Farragut Board of Mayor & Aldermen Meeting
Thursday, January 22, 2026 at **6:00 PM**

Farragut Town Hall
11408 Municipal Center Drive

AGENDA

I. Roll Call, Silent Prayer, Pledge of Allegiance

II. Approval of Agenda

III. Approval of Minutes

A. October 9, 2025

B. November 13, 2025

C. January 8, 2026

IV. Mayor's Report

A. National Wear Red Day Proclamation Presentation

B. Presentation of the Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025 by Travis Lowe, CPA with Pugh CPAS

V. Ordinances & Resolutions

A. Ordinances

1. First Reading

a. Approval of Ordinance 26-02 (recommended for approval by the Planning Commission as Ordinance 25-20), on first reading, an ordinance to amend the Farragut Code of Ordinances, Appendix A - Zoning, Chapter 3, Section XII. - General Commercial District (C-1), Subsection F. Mixed Use Town Center, 3., Building Facade Requirements, to provide for new buildings to follow the Town of Farragut Architectural Design Standards, as amended, for the Town Center Subarea and remove reference to the Town Center

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

Design Requirements (The Architecture Collaborative, Applicant)

b. Approval of Ordinance 26-03 (recommended for approval by the Planning Commission as Ordinance 25-21), on first reading, an ordinance to amend the Farragut Code of Ordinances, Appendix A - Zoning, Chapter 3, Section XVII. Office district (O-1), Subsection B. Permitted principal and accessory uses and structures, to add "Interactive Sports Analysis Services" as a permitted use and to include a definition for "Interactive Sports Analysis Services" in Chapter 2 of the Zoning Ordinance (Christian Miller, Applicant)

c. Approval of Ordinance 26-04 (recommended for approval by the Planning Commission as Ordinance 25-22), on first reading, an ordinance to amend the Farragut Zoning Map to rezone Parcel 05501, Tax Map 152 and Parcel 055, Tax Map 152 (12232 Turkey Creek Road) from Agricultural (A) to General Single-Family Residential (R-2) (Midtown Legal, Applicant)

d. Approval of Ordinance 26-05 (recommended for approval by the Planning Commission as Ordinance 25-23), on first reading, an ordinance to amend the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 - Vested Rights in Development Standards, by providing for updated provisions consistent with recent amendments to the Tennessee Code Annotated (TCA)(Town of Farragut, Applicant)

2. Second Reading & Public Hearing

a. Approval of Ordinance 26-01, on second and final reading, amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10

B. Resolutions

1. Approval of Resolution 26-01, appointing G. Keith Alley as Farragut Municipal Court Judge

VI. Business Items

A. Approval of Supplement Request from LDA Engineering for Additional Services for Everett Road Greenway Connection

B. Approval of a 5K Dolphin Dash for the Farragut Primary School involving streets in the Village Green Subdivision

C. Approval of Parental Responsibility Zone Traffic Calming Policy

VII. Citizens Forum

VIII. Town Administrator’s Report

IX. Town Attorney's Report

X. Adjournment

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.

1. 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.

2. A violation of this section is a Class A misdemeanor.

Town of Farragut, Tennessee
Farragut Board of Mayor & Aldermen Meeting

Farragut Town Hall
11408 Municipal Center Drive
Thursday, October 9, 2025 at 6:00 PM

MINUTES

I. Roll Call, Silent Prayer, Pledge of Allegiance

Mayor Williams called the meeting to order at 6:00 PM. Roll Call for attendance: Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; in addition to staff and members of the press.

II. Oath of Office Ceremony

A. Swearing in of Alderman Joe LaCroix by Tennessee Deputy Speaker of the House of Representatives Jason Zachary

III. 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, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; voting nay, None; motion Passed.

IV. Approval of Minutes

A. September 25, 2025 Meeting Minutes

Motion was made to approve the minutes from September 25, 2025 meeting. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer; voting nay, None; abstaining from the vote, Alderman LaCroix; motion Passed.

V. Mayor's Report

VI. Ordinances & Resolutions

A. Ordinances

1. Second Reading & Public Hearing

a. Approval of Ordinance 25-18, on second reading and Public Hearing, to amend Fiscal Year 2025-2026 Capital Investment Fund and ARPA Fund Budgets, Passed by Ordinance 25-10.

Motion was made to approve Ordinance 25-18, on second reading and Public Hearing, to amend Fiscal Year 2025-2026 Capital Investment Fund and ARPA Fund Budgets,

Passed by Ordinance 25-10.. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; voting nay, None; motion Passed.

VII. Business Items

A. Approval of the Special Event Permit for the Veterans Run, November 8, 2025

Motion was made to approve the Special Event Permit for the Veterans Run, November 8, 2025. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; voting nay, None; motion Passed.

B. Approval of the Special Event Permit for Hot to Trot Run, November 27, 2025

Motion was made to approve the Special Event Permit for Hot to Trot Run, November 27, 2025. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; voting nay, None; motion Passed.

C. Appointment of Farragut High School Education Foundation Representative to the Farragut Education Relations Committee

Motion was made to approve appointment of Toni Scott, Farragut High School Education Foundation Representative to the Farragut Education Relations Committee. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman LaCroix; voting nay, None; motion Passed.

VIII. Citizens Forum

Greg Wiberley - 12603 Evans Rd
Louise Povlin - 11920 West Kings Gate Road

IX. Town Administrator's Report

The Town Administrator gave an update on Town Survey results, a recent Intro to Farragut tour which included the history Campbell Station Inn and thanked the Board for allowing us to have a wonderful Employee picnic on Friday, October 3. Mr. Smoak also gave an update that a legal proceeding in Federal Court in which the Town was a Defendant was recently dismissed.

X. Town Attorney's Report

The Town Attorney provided an update on the case of Murphy v. Town of Farragut, et al. The Plaintiff had appealed the dismissed Complaint to the US Supreme Court who denied the appeal and the case is now concluded.

XI. Adjournment

The meeting adjourned at 6:51pm.

_____
Ron Williams, Mayor

_____
Town Recorder

Town of Farragut, Tennessee
Farragut Board of Mayor & Aldermen Meeting

Farragut Town Hall
11408 Municipal Center Drive
Thursday, November 13, 2025 at 6:00 PM

MINUTES

I. Roll Call, Silent Prayer, Pledge of Allegiance

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

II. Approval of Agenda

Motion was made to Approve Agenda for November 13, 2025 Board of Mayor and Aldermen Meeting. Moved by Alderman Cain, seconded by Alderman Burnette; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

III. Approval of Minutes

A. October 9, 2025 Board of Mayor and Aldermen Meeting Minutes

Motion was made to Approve October 9, 2025 Board of Mayor and Alderman Meeting Minutes. Moved by Alderman Burnette, seconded by Vice-Mayor Meyer; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette; abstaining Alderman LaCroix; voting nay, None; motion Passed.

IV. Mayor's Report

Alderman Burnette congratulated 2025 ITF graduates.

Alderman Cain apologized for missing ITF graduation and wishes congratulations to the FHS football team on making the playoffs.

Mayor Williams congratulated ITF graduates and mentioned it was started by former Alderman Ron Honken and Town Administrator David Smoak.

Alderman LaCroix discussed several conversations he has had about transparency and consistency and will be holding meetings beginning in December on Wednesdays prior to board meetings in the Town Hall Admiral Room for South Ward constituents from 4:30pm-5:30pm to give residents the opportunity to discuss agenda items for the Board meeting the next day. All citizens are welcome, but the focus will be on the South Ward. Alderman LaCroix also addressed confusion with the group text message, which included Alderman Cain, Alderman LaCroix (a citizen at the time), Alderman Burnette

and Mayor Williams with regard to the point of order at the October 9, 2025 Board meeting. Alderman LaCroix contacted the Town Attorney to clarify what had transpired and would like to put it on the record officially. The Town Attorney determined there was no violation of the Sunshine Law.

V. Ordinances & Resolutions

A. Ordinances

1. First Reading

a. Approval of Ordinance 25-15 on first reading, an ordinance to amend various provisions of the Farragut Code of Ordinances, Chapter 22., Article 5. - Driveways and Other Access Ways (Town of Farragut, Applicant)

Motion was made to Approve of Ordinance 25-15 on first reading, an ordinance to amend various provisions of the Farragut Code of Ordinances, Chapter 22., Article 5. - Driveways and Other Access Ways (Town of Farragut, Applicant). Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

B. Resolutions

1. Approval of Resolution R-2025-20, Appointment of Town Treasurer

Motion was made to Approve Resolution R-2025-20, Appointment of Tessa Cortes as Town Treasurer. Moved by Alderman LaCroix, seconded by Vice-Mayor Meyer; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

2. Approval of Resolution R-2025-21, Appointment of Town Recorder

Motion was made to Approve Resolution R-2025-21, Appointment of Christine Fletcher as Town Recorder. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

VI. Business Items

A. Approval of Upgrades to the Farragut Community Center Camera System using OMNIA Contract Number #R220701

Motion was made to Approve Upgrades to the Farragut Community Center Camera System using OMNIA Contract Number #R220701. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

B. Approval of Contract 2026-15 with Leap Spark LLC for the Visit Farragut Website

Re-design

Motion was made to Approve Contract 2026-15 with Leap Spark LLC for the Visit Farragut Website Re-design. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

C. Approval of Phase 1 Wayfinding Sign Fabrication and Installation Contract Number 2026-14

Motion was made to Approve Phase 1 Wayfinding Sign Fabrication and Installation Contract Number 2026-14. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

D. Approval of Professional Services Agreement with Barge Design Solutions, Inc. for Preliminary Design of Sugarwood Drive Access to Kingston Pike

Burnette thanked everyone for the opportunity to speak with residents in consideration. Provided recap of the meeting at Sugarwood HOA. Appreciated Mayor and LaCroix attending. Motion was made to Approve the Professional Services Agreement with Barge Design Solutions, Inc. for Preliminary Design of Sugarwood Drive Access to Kingston Pike. Moved by Alderman Burnette, seconded by Alderman LaCroix; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

E. Approval of Change Order 2, Contract 2025-06, McFee Park Phase 4

Motion was made to Approve Change Order 2, Contract 2025-06, McFee Park Phase 4. Moved by Alderman Burnette, seconded by Alderman LaCroix; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

F. Approval of Proposal and Award of Contract 2026-13, Janitorial Services

Motion was made to Approve Proposal and Award of Contract 2026-13, Janitorial Services. Moved by Alderman Burnette, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

G. Approval of the purchase of a Diamond 20 Foot Heavy Duty Hitch Boom from Sourcewell Co-op Contract number 032525

Motion was made to the Purchase of a Diamond 20 Foot Heavy Duty Hitch Boom from Sourcewell Co-op Contract number 032525. Moved by Alderman Burnette, seconded by Alderman LaCroix; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

H. Appointments to the Visual Resources Review Board

Kimberlie Parks, 10701 Farragut Hills Blvd.
First Motion was made to Approve the Appointment of Alderman Joe LaCroix as the Board Representative to the Visual Resources Review Board. Citizen Kimberlie Parks came forward to speak at her request. The motion was not clear and will need to be addressed and clarified at the December 11, 2025 Board of Mayor and Alderman Meeting.
Second Motion was made to Approve the Appointment of Don Mann to the Visual Resources Review Board. Moved by Mayor Williams, seconded by Alderman LaCroix; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

I. Appointment to the Parks & Athletics Council

Motion was made to Approve the Appointment of Benson Scott to the Parks & Athletics Council. Moved by Mayor Williams, seconded by Alderman LaCroix; voting yes, None; voting nay, None; motion Passed.

VII. Citizens Forum

Kimberlie Parks - 10701 Farragut Hills Blvd.
Alex Schubert - 1831 Sunstone Way

VIII. Town Administrator's Report

Addressed Budget Transfer request and provided an overview of the upcoming holiday season events for the Town.

IX. Town Attorney's Report

Town Attorney discussed the best practices in the production of documents by the Town in response to citizens' records requests per the Office of the Comptroller as well as proper format to provide those documents that are responsive per the Tennessee Open Records Act.

X. Adjournment

Alderman Burnette discussed readdressing the traffic issue in the Thorton Heights neighborhood at a future board meeting or in a workshop. Mayor Williams requested it be an agenda item. Alderman Cain announced that there will be an Open House at the Campbell Station Inn for the media and public on December 8.

_____
Ron Williams, Mayor

_____

Town Recorder

Town of Farragut, Tennessee
Farragut Board of Mayor & Aldermen Meeting

Farragut Town Hall
11408 Municipal Center Drive
Thursday, January 8, 2026 at 6:00 PM

MINUTES

I. Roll Call, Silent Prayer, Pledge of Allegiance

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

II. Approval of Agenda

Motion was made to approve Agenda for January 8, 2026 Board of Mayor and Aldermen Meeting. Moved by Alderman LaCroix, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion passed.

III. Approval of Minutes

A. December 11, 2025 Board of Mayor and Aldermen Meeting Minutes

Motion was made to approve December 11, 2025 Board of Mayor and Aldermen Meeting Minutes. Moved by Alderman LaCroix, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

IV. Mayor's Report

A. Founders Week Proclamation Presentation

B. Betty Dick Proclamation Presentation

Mayor Williams noted he received several praises for the Town's Christmas lights and thanked all staff and volunteers for their efforts during holiday events.

Alderman Cain mentioned the recent death of Blount County Deputy Justin Mowery, who died in the line of duty. He noted Deputy Mowery grew up in the Town of Farragut.

V. Ordinances & Resolutions

A. Ordinances

1. First Reading

    a. Approval of Ordinance 26-01, an Ordinance of the Town of Farragut, Tennessee on First Reading, Amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10

Motion was made to approve Ordinance 26-01 on first reading, Amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

2. Second Reading & Public Hearing

    a. Approval of Ordinance 25-24, an Ordinance of the Town of Farragut, Tennessee on Second Reading, Amending the Fiscal Year 2025-26 Capital Investment Program Fund Budget, Passed by Ordinance 25-10

Motion was made to approve Ordinance 25-24 on second and final reading, Amending the Fiscal Year 2025-26 Capital Investment Program Fund Budget, Passed by Ordinance 25-10. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

VI. Business Items

A. Approval of Bids and Award of Contract 2026-17 for Illuminated Street Sign Installation to Stansell Electric Company, Inc.

Motion was made to approve Contract 2026-17 in the amount of $64,800 to Stansell Electric Company, Inc. for Illuminated Street Sign Installation. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

B. Approval of Bids and Award of Contract 2026-16 Construction of McFee Dog Park to Fuel Tank Maintenance Company d/b/a FTM Contracting

Motion was made to approve Contract 2026-16 to Fuel Tank Maintenance Company/FTM Contracting LLC for the Construction of the McFee Dog Park for a total contract price of $637,250, to include a 5% contingency of up to $28,100 to the project budget and to authorize the Town Administrator to approve up to $25,000 in change orders prior to Board of Mayor and Aldermen authorization. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

C. Approval of Change Order 002 to Contract 25-15, Mayor Bob Leonard Park Pickleball Complex

Motion was made to approve Change Order 002 for Contract 2025-15 applying liquidated damages totaling $25,500 for Mayor Bob Leonard Park Pickleball Complex. Moved by Vice-Mayor Meyer, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

D. Approval of Payment to Tennessee Department of Transportation for Decorative Lighting on SR-332 (Concord Road) Project

Motion was made to approve payment to Tennessee Department of Transportation in the amount of $55,704.63 for decorative lighting on SR-332 (Concord Road) project. Moved by Alderman LaCroix, seconded by Alderman Burnette; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed. Alderman Burnette asked if it would be possible to include language in future contracts stating invoices submitted 24 months after the conclusion of the project would not be valid. Alderman Cain agreed. Town Attorney Hale responded he didn't think the State would approve an amendment to their contract, but he would ask.

E. Approval of Installation of Traffic Calming Measures for Union Road from Everett Road to Smith Road

Motion was made to approve installation of Traffic Calming measures for Union Road from Everett Road to Smith Road. Moved by Alderman Burnette, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

F. Approval of Installation of Traffic Calming Measures for Midhurst Drive from the Eastern Intersection of Foxford Drive to Barbara Lane

Motion was made to approve installation of Traffic Calming measures for Midhurst Drive from the eastern intersection of Foxford Drive to Barbara Lane. Moved by Alderman LaCroix, seconded by Alderman Cain; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

G. Approval of Request for Supplement from JMT, Inc. for Additional Acquisition Services for Union Road Right of Way Acquisition

Motion was made to approve Request for Supplement from JMT, Inc. in amount of $5,472.50 for additional right of way acquisition services and costs for the Union Road Right of Way Acquisition. Moved by Alderman Burnette, seconded by Alderman LaCroix; voting yes, Mayor Williams, Alderman Cain, Vice-Mayor Meyer, Alderman Burnette, Alderman LaCroix; voting nay, None; motion Passed.

VII. Citizens Forum

Louise Povlin, 275 Biddle Farms Boulevard, made comments.

Jeramy Brewster, 255 Biddle Farms Boulevard, made comments.

VIII. Town Administrator's Report

IX. Town Attorney's Report

X. Adjournment

The meeting adjourned at 6:40 PM.

_____
Ron Williams, Mayor

_____
Christine Fletcher, Town Recorder

Town of Farragut

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

NATIONAL WEAR RED DAY PROCLAMATION 2026

WHEREAS, cardiovascular disease is the leading cause of death among women in the United States, claiming the lives of one in every three women each year and surpassing all forms of cancer combined; and

WHEREAS, nearly half of all women over the age of 20 are living with some form of cardiovascular disease, yet most women remain unaware of their personal risk factors or the unique ways heart disease can present in women; and

WHEREAS, women often experience heart attack symptoms that differ from men—such as shortness of breath, nausea, back or jaw pain, extreme fatigue, or dizziness—which can lead to delayed treatment and poorer outcomes when these symptoms are not recognized; and

WHEREAS, significant disparities persist, with Black, Hispanic/Latina, and Indigenous women facing higher rates of cardiovascular disease and barriers to prevention, diagnosis, and equitable access to care; and

WHEREAS, stroke is also a major threat to women's health, as women are more likely than men to experience a stroke, more likely to die from one, and more likely to suffer long-term disability; and

WHEREAS, research shows that women are less likely to receive bystander CPR during a cardiac emergency, in part due to fears and misconceptions that must be addressed through community-wide education and awareness; and

WHEREAS, for more than two decades, the American Heart Association's **Go Red for Women®** movement has led the charge in educating women about cardiovascular disease, advancing scientific research, advocating for equitable healthcare, and empowering women to take charge of their heart health; and

WHEREAS, National Wear Red Day, observed on the first Friday of February, brings communities together to raise awareness, spark meaningful conversations about women's heart and brain health, and inspire lifesaving action;

NOW, THEREFORE, the Board of Mayor and Aldermen of the Town of Farragut, do hereby proclaim **Friday, February 6, 2026 as NATIONAL WEAR RED DAY** in the Town of Farragut, and encourage all residents to learn the signs and symptoms of heart disease and stroke in women; support prevention and early detection; and join the effort to improve women's cardiovascular health through awareness, education, and action.

Signed this 22nd day of January 2026.

_____

Ron Williams, Mayor

TOWN OF FARRAGUT

Farragut, Tennessee

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

Prepared By:
Michelle Pence
Interim Finance Director-Treasurer

TOWN OF FARRAGUT, TENNESSEE

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INTRODUCTORY SECTION

December 22, 2025

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, 2025, 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 are 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 45 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; and 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 1,121 single-family and 283 multi-family housing starts in the past ten years.

Major Initiatives

The major initiatives for Fiscal Year 2025 were the completion of Town Hall renovations, continued stormwater improvements, and additional construction and improvements at Mayor Bob Leonard Park.

Road/street resurfacing and sidewalk construction continues to be a priority. Resurfacing and maintenance costs for roads, streets, and sidewalks were $1,490,877.

Equipment purchases for Fiscal Year 2025 included the purchases of a Ford F550 Bucket Truck and John Deere Cab Tractor. Equipment and vehicle purchases were financed with current funds.

Current projects for Fiscal Year 2026 include roadway improvements and park projects. Other Fiscal Year 2026 projects include Boyd Station Road and Union Road improvements. Road resurfacing and sidewalk construction are also planned.

Equipment to purchase in Fiscal Year 2026 includes the replacement of two pick-up trucks, four mowers, a 2019 John Deere Gator, a 2016 dump truck and 2019 utility tractor.

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, 2025, 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 approximately 3 percent. Local Taxes increased by approximately 3 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 approximately 5 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 $66,850,190. Of this total, the unassigned fund balance of the General Fund was $34,470,824. The administrative policy is to maintain a minimum reserve in the General Fund equal to thirty percent of the current annual operating budget of $11,526,711, or $3,458,013. Therefore, $31,012,811 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 have 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. Ending fund balance on June 30, 2025 is $1,491,226.

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. Ending fund balance on June 30, 2025 is $22,420,485.

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 2025-2026 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 FY26, and three projected years. The Capital Investment Program plan presents the fund over seven fiscal years: the adopted budget for FY26 and four projected years. The General Fund plan presents the fund over seven fiscal years: four previous years, the adopted budget for FY26, 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 neutral regarding its FY26 sales tax collections based on the past twelve months of collections.
- The projected years of 2027 through 2036 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 64 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 FY26 are $6,375,000.
- All operating expenditures for fiscal years 2027 through 2036 are adjusted for a 4 percent inflationary increase.
- For fiscal years 2027 through 2036, revenues are projected to exceed expenditures by an average of $4.7 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 2026 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, 2025, the Capital Assets of the Town totaled 78 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 $2,376,648 for Fiscal Year 2025.

Independent Audit

State statutes 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 auditor's 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

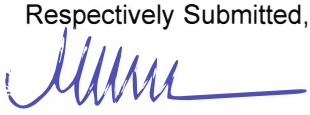
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Farragut for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the thirty-second consecutive 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,



Michelle Pence
Interim Finance Director-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

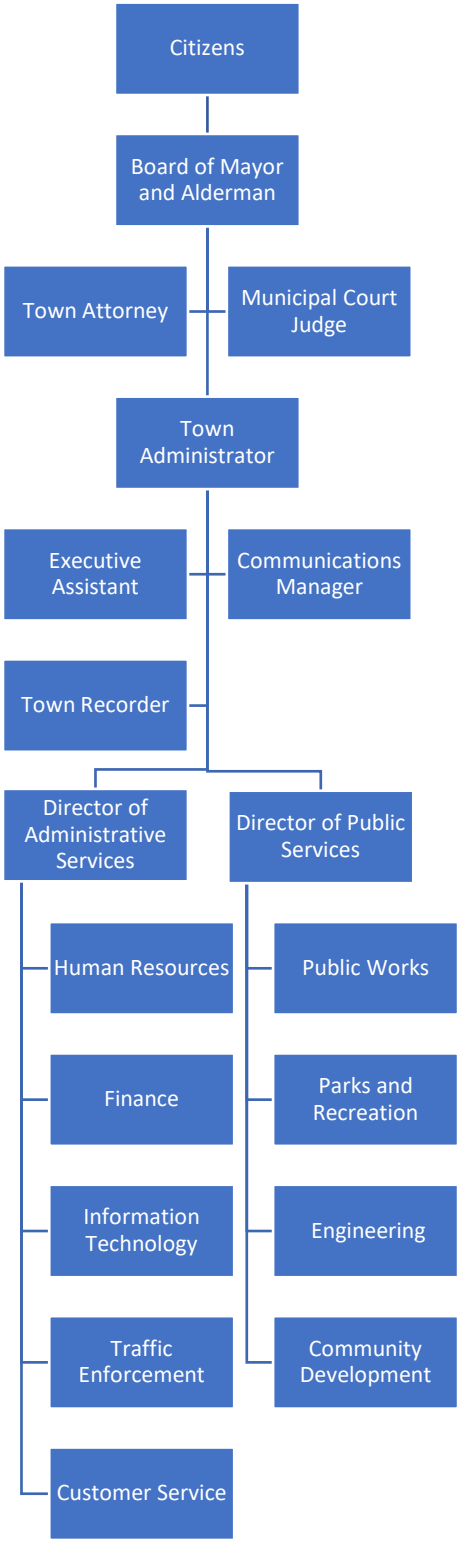
June 30, 2024

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART

June 30, 2025



TOWN OF FARRAGUT, TENNESSEE

ROSTER OF TOWN OFFICIALS AND OTHERS

June 30, 2025

Board of Mayor and Aldermen

Ron Williams, Mayor

Scott Meyer, Vice-Mayor

David White, Alderman

Alexander Cain, 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 Director	Will Wiley
Town Engineer	Darryl Smith
Human Resources Director	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 AUDITOR'S 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, 2025, 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, 2025, 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 standards 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 30 – 32 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 45 – 46 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 22, 2025, 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 22, 2025

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, 2025. 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, 2025 by $144.1 million (net position). Of this amount, $64.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2025, the Town's governmental funds reported combined ending fund balance of $66.9 million. Approximately 52% of this total amount ($34.5 million) is unassigned fund balance available for spending at the government's discretion.
- At June 30, 2025, total unrestricted fund balance for the general fund was $34.5 million. The unassigned portion of unrestricted fund balance is $34.5 million, which is 347% of total general fund expenditures of $9.9 million.
- The Town has no outstanding long-term debt. Long-term liabilities consist of compensated absences totaling $759 thousand and lease liabilities totaling $3 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

	2025	2024
Assets		
Current and Other Assets	$ 70,754,289	$ 61,585,331
Capital Assets, Net	78,470,082	70,131,085
Total Assets	149,224,371	131,716,416
Deferred Outflows of Resources	21,234	3,825
Total Assets and Deferred Outflows of Resources	$ 149,245,605	$ 131,720,241
Liabilities, Deferred Inflows and Net Position		
Liabilities		
Current Liabilities	$ 3,450,694	$ 6,426,883
Long-Term Liabilities	1,084,966	1,054,013
Total Liabilities	4,535,660	7,480,896
Deferred Inflows of Resources	617,038	434,213
Net Position		
Net Investment in Capital Assets	75,676,413	69,225,910
Restricted	3,817,950	3,078,560
Unrestricted	64,598,544	51,500,662
Total Net Position	144,092,907	123,805,132
Total Liabilities, Deferred Inflows and Net Position	$ 149,245,605	$ 131,720,241

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 $144.1 million at June 30, 2025.

The largest portion of the Town's net position (52.5%) reflects its investment of $75.7 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, $3.8 million (2.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $64.6 million (44.8%) 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 $20.3 million during the current fiscal year as shown below:

Condensed Statement of Activities
Governmental Activities

	2025	2024
Program Revenues		
Charges for Services	$ 1,582,374	$ 1,756,084
Operating Grants and Contributions	33,318	117,594
Capital Grants and Contributions	12,756,832	5,758,280
General Revenues		
Sales Taxes	13,858,380	13,290,805
Wholesale Beer and Liquor Taxes	1,690,454	1,682,008
Other State Taxes	1,303,094	1,248,960
Room Occupancy Tax	536,280	569,655
TVA In-Lieu Taxes	285,569	288,068
Interest	2,671,566	2,800,911
Other Revenues	36,751	23,957
Total Revenues	34,754,618	27,536,322
Program Expenses		
General Government	9,826,250	8,365,876
Public Works	4,640,593	4,553,530
Total Program Expenses	14,466,843	12,919,406
Change in Net Position	20,287,775	14,616,916
Net Position at Beginning of Year	123,805,132	109,571,886
Restatement	0	(383,670)
Net Position at End of Year	$ 144,092,907	$ 123,805,132

The $20.3 million increase in net position is the result of $34.8 million in revenues offset by $14.5 million in expenses in the current year. Current year revenues increased by $7.2 million over prior year revenues, primarily due to increases in sales taxes and grant revenue. Sales taxes increased $568 thousand primarily due to continued growth in Town's sales tax base. Capital grants increased $7.0 million primarily due to recognition of grant revenues used to fund the expansion of capital projects. Expenses of $14.5 million increased by $1.5 million during the year, primarily due to an increase in overall General Government costs of $1.5 million. 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 $66.9 million, an increase of $12.1 million over the prior year. Approximately $34.5 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 $35.3 million in the fiscal year ended June 30, 2025, which represents an increase of 28.0% over the fiscal year ended June 30, 2024. Expenditures for governmental functions, totaling $23.2 million, a decrease of 3.6% over the fiscal year ended June 30, 2024. In the fiscal year ended June 30, 2025, revenues for governmental functions exceeded expenses by $12.1 million or 34.3% 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 $34.8 million of which $171 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 $9.9 million, while total fund balance represents approximately 350% of that same amount.

In the General Fund, sales taxes increased by $494 thousand due to increased collections from merchants and wholesalers and state taxes increased by $200 thousand due to increased collection. Regarding General Fund expenditures, general government expenditures increased by $1.2 million over fiscal year 2024 due mostly to the additional positions and salaries and health insurance costs, while public works expenditures decreased by $682 thousand over Fiscal Year 2024 due primarily to department reorganizations moving parks maintenance from public works to general government.

In the Capital Projects Fund, assigned fund balance was $22.4 million at the end of the current fiscal year, an increase of $6.5 million over the prior year.

In the Capital Projects Fund, revenues increased by $1.4 million due to increases in grants funding received. Expenditures decreased by $5.9 million from Fiscal Year 2024 due to a decrease in expenditures for capital outlay. The decrease in capital outlay in the Capital Projects Fund is primarily due to projects newly getting underway with increased expenditures anticipated in the next fiscal year.

In the ARPA Fund, revenues increased by $5.9 million due to increases in grant funding recognition. Expenditures increased by $3.9 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, town hall renovations and broadband infrastructure.

In the remaining non-major funds, fund balance was $7.3 million at the end of the current fiscal year, an increase of $1.8 million over the prior year. Expenditures increased by $592 thousand over Fiscal Year 2024 due to increased spending in the State Street Aid Fund.

Budget Highlights

General Fund

During the year, actual revenues exceeded budgetary estimates by $2.2 million in the General Fund. This is due primarily to higher-than-anticipated local and state sales taxes and recreation fees. Actual expenditures were below budgetary estimates by $1.6 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, 2025 amount to $78.5 million (net of accumulated depreciation), an increase of $8.3 million over the June 30, 2024 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

	2025	2024
Land	$ 12,098,938	$ 6,484,504
Admiral Farragut Collection	120,957	120,957
Construction-in-Progress	14,581,456	17,153,287
Buildings	7,291,705	3,091,501
Improvements	27,673,181	24,524,896
Furniture, Fixtures, and Equipment	3,351,676	3,201,333
Transportation Equipment	964,165	814,245
Infrastructure	37,558,156	37,558,156
Lease Assets - Infrastructure	18,564	18,564
Total Capital Assets	103,658,798	92,967,443
Less: Accumulated Deprecation/Amortization	25,188,716	22,836,358
Net Capital Assets	$ 78,470,082	$ 70,131,085
Net Capital Assets - Beginning	$ 70,131,085	$ 59,061,200
Increase in Net Capital Assets	8,338,997	11,069,885
Net Capital Assets - Ending	$ 78,470,082	$ 70,131,085

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.
- Continued stormwater construction and improvement projects.
- Park renovations and improvements.
- 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:

	2025	2024
Compensated Absences	$ 758,628	$ 613,674
Lease Liabilities	2,912	5,679
	$ 761,540	$ 619,353

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The General Fund expenditures in Fiscal Year 2026 are budgeted at $12,173,643. 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 2026 budget are transfers to other funds, including a $225,000 transfer to the Equipment Replacement Fund, a $6,000,000 transfer to the Capital Investment Fund, and a $150,000 transfer to the ADA Capital Fund.

The Town of Farragut budget for FY2026 is balanced with revenues exceeding expenditures. There is no debt in the current budget. The Town has been debt free since 2001.

Fiscal Year 2026 projected revenue for the General Fund is $17,817,804, up $789,696 or 5% from the Fiscal Year 2025 budget of $17,028,108. The single largest source of the Town's revenue comes from local sales tax at 60%. State sales tax is the second largest at 16% 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 2026 Capital Investment Program (CIP) is $17,402,000. The CIP budget emphasizes the continuation of investing in the design and construction of capital projects and major infrastructure. Some areas of focus are park enhancements, road improvements and new pedestrian connections – all essential to future growth and development.

The fiscal 2026 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, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 63,849,771
Accounts Receivable	3,308,280
Due from Other Governments	2,994,626
Lease Receivable	495,981
Prepaid Items and Other	105,631
Capital Assets:	
Nondepreciable	26,801,351
Depreciable Assets, Net of Accumulated Depreciation	51,668,731
Total Assets	149,224,371
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Other Post-Employment Benefits Outflows	21,234
Total Deferred Outflows of Resources	21,234
LIABILITIES	
Accounts Payable	3,134,043
Accrued Liabilities	316,651
Long-Term Liabilities	
Due Within One Year	365,389
Due in More Than One Year:	
Compensated Absences	396,151
Other Post-Employment Benefit Liability	323,426
Total Liabilities	4,535,660
DEFERRED INFLOWS OF RESOURCES	
Deferred Other Post-Employment Benefits Inflows	163,633
Deferred Lease Revenue	453,405
Total Deferred Inflows of Resources	617,038
NET POSITION	
Net Investment in Capital Assets	75,676,413
Restricted for:	
State Street Aid	3,817,950
Unrestricted	64,598,544
Total Net Position	$ 144,092,907

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, 2025

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	$ 9,826,250	$ 1,582,374	$ 33,318	$ 0	$ (8,210,558)
Public Works	4,640,593	0	0	12,756,832	8,116,239
Total Governmental Activities	$ 14,466,843	$ 1,582,374	$ 33,318	$ 12,756,832	(94,319)
	General Revenues:				
	Sales Taxes				13,858,380
	Wholesale Beer and Liquor Taxes				1,690,454
	Other State Taxes				1,303,094
	Room Occupancy Tax				536,280
	TVA In-Lieu of Taxes				285,569
	Interest				2,671,566
	Other Revenues				36,751
	Total General Revenues				20,382,094
	Change in Net Position				20,287,775
	Net Position - Beginning, As Previously Reported				124,188,802
	Restatement - See Note 13				(383,670)
	Net Position - Beginning				123,805,132
	Net Position - Ending				$ 144,092,907

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

TOWN OF FARRAGUT, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2025

	General	Capital Projects	ARPA	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 32,230,180	$ 21,344,281	$ 3,061,787	$ 7,213,523	$ 63,849,771
Accounts Receivable	108,887	1,248,563	1,907,578	43,252	3,308,280
Lease Receivable	495,981	0	0	0	495,981
Due from Other Governments	2,921,508	0	0	73,118	2,994,626
Due from Other Funds	18,778	57,350	0	0	76,128
Prepaid Items	105,631	0	0	0	105,631
Total Assets	$ 35,880,965	$ 22,650,194	$ 4,969,365	$ 7,329,893	$ 70,830,417
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 307,724	$ 229,709	$ 2,561,048	$ 35,562	$ 3,134,043
Accrued Liabilities	316,651	0	0	0	316,651
Due to Other Funds	0	0	57,350	18,778	76,128
Total Liabilities	624,375	229,709	2,618,398	54,340	3,526,822
Deferred Inflows of Resources					
Deferred Inflows - Leases	453,405	0	0	0	453,405
Fund Balances					
Nonspendable	105,631	0	0	0	105,631
Restricted	0	0	0	3,817,950	3,817,950
Committed	55,692	0	0	0	55,692
Assigned	171,038	22,420,485	2,350,967	3,457,603	28,400,093
Unassigned	34,470,824	0	0	0	34,470,824
Total Fund Balances	34,803,185	22,420,485	2,350,967	7,275,553	66,850,190
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 35,880,965	$ 22,650,194	$ 4,969,365	$ 7,329,893	$ 70,830,417

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, 2025

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

Ending Fund Balance - Governmental Funds		$ 66,850,190
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital Assets	$ 103,658,798	
Less: Accumulated Depreciation	(25,188,716)	78,470,082
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	(758,628)	
Lease Obligations	(2,912)	
Net Other Post-Employment Benefits Liability	(323,426)	(1,084,966)
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	21,234	
Deferred Inflows Related to Other-Post-Employment Benefits	(163,633)	(142,399)
Net Position of Governmental Activities		$ 144,092,907

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

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2025

	General Fund	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local Taxes:					
Local Option Sales Taxes	$ 10,899,674	$ 0	$ 0	$ 0	$ 10,899,674
Other Taxes	1,535,601	0	0	536,280	2,071,881
Intergovernmental:					
State Taxes	3,593,011	0	0	823,644	4,416,655
Other Local Revenues	285,569	0	0	0	285,569
Grants	26,395	4,535,849	8,194,588	33,318	12,790,150
Charges for Services	1,439,681	0	0	0	1,439,681
Fines, Forfeitures and Court Costs	39,912	0	0	0	39,912
Interest	1,348,462	846,896	183,954	292,259	2,671,571
Other Revenues	92,293	500,000	0	47,236	639,529
Total Revenues	19,260,598	5,882,745	8,378,542	1,732,737	35,254,622
Expenditures					
Current:					
General Government	8,077,771	0	0	511,372	8,589,143
Public Works	1,864,163	0	0	1,490,877	3,355,040
Capital Outlay	0	4,628,276	6,263,288	324,553	11,216,117
Total Expenditures	9,941,934	4,628,276	6,263,288	2,326,802	23,160,300
Net Change in Fund Balance Before Other Financing Sources (Uses)	9,318,664	1,254,469	2,115,254	(594,065)	12,094,322
Other Financing Sources (Uses):					
Transfers In	0	5,250,000	0	2,375,000	7,625,000
Transfers Out	(7,625,000)	0	0	0	(7,625,000)
Total Other Financing Sources (Uses)	(7,625,000)	5,250,000	0	2,375,000	0
Net Change in Fund Balances	1,693,664	6,504,469	2,115,254	1,780,935	12,094,322
Fund Balances, July 1st	33,109,521	15,916,016	235,713	5,494,618	54,755,868
Fund Balances, June 30th	$ 34,803,185	$ 22,420,485	$ 2,350,967	$ 7,275,553	$ 66,850,190

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, 2025

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

Net Change in Fund Balances – Total Governmental Funds		$ 12,094,322
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	$ 10,715,645	
Depreciation Expense	(2,376,648)	
Net Change in Capital Assets		8,338,997
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 Other Post-Employment Benefit Outflows	17,404	17,404
Change in Liabilities and Deferred Inflows of Resources		
Other Post-Employment Benefit Liability	111,239	
Compensated Absences	(144,954)	
Lease Obligations	2,767	
Deferred Other Post-Employment Benefit Inflows	(132,000)	(162,948)
Change in Net Position of Governmental Activities		$ 20,287,775

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

GENERAL FUND

For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Taxes				
Local Option Sales Taxes	$ 10,101,798	$ 10,101,798	$ 10,899,674	$ 797,876
Wholesale Beer Tax	640,000	640,000	544,531	(95,469)
Wholesale Liquor Tax	560,000	560,000	625,531	65,531
Cable Television Franchise Tax	360,000	360,000	365,539	5,539
Total Local Taxes	11,661,798	11,661,798	12,435,275	773,477
Intergovernmental				
State Sales Tax	2,910,000	2,910,000	2,958,707	48,707
State Income Tax	0	0	19,623	19,623
State Beer Tax	10,800	10,800	9,919	(881)
Street Transportation and Street Aid	43,000	43,000	42,931	(69)
TVA In-Lieu Taxes	286,000	286,000	285,569	(431)
Sports Wagering Tax	42,000	42,000	51,357	9,357
Mixed Drink Tax	380,000	380,000	510,474	130,474
Grants	0	0	26,395	26,395
Total Intergovernmental	3,671,800	3,671,800	3,904,975	233,175
Charges for Services				
Code Enforcement Services	515,400	515,400	696,953	181,553
Planning Services	46,000	46,000	72,477	26,477
Public Safety	80,000	80,000	16,959	(63,041)
Recreation Fees	313,000	313,000	444,550	131,550
Community Center	8,500	8,500	30,983	22,483
Rent and Lease Revenue	151,407	151,407	177,759	26,352
Total Charges for Services	1,114,307	1,114,307	1,439,681	325,374
Fines, Forfeitures and Court Costs				
Fines and Costs	8,000	8,000	9,961	1,961
Clerk's Fees	200	200	20	(180)
Licenses	19,250	19,250	29,931	10,681
Total Fines, Forfeitures and Court Costs	27,450	27,450	39,912	12,462
Interest Income	501,000	501,000	1,348,462	847,462
Other Revenues	51,753	51,753	92,293	40,540
Total Revenues	17,028,108	17,028,108	19,260,598	2,232,490

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures:				
General Government				
Legislative				
Operating Expenditures	58,750	58,750	30,365	28,385
Materials and Supplies	550	550	244	306
Total Legislative	59,300	59,300	30,609	28,691
Town Court				
Salaries	88,952	88,952	46,200	42,752
Fringe Benefits	7,952	7,952	4,860	3,092
Operating Expenditures	5,100	5,100	2,526	2,574
Materials and Supplies	100	100	0	100
Total Town Court	102,104	102,104	53,586	48,518
Town Administration				
Salaries	1,107,245	1,107,245	893,408	213,837
Fringe Benefits	457,944	457,944	358,108	99,836
Operating Expenditures	197,255	197,255	130,393	66,862
Materials and Supplies	3,800	3,800	2,442	1,358
Total Town Administration	1,766,244	1,766,244	1,384,351	381,893
Information Technologies				
Salaries	158,805	158,805	148,959	9,846
Fringe Benefits	70,854	70,854	55,528	15,326
Operating Expenditures	552,715	552,715	418,771	133,944
Total Information Technologies	782,374	782,374	623,258	159,116
Community Development				
Salaries	800,649	800,649	770,338	30,311
Fringe Benefits	396,720	396,720	325,840	70,880
Operating Expenditures	207,230	207,230	150,140	57,090
Materials and Supplies	7,500	7,500	8,488	(988)
Total Community Development	1,412,099	1,412,099	1,254,806	157,293

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures (Continued):				
Engineering				
Salaries	583,927	583,927	561,331	22,596
Fringe Benefits	265,041	265,041	257,709	7,332
Operating Expenditures	126,640	126,640	68,827	57,813
Materials and Supplies	8,050	8,050	6,119	1,931
Capital Outlay	25,660	25,660	14,150	11,510
Total Engineering	1,009,318	1,009,318	908,136	101,182
General Government Buildings				
Operating Expenditures	130,950	130,950	120,270	10,680
Repairs and Maintenance	43,200	43,200	42,414	786
Total General Government Buildings	174,150	174,150	162,684	11,466
Parks and Recreation				
Salaries	606,002	1,284,560	1,090,577	193,983
Fringe Benefits	205,067	521,457	404,146	117,311
Operating Expenditures	305,135	417,750	333,854	83,896
Materials and Supplies	54,300	94,928	85,270	9,658
Total Parks and Recreation	1,170,504	2,318,695	1,913,847	404,848
Human Resources				
Salaries	121,708	121,708	125,844	(4,136)
Fringe Benefits	75,876	75,876	72,271	3,605
Operating Expenditures	86,160	88,210	76,176	12,034
Total Human Resources	283,744	285,794	274,291	11,503
Community Center				
Salaries	262,724	262,724	260,099	2,625
Fringe Benefits	77,333	77,333	77,698	(365)
Operating Expenditures	230,100	230,100	148,228	81,872
Materials and Supplies	20,400	20,400	12,006	8,394
Repairs and Maintenance	91,500	91,500	38,559	52,941
Total Community Center	682,057	682,057	536,590	145,467
Economic Development				
Operating Expenditures	119,500	119,500	112,500	7,000
Total Economic Development	119,500	119,500	112,500	7,000

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Expenditures (Continued):				
Non-Departmental				
Operating Expenditures	233,000	268,000	241,403	26,597
Liability Insurance	68,000	124,458	73,194	51,264
Property Insurance	85,000	85,000	64,606	20,394
Community Support	142,000	142,000	169,000	(27,000)
Taxes Shared with Knox County Schools	180,000	277,000	274,910	2,090
Total Non-Departmental	708,000	896,458	823,113	73,345
Total General Government	8,269,394	9,608,093	8,077,771	1,530,322
Public Works				
Salaries	1,561,469	917,931	942,275	(24,344)
Fringe Benefits	947,861	596,450	554,110	42,340
Operating Expenditures	145,400	114,785	96,087	18,698
Materials and Supplies	78,380	47,281	47,477	(196)
Maintenance and Repairs	171,000	96,000	93,780	2,220
Capital Outlay	141,000	146,171	130,434	15,737
Total Public Works	3,045,110	1,918,618	1,864,163	54,455
Total Expenditures	11,314,504	11,526,711	9,941,934	1,584,777
Net Change in Fund Balance Before Other Financing Sources (Uses)	5,713,604	5,501,397	9,318,664	3,817,267
Other Financing Sources (Uses)				
Operating Transfers Out	(7,375,000)	(7,625,000)	(7,625,000)	0
Total Other Financing Sources (Uses)	(7,375,000)	(7,625,000)	(7,625,000)	0
Net Change in Fund Balance	(1,661,396)	(2,123,603)	1,693,664	3,817,267
Fund Balance, July 1st	33,109,521	33,109,521	33,109,521	0
Fund Balance, June 30th	$ 31,448,125	$ 30,985,918	$ 34,803,185	$ 3,817,267

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

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF FIDUCIARY NET POSITION –
OPEB TRUST FUND

June 30, 2025

ASSETS		
Cash and Cash Equivalents	$	2,985
Investments		
Mutual Funds - Equity		24,532
Mutual Funds - Fixed Income		7,457
Total Investments		31,989
Total Assets		34,974
LIABILITIES		0
NET POSITION		
Restricted for OPEB		34,974
Total Net position		34,974
Total Net Position and Liabilities	$	34,974

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

TOWN OF FARRAGUT, TENNESSEE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – OPEB TRUST FUND

For the Fiscal Year Ended June 30, 2025

ADDITIONS	
Contributions - Employer	$ 0
Investment Income (Loss):	
Interest and Dividend Income	672
Net Appreciation (Depreciation) in Fair Value of Investments	2,468
Total Investment Income (Loss)	3,140
Total Additions	3,140
DEDUCTIONS	
Benefits and Refunds	0
Administrative Expenses	6,000
Total Deductions	6,000
CHANGE IN NET POSITION	(2,860)
NET POSITION - RESTRICTED FOR OPEB, BEGINNING OF YEAR	37,834
NET POSITION - RESTRICTED FOR OPEB, END OF YEAR	$ 34,974

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

TOWN OF FARRAGUT, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 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, 2025, 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 $10,000 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 - Compensated absences consist of unpaid accumulated vacation and sick leave. In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes leave that is expected to be used in future periods and leave that will be paid out upon termination or retirement. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

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.

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 22, 2025, 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.

(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 2025 budgeted expenditures and other financing uses by additional appropriations for the following major governmental funds:

Fund	Original Budget	Revisions	Final Budget
General Fund	$ 18,689,504	$ 462,207	$ 19,151,711
Capital Projects Fund	$ 17,630,216	$ 5,120,372	$ 22,750,588
ARPA Fund	$ 4,286,074	$ 5,071,917	$ 9,357,991

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, 2025 were balances in the State Treasurer's Local Government Investment Pool (LGIP) in the amount of $58,430,617. 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.

(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.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

(B) INVESTMENTS (Continued)

Fiduciary Investments (Continued)

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, 2025:

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.

Below is a table that presents information about certain assets measured at estimated fair value at June 30, 2025:

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 31,989	$ 31,989	$ 0	$ 0

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

As of June 30, 2025, interfund receivables and payables were as follows:

	Due from Other Funds	Due to Other Funds	Total Balances
General Fund	$ 18,778	$ 0	$ 18,778
Capital Projects	57,350	0	57,350
ARPA	0	(57,350)	(57,350)
Tourism Fund	0	(18,778)	(18,778)
Total	$ 76,128	$ (76,128)	$ 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.

NOTE 4 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers during the year are as follows:

	Transfers From: General Fund
Transfers To:	
Major Governmental Funds:	
Capital Projects	$ 5,250,000
Non-Major Governmental Funds:	
State Street Aid	1,500,000
Equipment Replacement	725,000
ADA	150,000
Total Transfers	$ 7,625,000

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 6,484,504	$ 5,614,434	$ 0	$ 12,098,938
Admiral Farragut Collection	120,957	0	0	120,957
Construction-in-Progress	17,153,287	10,891,562	(13,463,393)	14,581,456
Total Non-Depreciable Assets	23,758,748	16,505,996	(13,463,393)	26,801,351
Depreciable Assets:				
Buildings	3,091,501	4,200,204	0	7,291,705
Improvements	24,524,896	3,148,285	0	27,673,181
Furniture, Fixtures, and Equipment	3,201,333	151,453	(1,110)	3,351,676
Transportation Equipment	814,245	173,100	(23,180)	964,165
Infrastructure	37,558,156	0	0	37,558,156
Lease Assets-Infrastructure	18,564	0	0	18,564
Total Depreciable Assets	69,208,695	7,673,042	(24,290)	76,857,447
Accumulated Depreciation / Amortization:				
Buildings	(1,900,866)	(79,766)	0	(1,980,632)
Improvements	(5,517,862)	(1,029,718)	0	(6,547,580)
Furniture, Fixtures, and Equipment	(1,757,010)	(249,677)	1,110	(2,005,577)
Transportation Equipment	(284,273)	(208,914)	23,180	(470,007)
Infrastructure	(13,362,115)	(804,241)	0	(14,166,356)
Lease Assets-Infrastructure	(14,232)	(4,332)	0	(18,564)
Total Accumulated Depreciation / Amortization	(22,836,358)	(2,376,648)	24,290	(25,188,716)
Total Assets Being Depreciated	46,372,337	5,296,394	0	51,668,731
Governmental Activities Capital Assets, Net	$ 70,131,085	$ 21,802,390	$ (13,463,393)	$ 78,470,082

NOTE 5 - CAPITAL ASSETS (Continued)

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

General Government	$	1,147,054
Public Works		1,229,594
Total Capital Assets	$	2,376,648

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, 2025, the Town recognized the following related to its lessor agreements:

Lease Revenue	$	90,120
Interest Income Related to Leases		19,513
	$	109,633

Future payments that are included in the measurement of the lease receivable at June 30, 2025 are presented below for the years ending June 30:

Fiscal Year June 30,	Principal Payments	Interest Payments
2026	$ 120,284	$ 20,985
2027	101,005	15,852
2028	108,882	10,978
2029	82,194	6,207
2030	66,763	2,493
2031	16,853	211
	$ 495,981	$ 56,726

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Parking Lot	$ 5,679	$ 0	$ 2,767	$ 2,912	$ 2,912

NOTE 6 - LEASES (Continued)

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
2026	$ 2,912	$ 88	$ 3,000

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Lease Liabilities	$ 5,679	$ 0	$ 2,767	$ 2,912	$ 2,912
Compensated Absences	613,674	144,954	0	758,628	362,477
	$ 619,353	$ 144,954	$ 2,767	$ 761,540	$ 365,389

NOTE 8 - FUND BALANCE

Following is more detailed information on the governmental fund balances as of June 30, 2025:

	General Fund	Capital Projects Fund	ARPA Fund	Non-Major Governmental Funds	Totals
Nonspendable for:					
Prepaid Items	$ 105,631	$ 0	$ 0	$ 0	$ 105,631
Restricted for:					
State Street Aid	0	0	0	3,817,950	3,817,950
Total Restricted for:	0	0	0	3,817,950	3,817,950
Committed for:					
Capital Projects / Improvements	55,692	0	0	0	55,692
Assigned for:					
Tourism	0	0	0	1,223,426	1,223,426
Stormwater	79,652	0	0	0	79,652
Museum	83,392	0	0	0	83,392
Tree Program	7,994	0	0	0	7,994
Capital Projects	0	22,420,485	2,350,967	2,234,177	27,005,629
Total Assigned for:	171,038	22,420,485	2,350,967	3,457,603	28,400,093
Unassigned:	34,470,824	0	0	0	34,470,824
Totals	$ 34,803,185	$ 22,420,485	$ 2,350,967	$ 7,275,553	$ 66,850,190

NOTE 9 - EMPLOYEE RETIREMENT PLANS

(A) 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, 2025, the amount of the City's contributions (net of forfeitures) was $364,470.

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.

(B) 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, 2025 is as follows:

	Other Post-Employment Benefits Trust
ASSETS	
Cash and Cash Equivalents	$ 2,985
Investments	
Mutual Funds - Equity	24,532
Mutual Funds - Fixed Income	7,457
Total Investments	31,989
Total Assets	$ 34,974
LIABILITIES	$ 0
NET POSITION	
Restricted for OPEB	34,974
Total Net position	34,974
Total Net Position and Liabilities	$ 34,974

The Town's Statement of Changes in Fiduciary Net Position for the OPEB plan for the year ending June 30, 2025 is as follows:

	Other Post-Employment Benefits Trust
ADDITIONS	
Contributions - Employer	$ 0
Investment Income (Loss):	
Interest and Dividend Income	672
Net Appreciation (Depreciation) in Fair Value of Investments	2,468
Total Investment Income (Loss)	3,140
Total Additions	3,140
DEDUCTIONS	
Benefits and Refunds	0
Administrative Expenses	6,000
Total Deductions	6,000
CHANGE IN NET POSITION	(2,860)
NET POSITION - RESTRICTED FOR OPEB, BEGINNING OF YEAR	37,834
NET POSITION - RESTRICTED FOR OPEB, END OF YEAR	$ 34,974

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, 2025, the following employees of the Town were covered by the benefit terms of the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to, but not yet Receiving Benefits	0
Active Employees	67
	69

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, 2025, the employer contribution was $0. In addition, the Town is paying plan benefits directly outside of the trust. For the year ended June 30, 2025, these contributions were $34,708.

Net OPEB Liability

OPEB Liability - The Town's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of July 1, 2024.

Actuarial Assumptions - The total OPEB liability in the July 1, 2024, 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:	27 Years
Salary Increase:	3.00%
Inflation	2.50%
Healthcare Cost Trend Rate	7.50% 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 expenses, for the fiscal year 2025 was -7.56%.

Discount Rate - The discount rate used to measure the total OPEB liability as of June 30, 2025 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, 2024	$ 472,499	$ 37,834	$ 0	$ 434,665
Changes for the year:				
Service Cost	36,925	0	0	36,925
Interest	23,612	0	0	23,612
Differences Between Expected and Actual Experience	(150,923)	(5,395)	0	(145,528)
Contributions – Employer		0	34,708	(34,708)
Expected Investment Income	0	2,535	0	(2,535)
Change in Benefit Terms	(4,522)	0	0	(4,522)
Change in Assumptions	15,517	0	0	15,517
Benefit Payments	(34,708)	0	(34,708)	0
Net Changes	(114,099)	(2,860)	0	(111,239)
Balances at June 30, 2025	$ 358,400	$ 34,974	$ 0	$ 323,426

The OPEB Plan's fiduciary net position as a percentage of the total pension liability was 9.76% for the year ended June 30, 2025.

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	$ 356,617	$ 323,426	$ 293,900

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 (6.00% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
Total OPEB Liability	$ 285,636	$ 323,426	$ 368,962

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, 2025, the Town recognized negative OPEB expense of $3,352.

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2025, 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	$ 0	$ 136,765
Net Difference Between Projected and Actual Earnings on OPEB Investments	7,173	0
Change in Assumptions	14,061	26,868
	$ 21,234	$ 163,633

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
2026	$ (15,420)
2027	(15,424)
2028	(15,463)
2029	(16,388)
2030	(17,467)
Thereafter	(62,237)

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.

NOTE 13 - RESTATEMENT

Net position as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences*. The following reflects the restatement amounts on the government-wide statement of net position:

	Governmental Activities
Net Position at June 30, 2024, as previously reported	$ 124,188,802
Restatement - Implementation of GASB 101, *Compensated Absences*	(383,670)
Restated Net Position, July 1, 2024	$ 123,805,132

REQUIRED SUPPLEMENTAL INFORMATION

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,

	2025	2024	2023
Total OPEB Liability			
Service Cost	$ 36,925	$ 23,954	$ 29,557
Interest	23,612	31,464	27,465
Changes of Benefit Terms	(4,522)	0	481,818
Differences between Expected and Actual Experience	(150,923)	0	0
Changes of Assumptions	15,517	0	(41,163)
Benefit Payments	(34,708)	(56,253)	(24,343)
Net Change in Total OPEB Liability	(114,099)	(835)	473,334
Total OPEB - Beginning	472,499	473,334	0
Total OPEB - Ending (a)	$ 358,400	$ 472,499	$ 473,334
Plan Fiduciary Net Position			
Contributions - Employer	$ 34,708	$ 56,253	$ 64,343
Expected Investment Income	2,535	2,667	0
Difference Between Expected and Actual Experience	(5,395)	(4,637)	(196)
Benefit Payments	(34,708)	(56,253)	(24,343)
Net Change in Plan Fiduciary Net Position	(2,860)	(1,970)	39,804
Plan Fiduciary Net Position - Beginning	37,834	39,804	0
Plan Fiduciary Net Position - Ending (b)	$ 34,974	$ 37,834	$ 39,804
Net OPEB - Ending (a) - (b)	$ 323,426	$ 434,665	$ 433,530
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.76%	8.01%	8.41%
Covered Employee Payroll	$ 2,968,426	$ 3,650,353	$ 3,561,320
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.90%	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,

	2025	2024	2023
Total OPEB Liability			
Actuarially Determined Contribution	$ 62,582	$ 58,991	$ 46,597
Contributions in Relation to the Actuarially Determined Contribution	34,708	56,253	64,343
Contribution Deficiency (Excess)	$ 27,874	$ 2,738	$ (17,746)
Covered Employee Payroll	$ 2,968,426	$ 3,650,353	$ 3,561,320
Contributions as a Percentage of Employee Covered Payroll	1.17%	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, 2024

Methods and Assumptions used to Calculate Actuarially Determined Contribution:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Remaining Amortization Period:	27 Years
Salary Increase:	3.00%
Inflation	2.50%
Healthcare Cost Trend Rate	7.50% 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,

	2025	2024	2023
Annual Money-Weighted Rate of Return (Loss), Net of Investment Expenses	-7.56%	-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

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, 2025

	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	$ 3,780,394	$ 1,198,952	$ 4,979,346	$ 1,491,226	$ 742,951	$ 2,234,177	$ 7,213,523
Accounts Receivable	0	43,252	43,252	0	0	0	43,252
Due From Other Governments	73,118	0	73,118	0	0	0	73,118
Total Assets	$ 3,853,512	$ 1,242,204	$ 5,095,716	$ 1,491,226	$ 742,951	$ 2,234,177	$ 7,329,893
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 35,562	$ 0	$ 35,562	$ 0	$ 0	$ 0	$ 35,562
Due to Other Funds	0	18,778	18,778	0	0	0	18,778
Total Liabilities	35,562	18,778	54,340	0	0	0	54,340
Fund Balances							
Restricted	3,817,950	0	3,817,950	0	0	0	3,817,950
Assigned	0	1,223,426	1,223,426	1,491,226	742,951	2,234,177	3,457,603
Total Fund Balances	3,817,950	1,223,426	5,041,376	1,491,226	742,951	2,234,177	7,275,553
Total Liabilities and Fund Balances	$ 3,853,512	$ 1,242,204	$ 5,095,716	$ 1,491,226	$ 742,951	$ 2,234,177	$ 7,329,893

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, 2025

	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	$ 823,644	$ 0	$ 823,644	$ 0	$ 0	$ 0	$ 823,644
Local Taxes	0	536,280	536,280	0	0	0	536,280
Interest	142,336	53,953	196,289	64,496	31,474	95,970	292,259
Other Income	0	10,486	10,486	36,750	0	36,750	47,236
Grant Revenue	0	33,318	33,318	0	0	0	33,318
Total Revenues	965,980	634,037	1,600,017	101,246	31,474	132,720	1,732,737
Expenditures							
General Government	0	511,372	511,372	0	0	0	511,372
Public Works	1,490,877	0	1,490,877	0	0	0	1,490,877
Capital Outlay	0	0	0	324,553	0	324,553	324,553
Total Expenditures	1,490,877	511,372	2,002,249	324,553	0	324,553	2,326,802
Net Change in Fund Balance Before Other Financing Sources (Uses)	(524,897)	122,665	(402,232)	(223,307)	31,474	(191,833)	(594,065)
Other Financing Sources (Uses)							
Transfers In	1,500,000	0	1,500,000	725,000	150,000	875,000	2,375,000
Total Other Financing Sources (Uses)	1,500,000	0	1,500,000	725,000	150,000	875,000	2,375,000
Net Change in Fund Balance	975,103	122,665	1,097,768	501,693	181,474	683,167	1,780,935
Fund Balance, July 1st	2,842,847	1,100,761	3,943,608	989,533	561,477	1,551,010	5,494,618
Fund Balance, June 30th	$ 3,817,950	$ 1,223,426	$ 5,041,376	$ 1,491,226	$ 742,951	$ 2,234,177	$ 7,275,553

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Intergovernmental - State Gasoline Tax	$ 822,752	$ 822,752	$ 823,644	$ 892
Interest	20,000	20,000	142,336	122,336
Total Revenues	842,752	842,752	965,980	123,228
Expenditures:				
Public Works:				
Street Repairs and Maintenance	80,000	80,000	111,356	(31,356)
Resurface Program	1,500,000	1,500,000	1,276,513	223,487
Centerline	50,000	50,000	18,811	31,189
Guardrails	15,000	15,000	14,266	734
Sidewalk Maintenance	50,000	50,000	29,471	20,529
Traffic Calming	70,000	70,000	40,460	29,540
Total Expenditures	1,765,000	1,765,000	1,490,877	274,123
Net Change in Fund Balance Before Other Financing Sources (Uses)	(922,248)	(922,248)	(524,897)	397,351
Other Financing Sources (Uses)				
Operating Transfers In	1,500,000	1,500,000	1,500,000	0
Total Other Financing Sources (Uses)	1,500,000	1,500,000	1,500,000	0
Net Change in Fund Balance	577,752	577,752	975,103	397,351
Fund Balance, July 1st	2,842,847	2,842,847	2,842,847	0
Fund Balance, June 30th	$ 3,420,599	$ 3,420,599	$ 3,817,950	$ 397,351

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local Taxes	$ 550,000	$ 550,000	$ 536,280	$ (13,720)
Interest	15,000	15,000	53,953	38,953
Grant Revenue	47,500	47,500	33,318	(14,182)
Other Income	0	0	10,486	10,486
Total Revenues	612,500	612,500	634,037	21,537
Expenditures:				
General Government				
Salaries	172,320	172,320	152,034	20,286
Benefits	67,443	67,443	60,233	7,210
Contracted Services	80,164	93,164	80,577	12,587
Operating Expenses	243,065	243,065	203,809	39,256
Material and Supplies	31,500	31,500	14,719	16,781
Total Expenditures	594,492	607,492	511,372	96,120
Net Change in Fund Balance	18,008	5,008	122,665	117,657
Fund Balance, July 1st	1,100,761	1,100,761	1,100,761	0
Fund Balance, June 30th	$ 1,118,769	$ 1,105,769	$ 1,223,426	$ 117,657

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 100,000	$ 100,000	$ 846,896	$ 746,896
Federal and State Grants	8,310,000	8,310,000	4,535,849	(3,774,151)
Other Revenues	0	0	500,000	500,000
Total Revenues	8,410,000	8,410,000	5,882,745	(2,527,255)
Expenditures:				
Capital Outlay:				
Park Land Purchase	0	10,800	10,800	0
Audio/ Visual Maintenance	0	250,000	238,361	11,639
Anchor Park Pedestrian Crossing	0	267,400	252,543	14,857
Public Works Storage Shed Roof Replacement	0	300	220	80
Sonja Drive Improvements	1,250,000	1,250,000	0	1,250,000
Mid-Block Crossing McFee and Grigsby Chapel	0	312,135	281,851	30,284
Turkey Creek Road Improvements	500,000	500,000	21,150	478,850
Concord and Loop Road Traffic Signal	700,000	700,000	24,755	675,245
Stormwater	200,000	200,000	0	200,000
Town Facilities Security Plan	128,000	128,000	81,489	46,511
Town Center Improvements	0	500,000	226,486	273,514
MBLP Field 1 and 2 Turf Replacement	1,841,880	1,841,880	1,358,500	483,380
MBLP Walktrail and ADA Repair and paving	180,000	180,000	9,275	170,725
MBLP Pickleball Complex	1,450,000	1,450,000	203,135	1,246,865
McFee Park Phase 5: Dog Park and Storage	465,336	490,336	26,470	463,866
McFee Splash Pad	50,000	50,000	0	50,000
McFee Park Entrance Gates and Fencing	0	1,000	470	530
Boyd Station Road Improvements	465,000	465,000	0	465,000
Boyd Station Road Roundabout	760,000	760,000	0	760,000
Boyd Station Road Greenway	40,000	40,000	0	40,000
Campbell Station Inn Improvements	750,000	750,000	400,901	349,099
Union Road Improvements	7,900,000	8,290,495	168,017	8,122,478
Virtue and Boyd Road Improvements	0	550,968	297,023	253,945
Virtue and Boyd Road Right of Way Acquisition	925,000	925,000	0	925,000
Signal System Upgrade (CMAQ)	0	2,172,142	856,233	1,315,909
Public Works Facilities Improvements	25,000	25,000	0	25,000
Pedestrian Warning Signal	0	166,000	141,705	24,295
Watt Road Roundabout	0	63,225	28,892	34,333
Total Expenditures	17,630,216	22,339,681	4,628,276	17,711,405
Net Change in Fund Balance Before Other Financing Sources (Uses)	(9,220,216)	(13,929,681)	1,254,469	15,184,150
Other Financing Sources (Uses)				
Operating Transfers In	5,000,000	5,250,000	5,250,000	0
Operating Transfers Out	0	(410,907)	0	410,907
Total Other Financing Sources (Uses)	5,000,000	4,839,093	5,250,000	410,907
Net Change in Fund Balance	(4,220,216)	(9,090,588)	6,504,469	15,595,057
Fund Balance, July 1st	15,916,016	15,916,016	15,916,016	0
Fund Balance, June 30th	$ 11,695,800	$ 6,825,428	$ 22,420,485	$ 15,595,057

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest	$ 100,000	$ 100,000	$ 183,954	$ 83,954
Federal Grants	0	0	8,194,588	8,194,588
Total Revenues	100,000	100,000	8,378,542	8,278,542
Expenditures:				
Capital Outlay:				
Broadband Infrastructure	1,786,074	2,040,866	97,316	1,943,550
Stormwater	2,500,000	4,648,893	3,962,161	686,732
Town Hall Renovations	0	2,668,232	2,203,811	464,421
Total Expenditures	4,286,074	9,357,991	6,263,288	3,094,703
Net Change in Fund Balance Before Other Financing Sources (Uses)	(4,186,074)	(9,257,991)	2,115,254	11,373,245
Other Financing Sources (Uses)				
Operating Transfers In	0	410,907	0	(410,907)
Total Other Financing Sources (Uses)	0	410,907	0	(410,907)
Net Change in Fund Balance	(4,186,074)	(8,847,084)	2,115,254	10,962,338
Fund Balance, July 1st	235,713	235,713	235,713	0
Fund Balance, June 30th	$ (3,950,361)	$ (8,611,371)	$ 2,350,967	$ 10,962,338

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 20,000	$ 20,000	$ 64,496	$ 44,496
Sale of Capital Assets	0	0	36,750	36,750
Total Revenues	20,000	20,000	101,246	81,246
Expenditures:				
Capital Outlay:				
Equipment	375,000	375,000	324,553	50,447
Total Expenditures	375,000	375,000	324,553	50,447
Net Change in Fund Balance Before Other Financing Sources (Uses)	(355,000)	(355,000)	(223,307)	131,693
Other Financing Sources (Uses)				
Operating Transfers In	725,000	725,000	725,000	0
Total Other Financing Sources (Uses)	725,000	725,000	725,000	0
Net Change in Fund Balance	370,000	370,000	501,693	131,693
Fund Balance, July 1st	989,533	989,533	989,533	0
Fund Balance, June 30th	$ 1,359,533	$ 1,359,533	$ 1,491,226	$ 131,693

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Interest	$ 1,000	$ 1,000	$ 31,474	$ 30,474
Total Revenues	1,000	1,000	31,474	30,474
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	31,474	30,474
Other Financing Sources (Uses)				
Operating Transfers In	0	150,000	150,000	0
Total Other Financing Sources (Uses)	0	150,000	150,000	0
Net Change in Fund Balance	1,000	151,000	181,474	30,474
Fund Balance, July 1st	561,477	561,477	561,477	0
Fund Balance, June 30th	$ 562,477	$ 712,477	$ 742,951	$ 30,474

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF INTERNAL RECEIVABLES AND PAYABLES

June 30, 2025

	Due From		
Due to	General Fund	ARPA	Total
Tourism Fund	$ 18,778	$ 0	$ 18,778
Capital Projects	0	57,350	57,350
	$ 18,778	$ 57,350	$ 76,128

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF INTERFUND TRANSFERS

For the Fiscal Year Ended June 30, 2025

	Transfers From: General Fund
Transfers To:	
Major Governmental Funds:	
Capital Projects	$ 5,250,000
Non-Major Governmental Funds:	
State Street Aid	1,500,000
Equipment Replacement	725,000
ADA	150,000
Total Transfers	$ 7,625,000

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF CHANGES IN LEASE OBLIGATIONS

For the Fiscal Year Ended June 30, 2025

	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/24	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 06/30/25
Governmental Activities									
Leases Payable									
Payable through General Fund									
Parking Lot	$ 28,477	5.00%	10/24/13	04/24/26	$ 5,679	$ 0	$ 2,767	$ 0	$ 2,912

TOWN OF FARRAGUT, TENNESSEE

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

June 30, 2025

	Parking Lot	
Year Ended June 30,	Principal	Interest
2026	$ 2,912	$ 88

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2025

Federal Grantor / Pass Through Grantor Program	ALN	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
U.S. Department of the Interior				
Passed through the Tennessee Department of Environment and Conservation:				
Outdoor Recreation Acquisition, Development and Planning	15.916	N/A	$ 0	$ 2,750,000
Total U.S. Department of the Interior			0	2,750,000
U.S. Department of Transportation				
Passed through the Tennessee Department of Transportation:				
Highway Planning and Construction	20.205	160196	0	134,413
Highway Planning and Construction	20.205	170024	0	856,233
Highway Planning and Construction	20.205	220153	0	235,280
Total U.S. Department of Transportation			0	1,225,926
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	1,022,358
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	1,911,442
Total Passed the Tennessee Department of Environment and Conservation			0	2,933,800
Passed through the Tennessee Department of Finance and Administration:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	5,013,403
Passed through the Tennessee Department of Tourist Development				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	0	30,617
Total U.S. Department of the Treasury			0	7,977,820
Total Federal Awards			0	11,953,746
State Assistance				
Tennessee Department of Environment and Conservation				
Local Parks and Recreation Grant		N/A	0	675,750
Total State Financial Assistance			0	675,750
Total Federal Awards and State Financial Assistance			$ 0	$ 12,629,496

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 AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2025

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, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
Investment in Capital Assets	$ 75,676,413	$ 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
Restricted	3,817,950	3,078,560	2,504,875	1,384,793	1,081,620	868,734	658,224	692,264	555,861	304,362
Unrestricted	64,598,544	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
Total Governmental Activities Net Position	$ 144,092,907	$ 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

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 2

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental Activities										
General Government	$ 9,826,250	$ 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
Public Works	4,640,593	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
Debt Service	0	0	0	0	0	0	0	0	3,750	7,500
Total Governmental Activities Expenses	14,466,843	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
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	1,582,374	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
Public Works	0	0	0	0	0	0	3,276	78,790	81,444	63,654
Operating Grants and Contributions	33,318	117,594	9,211	0	958,485	810,606	793,941	751,888	624,491	566,655
Capital Grants and Contributions	12,756,832	5,758,280	2,364,008	61,178	1,217,990	388,491	260,049	882,108	283,951	461,919
Total Governmental Activities Program Revenues	14,372,524	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
NET (EXPENSE) REVENUE										
Governmental Activities	$ (94,319)	$ (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)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
General Revenues										
Sales Tax	$ 13,858,380	$ 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
Wholesale Beer and Liquor Taxes	1,690,454	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
Other State Taxes	1,303,094	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
TVA In-Lieu of Taxes	285,569	569,655	282,619	244,056	259,200	278,902	268,529	257,134	255,852	242,633
Room Occupancy Tax	536,280	288,068	587,028	471,200	0	0	0	0	0	0
Interest Income	2,671,566	2,800,911	1,730,489	105,838	61,567	552,859	669,022	312,625	104,581	44,880
Other Revenues	36,751	23,957	878,796	6,120	173,361	31,543	36,461	84,628	79,911	44,393
Total Governmental Activities	20,382,094	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
CHANGE IN NET POSITION	$ 20,287,775	$ 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

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 3

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL FUND										
Nonspendable	$ 105,631	$ 51,476	$ 51,476	$ 72,905	$ 82,254	$ 0	$ 0	$ 0	$ 570,366	$ 0
Committed	55,692	55,692	52,416	496,598	0	0	0	0	0	0
Assigned	171,038	165,511	168,409	43,944	48,469	43,944	34,439	34,439	806,448	2,657,585
Unassigned	34,470,824	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
Total General Fund	$ 34,803,185	$ 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
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	$ 3,817,950	$ 3,078,560	$ 2,504,875	$ 1,343,751	$ 1,081,620	$ 866,134	$ 640,773	$ 668,880	$ 534,283	$ 289,029
Assigned	28,229,055	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
Total All Other Governmental Funds	$ 32,047,005	$ 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

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 4

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	$ 12,971,555	$ 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
Intergovernmental	17,492,374	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
Charges for Service	1,439,681	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
Fines, Forfeitures and Costs	39,912	57,109	39,868	109,263	119,714	95,181	117,410	62,881	77,912	89,487
Interest Income	2,671,571	2,800,910	1,730,488	81,268	61,567	552,859	669,022	312,625	104,581	44,880
Other Revenues	639,529	172,896	1,315,735	255,203	1,042,287	179,253	155,774	227,363	185,495	624,906
Total Revenues	35,254,622	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
EXPENDITURES										
General Government	8,589,143	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
Public Works	3,355,040	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
Capital Outlay	11,216,117	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
Debt Service:										
Principal	0	0	0	0	0	0	0	0	250,000	250,000
Interest	0	0	0	0	0	0	0	0	3,750	7,500
Total Expenditures	23,160,300	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
Net Change in Fund Balance	$ 12,094,322	$ 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
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%	3.9%

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 5

LARGEST REMITTERS OF SALES TAX REVENUE AND APPLICABLE RATES

For the Fiscal Year Ended June 30, 2025

Remitter	Value	Percentage of Total Remitted	Local Option Sales Tax Rate	Rank
Knox County, Tennessee	$ 10,884,605	99.86%	2.25%	1
Loudon County, Tennessee	15,069	0.14%	2.00%	2
	$ 10,899,674	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 2025				Fiscal Year 2016			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
Retail Trade	279	44.91%	$ 15,468,196	86.01%	271	55.88%	$ 9,434,100	89.89%
Services	212	34.14%	1,407,499	7.83%	132	27.22%	662,073	6.31%
Manufacturing	16	2.58%	1,123	0.01%	15	3.09%	6,583	0.06%
Wholesale Trade	27	4.35%	280,474	1.56%	32	6.60%	174,604	1.66%
Construction	8	1.29%	6,783	0.04%	4	0.82%	1,584	0.02%
Finance Insurance Real Estate	9	1.45%	6,599	0.04%	7	1.44%	1,490	0.01%
Transportation and Utilities	10	1.61%	484,531	2.69%	6	1.24%	93,507	0.89%
Agriculture	5	0.81%	17,603	0.10%	5	1.03%	14,051	0.13%
Other, Non Classified	55	8.86%	309,238	1.72%	13	2.68%	107,496	1.02%
Total	621	100.00%	$ 17,982,046	100.00%	485	100.00%	$ 10,495,488	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
2025	2024	$ 413,375,000	$ 1,153,505,200	$ 4,278,725	$ 1,571,158,925	$ 5,662,754,000	27%
2024	2023	378,430,045	1,134,826,875	4,306,075	1,517,562,995	5,516,203,100	28%
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%

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
2025	-	$ 1.55
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

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, 2025

	Fiscal Year 2025				Fiscal Year 2016			
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 Valuation	$ 25,321,080	1	1.6%	Metro Knoxville HMA, LLC Property Valuation	$ 19,533,320	1	2.33%
Biddle Farms Residential, LLC	20,182,640	2	1.3%				
Overlook at Farragut Apartment, LLC	16,600,000	3	1.0%				
Watt Road Investment, LLC	14,608,320	4	0.9%	Hart TC IV, LLC	11,095,320	2	1.32%
Farragut Senior Living, LLC	10,728,120	5	0.7%				
Hart TC IV, LLC	10,382,320	6	0.7%	LB Knoxville/Lansborough	5,262,240	6	0.63%
Alharmoosh Entertainment, LLC	9,590,560	7	0.6%				
LB Knoxville, LLC	8,979,440	8	0.6%	Costco Wholesale Corporation	5,781,320	4	0.69%
Knoxville TN Turkey Creek MOB, LLC	8,468,760	9	0.5%				
Costco Wholesale Corporation	7,368,240	10	0.5%	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 PoplPrivate 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	$ 132,229,480		8.3%		$ 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			
2025	$ 0	$ 0	$ 2,912	$ 0	0	$ 0
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

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
2025	$ 0	0	$ 0
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

Note: Information is not available for personal income.

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 13

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2025

Governmental Unit	Outstanding Debit	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with General Government Revenue			
Town of Farragut – Direct Debt	$ 2,912	100%	$ 2,912
Debt Repaid with Property Taxes			
Knox County, Tennessee Overlapping Debt	0	0	0
Total Direct an Overlapping Det			$ 2,912

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 (3)
2025	23,506 (4)	(5)	(5)	5,549 (1)	1,626	2.50%
2024	23,506 (4)	(5)	(5)	5,599 (1)	1,521	2.90%
2023	23,506 (4)	(5)	(5)	5,588 (1)	1,434	3.00%
2022	23,506 (4)	(5)	(5)	5,549 (1)	1,348	2.70%
2021	23,506 (4)	(5)	(5)	5,420 (1)	850	3.80%
2020	22,676 (2)	(5)	(5)	5,380 (1)	1,152	4.60%
2019	22,676 (2)	(5)	(5)	5,421 (1)	1,131	3.60%
2018	22,676 (2)	(5)	(5)	5,464 (1)	1,058	3.20%
2017	22,676 (2)	(5)	(5)	5,400 (1)	1,182	2.70%
2016	22,676 (2)	(5)	(5)	7,312	1,235	4.30%

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

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE 17

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

June 30, 2025

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Town Employment**	**Employees**	**Rank**	**Percentage of Town Employment**
Tennova Health West/Women	688	1	-	988	1	-
Knox County Schools	684	2	-	558	2	-
Costco	225	3	-	175	7	-
Kroger	218	4	-	265	3	-
NHC Healthcare	214	5	-	251	4	-
Publix	320	6	-	189	6	-
Ingles Food Store	185	7	-	108	10	-
Top Golf	115	8	-			-
JC Penney	73	9	-			-
Kohl's	69	10	-	115	8	-
Summit View				199	5	-
At Home				113	9	-
Totals	2,791			2,961		

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration										
(Including part-time)*	17	18	15	13	9	9	9	9	9	10
Community Development	9	11	9	9	9	9	9	9	7	7
Engineering	7	7	8	7	7	6	6	6	6	6
Public Works										
(Including part-time and seasonal)	22	21	32	30	30	28	27	27	27	26
Parks and Recreation	41									
(Including part-time and seasonal)		38	34	36	33	31	31	25	25	25
	96	95	98	95	88	83	82	76	74	74

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Works / Engineering:										
Street Resurfacing (miles)	9.90	7.23	4.50	3.59	4.23	3.05	4.52	3.89	3.72	3.69
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	83	91	91	74	94	96	62	65	65
Community Room Rentals (1)	373	373	-	-	-	10	(1) 26	32	26	30
Classroom Rentals	104	104	286	-	-	-	-	-	-	-
Assembly Hall Rentals-Community Center	88	254	48	43	37	-	-	-	-	-
Gym Rentals-Community Center	789	789	196	226	-	-	-	-	-	-
Park Shelter Rentals	715	-	723	682	587	333	(2) 595	607	672	586
Building Department:										
New Single-Family Residential Permits	115	86	75	141	134	75	83	141	159	112
New Multi-Family Residential Permits	0 (3)	0 (3)	7 (3)	-	11	-	237	28	-	-
Residential Addition Permits	52	43	39	48	56	43	42	74	64	52
Commercial Structure Permits	17	19	10	7	6	12	13	8	5	6
Commercial Addition/Renovation Permit	18	27	39	37	27	29	32	18	34	37
Accessory Structure Permits	19	12	11	19	24	18	29	17	28	18

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Works / Engineering:										
Streets Maintained (miles)	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00
Vehicle Fleet	30	29	28	26	26	25	24	23	22	21
Parks and Recreation:										
Park Acreage	282.24	212.24	142.24	142.24	142.24	142.24	142.24	142.24	142.24	142.24
Playgrounds	4	4	4	4	3	3	3	3	3	3
Diamond Athletic Fields	5	5	5	5	5	5	5	5	-	-
Rectangular Fields	7	8	8	8	8	8	8	8	-	-
Courts (Tennis, Basketball and Volleyball	18	9	9	9	4	4	4	4	-	-
Picnic Areas and Covered Shelters	18	17	17	17	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, 2025, 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 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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'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*.

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 22, 2025

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, 2025. 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, 2025.

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 22, 2025

TOWN OF FARRAGUT, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

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, 2025 are:

Program Name	Assistance Listing #
Outdoor Recreation Acquisition, Development and Planning	15.916
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

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, 2025

Section II - Financial Statement Findings

Current Year Audit Findings: None

Section III - Federal Award Findings

Current Year Audit Findings: None

Section IV - Noncompliance Under *Government Auditing Standards*

Current Year Audit Findings: None



SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended June 30, 2025

There were no findings or questioned costs reported in the prior fiscal year.

Agenda Number: V.A.1.a. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Mark Shipley, Community Development Director

Subject: Approval of Ordinance 26-02 (recommended for approval by the Planning Commission as Ordinance 25-20), on first reading, an ordinance to amend the Farragut Code of Ordinances, Appendix A - Zoning, Chapter 3, Section XII. - General Commercial District (C-1), Subsection F. Mixed Use Town Center, 3., Building Facade Requirements, to provide for new buildings to follow the Town of Farragut Architectural Design Standards, as amended, for the Town Center Subarea and remove reference to the Town Center Design Requirements (The Architecture Collaborative, Applicant)

Introduction & Background: This item was reviewed at the Planning Commission in November and then voted on at the December Planning Commission meeting. The item involves a request to amend the Building Facade Requirements for new buildings in the Mixed Use Town Center (MUTC) portion of the General Commercial (C-1) Zoning District.

Discussion & Recommendations: The owners of the West End Center are planning to construct a new building at the south intersection of West End Avenue and West Point Drive. The building would be on the same parcel as the existing West End Center shopping center. As discussed with the Planning Commission, the existing shopping center pre-dates the formation of the MUTC land use area and associated regulations. One of the regulations in the Zoning Ordinance for new buildings within the MUTC is adherence to the Town Center Design Requirement for each exterior wall of a new building to maintain 75% minimum coverage with face brick. Since the West End Center pre-dates this requirement, the existing buildings are well below the face brick percentage.

In the Town's adopted Architectural Design Standards (ADS), the Building Design Standards for the Town Center Subarea provide for the use of face brick on at least 75% of the net facade area. In this manner, the four building elevations can be averaged rather

than each elevation being at least 75% face brick. This is the same application used outside the MUTC with the exception that masonry (and not just face brick), as defined in the ADS, can be used on at least 75% of the net facade area.

The applicant would like to average the four elevations with face brick, as provided for in the ADS. This would allow them to better blend architecturally the new building to the existing older shopping center building while still having an average of at least 75% face brick. Since this is in conflict with the existing provisions in the Zoning Ordinance, the applicant's request is to amend the Zoning Ordinance to provide for the ability to average the four elevations with at least 75% face brick as provided for in the ADS.

When this was presented as Ordinance 25-20 to the Planning Commission the proposed language would amend the Zoning Ordinance so that new construction in the MUTC would be governed by the Architectural Design Standards specific to the Town Center Subarea. In addition to increased flexibility, this amendment would also make the Zoning Ordinance consistent with the Architectural Design Standards.

At their meeting on December 18, 2025, the Planning Commission unanimously recommended approval of Ordinance 25-20 which, due to falling within a new year, is now referenced as Ordinance 26-02. The motion is to approve Ordinance 26-02 on first reading.

Recommended By: Mark Shipley, Community Development Director

Proposed Motion: To approve Ordinance 26-02 on first reading.

RESOLUTION PC-25-10

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO SUPPORT AN ORDINANCE TO AMEND THE TEXT OF THE FARRAGUT ZONING ORDINANCE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-201, TENNESSEE CODE ANNOTATED, BY AMENDING THE FARRAGUT CODE OF ORDINANCES, APPENDIX A., ZONING, CHAPTER 3., SECTION XII, GENERAL COMMERCIAL DISTRICT (C-1), SUBSECTION F. MIXED USE TOWN CENTER, 3., BUILDING FAÇADE REQUIREMENTS, TO PROVIDE FOR NEW BUILDINGS TO FOLLOW THE TOWN OF FARRAGUT ARCHITECTURAL DESIGN STANDARDS, AS AMENDED, FOR THE TOWN CENTER SUBAREA AND REMOVE REFERENCE TO THE TOWN CENTER DESIGN REQUIREMENTS

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 18, 2025;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval to the Farragut Board of Mayor and Aldermen of an ordinance, amending Ordinance 86-16, of the Farragut Zoning Ordinance, by adding Ordinance 25-20.

ADOPTED this 18th day of December 2025.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

ORDINANCE:	**26-02 (formerly Ordinance 25-20)**
PREPARED BY:	**Shipley**
REQUESTED BY:	**The Architecture Collaborative**
CERTIFIED BY FMPC:	**December 18, 2025**
PUBLIC HEARING:	_____
PUBLISHED IN:	_____
DATE:	_____
1ST READING:	_____
2ND READING:	_____
PUBLISHED IN:	_____
DATE:	_____

AN ORDINANCE TO AMEND THE TEXT OF THE FARRAGUT ZONING ORDINANCE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-201, TENNESSEE CODE ANNOTATED, BY AMENDING THE FARRAGUT CODE OF ORDINANCES, APPENDIX A., ZONING, CHAPTER 3., SECTION XII, GENERAL COMMERCIAL DISTRICT (C-1), SUBSECTION F. MIXED USE TOWN CENTER, 3., BUILDING FAÇADE REQUIREMENTS, TO PROVIDE FOR NEW BUILDINGS TO FOLLOW THE TOWN OF FARRAGUT ARCHITECTURAL DESIGN STANDARDS, AS AMENDED, FOR THE TOWN CENTER SUBAREA AND REMOVE REFERENCE TO THE TOWN CENTER DESIGN REQUIREMENTS

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to amend the Farragut Code of Ordinances, Appendix A. – Zoning, Chapter 3., Section XII., General Commercial District (C-1), Subsection F. Mixed Use Town Center, 3., Building Façade Requirements, to provide for new buildings to follow the Town of Farragut Architectural Design Standards, as amended, for the Town Center Subarea and remove reference to the Town Center Design Requirements.

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Code of Ordinances, Appendix A. – Zoning, Chapter 3., Section XII., General Commercial District (C-1), Subsection F. Mixed Use Town Center, 3., Building Façade Requirements is hereby amended as follows:

SECTION 1.

3. *Building Facade Requirements.*
   New construction shall comply with the Town of Farragut Architectural Design Standards, as amended, for the Town Center Subarea.

SECTION 2.

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

_____
Ron Williams, Mayor

_____
Crissy Fletcher, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of _____, 2025, with approval recommended.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

g. Medical spas.

h. Adult education and training facilities, indoors only.

i. Cultural activities.

j. Theaters.

k. Indoor recreational facilities.

l. Parks and community facilities.

m. Residential, provided it is located in the upper floors of a building that has been designed and constructed for a mix of uses, or on any floors if it is part of an approved horizontally configured mixed-use town center development plan that is within the Planned Commercial Development (PCD) Zoning District.

n. Bed and breakfasts/inns.

o. Hotels, provided the gross square footage does not exceed 25,000 square feet.

p. Churches and other places of worship, provided they are not located in freestanding buildings.

q. Day care facilities, provided they are not located in freestanding buildings.

r. Schools, public and private, provided they are not located in freestanding buildings.

s. Utility uses. This excludes substations and telecommunication towers. These utility uses shall not be permitted.

t. Other uses similar to any of the above, as approved by the Board of Zoning Appeals as a Special Exception. Any use approved as a Special Exception in this section shall be compatible with the CLUP as it relates to the Mixed-Use Town Center.

3. *Building Facade Requirements.*

New construction shall comply with the Town of Farragut Architectural Design Standards, as amended, ~~and, in addition, the requirements provided for in Chapter 107, Article 2. - Town Center Design Requirements, Sections 107-26 and 107-27, as amended~~ for the Town Center Subarea.

Where re-development involves improvements (interior and/or exterior) to an existing building(s) which exceed 50 percent of the current value (as determined by a certified appraisal) of such building(s), the building(s) facade(s) shall be modified to use high-quality, durable, materials that are architecturally compatible and include a significant masonry element. Such building facades shall not use fabricated metal panels or vinyl siding and shall include only very limited use of synthetic stucco (EIFS) or panelized brick.

4. *Low Impact Development Requirements.* Any new development or redevelopment where at least half of the existing site improvements are being modified (e.g., half of the existing parking lot is being altered from its current configuration), shall incorporate a minimum of one of the following Low Impact Development (LID) practices into the design:

a. Twenty-five percent of the parking lot being constructed with permeable pavers;

b. Stormwater runoff draining to rain gardens;

c. A building(s) being constructed with a vegetated roof, commonly referred to as a green roof;

d. Stormwater draining to bioswales/bioretention facilities; or

e. Rainwater being harvested for irrigation or gray water uses.

Agenda Number: V.A.1.b. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Mark Shipley, Community Development Director

Subject: Approval of Ordinance 26-03 (recommended for approval by the Planning Commission as Ordinance 25-21), on first reading, an ordinance to amend the Farragut Code of Ordinances, Appendix A - Zoning, Chapter 3, Section XVII. Office district (O-1), Subsection B. Permitted principal and accessory uses and structures, to add "Interactive Sports Analysis Services" as a permitted use and to include a definition for "Interactive Sports Analysis Services" in Chapter 2 of the Zoning Ordinance (Christian Miller, Applicant)

Introduction & Background: This item was discussed at the November Planning Commission meeting and then voted on at the December Planning Commission meeting. The item involves a request to amend the Office (O-1) Zoning District to provide for "Interactive Sports Analysis Services" to be a permitted use and to define this term in Chapter 2 of the Zoning Ordinance.

Discussion & Recommendations: As reviewed with the Planning Commission, the applicant would like to open a business in a building that is currently zoned Office. The business would involve a member-only appointment based indoor golf practice and play simulation experience. Members would schedule a session, bring in their golf clubs, and practice on a simulated golf course.

Though specific to golf in this case, such sports analysis services could also apply to other sports and activities. In the current Office Zoning District, the closest permitted use would likely be "professional services" and, in Chapter 2 of the Zoning Ordinance, those are defined as "Services provided by a member of a recognized profession. Such activities include: medical, legal, dental, scientific consulting, insurance agent, architectural, engineering, land-planning, financial and business consulting services, accounting offices, and other similar activities as defined by the board of zoning appeals."

The staff noted to the Planning Commission that, rather than ask the board of zoning appeals for direction in this matter, the applicant was advised to pursue a text amendment so that this and similar uses may be evaluated in terms of compatibility with the Office Zoning District. In reviewing such compatibility, an important consideration is whether the envisioned use would be similar to other office-type uses that are intended to serve as transitional uses between commercial and residential developments.

After reviewing the use and potential language that would be specific to such use at the workshop session in November, the Planning Commission supported the idea of moving forward with ordinance language. The proposed language was included in Ordinance 25-21 and provides for a definition of Interactive Sports Analysis Services and includes this as a permitted use in the Office Zoning District. As noted in Ordinance 25-21 (now Ordinance 26-03), the use would be restricted on the size of the space devoted to such use, would not include the sale of retail goods, food, or alcohol, and would need to ensure that any noise associated with such use will be contained within the space with noise proofing measures reflected on building and/or tenant space completion plans.

At their meeting on December 18, 2025, the Planning Commission unanimously recommended approval of Ordinance 25-21 which, due to falling within a new year, is now referenced as Ordinance 26-03. The motion is to approve Ordinance 26-03 on first reading.

Recommended By: Mark Shipley, Community Development Director

Proposed Motion: To approve Ordinance 26-03 on first reading.

RESOLUTION PC-25-11

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO SUPPORT AN ORDINANCE TO AMEND THE TEXT OF THE FARRAGUT ZONING ORDINANCE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-201, TENNESSEE CODE ANNOTATED, BY AMENDING THE FARRAGUT CODE OF ORDINANCES, APPENDIX A., ZONING, CHAPTER 2. – DEFINITIONS, TO ADD A DEFINITION FOR INTERACTIVE SPORTS ANALYSIS SERVICES, AND CHAPTER 3., SECTION XVII, OFFICE DISTRICT (O-1), SUBSECTION B. PERMITTED PRINCIPAL AND ACCESSORY USES AND STRUCTURES, TO ADD INTERACTIVE SPORTS ANALYSIS SERVICES AS A PERMITTED USE

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 18, 2025;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval to the Farragut Board of Mayor and Aldermen of an ordinance amending Ordinance 86-16, of the Farragut Zoning Ordinance, by adding Ordinance 25-21.

ADOPTED this 18th day of December 2025.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

ORDINANCE: **26-03 (formerly Ordinance 25-21)**
PREPARED BY: **Shipley**
REQUESTED BY: **Christian Miller**
CERTIFIED BY FMPC: **December 18, 2025**
PUBLIC HEARING: _____
PUBLISHED IN: _____
DATE: _____
1ST READING: _____
2ND READING: _____
PUBLISHED IN: _____
DATE: _____

AN ORDINANCE TO AMEND THE TEXT OF THE FARRAGUT ZONING ORDINANCE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-201, TENNESSEE CODE ANNOTATED, BY AMENDING THE FARRAGUT CODE OF ORDINANCES, APPENDIX A., ZONING, CHAPTER 2. – DEFINITIONS, TO ADD A DEFINITION FOR INTERACTIVE SPORTS ANALYSIS SERVICES, AND CHAPTER 3., SECTION XVII, OFFICE DISTRICT (O-1), SUBSECTION B. PERMITTED PRINCIPAL AND ACCESSORY USES AND STRUCTURES, TO ADD INTERACTIVE SPORTS ANALYSIS SERVICES AS A PERMITTED USE

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to amend the Farragut Code of Ordinances, Appendix A. – Zoning, Chapter 2. Definitions, to provide for a definition of Interactive Sports Analysis Services and Chapter 3., Section XVII., Office District (O-1), Subsection B. Permitted Principal and Accessory Uses and Structures, to add Interactive Sports Analysis Services as a permitted use.

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Code of Ordinances, Appendix A. – Zoning is hereby amended as follows:

SECTION 1.

Chapter 2. – Definitions, is amended to include the following: *Interactive Sports Analysis Services*: A low-occupancy, secure-entry establishment that employs member restricted, appointment-based sport specific simulation or analytical technology to provide measurement, evaluation, and analysis of individual performance.

SECTION 2.

Chapter 3., Section XVII., Office District (O-1), Subsection B. Permitted Principal and Accessory Uses and Structures, to add Interactive Sports Analysis Services as a permitted use as follows:

Interactive Sports Analysis Services, provided that the building and/or tenant space does not

exceed 3,500 gross square feet, does not include the sale of retail goods, food, or alcohol, and limits any noise associated with such use so that it is contained within the space with noise-proofing measures reflected on building and/or tenant space completion plans.

SECTION 3.

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

_____
Ron Williams, Mayor

_____
Crissy Fletcher, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of _____, 2025, with approval recommended.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

Agenda Number: V.A.1.c. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Mark Shipley, Community Development Director

Subject: Approval of Ordinance 26-04 (recommended for approval by the Planning Commission as Ordinance 25-22), on first reading, an ordinance to amend the Farragut Zoning Map to rezone Parcel 05501, Tax Map 152 and Parcel 055, Tax Map 152 (12232 Turkey Creek Road) from Agricultural (A) to General Single-Family Residential (R-2) (Midtown Legal, Applicant)

Introduction & Background: This agenda item was originally reviewed at a workshop that occurred prior to the regular July 17, 2025, Planning Commission meeting. The item involves a single parcel that was sold as part of an estate sale as two tracts without being legally subdivided.

Discussion & Recommendations: As noted at the July 17 workshop, the parcel is bisected by Turkey Creek Road and has a house on the lakeside portion of the parcel referenced as 12232 Turkey Creek Road. The larger portion of the parcel is on the opposite side of Turkey Creek Road. As part of the estate sale, the parcel was sold as two separate tracts to two different owners.

The lakeside portion of the parcel is 9,403 square feet and the portion on the opposite side of Turkey Creek Road is 20,521 square feet. The applicant presented the Planning Commission with a request for feedback in terms of whether the Planning Commission would be open to approving a resubdivision plat that would legally separate the parcel into the two tracts that now have different owners. Currently, the property is still recognized as one parcel and since there is an existing dwelling unit on the lake portion of the parcel, no additional dwelling unit is permitted on the non-lake portion of the parcel. The owner of that portion of the parcel would like to build a home and this would require the parcel to be legally separated.

During discussion at the workshop session, the staff noted that the parcel is currently zoned Agricultural (A) and that the (A) Zoning

District has a five-acre minimum lot size with a 50-foot front setback, 25-foot side setbacks, and a 35-foot rear setback. The approval of a plat would further compound the parcel's nonconforming status in terms of size and setbacks and would first require a review from the Board of Zoning Appeals since the requirements related to lot size and setbacks are in the Zoning Ordinance.

To help lessen the amount of variances that would be needed to divide the parcel, the applicant noted that, as discussed with the staff and Town Attorney, before taking this to the Board of Zoning Appeals, the parcel should be rezoned from (A) to General Single-Family Residential (R-2). The (R-2) Zoning District is the same as the abutting Brixworth Subdivision and requires a minimum lot size of 15,000 square feet. This district would be more appropriate for the parcel since the parcel is clearly not large enough for agricultural purposes and proposed structures on the vacant portion of the parcel would not be able to meet the required setbacks. The rezoning would bring the parcel into compliance for the non-lake portion and would help the portion that abuts the lake to be much more compliant in terms of lot size. The effect of this would be to lessen the variance request needed for the resubdivision plat to only a variance from the minimum lot size for the lake portion of the parcel.

The applicant applied for a rezoning and presented the request to the Planning Commission for discussion purposes at the November Planning Commission meeting. Since the two portions of the existing parcel were purchased by two different property owners, the applicant needed time after the July workshop to secure permission for the rezoning from each property owner. With both property owners in agreement to the rezoning, the Planning Commission recommended that a rezoning ordinance be presented for a vote at the December Planning Commission meeting.

At their meeting on December 18, 2025, the Planning Commissin unanimously recommended approval of Ordinance 25-22 which, due to falling within a new year, is now referenced as Ordinance 26-04. The motion is to approve Ordinance 26-04 on first reading.

Recommended By: Mark Shipley, Community Development Director

Proposed Motion: To approve Ordinance 26-04 on first reading.

RESOLUTION PC-25-12

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 REFERENCED AS PARCEL 05501, TAM MAP 152 AND PARCEL 055, TAX MAP 152, FROM AGRICULTURAL (A) TO GENERAL SINGLE FAMILY RESIDENTIAL (R-2)

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 18, 2025;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval of Ordinance 25-22 to the Farragut Board of Mayor and Aldermen, an ordinance amending the Farragut Zoning Map, Ordinance 86-16, by rezoning the property at Parcel 05501 and 055, Tax Map 152, from A to R-2.

ADOPTED this 18th day of December 2025.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

ORDINANCE: **Ordinance 26-04 (formerly Ordinance 25-22)**
PREPARED BY: **Shipley**
REQUESTED BY: **Midtown Legal**
CERTIFIED BY FMPC: **December 18, 2025**
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 referenced as Parcel 05501, Tax Map 152 and Parcel 055, Tax Map 152 (12232 Turkey Creek Road) from Agricultural (A) to General Single-Family Residential (R-2) (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

_____
Crissy Fletcher, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of _____, 2025, with approval recommended by the Farragut Municipal Planning Commission (FMPC).

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

farragut TENNESSEE

Exhibit A

Zoning Request

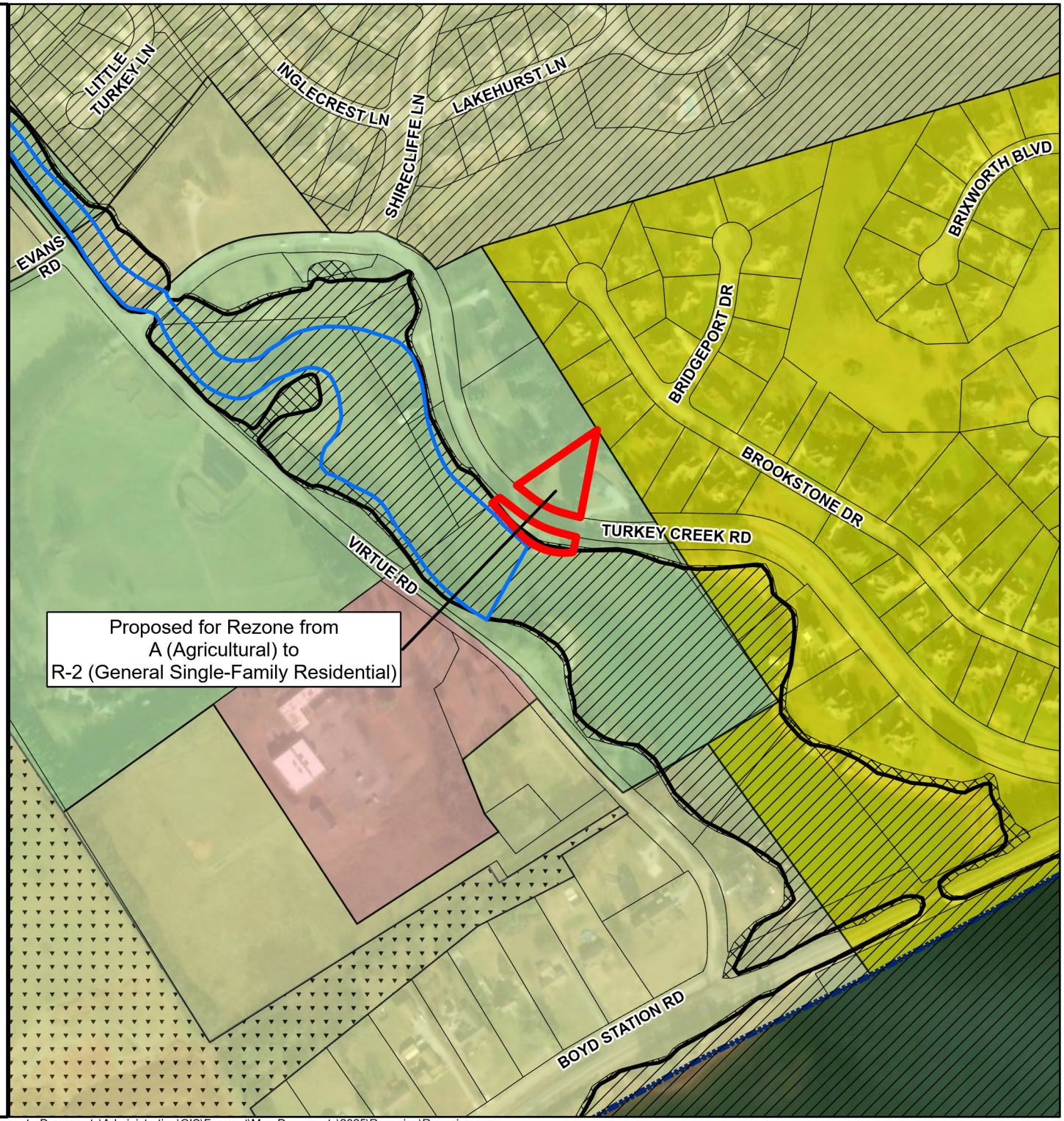
Rezone of 12232 Turkey Creek Rd
Parcel 152, Tax Map 055 and 05501

Proposed for Rezone from
A (Agricultural) to
R-2 (General Single-Family Residential)

Ordinance 25-22

Legend

- Floodway
- 100 year Flood Zone
- 500 year Flood Zone
- Parcels
- Subject Area
- A, Agricultural
- S-1, Community Service
- R-1, Rural Single-Family Residential
- R-2, General Single-Family Residential
- R-1/OSR, Open Space Residential Overlay
- R-1/OSMR, Open Space Mixed Residential Overlay



1:4,224

Agenda Number: V.A.1.d. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Mark Shipley, Community Development Director

Subject: Approval of Ordinance 26-05 (recommended for approval by the Planning Commission as Ordinance 25-23), on first reading, an ordinance to amend the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 - Vested Rights in Development Standards, by providing for updated provisions consistent with recent amendments to the Tennessee Code Annotated (TCA)(Town of Farragut, Applicant)

Introduction & Background: In January 2015, the Tennessee Code Annotated, Section 13-4-310, was amended by Public Chapter No. 686, which established statewide standards for when development plans become vested. The legislation allowed local governments to pass an ordinance or resolution to identify the types of development plans unique to the municipality or county in which the applicant would become "vested" in the development standards in existence at the time of the approval of such development plans.

Discussion & Recommendations: Through Ordinance 15-17, the Town adopted the existing provisions in the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 – Vested Rights in Development Standards. These provisions specifically establish the types of development plans in which the applicant becomes vested in the existing development standards, and what action would constitute approval of such development plans.

On May 9, 2025, the Tennessee Code Annotated, Section 13-3-413, was amended by Public Chapter 465, Acts of 2025, to modify the vesting of development standards in those standards existing at the time of submission, rather than at the time of approval of the plan. It also created vested development rights for building permits which are also tied to the regulations existing at submission of the building permit. In order to be treated as “submitted” and fixing the development standards in which the applicant is vested, the submission, however, must "substantially comply with the

requirements of local development ordinances and regulations."

Tennessee Code Annotated, Section 13-3-413 was further amended to require that local development ordinances specify what constitutes "substantial compliance." If a community does not specify what constitutes "substantial compliance", there could be substantial disagreement as to when the submittal was completed, this leading to disagreement as to the point in time at which the existing standards vested.

For the past few weeks, the staff has been working with the Town Attorney to develop the language in Ordinance 26-05. In determining the appropriate language, it was important to specifically reference that a complete application that demonstrates substantial compliance must correspond to the requirements in effect on the date when an initial application is filed. This helps to address the likely intent of Public Chapter 465, to ensure that the development standards in place when something complete is submitted will become fixed/vested and will not change for that plan, if it is ultimately approved, even though the development standards are amended by the Town.

From the staff and Town Attorney position, just because something is submitted does not make it complete or compliant. The submittal must include all information (based on what is adopted at the time of submittal) needed for it to be approved. Otherwise, the submittal is neither complete nor compliant and would not be subject to vesting.

Another provision in Ordinance 26-05 is to clarify what constitutes a "final development plan" and a "preliminary development plan" consistent with language used in the Tennessee Code Annotated. This helps to clarify what types of plans fall under each category for purposes of vesting based on the information required for such plans. Preliminary development plans have a different level of information than final development plans and what gets vested is based on the level of information specific to that type of plan.

At their meeting on December 18, 2025, the Planning Commission unanimously recommended approval of Ordinance 25-23 which, due to falling within a new year, is now referenced as Ordinance 26-05. The motion is to approve Ordinance 26-05 on first reading.

Recommended By: Mark Shipley, Community Development Director

Proposed Motion: To approve Ordinance 26-05 on first reading.

RESOLUTION PC-25-13

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO AMEND THE FARRAGUT CODE OF ORDINANCES, CHAPTER 24, SUBPART B., ARTICLE 3 – VESTED RIGHTS IN DEVELOPMENT STANDARDS, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-310, TENNESSEE CODE ANNOTATED, BY ESTABLISHING WHAT CONSTITUTES A COMPLETE AND COMPLIANT SUBMITTAL FOR VESTING PURPOSES FOR PRELIMINARY AND FINAL DEVELOPMENT PLANS AND BUILDING PERMITS

WHEREAS, the Tennessee Code Annotated, Section 13-4-201 et 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 ordinances and regulations to help implement the general plan for physical development provided in the Tennessee Code Annotated; and

WHEREAS, a public hearing was held on this request on December 18, 2025;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval to the Farragut Board of Mayor and Aldermen of an ordinance, Ordinance 25-23, to amend the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 – Vested Rights in Development Standards, to establish what constitutes a complete and compliant submittal for vesting purposes for preliminary and final development plans and building permits.

ADOPTED this 18th day of December 2025.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

Existing Language in Code of Ordinances with Proposed Changes Shown

ARTICLE 3. VESTED RIGHTS IN DEVELOPMENT STANDARDS

Sec. 101-54. Purpose and intent.

The purpose and intent of this article is to comply with T.C.A. § 13-4-310(e), pursuant to which the town is authorized to specifically identify by ordinance:

(1) The types of development plans within the town's jurisdiction that will cause property rights in development standards applicable to the specific development plan to become vested; and

(2) To specify what action constitutes the submittal of a complete application ~~approval~~ that demonstrates substantial compliance ~~of~~ as it relates to development plans within the town, ~~after the occurrence of which will result in the development standards applicable to the specific development plan approved being vested~~ that become vested, as required by T.C.A. § 13-4-310.

(Ord. No. 15-17, § 1(14-701), 11-12-2015)

Sec. 101-55. Plans constituting development plans and entitled to vesting.

(a) As provided in T.C.A. § 13-4-310(k~~)(5)(A~~) (6)(A), all preliminary plats, site plans, landscape plans, and final plats as provided for in the town's regulations shall be recognized as "final development plans" entitled to vesting to the extent allowed by T.C.A. § 13-4-310.

(b) As provided in T.C.A. § 13-4-310(k)~~(6~~)(7), concept plans, as provided for in the town's regulations, shall be recognized as "preliminary development plans" entitled to vesting to the extent allowed by T.C.A. § 13-4-310.

(Ord. No. 15-17, § 1(14-702), 11-12-2015)

Sec. 101-56. Plan submittal.

Because the mere submission of some paperwork does not necessarily constitute completeness or compliance of the paperwork with adopted codes and ordinances in effect on the date when an initial application is filed, a complete application that demonstrates substantial compliance shall be considered one that includes all required information, as provided for in adopted codes, ordinances, and corresponding checklists in effect on the date when an initial application is filed, that would be needed for the approval of such plan, as described in Section 101-57.

Where applied to a building permit, a complete application that demonstrates substantial compliance shall be one that conforms in all respects to the Town's ordinances and regulations in order to qualify to receive a building permit.

Sec. 101-5~~6~~7. Plan approval.

Approval of any development plan, as described in this article, shall occur upon the affirmative acknowledgment in writing by town staff of the satisfactory completion of all conditions and "subject to" requirements specified by the town municipal planning commission, and/or the town visual resources review board, and/or the town board of mayor and aldermen as part of the formal approval process.

(Ord. No. 15-17, § 1(14-703), 11-12-2015)

Secs. 101-58—101-85. Reserved.

ORDINANCE:	**Ordinance 26-05 (formerly Ordinance 25-23)**
PREPARED BY:	**Shipley/Hale**
REQUESTED BY:	**Staff**
CERTIFIED BY FMPC:	**December 18, 2025**
PUBLIC HEARING:	_____
PUBLISHED IN:	_____
DATE:	_____
1ST READING:	_____
2ND READING:	_____
PUBLISHED IN:	_____
DATE:	_____

AN ORDINANCE TO AMEND THE FARRAGUT CODE OF ORDINANCES, CHAPTER 24, SUBPART B., ARTICLE 3 – VESTED RIGHTS IN DEVELOPMENT STANDARDS, PURSUANT TO AUTHORITY GRANTED BY SECTION 13-4-310, TENNESSEE CODE ANNOTATED BY ESTABLISHING WHAT CONSTITUTES A COMPLETE AND COMPLIANT SUBMITTAL FOR VESTING PURPOSES FOR PRELIMINARY AND FINAL DEVELOPMENT PLANS AND BUILDING PERMITS.

WHEREAS, the Tennessee Code Annotated (TCA) Section 13-4-310, as amended by Public Chapter No. 686, established statewide standards that took effect January 1, 2015 for municipal planning for "vesting periods" upon the approval of final development plans; and

WHEREAS, Public Chapter No. 686 provided that local governments may pass an ordinance or resolution to identify the types of development plans that will cause property rights to become vested and specify the actions that constitute approval of such development plans;

WHEREAS, through Ordinance 15-17, the Town adopted the existing provisions in the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 – Vested Rights in Development Standards;

WHEREAS, the existing provisions in the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 – Vested Rights in Development Standards, establish the types of development plans within the Town's jurisdiction that will cause, once approved, property rights in development standards applicable to the specific development plan approved to become vested and to specify what action constitutes approval of development plans within the Town;

WHEREAS, on May 9, 2025, the Tennessee Code Annotated was amended by Public Chapter 465, Acts of 2025, to modify the commencement of vested development rights for development plans to begin at submission of an application that substantially complies with the

Town's regulations, rather than approval and to create vested development rights for building permits, which also begins at submission;

WHEREAS, the Tennessee Code Annotated was further amended to require that local development ordinances specify what must be submitted with an application for such submittal to constitute "substantial compliance."

WHEREAS, in recognition of this requirement, the Board of Mayor and Aldermen wish to establish what constitutes "substantial compliance" and to clearly differentiate what types of plans are considered "preliminary development plans" and "final development plans" subject to vesting;

NOW, THEREFORE, BE IT ORDAINED that the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, hereby amends the Farragut Code of Ordinances, Chapter 24, Subpart B., Article 3 – Vested Rights in Development Standards, by replacing it in its entirety with the following:

SECTION 1.

Sec. 101-54. Purpose and intent.

The purpose and intent of this article is to comply with T.C.A. § 13-4-310(e), pursuant to which the town is authorized to specifically identify by ordinance:

(1) The types of development plans within the town's jurisdiction that will cause property rights in development standards applicable to the specific development plan to become vested; and

(2) To specify what action constitutes the submittal of a complete application that demonstrates substantial compliance as it relates to development plans within the town, that become vested, as required by T.C.A. § 13-4-310.

Sec. 101-55. Plans constituting development plans and entitled to vesting.

(a) As provided in T.C.A. § 13-4-310(k) (6)(A), all preliminary plats, site plans, landscape plans, and final plats, as provided for in the town's regulations, shall be recognized as "final development plans" entitled to vesting to the extent allowed by T.C.A. § 13-4-310.

(b) As provided in T.C.A. § 13-4-310(k)(7), concept plans, as provided for in the town's regulations, shall be recognized as "preliminary development plans" entitled to vesting to the extent allowed by T.C.A. § 13-4-310.

Section 101-56. Plan submittal.

Because mere submission of some paperwork does not necessarily constitute completeness or compliance of the paperwork with adopted codes and ordinances in effect on the date when an initial application is filed, a complete application that demonstrates substantial compliance shall be considered one that includes all required information, as provided for in adopted codes, ordinances, and corresponding checklists in effect on the date when an initial application is filed, that would be needed for the approval of such plan, as described in Section 101-57.

Where applied to a building permit, a complete application that demonstrates substantial compliance shall be one that conforms in all respects to the Town's ordinances and regulations in order to qualify to receive a building permit.

Sec. 101-57. Plan approval.

Approval of any development plan, as described in this article, shall occur upon the affirmative acknowledgment in writing by town staff of the satisfactory completion of all conditions and "subject to" requirements specified by the town municipal planning commission, and/or the town visual resources review board, and/or the town board of mayor and aldermen as part of the formal approval process.

SECTION 2.

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

_____
Ron Williams, Mayor

_____
Crissy Fletcher, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this _____ day of _____, 2025, with approval recommended.

_____
Ron Pinchok, Chairman

_____
Shannon Preston, Secretary

FARRAGUT MUNICIPAL PLANNING COMMISSION

Agenda Number: V.A.2.a. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Michelle Pence, Director of Administrative Services
Tessa Cortes, Finance Director - Treasurer

Subject: Approval of Ordinance 26-01, on second and final reading, amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10

Introduction & Background:

The purpose of this agenda item is to approve Ordinance 26-01, an Ordinance of the Town of Farragut, Tennessee on Second and Final Reading, Amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10.

Discussion & Recommendations:

There have not been any changes since First Reading.

General Fund Amendment

The General Fund Budget will be amended by increasing expenditures from $12,263,643 to $12,298,643, an increase of $35,000. The increase of $35,000 will be added to the Community Development personnel budget.

Rural Metro Fire has formally notified the Town of Farragut of its intent to terminate the existing fire services contract effective March 2026. In response, the Town is proactively pursuing the direct hiring of a Fire Inspector as a Town employee. This approach will ensure continuity of fire inspection services, strengthen accountability, and enhance service responsiveness to residents, businesses, and development partners—while maintaining operational stability and uninterrupted fire code enforcement. The requested budget amendment will be funded through the General Fund's fund balance.

General Fund Financial Section
Account Number: General Fund Amendment

FY2026 Amended Budget	Requested Amendment	FY2026 Amended Budget
$12,263,643	$35,000	$12,298,643

Approved By: Michelle Pence, Director of Administrative Services

CIP Amendment

The Capital Investment Program Fund Budget (CIP) will be amended by transferring $120,000 from the Capital Fund Available Fund Balance into the CIP Expenditures for FY 2026. The CIP expenditures will increase from $24,880,884.92 to $25,000,884.92, an increase of $120,000. $90,000 is for the transfer forward of the remaining budget for the Watt Road Roundabout project and $30,000 is for the Everett Road Greenway Connector project.

Financial Section

Account Number: CIP Available Fund Balance

FY2026 Amended Budget	Requested Amendment	FY2026 Amended Budget
$4,018,947.08	$120,000	$3,898,947.08

Account Number: CIP Expenditures

FY2026 Amended Budget	Requested Amendment	FY2026 Amended Budget
$24,880,884.92	$120,000	$25,000,884.92

Approved By: Michelle Pence, Director of Administrative Services

Recommended By: Michelle Pence, Director of Administrative Services, Tessa Cortes, Finance Director - Treasurer for approval.

Proposed Motion: To approve Ordinance 26-01 on second and final reading, Amending the Fiscal Year 2025-2026 General Fund and Capital Investment Program Fund Budget, Passed by Ordinance 25-10

ORDINANCE	26-01
PREPARED BY	Pence
1ST READING	January 8, 2026
2ND READING	January 22, 2026
PUBLISHED IN	Farragut Press
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE AMENDING THE FISCAL YEAR 2025-2026 GENERAL FUND AND CAPITAL INVESTMENT FUND BUDGET, PASSED BY ORDINANCE 25-10

WHEREAS, the Town of Farragut adopted the fiscal year 2025-26 budget by passage of Ordinance Number 25-10 on June 26, 2025; 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 and Capital Investment Fund budget; 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 2025-2026 BUDGET AS FOLLOWS:

SECTION 1. Ordinance 26-01 is hereby amended by:

The **General Fund Budget** will be amended to increase expenditures from $12,263,643 to $12,298,643 reflecting an increase of $35,000. The increase of $35,000 will be added to the Community Development Department personnel budget. The requested budget amendment will be funded through the General Fund's fund balance.

The **Capital Investment Program (CIP) Budget** will be amended to increase expenditures from $24,880,884.92 to $25,000,884.92 reflecting an increase of $120,000. This adjustment accounts for the transfer for multiple project costs. The amendment will be funded through the CIP fund balance.

SECTION 2. The Board of Mayor and Aldermen authorize the Finance Director 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

_____

Christine Fletcher, Town Recorder

Agenda Number: V.B.1. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: David Smoak, Town Administrator

Subject: Approval of Resolution 26-01, appointing G. Keith Alley as Farragut Municipal Court Judge

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Introduction & Background:

In accordance with the Town of Farragut Municipal Code Chapter 12, Section 12-2, the office of municipal court judge shall be filled by a resolution of appointment by the Board of Mayor and Aldermen.

Discussion & Recommendations:

Any person appointed to the office of municipal court judge shall hold a baccalaureate degree from an accredited college or university; shall be at least thirty years of age and have been a resident of the town for a period of one-year preceding appointment to office.

The normal term of office for any officer appointed pursuant to Section 12-5 shall be for one year and such officer shall continue to serve thereafter until such successor has been appointed and is sworn in unless otherwise provided.

The compensation of the judge is also prescribed by resolution pursuant to Section 12-7. Currently, the compensation for the judge is $300 per court session.

G. Keith Alley was first appointed as municipal court judge in 2016 and has been reappointed by the Board of Mayor and Aldermen each following year. Judge Alley has agreed to serve another term as municipal court judge for the 2026 court year.

Recommended By: David Smoak, Town Administrator for approval.

Proposed Motion: To approve Resolution 26-01, Appointment of G. Keith Alley as the Town of Farragut Municipal Court Judge.

Sec. 12-2. - Office of municipal judge established; tenure; removal.

There is hereby established the office of municipal judge which office shall be filled by a resolution of appointment by the board of mayor and aldermen. Notwithstanding anything to the contrary contained herein, such officer shall always serve at the pleasure of the board of mayor and aldermen and may be removed from office for any reason at any time by resolution of said board.

(Code 1985, § 1-502; Code 2007, § 3-102)

State Law reference— Creation of office of municipal judge, T.C.A. §§ 16-18-101, 16-18-102; municipal court judges, T.C.A. § 16-18-308 et seq.

Sec. 12-3. - Powers of judge.

The powers of the judge are provided for in T.C.A. § 16-18-302 and as otherwise may be provided by state law.

(Code 1985, § 1-503(modified); Code 2007, § 3-103)

Sec. 12-4. - Qualifications of judge.

Any person appointed to the office of municipal judge shall hold a baccalaureate degree from an accredited college or university, shall be at least 30 years of age, and have been a resident of the town for a period of one year preceding election to office. The continuing education requirements of the judge are governed by T.C.A. § 16-18-309. If the judge is a licensed attorney at time of selection, suspension or revocation of such person's license to practice law shall constitute an automatic termination of that person's appointment to office pursuant to this chapter and a vacancy in such office shall forthwith exist to be filled by appropriate appointment by the board of mayor and aldermen.

(Code 1985, § 1-504; Code 2007, § 3-104; Ord. No. 09-25, § 1, 1-14-2010)

Sec. 12-5. - Normal term of office for judge.

The normal term of office for any officer appointed pursuant to this chapter shall be for one year and such officer shall continue to serve thereafter until such officer's successor has been appointed and is sworn in unless otherwise provided herein. Vacancies in any office created hereby shall be filled for the unexpired term by the board of mayor and aldermen.

(Code 1985, § 1-505; Code 2007, § 3-105)

Sec. 12-6. - Oath of office for judge.

Any person appointed to the office of municipal judge shall, prior to entering upon the duties of such office, take the following oath to be administered by the mayor:

"I, _____, do solemnly swear to perform and discharge the duties and obligations of Municipal Judge of the Town of Farragut, and to enforce the ordinances of the town and the laws of the state without fear or favor, so help me God."

(Code 1985, § 1-506; Code 2007, § 3-106)

Sec. 12-7. - Compensation of judge.

In passing any resolution appointing any person to office pursuant to the provisions of this chapter, such resolution by the board of mayor and aldermen shall prescribe the compensation, if any, to be paid to such person which level of compensation may not be changed or altered during such person's term of service.

(Code 1985, § 1-507; Code 2007, § 3-107)

TOWN OF FARRAGUT

RESOLUTION R-26-01

APPOINTMENT OF MUNICIPAL JUDGE

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, wishes to appoint a Municipal Judge, and

WHEREAS, the level of compensation of the Municipal Judge may be set by the Board of Mayor and Aldermen,

NOW, THEREFORE, BE IT RESOLVED that **G. Keith Alley** is hereby appointed effective February 1, 2026, as municipal judge to a term ending January 31, 2027, or thereafter until a successor Municipal Judge has been appointed and been sworn in and shall be paid compensation of $300 per session of the Farragut Municipal Court.

This Resolution is duly adopted by the Board of Mayor and Aldermen of the Town of Farragut on this 22nd day of January 2026.

_____
Ron Williams, Mayor

_____
Christine Fletcher, Town Recorder

Agenda Number: VI.A. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Darryl Smith, Town Engineer

Subject: Approval of Supplement Request from LDA Engineering for Additional Services for Everett Road Greenway Connection

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Introduction & Background: The purpose of this item is to approve a request for supplement from LDA Engineering for additional design services for the Everett Road Greenway Connection. The original Professional Services Agreement with LDA Engineering was administratively approved in August to design the preliminary plans and determine the feasibility of constructing the greenway connector along the west side of Everett Road from Split Rail Farm's greenway to the Fox Run Greenway at the northern side of Fox Run Subdivision (see map). The project includes construction of approximately 550 linear feet of curb & gutter and sidewalk. Preliminary plans were approved by FMPC at their meeting on November 20.

Discussion & Recommendations: The attached request for supplement is for remaining services required to develop the preliminary plans into construction plans, along with bidding documents and bidding services. Additional fees are $25,500, increasing total fees for project development to $44,000.

Financial Section

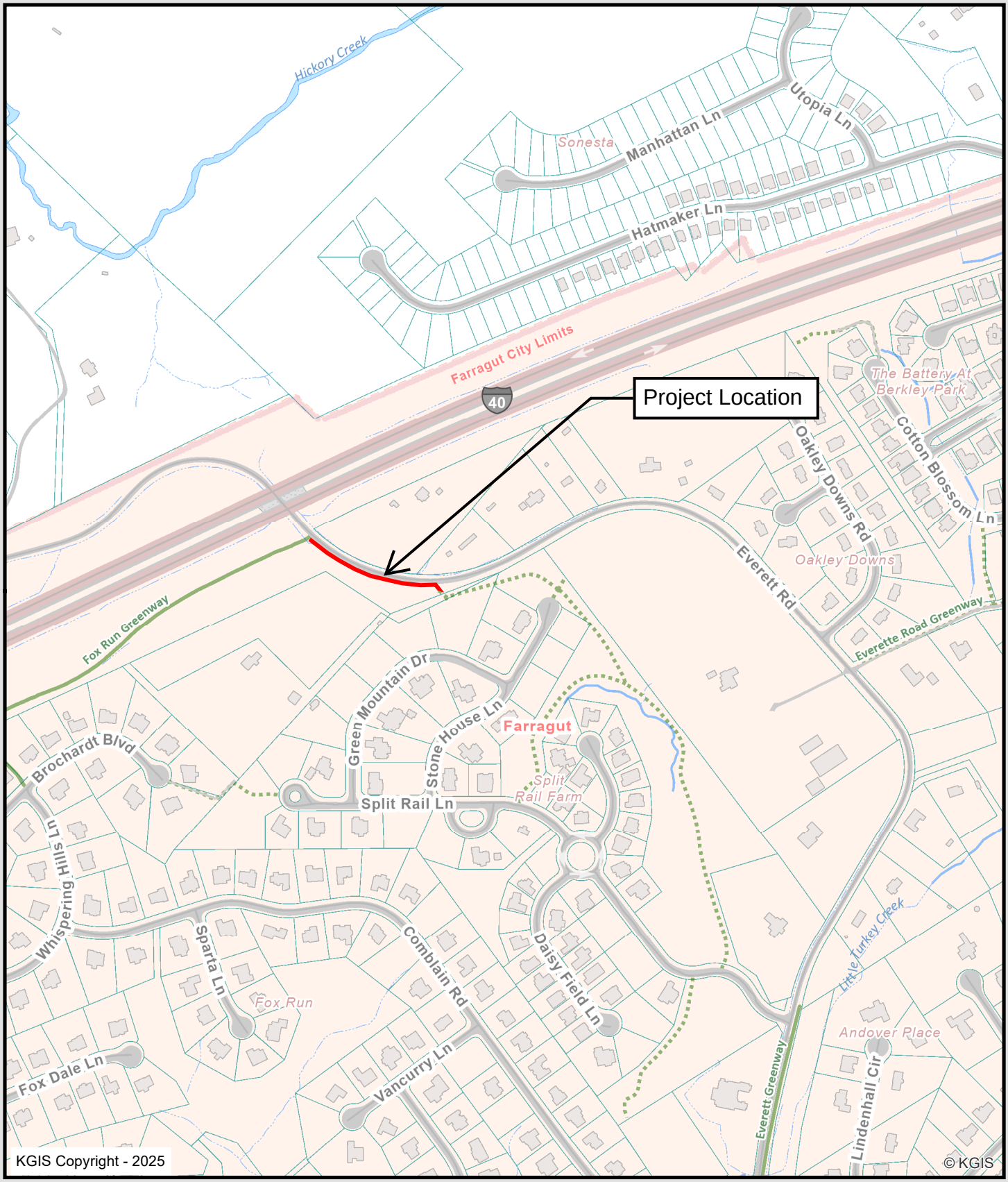
Account Number: 310-43910-9820

Total Budget	Requested Amount	Expenditures to Date	Remaining Amount
$50,000	$25,500	$18,500	$6,000

Approved By: Tessa Cortes

Recommended By: Darryl Smith, Town Engineer for approval.

Proposed Motion: To approve request for supplement from LDA Engineering for additional services for the Everett Road Greenway Connection.



Everett Road Greenway Connector

Knoxville - Knox County - KUB Geographic Information System

Printed: 11/5/2025 at 11:36:10 AM

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TOWN OF FARRAGUT

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made by and between **Town of Farragut** ("Client") and

LDA Engineering, Inc. ("Contractor") for professional services for the assignment described as follows:

Project: Everett Road Greenway Connection

Location: West side of Everett Road from Split Rail to Fox Run Greenway

Description of Project: Concept plan for sidewalk/greenway connection

1. **Professional Services**. Contractor agrees to perform the following Basic Services under this Agreement:

See **Attachment A** to this Agreement for a description of Basic Services.

2. **Compensation**. Client shall compensate Contractor for the Basic Services as follows: A lump sum fee of $18,500.00, including reimbursable expenses. In addition, Client shall pay Contractor for additional services that may be requested by the Client beyond the Basic Services in accordance with the hourly rate schedule attached as **Attachment B** to this Agreement.

3. **Schedule**. Contractor shall begin work upon notification of approval of this Agreement by the Board of Mayor and Aldermen and shall complete the work by submitting the final deliverables on or before October 17, 2025. The schedule for the various meetings and presentations as outlined in the Basic Services shall be agreed upon by the Client and Contractor before beginning work.

4. **Invoicing and Payments**. Invoices or payment requests shall be submitted to the Client no more than monthly and shall include such information, documentation or data as the Town Administrator may require including, but not limited to, the amount and breakdown of the payment requested, the period covered by the request, and the work performed during the period covered by the payment request. After review, the Town Administrator will indicate his approval of the payment request, or shall explain to Contractor, in writing, his reasons for not approving any portion or all of the request, and authorize payment of the amount approved. In the event the Town Administrator does not approve any portion of a payment request, and has communicated the reasons to Contractor, Contractor will then take the necessary action to satisfy the reasons for non-approval and resubmit the payment request. Client shall endeavor to remit payment of payment requests or portions thereof which are approved by the Town Administrator within thirty (30) days of receipt by Client. From time to time approval of a payment request may require action by the Board of Mayor and Aldermen which meets on the second and fourth Thursday of most months.

5. **Time**. Contractor will perform its services in a timely manner commensurate with the exercise of due professional care which it acknowledges can be done consistent with the schedule provided for in Paragraph 3. Time for performance shall be extended as necessary for delays or suspensions due to circumstances beyond Contractor's control. If such delay or suspension extends more than six (6) months (cumulatively), Contractor's compensation shall be equitably adjusted; provided, however, such adjustment and amendment to this Agreement must be approved by the Board of Mayor and Aldermen before Client is bound.

6. **Suspension of Services**. If Client fails to pay any invoice when due or otherwise is in material breach of this Agreement, Contractor may, at its sole discretion, suspend performance of services upon five (5) days' written notice to Client. Contractor shall have no liability to Client and Client agrees to make no claim for any delay or damage as a result of such suspension, unless (i) the Town Administrator has refused to approve payment, (ii) his reasons are justified pursuant to this Agreement, and (iii) Contractor has failed to satisfy the reasons as required by Paragraph 4 hereof. Upon cure of the cause of a justified suspension, Contractor shall resume services within a reasonable time, and there shall be equitable adjustments of the project schedule and fees to reflect the effects of such suspension, if such adjustments are deemed reasonable and appropriate by the parties.

7. **Standard of Care**. Notwithstanding any other provision of this Agreement or any other document describing the services produced by Client, Contractor shall perform its services in accordance with the standard of professional care ordinarily exercised under similar circumstances by reputable members of its profession in the same locality at the time the services are provided. Beyond the foregoing and unless otherwise provided herein or in other documents produced, generated or provided by Contractor, no warranty, expressed or implied, is made or intended by Contractor. The parties further agree that Contractor is not a fiduciary of Client.

8. **Termination**. The obligation to provide further services under this Agreement may be terminated with or without cause by either party upon ten (10) days' written notice to the other party. On termination by either Client or Contractor, Client shall pay Contractor all amounts due for any services performed to the date of termination (plus all reimbursable expenses incurred) as Contractor's sole and exclusive remedy, subject to any setoffs to which the Client is entitled as a result of Contractor's failure to perform as required by this Agreement.

9. **Reuse of Documents**. All documents, including drawings, specifications, and reports, prepared by Contractor pursuant to this Agreement are instruments of professional service and shall become the property of the Client. They are not intended or represented to be suitable for reuse by Client or others for additions or modifications of the Project or on any other project. Any reuse without written consent, verification or adaption by Contractor for the specific purposes intended shall be at Client's sole risk and without liability or legal exposure to Contractor. Any such verification and adaption will entitle Contractor to further compensation at rates to be agreed upon by Client and Contractor.

10. **Access to the Site/Jobsite Safety**. Unless otherwise stated, Contractor will have access to the site for activities necessary for the performance of its services. Client agrees that Contractor shall have no responsibility for the means, methods, sequences, procedures, techniques, and scheduling of construction, as these decisions are solely the responsibility of the

contractors. Contractor further shall have no authority or duty to supervise the construction workforce and shall not be responsible for jobsite safety or for any losses or injuries that occur at the Project site.

11. **Insurance**. Prior to any access to the Project site, Contractor shall deliver to Client a certificate of insurance evidencing general liability coverage with a limit of not less than $1,000,000 each occurrence for bodily injury, personal injury and property damage. If such insurance contains a general aggregate limit, it shall apply separately to the work/location of the Project in this Agreement or be no less than $2,000,000. In addition, Contractor shall endeavor to secure and maintain insurance in such amounts as it deems necessary to protect itself from claims of professional negligence arising from the performance of services under this Agreement. Such insurance shall:

a. Contain or be endorsed to contain a provision that includes Client, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work performed by or on behalf of the Contractor. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.

b. For any claims related to this Project, the Contractor's insurance coverage shall be primary insurance as respects the Client, its officers, officials, employees, and volunteers. Any insurance or self-insurance programs covering the Client, its officials, officers, employees, and volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

12. **Risk Allocation**. In recognition of the relative risks, rewards, and benefits of the Project to both Client and Contractor, to the fullest extent permitted by law, the parties agree to allocate the risks such that Contractor's total liability to Client for any and all injuries, claims, losses, expenses, damages, and/or claim expenses arising out of Contractor's services under this Agreement from any cause or causes shall not exceed the amount of Contractor's fee, or One Hundred Thousand Dollars ($100,000), or the amount of insurance coverage Contractor has, or is required to have, covering the risk or claim that is the basis for the injury, claim, loss, expense or damages, recovery for which is sought, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

13. **Dispute Resolution**. It is agreed that all claims, disputes, or other matters in question arising out of or related to this Agreement shall be submitted to nonbinding mediation before any legal proceedings is commenced. The parties shall equally bear the fees and expenses charged by the mediator.

14. **Opinions of Construction Cost**. Any opinion of probable construction cost prepared by Contractor represents the judgment of one or more Contractor design professionals and is supplied for general guidance of Client. Since Contractor has no control over the construction marketplace and does not use the same pricing methods used by contractors, Contractor does not guarantee the accuracy of such opinions.

15. **Indemnification**.

a. The Contractor shall defend, indemnify and hold harmless the Client, its officers, employees and agents from any and all liabilities which may arise or be claimed against the Client, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of the Contractors, its employers, agents or contractors in performance of this Agreement or from the Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the Client, its agents or employees.

b. The Contractor shall save, indemnify and hold the Client harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the Client alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the Client; and the Contractor shall assume and take over the defense of the Client in any such claim, demand, suit, or cause of action upon written notice and demand for same by the Client. The Contractor will have the right to defend the Client with notice and demand for same by the Client. The Contractor will have the right to defend the Client with counsel of its choice that is satisfactory to the Client and the Client will provide reasonable cooperation in the defense as the Contractor may request. The Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the Client, such consent not to be unreasonably withheld or delayed. The Client shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

c. The Contractor shall save, indemnify and hold Client harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against Client alleging liability referenced above.

d. The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

16. **Miscellaneous**.

a. The Contractor will not assign or transfer any interest in this Agreement without obtaining the prior written approval of the Client.

b. The Contractor will not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the Client.

c. The contract between the parties consists of this Agreement, its attachments, any written request for services issued by Client and any response thereto made by Contractor, including any addenda thereto. To the extent there is a conflict between the terms of any of the documents that constitute the contract between the parties, the terms that are most specific to the matter in dispute shall govern over the more general. In the event the conflicting terms cannot be characterized as specific vs. general, then the terms that provide the greater benefit to the Client and/or impose the greater obligation on the Contractor shall control.

d. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.

e. If any provision of this Agreement is determined to be unenforceable or invalid, such determination will not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

f. In the event legal action is necessary to enforce the terms of the contract between the parties, the prevailing party shall be entitled to recovery of its attorney's fees, court costs, and other expenses of the legal action.

g. In the performance of this contract, Contractor will comply with all applicable laws, ordinances, rules, regulations and orders of local, state and federal governments, including, but not limited to, the President's Executive Order No. 11246 and 11375, which prohibit discrimination in employment regarding race, color, religion, sex or national origin, Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contact Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.

h. This Agreement will be governed and construed in accordance with the laws of the state of Tennessee.

CLIENT:	**CONTRACTOR:**
Town of Farragut	LDA Engineering, Inc.
By: David Smoak	By: Jason C. Elliott
Printed Name: David Smoak	Printed Name: Jason Elliott
Title: Town Administrator	Title: Principal / Engineer
Date: 8-27-25	Date: 08/26/2025

LDA ENGINEERING

ATTACHMENT A

August 19, 2025

Mr. Darryl Smith, P.E.
Town of Farragut, Engineering Department
11408 Municipal Center Drive
Farragut, Tennessee 37934

Reference: Proposal for Professional Services
Everett Road Greenway Connection – Concept Phase

Dear Darryl,

We appreciate the opportunity to work with the Town of Farragut on this project. Below is our proposal to provide engineering and surveying services related to the design of the project.

PROJECT DESCRIPTION

The Everett Road Greenway Connection project consists of approximately 550 linear feet of new concrete sidewalk to connect two existing greenways, which terminate at Everett Road (Fox Run, Split Rail Farms). The project also includes the addition of curb and gutter and a closed storm sewer system on the west side of Everett Road. This will allow the elimination of the existing open ditch to make way for the new sidewalk.

This is a locally funded project. TDOT Standard Drawings and Specifications will be the governing guidelines for engineering and design. Other standards may include ADA, MUTCD, AASHTO, and FHWA publications.

SCOPE OF SERVICES AND FEES

Task 1 – Topographic and Boundary Survey - $9,500.

A. Conduct a topographic survey of the Everett Road corridor along the proposed sidewalk alignment. Field survey (aerial and ground) will include roads, driveways, drainage structures, utilities, trees, right-of-way and property markers, and any other notable features.
B. Research available records to establish existing right-of-way and property lines.

Task 2 – Engineering and Design - $9,000.

A. Prepare a conceptual plan and cross sections to determine if an at-grade sidewalk is feasible without retaining walls. The horizontal baseline will be located on the existing white stripe.
B. Deliverables for this conceptual phase:
    1. Plan and profile (profile will be existing grade at baseline)
    2. Cross sections at 25' intervals

ESTIMATED SCHEDULE

The survey (Task 1) will be completed within 15 days of the notice to proceed, and the concept plans (Task 2) will be delivered within 15 days of the completion of the survey data processing. The total project duration is 30 days.

EXCLUDED SERVICES

- Plans to be used for right-of-way or construction
- Geotechnical investigation
- Lighting design
- Permitting (none anticipated)
- Legal descriptions for property acquisition (none anticipated)
- Bidding phase services
- Construction phase services

PROJECT FEES

The lump sum fees are listed with each task above. The total project fee for the scope of work described above is $18,500.

Thank you again for this opportunity.

Respectfully,

Jason C. Elliott, P.E.
Principal / Engineer

LDA ENGINEERING

December 23, 2025

Mr. Darryl Smith, P.E.
Town of Farragut, Engineering Department
11408 Municipal Center Drive
Farragut, Tennessee 37934

Reference: Proposal for Professional Services
Everett Road Greenway Connection
Scope and Fee Supplement No. 1

Dear Darryl,

LDA Engineering (LDA) appreciates the opportunity to provide you with our proposal for additional professional services for the project referenced above. This proposal provides a general description of the additional scope and associated fees.

PROJECT DESCRIPTION / ADDITIONAL SCOPE

LDA is currently under contract with the Town of Farragut to provide surveying and engineering services related to the conceptual design of approximately 550 linear feet of new concrete sidewalk adjacent to Everett Road. The sidewalk will connect two existing greenways that both terminate at Everett Road.

Whereas our original contract covered services only through conceptual plans, this scope and fee supplement includes construction plans, bidding documents, and bidding phase services. Since all proposed improvements are within the existing right-of-way, there will be no acquisition of property.

Construction plans will consist of title sheet, typical sections and quantities, general notes, plan and profile, erosion prevention and sediment control plan, traffic control plan, and cross sections.

Bidding phase services are to include attending a pre-bid meeting and the bid opening, and preparing a bid tabulation for award of contract. We will also attend one meeting of the Board of Mayor and Aldermen to present the final design for approval.

EXCLUDED SERVICES

- Geotechnical investigation
- Retaining wall design
- Lighting design
- Permitting (none anticipated)
- Legal descriptions for property acquisition (none anticipated)
- Construction phase services

PROJECT FEES

The additional services described above will be provided for a lump sum fee of $25,500. This supplement increases the total contract amount from $18,500 to $44,000.

If all conditions of this proposal are acceptable, please sign below for authorization to proceed. Thank you again for this opportunity.

Respectfully,

Jason C. Elliott, P.E.
Principal / Engineer

ACCEPTANCE OF PROPOSAL AND AUTHORIZATION TO PROCEED

By: _____ Date: _____

Agenda Number: VI.B. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Mark Shipley, Community Development Director

Subject: Approval of a 5K Dolphin Dash for the Farragut Primary School involving streets in the Village Green Subdivision

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Introduction & Background: This item involves a request for approval of a 5K run during the morning of Saturday, April 25, involving streets in the Village Green Subdivision. The run will benefit the Farragut Primary School PTO to raise funds for additional playground equipment designed for students with physical mobility limitations.

Discussion & Recommendations: The applicant met with the Town's Event Committee on January 5 to review this event. The applicant is meeting with the Village Green homeowners association and will be updating the Certificate of Liability insurance to add the Town of Farragut as an additional ensured entity. The event application and route are included in the packet along with the Emergency Response Plan and initial Certificate of Liability Insurance form. The event will begin and end at the Farragut Primary School and parking will be provided at the school. The event is anticipated to have around 200 participants and 200 spectators. Volunteers will help with course directions and aid stations.

The Event Committee is recommending approval of the event subject to notifying affected Village Green residents and updating the Certificate of Liability Insurance form.

Recommended By: Mark Shipley, Community Development Director for approval.

Proposed Motion: To approve the event subject to notifying affected Village Green residents and updating the Certificate of Liability Insurance form.

DATE RECEIVED _____
PERMIT # _____
CUSTOMER # _____
(FOR ADMINISTRATION PURPOSES ONLY)

Town of Farragut
11408 Municipal Center Dr. Farragut, TN. 37934
Phone: (865) 966-7057
Email: events@townoffarragut.org

SPECIAL EVENT PERMIT APPLICATION

NOTE: If there is any change that would alter the information given in this application while it is pending, the applicant shall notify the Town of Farragut within 48 hours of such change.

APPLICANT/CONTACT PERSON NAME: VICTORIA GIERLACH

ADDRESS: [redacted] FARRAGUT TN 37934

PHONE: [redacted] **EMAIL:** FPS PTO DOLPHIN DASH@GMAIL.COM

EVENT LOCATION NAME AND ADDRESS: FARRAGUT PRIMARY SCHOOL

(Mayor Ralph McGill Plaza and Founders Park require an additional application)

EVENT DATE(S): SAT. APRIL 25, 2026 **EVENT HOURS:** 7:00AM - 12:00PM

SET UP TIME: 7:00 AM **BREAKDOWN TIME:** 11:00AM **NUMBER OF PARTICIPANTS:** 200+ **NUMBER OF SPECTATORS:** 200+

OUTLINE PROVISIONS FOR IMMEDIATE CLEANUP AFTER SPECIAL EVENT:

WATER TABLES/CUPS WILL BE COLLECTED & DISPOSED IN FPS DUMPSTERS
SIGNAGE WILL BE COLLECTED BY FPS PTO VOLUNTEERS

EVENT NAME: FPS PTO DOLPHIN DASH

EVENT PURPOSE: FUNDRAISING TOWARDS ADDING DISABILITY ACCESSIBLE PLAYGROUND EQUIPT.

IS THIS A REPEATED EVENT IN THE TOWN OF FARRAGUT? ☐ **YES** ☒ **NO** **IF YES, DATE OF LAST EVENT:** _____

CHECK ALL THAT APPLY:

☐	**FOOD TRUCKS WILL BE UTILIZED**	Food trucks must possess a **Farragut Mobile Food Vending Permit**.
☐	**ALCOHOL WILL BE SERVED**	For beer, a **Temporary Beer Permit** and BOMA approval will be required. For wine, liquor and/or high gravity beer, please attach a copy of the appropriate **Tennessee state issued liquor license**.
☒	**A TEMPORARY SIGN WILL BE UTILIZED**	If yes, attach a copy of the event signage.
☒	**DIRECTLY/INDIRECTLY UTILIZE PUBLIC PROPERTY**	If yes, please specify on the Site Plan. BOMA approval is required for closure of public roads, Rights of Way and Greenways.
☐	**TENTS/INFLATABLE STRUCTURES WILL BE UTILIZED**	If yes, an inspection may be required. Please review the **Tent and Air Supported Structures Permit** for more information.
☐	**A TEMPORARY STAGE WILL BE UTILIZED**	Please specify size of tent(s) if applicable: _____
☐	**GENERATORS WILL BE UTILIZED**	

Any signs, props or displays used in conjunction with the special event must be removed immediately after the time permitted for the special event has expired. The use of banners, flags (other than flags of official governmental bodies), streamers, balloons or any similar devices, and decorated vehicles or trailers in connection with the event shall be prohibited.

SITE PLAN

Please attach an initial site plan showing the proposed layout for the event. Site plan example is available **here**. Depending on the event, the site plan will typically need to show that access routes for emergency vehicles, sidewalks, and ADA parking areas will not be obstructed. The site plan will also need to show the size and location of tents and spacing between tents, the location of any food trucks, the location of fire extinguishers, portable toilets, trash collection bins, and generators. A site plan for a walk or run should clearly indicate the location of the start and finish line as well as the walk/run route. Applications for special events that involve leaving the primary event location (public or private properties) to utilize public sidewalks, streets and/or bike paths shall require the Town's Board of Mayor and Aldermen approval prior to the issuance of a special event permit.

DATE RECEIVED _____
PERMIT # _____
CUSTOMER # _____
(FOR ADMINISTRATION PURPOSES ONLY)

Town of Farragut
11408 Municipal Center Dr. Farragut, TN. 37934
Phone: (865) 966-7057
Email: events@townoffarragut.org

TRAFFIC/PARKING INFORMATION

Will support facilities such as traffic control and crowd control be needed? If yes, please specify:

NO

If buses or trolleys will be used in correlation with the event, please specify the drop-off and pickup locations: /

Where will the attendees park? FPS PARKING LOTS + VILLAGE GREEN POOL PARKING LOT (4 SEASONS LANE)

Provide a reasonable estimate of parking volume generated by the event and the type of parking that will be used:
200-250 CARS - PARKING LOTS

ORGANIZATION INFORMATION (if applicable)

ORGANIZATION NAME: FARRAGUT PRIMARY SCHOOL PTO

ORGANIZATION ADDRESS: 509 N CAMPBELL STATION ROAD

OWNER'S NAME: AMANDA REICHWEIN **PHONE/EMAIL:** INFO@FPSPTO.ORG
FPSPTODOLPHINDASH@GMAIL.COM

INSURANCE INFORMATION

NAME OF APPLICANT'S INSURANCE COMPANY: ASSOCIATION INSURANCE MANAGEMENT

PHONE/EMAIL: 800.876.4044

ADDRESS: 12221 MERIT DR SUITE 1070 DALLAS TX 75231

Please attach a Certificate of Insurance endorsing the Town of Farragut as an additional insured under your General Liability policy with limits not less than $1,000,000 per occurrence, $2,000,000 aggregate. All required insurance policies shall provide a waiver of subrogation and rights of recovery against the Town of Farragut, including its past and present employees, elected officials and representatives. The insurance policy in effect shall protect both parties and be primary and non-contributory for any and all losses covered by the required insurance. Insurers have no recourse against the Town of Farragut for payment or assessments in any form on any insurance policy. The Town has the right to require higher limits based upon the particular special event proposed.

CHECKLIST

Before you submit your special event application, please make sure that the following steps have been completed:

- ☑ Truthfully complete all necessary information
- ☑ Attach site plan
- ☑ Attach a Certificate of Insurance and confirm that the event name, location, and date is added in the Description of Operations box at the bottom of the proof of insurance form
- ☑ Note any separate permits needed according to the checklist on Page 1
- ☑ Signature authorization below

By signing below, I acknowledge that I have fully read and understand all policies and procedures for Special Events on public property and agree to abide by those policies and procedures set forth therein.

PRINTED NAME: VICTORIA GERLACH

APPLICANT SIGNATURE: VGerlach **DATE:** 11/24/2025

1. EVENT DESCRIPTION

Event Name: FPS PTO Dolphin Dash

Event Date: April 25, 2025

Location of Event: Farragut Primary School / Village Green neighborhood

Description of activities taking place at the event/venue and if food/alcohol is being served:

5K + 1mile runs beginning at the Grammar Ln gate on FPS property & looping through Village Green neighborhood

* no food or alcohol will be served outside of FPS property

Expected number of attendees:

# of adults 300+ # of children 200+

Event operating hours: 7:00AM - 12:00PM

7:00AM (Set up)

8:30 AM mile run starts

8:45 AM 5K starts

10:45 AM cleanup of 5K/mile route

12:00 PM event over

2. **SCOPE**

In addition to developing emergency response plans for the event, organizers must also familiarize themselves with any existing site emergency response plan(s), referencing and/or incorporating these into their plans.

FPS PTO + FPS staff will work together TO have on-site basic care available for minor injuries (including minor cuts/scrapes, cramps, hydration needs, etc).

Emergency services will be contacted on an "as-needed" basis.

3. HAZARD IDENTIFICATION AND MITIGATION

Hazards and risks are identified based on the type or nature of event being held, venue and audience. Hazards and risks should always be mitigated to ensure the safety of public and protection of life, property, and environment.

Organizers can use the following area to identify hazards specific to their event and plan for mitigation measures.

Hazard or Risk Identified: low blood sugar / dehydration

Plans to Mitigate:

- fruit, bagels + water available
- seating / shaded areas along route
-
-
-

Hazard or Risk Identified: running injury (minor strains)

Plans to Mitigate:

- access to a basic first aid area
- volunteers assigned to contact emergency services
-
-
-

Hazard or Risk Identified: local traffic

Plans to Mitigate:

- signage + public notice of event shared well before event
- volunteers aiding in re-routing local traffic to alternate routes
-
-

4. ROLES AND RESPONSIBILITIES

It is important that roles and responsibilities be clearly outlined during an emergency. Event organizers should identify required roles, responsibilities and reporting relationships. Detail should be provided to ensure all critical activities are covered. Checklists and flowcharts may be used to condense information and outline decision making. Contact information should be provided for all key personnel. In the event of an emergency, key personnel may be required to act as a liaison with emergency responders.

All key personnel should be knowledgeable of:

- The general information contained in this document.
- Other key personnel, their roles, responsibilities and contact info.
- Muster points or assembly area locations.
- Emergency exit locations.
- Medical and other emergency equipment locations, and
- Method(s) used for communication with other key personnel, volunteers, or patrons i.e. cell phone, radio, intercom, etc.

Emergency drills should include a pre-event walk through by the event organizer who will ensure that all personnel and/or volunteers are aware of any evacuation procedures in place.

Organizers may use the following roles and responsibilities template for their event. This area can be expanded and/or modified as necessary.

4.1 EVENT ORGANIZER

Full Name: FPS PTO - Victoria Eichach

Contact number during event: [redacted]

Responsibilities:

- Evaluate the need for evacuation as required.
- Initiate evacuation if required.
- Contact Emergency Services (Police, Fire, Ambulance, EMO) – i.e. 911 (as required)
- Account for all personnel and patrons in a designated event muster point/assembly area.
- Liaise with Emergency Services
- Evaluate, in conjunction with Emergency Services, if building /area is safe prior to re-entry.

4.2 SENIOR EVENT PERSONNEL

Full Name: Kathryn Galuppo

Contact number during event: [redacted]

Full Name: Amanda Reichweinn

Contact number during event: [redacted]

Full Name: Kayla Nielsen

Contact number during event: [redacted]

Responsibilities:

- Receive directions from Event Organizer
- Ensure that all personnel have been alerted.
- Clear all areas as required.

4.3 FIRST AIDERS - TBD based on committee volunteer assignments

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Responsibilities:

- Collect First Aid kit/supplies and proceed to assembly area.
- Administer first aid as required.

4.4 CROWD MANAGERS

Responsibilities:

- Evaluate the need for evacuation as required.
- Initiate evacuation if required.
- Contact Emergency Services (Police, Fire, Ambulance) – i.e. 911 (as required)
- Account for all personnel and patrons in a designated event muster point/assembly area.
- Liaise with Emergency Services
- Evaluate, in conjunction with Emergency Services, if building /area is safe prior to re-entry.

4.5 ALL OTHER PERSONNEL/VOLUNTEERS

Responsibilities:

- Carry out tasks as instructed by the Event Organizer
- Proceed to assembly area advising all patrons to do the same.
- Report their presence to the Event Organizer at the assembly area.
- Not to leave assembly area unless advised by Event Organizer or Emergency Services personnel.

5. EMERGENCY RESPONSE PROCEDURES

Procedures are developed from the hazards identified in Section 3 and put in place to help event organizers anticipate and respond to potential emergencies. Procedures may be developed for first aid treatment, requesting of an emergency service (police, fire, ambulance), lost child, monitoring of inclement weather, evacuation of an area, etc.

5.1 EVACUATION

Evacuation may be required in specific emergency situations such as:

- Fire and explosion
- Medical emergency
- Hazardous materials spill/leak
- Crowd Control

The Event Organizer will take into consideration when determining if and when to evacuate:

- The severity of the incident
- The likelihood of escalation
- The incident becoming uncontrollable beyond the resources available.

Generic process of evacuation:

- ❖ Reason for evacuation realized.
- ❖ Appropriate personnel assess situation.
- ❖ Notification given to personnel and patrons to evacuate to assembly points.
- ❖ Personnel renders assistance as required under direction of the Event Organizer
- ❖ Emergency Services notified of the emergency – call 911.
- ❖ Personnel ensure venue is vacated including public areas, toilet's, etc.
- ❖ Await Emergency Services assessment.

5.2 FIRE AND EXPLOSION

Should you discover smoke or fire:

- Assess the situation and potential for evacuation.
- Remove anyone in the immediate vicinity if it is safe to do so
- Call 911 (Emergency Services)
- If trained – attempt to extinguish the fire with appropriate fire extinguisher.
- Notify the Event Organize
- The Event Organizer will assess the situation and commence evacuation if deemed necessary.
- Notify all patrons to leave the venue calmly and proceed to muster points or assembly areas(s)
- Notify all personnel and other operators of the emergency of the evacuation.
- Identify injured persons (if present)
- Personnel to ensure that all patrons are moved to muster points or assembly areas.
- Await arrival of Emergency Services and await further instruction.
- Only re-enter the area/building when advised by Emergency Services or the Event Organizer that it is safe to do so.

5.2.1 *LOCATION OF FIRE EXTINGUISHERS*

- FPS property - Grammar Ln gate
- Village Green pool parking area
-

Fire extinguisher locations should also be shown of the Special Event site map.

5.3 **MEDICAL EMERGENCY**

Should a medical emergency occur:

- The first personnel on the scene should access the situation and if they do not have first aid training, immediately contact the Event Organizer and/or First Aid trained personnel.
- Call Emergency Services – 911 and request an ambulance.
- Administer first aid, as trained.
- Organize personnel to meet the ambulance outside the venue and take them to the medical emergency location.
- Remain with the injured person until Emergency Services personnel arrive.
- Assist Emergency Services personnel as required.
- Complete an Incident Report form as soon as possible after the event.

5.4 **HAZARDOUS MATERIAL SPILL/GAS LEAK**

Hazardous substances may consist of the following:

- Oils or Gas
- Disinfectant/sanitizer/cleaning products
- Fuel

The procedure to be carried out in case of a spill or leak as follows:

- Personnel who find's such a spill or is notified by a patron of such a spill, is to notify the Event Organizer immediately.
- At the direction of the Event Organizer evacuate the area/building immediately if required
- Identify the source and amount of released material and section off the area such that no one can gain entry.
  - Contact Emergency Services – 911
  - Attempt to control any further spill or leak.
  - Turn off electrical equipment/gas within area of the spill/leak.
- Upon direction from Emergency Services, or through own processes, soak up the material using appropriate spill kits and arrange for disposal to an appropriate landfill facility.
- Complete an Incident Report.

5.5 **CROWD CONTROL**

Managing crowds involves significant risk. The extent, severity and exposure to risk will vary depending on:

- Controlling entry into venue or event
- Monitoring and communicating on crowd and individual behaviour.
- Dealing with potentially aggressive, abusive, or violent behaviour
- Physically managing aggressive, abusive, or violent behaviour
- Coordinating emergency evacuation of the venue/area

- Controlling the flow of people into and out of a venue presents a variety of potential risks to the health, safety, and welfare of those responsible for crowd control at entry and exit locations.
- Primary role of crowd controllers is to manage entry into venues to ensure potentially troublesome or intoxicated people don't enter and are safely managed at that point.
- Knowing the importance and training to defuse potentially violent situations is critical. Main objective is to calm the situation before physical intervention becomes inevitable.
- Call 911 – Emergency Services

6. EMERGENCY PLANNING COMMITTEE

The Event Organizer and/or Emergency Planning Committee will develop the Special Event Emergency Response Plan and evaluate emergency response procedures to emergency situations. The Emergency Response Plan will be updated and revised, as required.

The Emergency Planning Committee consists of the following personnel:

Full Name: Victoria Gerlach

Contact number during the event: [redacted]

Full Name: Kathryn Galuppo

Contact number during the event: [redacted]

Full Name:

Contact number during the event:

Full Name:

Contact number during the event:

7. LIST OF EMERGENCY CONTROL PERSONNEL (CROWD MANAGERS)

TBD upon event approval + creation of event committee

The following is a list of those personnel and/or volunteers at the event, i.e. Event Organizer, general personnel who will be required to take actions in the case of an emergency.

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Full Name:

Contact number during event:

Full Name:

Contact number during event:

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/15/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Association Insurance Management
12221 Merit Drive, Suite 1670
Dallas, TX 75231

Insured Number TN211134

CONTACT NAME: AIM
PHONE No: 800-876-4044 FAX No: 214-360-0802
EMAIL ADDRESS: AIM@AIM-COMPANIES.COM

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Concert Specialty Insurance Company	17151
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	

INSURED

Farragut Primary PTO
509 N Campbell Station Rd
Knoxville,TN 37934

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF MM/DD/YYYY	POLICY EXP MM/DD/YYYY	LIMIT	
A	**GENERAL LIABILITY** ✓ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ✓ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	N	N	GL2025AIM35337	10/15/2025	10/15/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Sexual Abuse/Molestation Media Liability	$2,000,000 $50,000 $25,000 $2,000,000 $ 2,000,000 $ 2,000,000 $ 1,000,000 Not Covered
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS ✓ HIRED AUTOS SCHEDULED AUTOS ✓ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB **EXCESS LIAB** DED RETENTION $						EACH OCCURRENCE AGGREGATE	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N: N **(Mandatory in NH)** If yes, describe under	N/A					WC STATO-TORY LIMIT OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	
A	**Directors & Officers** **Fidelity Bond (Crime)** **Property (Inland Marine)**			DO2025AIM29805	10/15/2025	10/15/2026	Per Occurrence/Aggregate $1,000,000 Per Occurrence/Aggregate $ Per Occurrence/Aggregate	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

Proof of Insurance

CANCELLATION

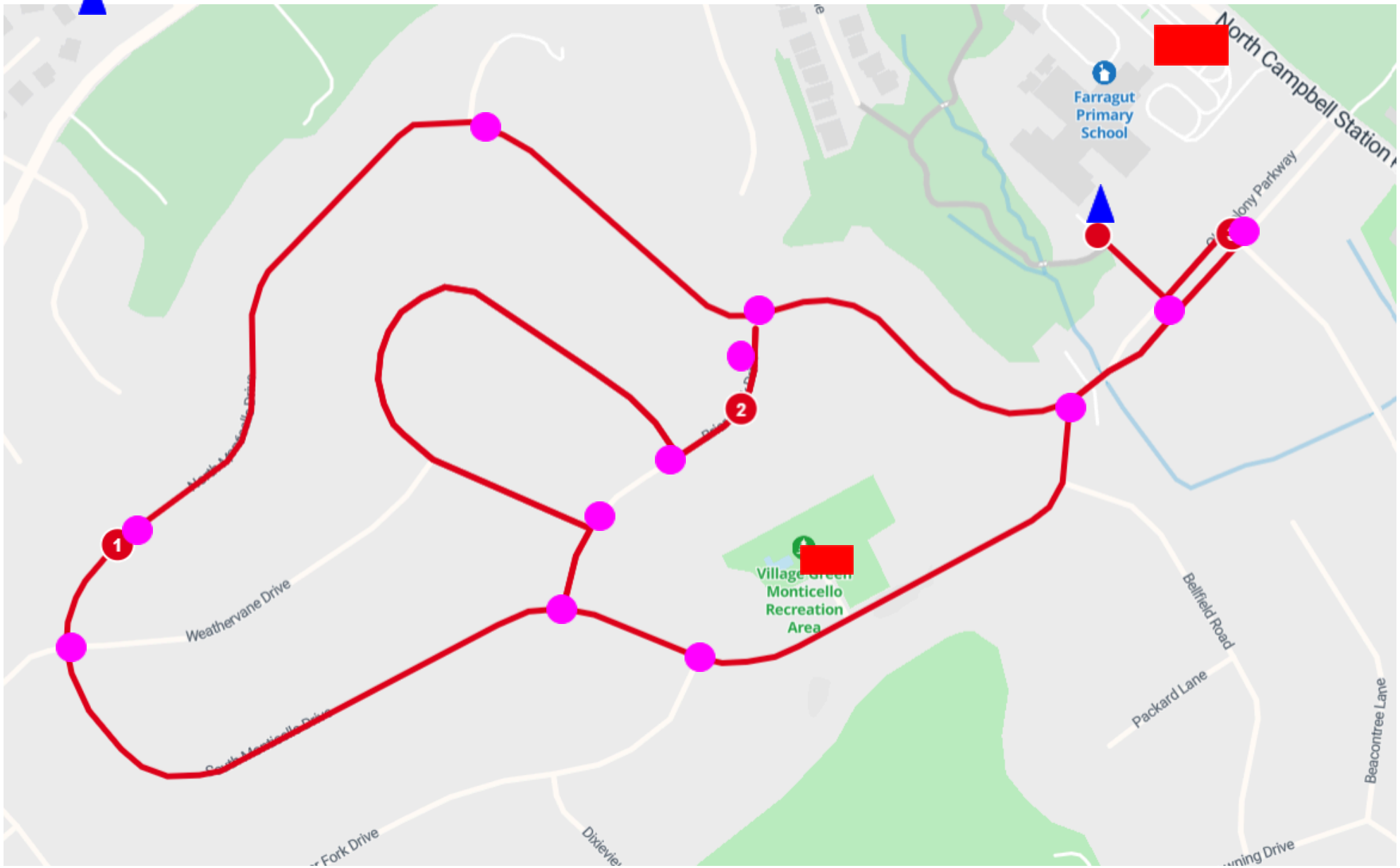
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Parking
Volunteer Station (traffic flow, route management and water)
First Aid

FPS PTO Dolphin Dash 5K



Agenda Number: VI.C. **Meeting Date:** January 22, 2026

REPORT TO THE FARRAGUT BOARD OF MAYOR & ALDERMEN

Prepared By: Eric Schindler, Assistant Town Engineer

Subject: Approval of Parental Responsibility Zone Traffic Calming Policy

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Introduction & Background:

The purpose of this item is the approval of the Parental Responsibility Zone Traffic Calming Policy that was discussed at the Board's Workshop session on December 11, 2025.

Discussion & Recommendations:

Pedestrian safety is an important topic for the residents of Farragut, Town Staff, and for the Board of Mayor and Aldermen. For this reason, Traffic Calming (in the form of speed cushions) is routinely requested as a method to help reduce traffic speeds on residential streets. The most recent version of the Traffic Calming Policy, as adopted May 11, 2023, was amended by the board to omit the "Affected Area" from consideration and reduced the required affirmative vote from 65% to 50% plus one vote. This amendment was made to allow those most affected by speeding on a street, the residents who live where the speeding is occurring, to have a larger voice regarding whether speed cushions are desired or not, so long as speeding was indicated through speed studies.

Staff was tasked with reviewing potential alternative options for consideration of Traffic Calming specifically with Parental Responsibility Zones in mind. Parental Responsibility Zones (PRZ), as determined by Knox County Schools, are the streets or portions of streets on which students reside where the parents of such students bear the responsibility of ensuring their children get to school (no bus service available). Three options were presented to the Board of Mayor and Aldermen at the December 11, 2025 workshop. The Board elected to proceed with Option 3, create a separate policy for PRZ streets. The use of a separate policy to allow special consideration for residents who live on an eligible street within a PRZ will allow for the Traffic Calming Application process to be streamlined, and places weight for consideration on whether the portion of street on which Traffic Calming is being requested falls within a PRZ. Unlike the Traffic Calming Policy adopted by the Board 5/11/2023, there are no speed study

requirements for Parental Responsibility Zone Traffic Calming Applications. This special consideration is made with the understanding that there will potentially be more pedestrian foot traffic, specifically school-aged pedestrian traffic, in the locations where there is no bus service. The affirmative vote required for approval by the residents of the speed zone is Sixty-Five percent plus one vote. If the vote fails to meet the Sixty-Five Percent plus one affirmative vote requirement for this Parental Responsibility Zone Traffic Calming Policy, the requestor may then submit a separate Traffic Calming Application under the most recently adopted Traffic Calming Policy where both evidence of excessive speeding, as measured through a speed study, and a fifty percent plus one affirmative vote from speed zone residents are requirements to move forward to the next steps in the process.

Recommended By: Eric Schindler, Assistant Town Engineer for approval.

Proposed Motion: Approval of Parental Responsibility Zone Traffic Calming Policy.

PARENTAL RESPONSIBILITY ZONE TRAFFIC CALMING POLICY

ADOPTED by the Farragut Board of Mayor and Aldermen on _____.

PURPOSE STATEMENT

Due to Knox County School Transportation Policy, students in grade levels K-5 who live within a one (1) mile radius from the school, and students in grade levels 6-12 who live within one and a half mile radius from the school are deemed to be in Parental Responsibility Zones, and as such are not eligible for bus transportation. As a result, students who reside within Parental Responsibility Zones will travel to school by either walking or being transported by private motor vehicle. Either way, pedestrian and private motor vehicle traffic is increased on the roads leading to the schools. It is the purpose of this policy to provide a process through which citizens of the Town can request Traffic Calming Measures in Parental Responsibility Zones and to provide input concerning the advisability of such measures with the goal of enhancing the safety of the Town's citizens. This policy also provides for a uniform procedure available for citizens to use in requesting the installation of Traffic Calming Measures. For the avoidance of doubt, it is not the purpose of this policy to turn streets into play or walking areas, nor for the Town to abdicate its responsibilities for the governance of the use of its streets in accordance with generally accepted traffic engineering standards. Nor is it for the purpose of usurping the Knox County School System's responsibility for determining the location of Parental Responsibility Zones.

RELATED DOCUMENTATION / REFERENCE MATERIALS

A. Parental Responsibility Zone Traffic Calming Application.

B. Town of Farragut Municipal Code: Title 15: Motor Vehicles, Traffic, and Parking.

C. Town of Farragut Municipal Code: Title 16: Streets, Sidewalks, Etc.

D. Town of Farragut Major Road Plan.

E. Knox County School System PRZ information: www.knoxschools.org/studentsfamilies/transportation

BUDGETARY RESOURCES

During the annual budget process, the Town of Farragut may resolve to allocate funds to implement residential Traffic Calming Measures.

DEFINITIONS

1. Speed Zone – During the application phase, the area between the beginning point on a street to the ending point on the same or an adjacent street, the requesters contend speeding is occurring, and traffic calming should be used. Once the decision has been made to install Traffic Calming Measures in an area by the staff, "Speed Zone" means the area over which the measures are actually going to be, or are installed.

2. Parental Responsibility Zone – As determined by Knox County Schools, these streets or portions of streets on which students reside where the parents of such students bear the responsibility of ensuring their children get to school (no bus service available).

POLICY PROCEDURE IN SEQUENTIAL ORDER

1. Application Submission

a. A formal Parental Responsibility Zone Traffic Calming Application ("TCA") shall be submitted to the Town Engineer for review.

(1) The Parental Responsibility Zone Traffic Calming Application must identify the Speed Zone where Traffic Calming Measures ("TCM") are being requested.

(2) The Parental Responsibility Zone Traffic Calming Application shall be submitted by a Group of residents (minimum two households) that meet ALL the following criteria:

i. Each requesting household in the Group must be located in a residence on the street over which the Speed Zone is requested.

ii. Each requesting household in the Group must be located in a residence that is within the Parental Responsibility Zone portion of the street requesting consideration of Traffic Calming Measures.

2. Application Review

a. Upon receipt of a Parental Responsibility Zone TCA, the Town Engineer or his or her designee shall review the application for completeness and eligibility using the following steps:

(1) Determine if an area where traffic calming is felt to be warranted is in fact within a Parental Responsibility Zone as determined by the Knox County School System.

(2) If the area in question is within a Parental Responsibility Zone, determine if the area in question is an "interior residential street" or a "local collector street," as those terms are provided for in the Town of Farragut Major Road Plan.

(3) If the area in question is part of a local collector, then to be eligible, the Speed Zone where TCM are sought to be installed must be considered primarily residential, meaning that at least 50% of the lots fronting the street where TCM would be installed are residential lots.

b. Applications compliant with 2a., an eligible Parental Responsibility Zone TCA shall be logged into the Town Engineering Office's Traffic Calming Log in the order in which it was received before proceeding to a final decision and confirmation of Town budgetary resources and Town Engineer review.

c. Incomplete applications shall be returned to the originating Group with instructions for completion. When completed, these applications may be resubmitted.

d. Ineligible applications (major collectors, arterials, and local collectors with less than 50% residential frontage) as designated by the adopted Major Road Plan shall be returned to the originating Group with a letter from the Town Engineer describing the reason(s) for ineligibility and any alternate recommendations for improving traffic safety.

3. Parental Responsibility Zone TCA Staff Analysis

a. Eligible TCAs, when determined ready for action by the Town Engineer, will be analyzed by physical inspection of the Speed Zone.

b. A written analysis of the Speed Zone listed in the Parental Responsibility Zone TCA will be completed by the Engineering Department. The analysis shall include:

i. Other road and/or safety issues (as identified by the applicant) in the subject area.

ii. Determination for eligibility for Traffic Calming Measures.

c. The written analysis shall be attached to the Parental Responsibility Zone TCA, logged into the file, distributed to the originating Group with the Town Engineer or his/her designee's determination.

d. If the Speed Zone is deemed eligible for Traffic Calming Measures and is approved by the Town Engineer, the Parental Responsibility Zone TCA will proceed to the step of educating a larger group of citizens before an ultimate decision is made on the adoption of the requested Speed Zone. If the Speed Zone is deemed ineligible for Traffic Calming Measures (i.e. ineligible road classification, portion of street not within a PRZ) a letter will be sent to the Group outlining the reason(s) for ineligibility and any alternate recommendations for improving/resolving traffic issues.

Note: Unless the characteristics of the Speed Zone or Parental Responsibility Zones have substantially and materially changed, the application would not be eligible for reconsideration sooner than 2 years from the date of denial of the original application.

4. Traffic Team/Traffic Calming Evaluation

a. The Town Engineering Department will contact the Group in writing requesting designated representatives to serve on the Traffic Team to further evaluate Traffic Calming Measures.

(1) The Traffic Team will consist of 2-5 members of the Group and member(s) of the Town Engineering Department.

(2) Once the representatives are assigned, the Group will contact the Engineering Department to set up a kick-off Traffic Team meeting.

b. The Traffic Team will be charged with:

(1) Discussing, in-depth, the traffic issues associated with the Speed Zone.

(2) Reviewing the Staff Analysis.

(3) Evaluating constraints.

(4) Soliciting comments, as appropriate, from utility companies, Fire Department, Police/Sheriff's Department.

(5) Formulating a recommendation on the proposed Speed Zone.

c. The Traffic Team shall submit their recommendation to the Town Administrator, through the Town Engineer, for evaluation and determination.

(1) The Town Engineer and Town Administrator shall evaluate the recommendation of the Traffic Team.

i. If the Town Engineer and Town Administrator concur with the recommendation of the Traffic Team, their signatures shall be affixed to the Parental Responsibility Zone TCA which will then proceed to the next step.

ii. If the Town Engineer and Town Administrator do not concur with the Traffic Team recommendation, the Parental Responsibility Zone TCA will be sent back to the Traffic Team for an alternate recommendation or denied and closed.

5. Public Notification

a. The Traffic Team will determine the date, time, and location of a meeting at which the findings and recommendations will be presented to the residents within the Speed Zone, and others who may attend.

(1) Notification will be sent to all residents within the Speed Zone via 1st class mail to the address listed on the county Tax Roll. The letter shall indicate the subject matter, date, time, and location in which the meeting will be held.

(2) Notification will be publicly posted by the Town in a newspaper of general circulation at least two weeks prior to the meeting.

6. Speed Zone Vote

a. The Traffic Team (through the Town Engineering Dept.) will send out voting cards to each resident within the Speed Zone.

(1) A form letter with instructions and one (1) 1st class stamped Town Addressed voting card will be sent by the Town to each address as listed on the County Tax Roll.

(2) Voting cards will be sent by 1st class mail; all on the same day.

(3) The notification list and date of notification will be logged into the Parental Responsibility Zone TCA file.

7. Vote Tabulation/Determination

a. The voters will have thirty (30) calendar days to return the vote cards. Cards received after the deadline will not be considered. The Town staff member serving on the Traffic Team will tabulate the votes, log their findings into the

Parental Responsibility Zone TCA file, and report their findings to the Town Engineer.

b. An affirmative tabulation of the votes must include:

   (1) Sixty-Five percent plus one vote approval of ballots from residents within the Speed Zone.

c. If the required affirmative tabulation of votes is not met, the Parental Responsibility Zone Traffic Calming Measures as proposed by the Traffic Team will be considered ineligible for further consideration. The Parental Responsibility Zone TCA case will be closed, and future Parental Responsibility Zone TCA's will not be considered for the same traffic issue for at least two calendar years from the date of denial. The residents may file a separate Traffic Calming Application for consideration under the most recently adopted Town of Farragut Traffic Calming Policy.

Note: Approval percentage is based upon the number of returned votes

d. If the proposed TCA is affirmed by vote, the Traffic Team, in coordination with the Town Engineer, will develop plans for engineering, design, and construction of the Traffic Calming Measures. This will include cost estimates and a schedule for completion.

8. FMPC Consideration/Recommendation

a. Once the design plans and cost estimates are complete, The Traffic Team will present the findings from the evaluation and their recommendation to the Farragut Municipal Planning Commission (FMPC).

b. The FMPC shall review the findings and recommendations, Staff analysis and Public Comments at their regularly scheduled meeting.

c. The FMPC shall make a recommendation to the Board of Mayor and Aldermen for final determination.

9. Board of Mayor and Aldermen Determination

a. The Board shall review the Traffic Team's findings, FMPC recommendation and Public Comments at their regularly scheduled meeting.

b. The Board shall make the final determination on the proposed solution. The Board shall either:

(1) Approve the recommendations and installation of Traffic Calming Measures as proposed.

(2) Approve the recommendations and installation of Traffic Calming Measures with conditions and/or modifications.

(3) Remand the recommendations for Traffic Calming Measures back to the FMPC for further review and consideration.

i. The Traffic Team in coordination with the Town Engineer may return to step 7d to continue.

(4) Deny the TCA.

c. The subject Board meeting minutes will be attached to the TCA and logged into the file.

10. Traffic Calming Measures Installation

a. Upon approval by the Board of Mayor and Alderman, the Town Engineering Department shall coordinate the purchase/construction and installation of any Traffic Calming Measures in accordance with the approved design and adopted Town Purchasing guidelines.

(1) All expenditures shall be charged to the Traffic Management line item as designated by the Town Administrator in the Annual Town Budget.

11. Traffic Calming Measures Review/Modification/Removal

a. After two years from the date of installation, the Group may request to have the Traffic Calming Measures evaluated for effectiveness/feasibility.

b. Independent of the option in 11.a, after two years the Group may submit a written request to have the Traffic Calming Measures removed. The following actions must occur and be submitted to the Town for consideration of removal:

(1) Written request to the Town Engineer describing the issues and concerns regarding the Traffic Calming Measures.

(2) Group shall conduct a vote of the residents within the original Speed Zone and prove at least 65% of the respondents voted to have the Traffic Calming Measures removed. All vote documentation from the Group shall be submitted to the Town.

(3) The Board of Mayor and Aldermen shall make the final determination on removal of the Traffic Calming Measures.

c. The Town of Farragut may remove the Traffic Calming Measures at any time should they be determined, by the Board of Mayor and Aldermen, to be ineffective or to not further promote the health, safety, and welfare of the citizens of the Town.