planning
architecture

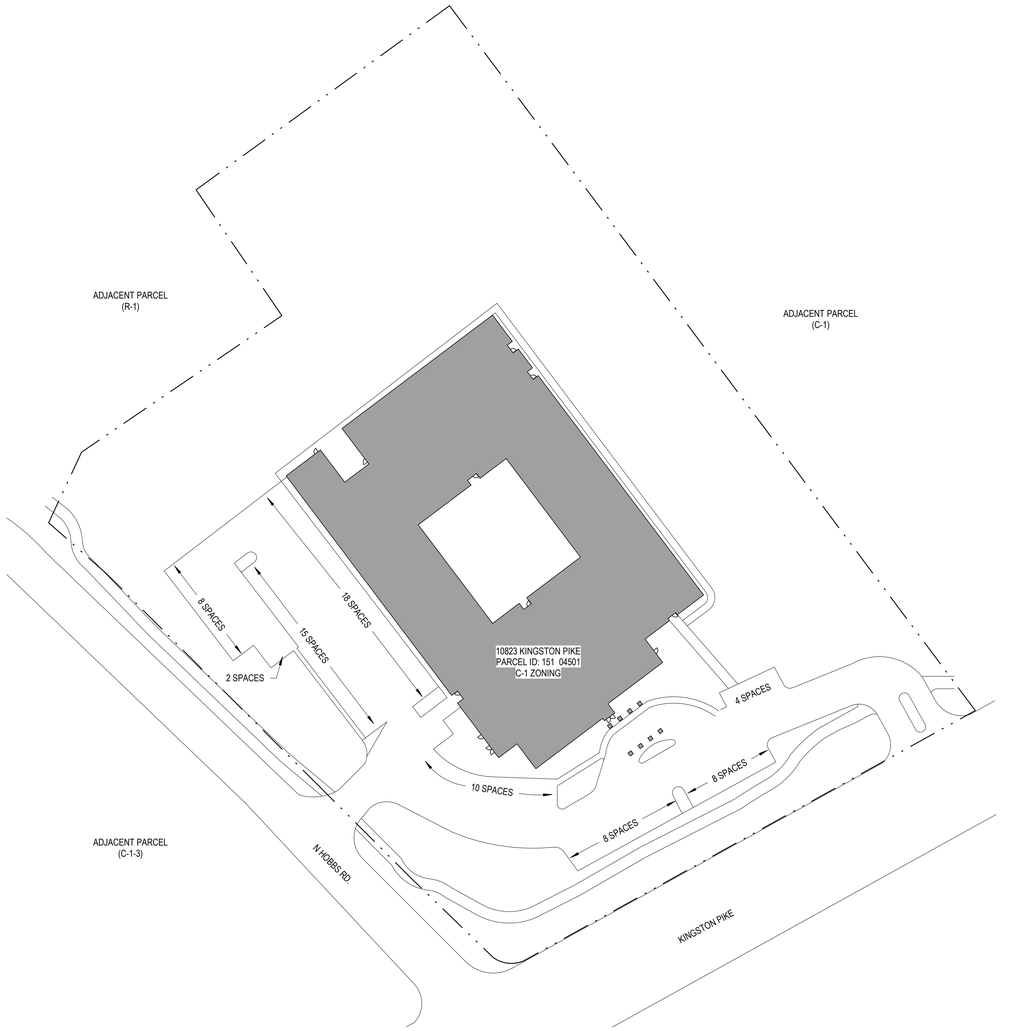
902 North Central Street
Knoxville, TN 37917
(865) 637-7009

PROPERTY INFORMATION

NAME:	SUMMIT VIEW OF FARRAGUT
ADDRESS:	12823 KINGSTON PIKE FARRAGUT, TN 37934
PARCEL:	151 04501
ACREAGE:	5
ZONING:	C-1

OWNER

NAME:	12823 KINGSTON PIKE LLC
ADDRESS:	234 MORRELL RD STE 116 KNOXVILLE, TN 37919
PHONE:	(423)946-4730



L8 / A-1 SITE PLAN - EXISTING CONDITIONS
1" = 50'-0"

0 50' 100' 150'

SUMMIT VIEW

12823 KINGSTON PIKE, FARRAGUT, TN 37934

CONCEPT LAYOUT PLAN

issue	issued by	drawn by	date

NOTE: PLANS ARE FOR REZONING - DRAWINGS CONTAIN CONCEPTUAL INFORMATION NOT INTENDED FOR CONSTRUCTION PURPOSES.

AMY SHERRILL
REGISTERED ARCHITECT
No. 104317
STATE OF TENNESSEE
10/9/2024

sheet

A-1

© the benefield richters company

benefield ▪ richters

October 9, 2024

Farragut Planning and Zoning Division
Community Development
11408 Municipal Center Drive
Farragut, TN 37934

We are requesting the rezoning of 12823 Kingston pike from C-1 to S-1. No modifications to the exterior or site are proposed. The existing use is a 69-unit nursing home facility. We are proposing a 65-unit independent living facility. There will be no nursing staff on site. All units are to contain a living/sleeping area and ensuite bathroom. No cooking facilities will be in unit. The existing dining and recreation facilities are to remain.

The independent living parking requirements comply with the existing parking layout. The 65-unit layout will require 72 spaces (65 bedrooms plus 7 guest spaces). 73 exist on site.

We are aware of the Town's development requirements and standards and acknowledge that all applicable standards will need to be met during development per the Farragut Code of Ordinances Chapter 3 Section XX.C.K

Sincerely,

Amy H. Sherrill

Amy Sherrill, RA
President, Benefield Richters Company, Inc.

AGENDA NUMBER VI.A.2.b. **MEETING DATE January 9, 2025**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Karl Swierzko, Building Official

SUBJECT: Request for approval of Ordinance 25-01, an ordinance on first reading to amend the Farragut Municipal Code, Chapter 105 - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), to use the International Building Code for the requirement for a sprinkler system for structures in excess of 7,000 gross square feet or more than two stories that are Type I or II Construction and a Mercantile Occupancy Type (Town of Farragut, Applicant)

INTRODUCTION AND BACKGROUND: The Town's current 2018 International Building Codes (IBC) were adopted on April 11, 2019, with several modifications that enhance minimum code requirements as needed for the community. These modifications reflect more robust standards in comparison to the unmodified provisions in the IBC. The IBC are minimum codes and communities may adopt provisions that exceed the minimum requirements.

It is important to remember that code enforcement is enacted in communities to help ensure that buildings are structurally sound, to provide a means of ingress/egress, and to promote sanitation, adequate light and ventilation, energy conservation, and safety to fire fighters and emergency responders during emergency operations. The Town has historically been a leader in code enforcement because the community understands that good code enforcement helps protect investments and markets the Town as a desirable place to live, work, and visit.

Given this background, one of the modifications included in the current Farragut Municipal Code is to require any structure more than 7,000 gross square feet per story or more than two stories to be sprinklered per Section 903.3 of the International Building Code. The Town's building official and fire marshal have evaluated this modification to include an exception to this requirement for single story structures of Type I or II Construction and a Mercantile Occupancy Type. For such structures, the requirement for a sprinkler system would fall under the unmodified provisions of the IBC which would include such requirement for structures in excess of 12,000 gross square feet.

DISCUSSION: Type I and Type II Construction refer to classifications based on a building's fire resistance, with Type I representing the highest level of fire resistance using mostly non-combustible materials like concrete and protected steel, while Type II buildings also use mostly non-combustible materials but have a lesser fire resistance rating.

The Town periodically receives new building permit requests for the construction of single-story Type II structures for mercantile occupancies exceeding 7,000 gross square feet but less than 12,000 gross square feet. These structure types and occupancy uses have an adequate fire resistance rating that meets the minimum code requirements. The requirement to sprinkler such structures adds roughly $1-$2 per square foot with an additional $1-$2 per square foot for a fire alarm system.

Example: A 10,000 square foot Type II structure will cost between $20,000-$40,000 for the sprinkler system with an additional cost of $50-$70 per month for monitoring services.

RECOMMENDATION: In fulfillment of the Town's Strategic Plan and the priorities of "Enhancing the Town's Financial Position" and "Advancing a High-Quality and Well-Maintained Community", the exception

to the current modifications, as reflected in Ordinance 25-01, would promote the Strategic Plan without compromising the Town's historic commitment to excellent code enforcement. The exception would result in a significant reduction of construction costs without impeding the fire resistance ratings or applicable code requirements. The Building Official, Karl Swierzko, and the Fire Marshal, Charles Wilson, recommend approval of Ordinance 25-01 on first reading.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	WILLIAMS	MEYER	WHITE	CAIN	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	

ORDINANCE: **25-01**
PREPARED BY: **Swierzko**
1ST READING: _____
2ND READING: _____
PUBLISHED IN: _____
DATE: _____

ORDINANCE 25-01, AN ORDINANCE TO AMEND THE FARRAGUT MUNICIPAL CODE, CHAPTER 105, - BUILDINGS AND BUILDING REGULATIONS, ARTICLE 2. – INTERNATIONAL BUILDING CODE, SECTION 105-20. – MODIFICATIONS, SUBSECTION (F), TO USE THE INTERNATIONAL BUILDING CODE FOR THE REQUIREMENT FOR A SPRINKLER SYSTEM FOR STRUCTURES IN EXCESS OF 7,000 GROSS SQUARE FEET OR MORE THAN TWO STORIES THAT ARE TYPE I OR II CONSTRUCTION AND A MERCANTILE OCCUPANCY TYPE

WHEREAS, the Board of Mayor and Alderman of the Town of Farragut, Tennessee, wishes to amend the Farragut Municipal Code, Chapter 105, - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), to use the International Building Code for the requirement for a sprinkler system for structures in excess of 7,000 gross square feet or more than two stories that are Type I or II Construction and a Mercantile Occupancy Type;

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Alderman of the Town of Farragut, Tennessee, that the Farragut Municipal Code, Chapter 105, - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), is hereby amended as follows:

SECTION 1.

The Farragut Municipal Code, Chapter 105, - Buildings and Building Regulations, Article 2. – International Building Code, Section 105-20. – Modifications, Subsection (f), is amended as follows:

(f) The International Building Code is amended by adding the following: Any structure in excess of 7,000 gross square feet per story or more than two stories shall be sprinklered per Section 903.3 of the International Building Code.

Exception. Single story structures of Type I or II construction and a Mercantile occupancy type.

SECTION 2.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

_____
Ron Williams, Mayor

_____
Allison Myers, Town Recorder

Existing Language with Amendment in Red

Sec. 105-20. Modifications.

(a) The International Building Code, is amended by establishing the permit fees in the general fee schedule resolution adopted by the Farragut Board of Mayor and Aldermen.

(b) The International Building Code, is amended by adding the following:

"No building permit shall be issued unless and until an access permit as otherwise required by ordinance of the Town of Farragut has been issued."

"No permit shall be issued to an applicant, or any shareholder of the entity serving as the applicant, if the matter for which application has been filed, if completed, would be in violation of any ordinance of the Town of Farragut. No permit shall be issued to an applicant, or any shareholder of the entity serving as the applicant, who, prior to the issuance of the permit, is in violation of any other sections of the Farragut Municipal Code or ordinance of the Town of Farragut, nor shall any permit be issued for a premise that, prior to the issuance of the permit, is in violation of any other sections of the Farragut Municipal Code or ordinance of the Town of Farragut."

"A certificate of occupancy shall not be issued until all required building, electrical, gas, mechanical, plumbing, and fire protection systems have been inspected for compliance with the technical codes and all other applicable laws and ordinances of the Town of Farragut are met."

(c) The International Building Code is amended by adding the following: Permit drawings shall be no larger than twenty-four (24) x thirty-six (36) inches.

(d) The International Building Code, is amended by adding the following:

(1) *Design professional.* The design professional shall be an architect or engineer legally registered under the laws of this state regulating the practice of architecture or engineering and shall affix his/her official seal to said drawings, specifications and accompanying data, for the following:

a. All Group A, E and I occupancies.

b. Buildings and structures three stories or higher.

c. Buildings and structures 5,000 square feet (465 square meters) or more in area.

For all other buildings and structure, the submittal shall bear the certification of the applicant that some specific state law exception permits its preparation by a person not so registered.

(2) *Exception.* Group R3 buildings, regardless of size, shall require neither a registered architect or engineer unless required by the building official.

(e) The International Building Code is amended by adding the following: Any structure in excess of 7,000 gross square feet per story or more than two stories shall be of Type I, II, III or IV construction.

(f) The International Building Code is amended by adding the following: Any structure in excess of 7,000 gross square feet per story or more than two stories shall be sprinklered per Section 903.3 of the International Building Code.

Exception. Single story structures of Type I or II construction and a Mercantile occupancy type.

(g) The International Building Code is amended by adding the following: Fire walls shall be of noncombustible construction and shall have no penetrations or openings in Type V construction.

(h) Section 101.1 Title, of the International Building Code, is amended by inserting the phrase "Town of Farragut" for NAME OF JURISDICTION.

(i) The International Building Code is amended by adding the following:

"All building permits shall expire according to the following completion schedule from the date the permit is issued"

New construction	487 days (16 months)
Moving structures	60 days
Demolition	60 days
Mechanical changeouts	60 days
All other permits	180 days

(j) Section [A] 107.3.4 Design professional in responsible charge, of the International Building Code, is amended by adding the following:

[A] 107.3.4.2 *Construction documents.* The building official may require details, computations, stress diagrams, and other data necessary to describe the construction or installation and the basis of calculations. All drawings, specifications and accompanying data required by the building official to be prepared by a Tennessee registered architect or engineer shall be affixed with their official seal.

(k) Section 113 Board of Appeals, of the International Building Code, is amended by adding the following:

[A] 113.4 *Membership.* The Farragut Board of Plumbing and Gas/Mechanical Examiners shall serve as the board of appeals.

[A] 113.5 *Application.* Application to board of appeals shall be made prior to commencement of construction.

[A] 113.6 *Notice of meeting.* The board shall meet upon notice from the chairman, within twenty (20) days of the filing of an appeal, or at stated periodic meetings.

[A] 113.7 *Open hearing.* All hearings before the board shall be open to the public. The appellant, the appellant's representative, the code official, and any person whose interests are affected shall be given an opportunity to be heard.

[A] 113.7.1 *Procedure.* The board shall adopt and make available to the public through the secretary procedures under which a hearing will be conducted. The procedures shall not require compliance with strict rules of evidence but shall mandate that only relevant information be received.

[A] 113.8 *Board decision.* The board shall modify or reverse the decision of the code official by a concurring vote of the majority of membership.

[A] 113.8.1 *Administration.* The code official shall take immediate action in accordance with the decision of the board.

[A] 113.9 *Court review.* Any person, whether or not a previous party of the appeal, shall have the right to apply to the appropriate court for a writ of certiorari to correct errors of law. Application for review shall be made in the manner and time required by law following the filing of the decision in the office of the chief administrative officer.

(l) Section 114 Violations, of the International Building Code, is amended by adding the following:

[A] 114.5 *Revocation.* The building official may also revoke a permit or approval if a permit holder shall, subsequent to the issuance of such permit or approval, violate the terms of the International Building Code or the provisions of any other pertinent sections of the Farragut Municipal Code or other ordinances of the Town of Farragut."

(m) Section [F] 502 Building Address, of the International Building Code, is amended by deleting it in its entirety and substituting in lieu thereof the following:

[F] 502 Posting of designated street address.

a. All buildings (excluding accessory buildings) shall display the number assigned by the Knox County Addressing Division to the frontage on which the building's front entrance is located. If a building is occupied by more than one unit, each separate outside entrance shall display a separate number.

b. Numerals indicating the official numbers for each building or each entrance to such building shall be placed either over or at the side of the main entrance of said building or upon the front of any porch or stoop thereof or over or at the side of any gateway leading thereto, or upon the steps thereof in such manner that the same may be plainly seen and distinguishable from the street on which the property is located and in such manner that the same shall not be hidden from view by any trees or shrubs or other obstruction.

c. If a unit does not allow ready or easy visibility of its address numerals from the street due to excessive setback, shrubbery or color, an address identification marker shall be placed near the entrance or driveway to the parcel. Such identification marker shall not exceed a total area of two (2) square feet.

d. All building numbers displayed shall be permanent, legible figures not less than four (4) inches nor more than six (6) inches high and of a color contrasting to the building background.

e. In addition to the required assigned numerals on all buildings and the required address identification markers for units with excessive setbacks and/or visibility problems it shall also be permissible to have property address numerals painted on the curb in front of a lot. Such curbside designation shall be positioned in front of the unit or between the driveway and half the distance of the frontage along the public street. All painted numerals displayed on curbs shall be permanent, legible black colored numerals, which are no more nor less than four (4) inches high, on a white contrasting background. All paint used shall be of alkyd resin, Type F traffic paint, or an equal approved by the Town's engineering department. Numerals shall have glass beads or similar materials for reflective purposes.

f. A proper address shall be required for any permit issuance. Final approval of a certificate of occupancy of a building erected or repaired shall be withheld until permanent and proper numbers have been displayed in accordance with this section.

(n) Section 708.1 General, of the International Building Code, is amended by deleting it in its entirety and substituting in lieu thereof the following:

708.1 *General.* The following wall, ceiling, and floor assemblies shall comply with this section.

a. Walls, ceilings, and floors separating dwelling units in the same building as required by Section 420.2.

b. Walls, ceilings, and floors separating sleeping units in the same building as required by Section 420.2.

c. Walls, ceilings, and floors separating tenant spaces in covered and open mall buildings as required by Section 402.4.2.1.

d. Corridor walls, ceilings, and floors are required by Section 1020.1.

e. Elevator lobby separation as required by Section 713.14.

(o) Section 708 Fire Partitions, of the International Building Code, is amended by adding the following:

708.10. *Tenant Separations.* All tenants shall be separated by a minimum of a one-hour fire rated envelope. This shall include but not be limited to floors, walls, and ceilings.

(p) Section [F] 907.2.1.1 System initiation in Group A occupancies with an occupant load of 1,000 or more, of the International Building Code, is amended by deleting it in its entirety and substituting in lieu thereof the following:

[F] 907.2.1.1 System initiation in Group A occupancies with an occupant load of three hundred (300) or more. Activation of the fire alarm in Group A occupancies with an occupant load of three hundred (300) or more shall initiate a signal using an emergency voice/alarm communications system in accordance with NFPA 72.

(q) Section [F] 907.2.10.2 Groups R-2, R-3, R-4 and I-1, of the International Building Code, is amended by adding the following:

4. In each private garage attached to and serving a dwelling unit.

(r) Section 1010.1.9.4 Locks and latches, of the International Building Code, is amended by deleting item 2. in its entirety.

(s) Section 1015.2 Where required., of the International Building Code, is amended by deleting the first sentence and substituting in lieu thereof the following:

"Guards shall be located along open-sided walking surfaces or ground surfaces, mezzanine, equipment platforms, retaining walls, stairways, ramps, landings and any other locations that are located more than 30 (thirty) inches (762 mm) above the floor or grade below."

(Code 2007, § 12-102; Ord. No. 13-03, § 1, 4-25-2013; Ord. No. 19-07, § 1, 4-11-2019; Ord. No. 19-29, § 1, 12-12-2019; Ord. No. 23-06, § 1, 5-11-2023)

AGENDA NUMBER VII.A. **MEETING DATE January 9, 2025**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Mark Shipley, Community Development Director

SUBJECT: Approval of a variance of 269 feet from the requirement for driveways to be at least 400 feet apart on an arterial street, as provided for in Article 5 of the Farragut Municipal Code, Section 22-150 (1) b. Distance between driveways, for the proposed access for the Serenade at Farragut Neighborhood Commercial Development at 421 N. Watt Road, 30 Units, 9.2 Acres, Zoned Neighborhood/Convenience Commercial (NCC), (Robert Campbell & Associates, Applicant)

INTRODUCTION AND BACKGROUND: At the December 19 Planning Commission meeting, a preliminary plat was conditionally approved for a neighborhood commercial development on the property at 421 N. Watt Road. The proposed access did not meet the required 400-foot distance from the nearest access, as required for an arterial road like N. Watt Road. The nearest access is to the southeast and named Harbin Lane. This access currently serves only one dwelling unit on a roughly 50-acre tract.

DISCUSSION: As part of the discussion with the Planning Commission, the staff noted that the applicant's requested access was roughly 131 feet from Harbin Lane. Thus, prior to acting on the preliminary plat, the Planning Commission had to consider approval of a variance of 269 feet from the distance between driveways requirement provided for in the Farragut Municipal Code.

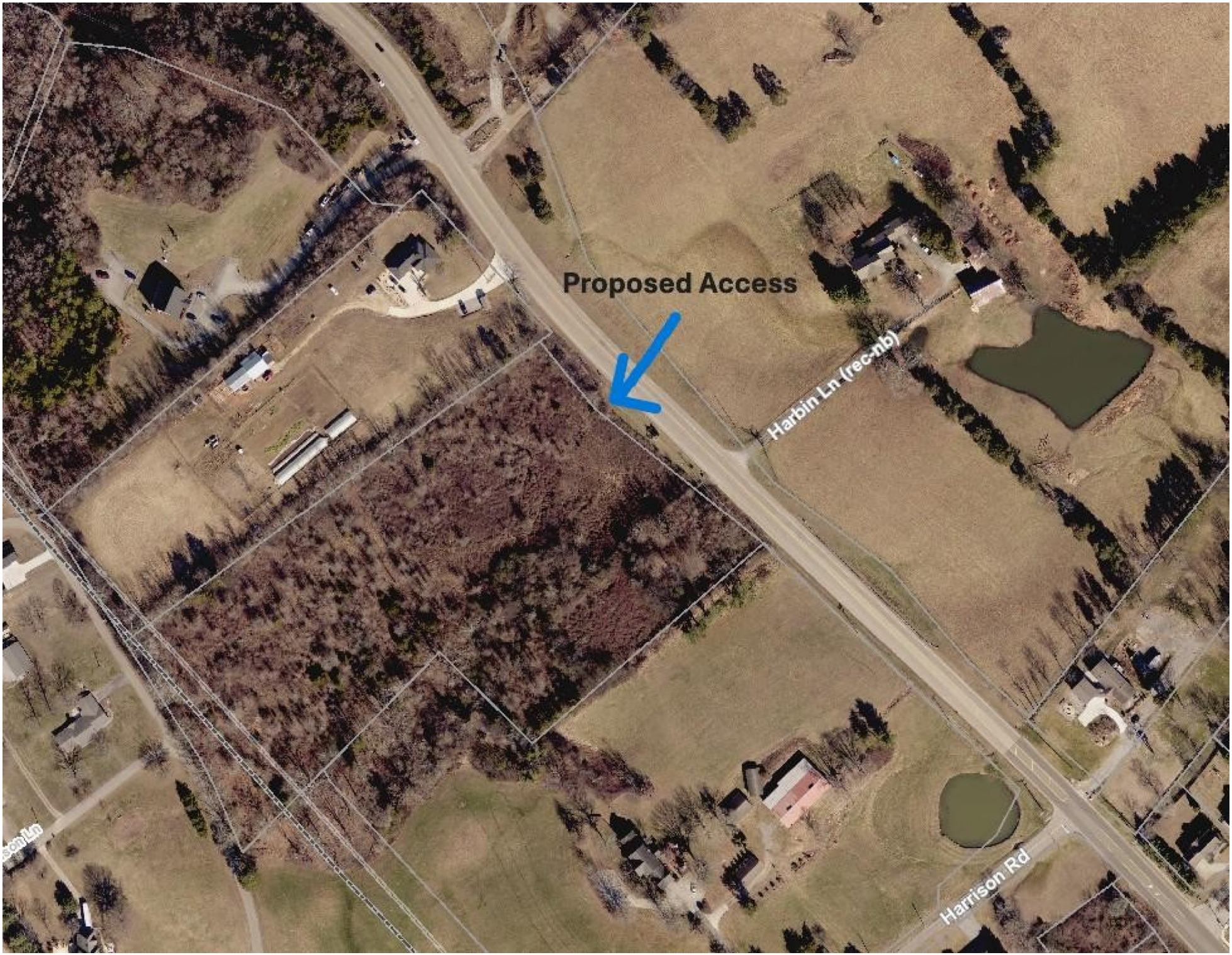
The staff noted that the access was discussed when the concept plan was submitted in 2022 and the design engineer explained that the main reason for the proposed location was to provide maximum sight distance. In the proposed location, there is marginal improvement (roughly 25 feet) compared to an access that would line up with Harbin Lane due to the vertical curve in N. Watt Road. Since Harbin Lane currently serves only a single dwelling unit, should the corresponding property be developed, the staff will require the accesses to be lined up to the location that would provide the best sight distance.

RECOMMENDATION: Based on improved sight distance in the proposed location, the Planning Commission unanimously recommended approval of the requested 269-foot variance from the distance between driveways requirement provided for in the Farragut Municipal Code. The project engineer will be at the meeting to describe how the proposed access would be the optimal location for sight distance purposes.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

VOTE/TOTAL	WILLIAMS	MEYER	WHITE	CAIN	BURNETTE
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	


Proposed Access
Harbin Ln (rec-nb)
Harrison Rd

'NCC' ZONING

OPEN SPACE

HARRISON ROAD

OPEN SPACE
1.64 AC

DOG PARK

10' SETBACK

20' SETBACK

ROW

OPEN SPACE
0.41 AC

PROPOSED
RETAINING WALL #1

OPEN SPACE/
DETENTION 1

OHE

THE LOCATION OF THE PROPOSED ENTRANCE WAS CHOSEN TO PROVIDE MAXIMUM SIGHT DISTANCE. THE SIGHT DISTANCE AT THE CHOSEN LOCATION IS BETTER THAN IF THE ACCESS WERE LINED UP WITH THE NEAREST EXISTING ACCESS LOCATION ALONG N WATT ROAD.

NORTH WATT ROAD

APPROX. 305 FT
TO EX DRIVEWAY

APPROX. 131 FT
TO HARBIN LN

HARBIN LN

ON LANE

BOLLARD

MAIL
CENTER

OPEN SPACE/
DETENTION 2

PROPOSED
RETAINING WALL #2

9.21 ACRES

PATIO

20' FRONT SETBACK

PLAZA

BUILDING
25,000 SQ.FT. TOTAL 130
SPACES REQUIRED
(5,000 SQ.FT.
RESTAURANT)

'A' ZONING

CLT MAP: 151
PARCEL: 008
WILLIAM E. & NANCY V. ALFORD
DEED: 200112190049879

'A' ZONING

TENNESSEE ONE CALL SYSTEM, INC.
Dig Safely
1-800-351-1111
www.tnonecall.com
STOP. CALL BEFORE YOU DIG!

NOTE:
THREE DAYS PRIOR TO ANY EARTHWORK DEMOLITION OR CONSTRUCTION, THE CONTRACTOR MUST CONTACT TENNESSEE ONE-CALL AT 1-800-351-1111 CONTRACTOR IS RESPONSIBLE TO RECORD AND SAVE CONFIRMATION NUMBER.

N

0 40 80 120

SCALE: 1"=50'

ROBERT GRAHAM CAMPBELL
REGISTERED ENGINEER
AGRICULTURE
COMMERCE
NO. 105841
STATE OF TENNESSEE

12/6/2024

NO.	DATE	DESCRIPTION	BY	CKD.
		REVISIONS		

ROBERT G. CAMPBELL & ASSOC., L.P.
CONSULTING ENGINEERS
KNOXVILLE · SEVIERVILLE

SERENADE AT FARRAGUT
NORTH WATT ROAD, FARRAGUT, TN

VARIANCE REQUEST PLAN

DESIGNED BY	CHECKED BY	SCALE	SHEET
RGC&A	RGC	1"=40'	NO. 1
DRAWN BY	DATE	FILE NO.	
EJM	12/6/24	21106	

AGENDA NUMBER II.B. MEETING DATE January 9, 2025

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE, Town Engineer

SUBJECT: Approval of Amendment 2 to the Professional Services Agreement between the Town and Civil and Environmental Consultants, Inc. for Additional Services for the Stormwater Mapping and Assessment Project.

INTRODUCTION: The purpose of this item is approval of an amendment to our original agreement with CEC, Inc. for mapping and assessment of the Town's stormwater infrastructure.

BACKGROUND: The Board of Mayor and Aldermen approved a contract with CEC in February 2022 to conduct a town-wide project to map and assess the condition of the Town's stormwater infrastructure. One task that was not included with the project was the creation of a Capital Stormwater Infrastructure Plan for repairs and replacement based upon structural condition, location, structure size and surrounding development. The plan will also include an approximate schedule by year and an order of magnitude probable cost for each repair or replacement.

DISCUSSION: The original contract was approved with a $1,032,000 maximum fee. The original scope of work has now been completed and is approximately $55,095 under the original budget. This amendment for the additional work adds $23,000 to the original fee, staying under the approved budget by approximately $32,095.

Please note this project is being funded using American Rescue Plan (ARP) dollars, along with a Tennessee Department of Environment and Conservation grant of ARP dollars as allocated by the Board towards stormwater improvement projects.

FINANCIAL SECTION:

Project: Stormwater Improvements Master Plan

Total Budget	Requested Amount	Contracted Amount	Remaining Amount
$1,032,000	$0	$1,032,000	$0

Approved By: A. Myers

RECOMMENDATION BY: Darryl Smith

PROPOSED MOTION: Approval of amendment 2 to the professional services agreement with Civil & Environmental Consultants, Inc. for additional work related to the Town-Wide Stormwater Infrastructure Mapping and Assessment project.

MOTION BY:_____ **SECONDED BY:**_____

VOTE/TOTAL	WILLIAMS	MEYER	BURNETTE	WHITE	CAIN
YES					
NO					
ABSTAIN					

December 18, 2024
(Revised January 7, 2025)

Mr. Darryl Smith, PE
Town Engineer
Town of Farragut
11408 Municipal Center Drive
Farragut, TN 37934

Dear Mr. Smith:

Subject: Proposal for Additional Professional Consulting Services
Town of Farragut Stormwater Mapping and Assessment
Knox County, Tennessee
CEC Project 311-029, Task 11

Civil & Environmental Consultants, Inc. (CEC) is pleased to submit this proposal for additional professional consulting services to the Town of Farragut (Town) as an extension of the proposal submitted to the Town on May 26, 2021. The Town approved amended Terms and Conditions (T&C) for our original proposal on July 27, 2023. The scope of services outlined in this proposal will also be subject to these T&C.

1.0 PROJECT UNDERSTANDING

Under the proposal dated May 26, 2021, CEC has performed surveying and data analysis services for the Town of Farragut (Town) on their stormwater infrastructure. These services resulted in a Geographical Information System (GIS) database of all surveyed stormwater infrastructure within the Town through the CEC ArcGIS Enterprise platform. Data collected includes dimensions, material, rating of structural condition, and rating of maintenance condition.

Based on the collected data, CEC provided the Town with lists of structures requiring repair or replacement. Structures identified for repair or replacement (categorized as conveyances, inlets, junctions, and pipe ends) were provided to the Town in Microsoft Excel format. Structures were identified for repair and replacement if they received a visual structural or maintenance rating of fair or poor. Additional lists provided to the Town presenting structures with specific concerns included:

- Conveyances with a Diameter Greater than or Equal to 48 inches
- Conveyances with a Diameter Range of 36-48 inches
- Conveyances with a Length Greater than or Equal to 300 feet
- Conveyances with an Estimated Depth Greater than 10 feet

- Conveyances with CMP Material Type and are Greater than or Equal to 24 inches
- Conveyances with HDPE Material Type that are Greater than or Equal to 24 inches
- Conveyances with an Unknown Connection (Not Visible from Surface Investigation)
- Blind Junctions

CEC also developed a list of high-priority structures within the Town requiring repair or replacement. Structures identified as high-priority include CMP culverts with a diameter greater than or equal to 48-inches and with a structural or maintenance condition of "poor". These culverts were then further prioritized based on whether the culvert crosses a single entrance to a subdivision, portion of a subdivision, or other type of development (e.g., commercial, apartments).

CEC understands (based on email correspondence between Darryl Smith of the Town of Farragut and Patrick McMahon of CEC) that the Town wishes to use the lists of structures to create a Capital Stormwater Infrastructure Plan for repairs and replacements, which may include culverts, pipes, junctions, pipe ends, or inlets. As requested by the Town, CEC will select structures for repair or replacement based on our professional judgment concerning structural condition, maintenance condition, location, structure size, and surrounding development. The Town has also requested that the plan include an approximate schedule by year and an order of magnitude probable cost (including design, permitting, and construction) for each repair or replacement.

2.0 SCOPE OF SERVICES

CEC will develop a Capital Stormwater Improvement Plan to assist the Town in planning and budgeting for stormwater improvements.

The Capital Stormwater Improvement Plan will include:

- A schedule, by year, listing the structures recommended by CEC to be replaced over the next three years
    - The priority structures will be selected from the previously identified 25 high-priority locations. Those that are not included in the three-year schedule, will be identified as "long-term" priority locations to be addressed beyond the three-year window.
- An order of magnitude cost (including design, permitting, and construction) per repair or replacement, in 2025 dollars, of priority sites in the three-year window
- A narrative detailing the methods and assumptions used to develop the schedule and costs
- A figure showing the locations of the repairs and replacements, indicating the projected replacement year for each structure

The schedule and costs per item location will be delivered in Microsoft Excel format. The narrative and figure will be delivered as a PDF.

For the construction portion of the order of magnitude cost, CEC will submit an opinion of the probable construction cost to the Town. However, CEC is not a construction cost estimator or construction contractor, nor should CEC rendering an opinion of probable construction costs be considered equivalent to the nature and extent of service a construction cost estimator or construction contractor would provide. CEC's opinion will be based solely upon our own experience with construction, published cost indices, and similar references.

CEC has included an allowance for coordination with the Town throughout the plan development process. Any correspondence requiring responses beyond a narrative response (calculations, analyses, etc.) has not been included. CEC has also included an allowance to address one set of comments from the Town, any revisions beyond this will be billed on a Time and Materials (T&M) basis upon your approval using unit rates presented in our original proposal.

While not attempting to be a complete list of items excluded from this proposal, CEC has not included the following items in the cost for this proposal;

- Survey of the repair or replacement sites (e.g., topographic, utility, boundary, infrastructure, or construction stakeout surveys)
- Stormwater structure design services
- Hydrologic or hydraulic stormwater modeling analyses (e.g., HEC-RAS, RIVER2D, aquatic organism passage)
- Design services
- Permitting services for the repair or replacements
- Bid period support
- Construction period support

These items can be provided under a separate proposal, if requested

3.0 SCHEDULE AND FEE

The estimated fee to develop the Capital Stormwater Improvement Plan for stormwater infrastructure repairs and replacements is **$23,000**. It is CEC's understanding that the Town wishes to reallocate the budget from previous tasks for the above proposed work. The remaining combined budget from previous tasks is approximately $55,095. Therefore, no additional fee is to be added at this time. The above proposed work will be performed under "Task 11 – Stormwater Repair Management".

CEC will begin work, as outlined above, upon your Notice to Proceed (NTP), issued via an authorized signature. The proposed work will be performed under the Terms and Conditions of

our initial Agreement (dated May 26, 2021, amended July 12, 2023) for the above fee. CEC anticipates work will be completed within 8 weeks of your Notice to Proceed.

4.0 CLOSING

CEC appreciates the opportunity to continue working with the Town of Farragut. If you have any questions concerning this proposal or wish to discuss this project in more detail, please feel free to reach out to pmcmahon@cecinc.com. We look forward to continued collaboration and are grateful for the chance to expand on the original project scope of work.

Best Regards,

CIVIL & ENVIRONMENTAL CONSULTANTS, INC.

Claudia Bible Tolson, EI
Project Consultant

Patrick McMahon, PhD, PE, CFM
Principal

Your written acceptance below will form a binding contract pursuant to the Terms and Conditions initially agreed upon, dated May 26, 2021, amended July 12, 2023. CEC's Proposal is valid for thirty (30) days from the date of the proposal. CEC reserves the right to revise, adjust or withdraw this Proposal if not accepted by CLIENT within thirty (30) days of the date of the proposal.

ACCEPTED BY: Darryl Smith - Town of Farragut

Signature: _____ Date: _____

Name: _____ Title: _____

AGENDA NUMBER VII.C. MEETING DATE January 9, 2025

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE, Town Engineer

SUBJECT: Approval of Amendment 4 to the Professional Services Agreement between the Town and Kimley Horn and Associates, Inc. for Additional Design Services for Union Road Improvements

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INTRODUCTION: The purpose of this item is approval of an amendment to our original agreement with Kimley Horn and Associates, Inc. for additional design services related to the reconstruction of Union Road.

BACKGROUND: The Board of Mayor and Aldermen approved a contract with Kimley Horn in February 2017 to design improvements to Union Road from Hobbs Road to Everett Road.

DISCUSSION: Federal funding for this project requires a National Environmental Policy Act (NEPA) phase, which allows the Federal Highway Administration to determine the impact the project might have on the environment. The NEPA phase is completed early in the design process. Unfortunately, the Jurisdictional Determination (JD) portion of the NEPA document has a shelf life of five years, requiring a new report to be filed if the original document is allowed to expire. The JD report for the Union Road project expired in August 2023. Amendment 4 provides for re-evaluation of the JD report, with additional fees of $9,800.

The original contract with Kimley Horn was approved with a maximum fee of $473,185. Amendments to the original contract have since increased the total fee to $543,950, and amendment 4 increases the total fee to $553,750.

FINANCIAL SECTION:

Project: Union Road Improvements

Total Budget	Requested Amount	Contracted Amount	Remaining Amount
$553,750	$9,800	$543,950	$0

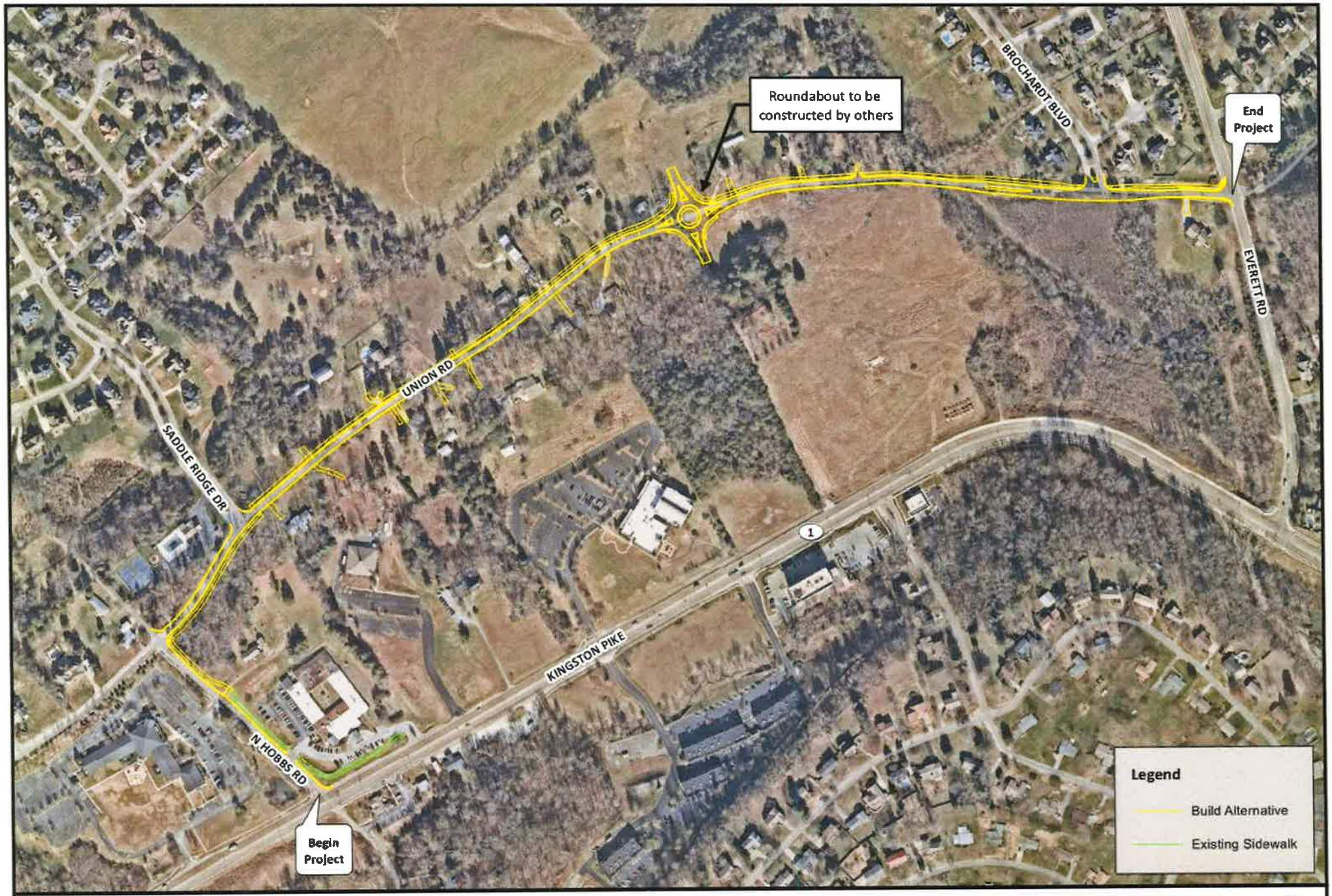
Approved By: A. Myers

RECOMMENDATION BY: Darryl Smith

PROPOSED MOTION: Approval of amendment 4 to the professional services agreement with Kimley Horn, Inc. for additional design services for the Union Road project.

MOTION BY:_____ **SECONDED BY:**_____

VOTE/TOTAL	WILLIAMS	MEYER	BURNETTE	WHITE	CAIN
YES					
NO					
ABSTAIN					



PROJECT LOCATION MAP

0 0.05 0.1 Miles

Project	**Union Road / N. Hobbs Road Improvements** N. Hobbs Road from Kingston Pike (State Route 1) to Union Road and Union Road from N. Hobbs Road to Everett Road, Town of Farragut, Knox County, Tennessee, PIN 125045.00

Prepared by: Kimley»Horn

AMENDMENT NUMBER 04 TO THE AGREEMENT BETWEEN CLIENT AND KIMLEY-HORN AND ASSOCIATES, INC.

This is Amendment number 04 dated December 18, 2024 to the agreement between Town of Farragut ("Client") and Kimley-Horn and Associates, Inc. ("Consultant") dated February 23, 2017 ("the Agreement") concerning Union Road Improvements (the "Project").

The Consultant has entered into the Agreement with Client for the furnishing of professional services, and the parties now desire to amend the Agreement.

The Agreement is amended to include services to be performed by Consultant for compensation as set forth below in accordance with the terms of the Agreement, which are incorporated by reference.

The services currently authorized to be performed by Consultant in accordance with the Agreement and previous amendments, if any, shall be modified as followed:

Task 7 – Environmental Permitting

Task 7.4 – Hydrologic Determination/Wetland Delineation and Verification

Consultant, through use of a subconsultant, S&ME, Inc., will request a hydrologic determination (HD) from the Tennessee Department of Environment and Conservation (TDEC) and a jurisdictional determination (JD) from the U.S. Army Corps of Engineers (USACE) regarding the site.

Prior to beginning any field effort, Consultant will review the National Wetlands Inventory (NWI) database, TDEC Public Data Viewer, and other publicly available geographic information system (GIS) databases and maps to locate potential streams and wetlands. Consultant will then provide two natural resource specialists (including a TDEC-certified Qualified Hydrologic Professional (QHP)) to conduct a jurisdictional waters assessment and wetland delineation. During the field visit, Consultant will identify drainage features and classify them as either jurisdictional streams or non-jurisdictional features (e.g. swales or gullies). The wetland evaluation will be performed in accordance with the 1987 US Army Corps of Engineers (USACE) *Wetlands Delineation Manual* (Technical Report Y-87-1) and the *Regional Supplement to the Wetland Delineation Manual: Eastern Mountains and Piedmont Region* (April 2012). The evaluation will include an assessment of the soil, vegetation, and hydrologic characteristics. Consultant will collect soil samples within suspected wetland area(s) to determine the presence or absence of hydric soils. The soil samples will be collected to a depth of approximately 18 to 20 inches using a shovel or a soil probe.

Once the wetland delineation and drainage feature evaluation has been completed, Consultant will flag the extent of wetlands and drainage features in the field and capture their positions with a differential global positioning system (GPS) receiver. Be advised that these GPS data do not constitute a land survey and wetland boundaries can only be finalized after verification by the regulatory agencies.

A narrative description of the site conditions and the presence of jurisdictional waters of the U.S. (WOTUS) and/or state (WOTS) will be included in a brief letter report. The GPS data collected for any wetland boundaries and drainage features will be used to compile a detailed aerial photograph site map that will be included with the report. Supporting photographs and completed USACE Wetland Determination and/or TDEC Hydrologic Determination field data sheets will also be included to provide additional information regarding the features observed at the site.

All wetland delineations and stream determinations are preliminary until verified by the USACE and TDEC-DWR and should be used for planning purposes only until verification is complete. Only the USACE and TDEC-DWR have regulatory authority to determine jurisdiction and to verify wetland boundaries. In the case of discrepancies, the regulatory agencies' determination of wetland boundaries always takes precedence.

Consultant will prepare the necessary written documentation to request concurrence of delineated boundaries of wetlands and streams within the project site to obtain a jurisdictional determination and will submit the necessary documents to request agency concurrence. Once the agencies receive the documentation, Consultant will contact them to schedule a site meeting. Consultant personnel will be onsite during the verification meeting to answer any question the regulators may have regarding our interpretation. The fee for this site visit **is included** under this scope of services.

For the services set forth above, Client shall pay Consultant the following compensation:

	Original Budget	Amendment 04	New Total
Task 7 – Environmental Permitting	$8,050	$9,800	$17,850
Total Project Contract Value	**$543,950**	**$9,800**	**$553,750**

CLIENT:

TOWN OF FARRAGUT

By: _____

Title: _____

Date: _____

CONSULTANT:

KIMLEY-HORN AND ASSOCIATES, INC.

By: Leo Espelet

Title: Vice President

Date: December 18, 2024

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Total Project Contract Value	**$543,950**	**$9,800**	**$553,750**

CLIENT:

TOWN OF FARRAGUT

By: _____

Title: _____

Date: _____

CONSULTANT:

KIMLEY-HORN AND ASSOCIATES, INC.

By: Leo Espelet

Title: Vice President

Date: December 18, 2024