

BOARD OF COMMISSIONERS

AGENDA

OCTOBER 11, 2010

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION – Chaplain Joe Creek

ROLL CALL

APPROVAL OF SEPTEMBER 13, 2010 MINUTES

VOTE ON RESOLUTIONS

- 10-10-1:** Resolution of the Montgomery County Board of Commissioners to Accept a Home Again Grant for the Animal Control Department
- 10-10-2:** Resolution of the Montgomery County Board of Commissioners Approving Amendments to the 2010-11 School Budget
- 10-10-3:** Resolution to Accept Office of Domestic Preparedness State Homeland Security Grant Program 2007-GE-T7-0051, and to Appropriate Funds
- 10-10-4:** Resolution to Adopt the HOME Program Policies and Procedures for Montgomery County, Tennessee

UNFINISHED BUSINESS

REPORTS

- 1. County Clerk's Report – **(requires approval by Commission)**

REPORTS FILED

- 1. Clerk & Master Annual Financial Report
- 2. Trustee's Release List – **(Requires approval from County Commission)**
- 3. Trustee – Public School Funds Annual Financial Report of Receipts
- 4. September Adequate Facilities Tax Report and Permit Revenue Report
- 5. Projects & Facilities Report
- 6. **Highway Dept. – 2010 Road List (Requires approval from County Commission)**
- 7. **Accounts & Budgets – Monthly Report**
- 8. **Trustee's Report**

NOMINATING COMMITTEE NOMINATIONS – Ed Baggett, Chairperson

COUNTY MAYOR APPOINTMENTS – Mayor Bowers

ANNOUNCEMENTS

Terry Strange, Site Manager at HSC, wants to extend an invitation to all commissioners to tour the HSC plant on Wednesday, October 27, at 9:00 a.m., followed by a short presentation in their conference room where refreshments will be served. Please let Debbie Gentry know as soon as possible if you will be able to attend.

ADJOURN

**RESOLUTION OF THE MONTGOMERY COUNTY
BOARD OF COMMISSIONERS TO ACCEPT A HOME AGAIN GRANT
FOR THE ANIMAL CONTROL DEPARTMENT**

WHEREAS, a monetary grant of Ten Thousand Thousand Dollars (\$10,000) was awarded to the Animal Control Department by the Bring Pets Home Foundation; and

WHEREAS, the funds will be used to institute a microchip program allowing our facility to offer reduced-rate, mandatory implants to all animals being adopted and/or reclaimed; and

WHEREAS, micro-chipping animals will afford us the opportunity to reunite lost pets with their owners, and thereby drastically reduce the odds of the pet being euthanized; and

WHEREAS, the funds shall be available for the Animal Control Department as needed. All requests will be submitted through the Budget Committee and in accordance with county policy.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners assembled in Regular Session on this 11th day of October, 2010, that **monetary grant intended for the Animal Control Department shall be placed in accounts as follows and be available for the department's use through procedures established by the 1957 Purchasing Act.**

101-55120-00000-55-48610-11040 Donations	\$10,000
101-55120-00000-55-54990-11040 Other Supplies and Materials	\$10,000

Duly passed and approved this 11th day of October, 2010.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk

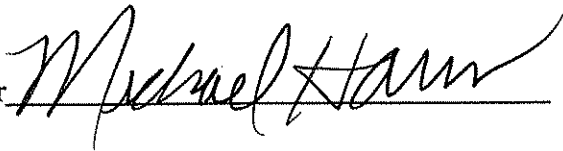
RESOLUTION OF THE MONTGOMERY COUNTY
BOARD OF COMMISSIONERS APPROVING
AMENDMENTS TO THE 2010-11
SCHOOL BUDGET

WHEREAS, the proposed amendments to the General Purpose School Fund, Federal Projects Fund, Child Nutrition Fund, and Transportation Fund Budgets reflect the most recent estimates of revenues and expenditures, and,

WHEREAS, the Clarksville-Montgomery County Board of Education has studied the attached amendments and approved them on September 14, 2010, for recommendation to the Montgomery County Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of County Commissioners assembled in Regular Business Session on this 11th day of October, 2010, that the 2010-11 School Budget be amended as per the attached schedules.

Sponsor



Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk

Clarksville-Montgomery County School System

General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget
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Estimated Revenues**Local Revenues**

40110	Current Property Tax	25,545,053	-	25,545,053	
40120	Trustees Collection - Prior Years	765,000	-	765,000	
40140	Interest & Penalties	199,000	-	199,000	
40162	Payments In Lieu of Taxes (Utility)	681,901	-	681,901	
40210	Local Option Sales Tax	33,553,965	-	33,553,965	
40240	Wheel Tax	3,572,300	-	3,572,300	
40270	Business Tax	450,000	-	450,000	
40320	Bank Excise Tax	131,000	-	131,000	
40350	Interstate Telecommunications Tax	14,000	-	14,000	
43365	Archives & Records Management Fee	6,300	-	6,300	
43511	Tuition - Regular Day Students	15,000	-	15,000	
43583	Criminal Background Fee	22,000	-	22,000	
44110	Interest Earned	35,000	(34,000)	1,000	Based on current projected collections
44120	Lease/Rentals	105,000	-	105,000	
44130	Sale of Materials & Supplies	12,000	-	12,000	
44145	Sale of Recycled Materials	1,000	-	1,000	
44146	E-Rate Funding	60,000	-	60,000	
44170	Misc. Refund - Other	3,500	-	3,500	
44530	Sale of Equipment	25,000	-	25,000	
44560	Damages from Individuals	500	-	500	
44570	Contributions & Gifts	40,000	51,232	91,232	Local grant
Total Local Revenues		65,237,519	17,232	65,254,751	

State Revenues

46390	Transition School To Work	71,628	-	71,628	
46511	Basic Education Program	104,388,850	(4,254,104)	100,134,746	Based on state allocation
46512	Basic Education Program - Stimulus	5,069,500	5,132,100	10,201,600	Reallocation by state
46515	Early Childhood Education	1,772,695	56,575	1,829,270	Based on state allocation
46590	Other State Education Funds	30,000	-	30,000	
46610	Career Ladder Program	806,000	(1,000)	805,000	Based on state reallocation
46615	Extended Contract ARRA	224,400	(48,636)	175,764	Based on actual claim for reimbursement
46820	Income Tax	163,000	-	163,000	
46850	Mixed Drink Tax	296,000	-	296,000	
Total State Revenues		112,822,073	884,935	113,707,008	

Federal Revenues

47630	Public Law 874 (Impact Aid)	4,120,000	-	4,120,000	
47640	JROTC	460,000	-	460,000	
48140	Adult Literacy	25,000	-	25,000	
Total Federal Revenues		4,605,000	-	4,605,000	

Non-Revenue Sources

49700	Insurance Recovery	25,000	-	25,000	
49800	Operating Transfers	1,426,000	-	1,426,000	
Total Non-Revenue Sources		1,451,000	-	1,451,000	

Clarksville-Montgomery County School System General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget
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Total Revenues	184,115,592	902,167	185,017,759
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Beginning Reserves and Fund Balance

Reserve for On-The-Job Injury	1,375,218	-	1,375,218	
Reserve for Property & Liability Insurance	1,175,000	300,000	1,475,000	Actual reserve balance carried forward
Reserve for Extended Contract	675	-	675	
Reserve for Career Ladder	7,278	19,857	27,135	Actual reserve balance carried forward
Reserve for BEP	-	270,675	270,675	Required by state

Total Reserves	2,558,171	590,532	3,148,703
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Beginning Fund Balance	11,003,627	1,728,346	12,731,973	Actual fund balance carried forward
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Total Reserves and Fund Balance	13,561,798	2,318,878	15,880,676
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Total Available Funds	197,677,390	3,221,045	200,898,435
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Clarksville-Montgomery County School System

General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget	
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Expenditures (Appropriations)**71100 - Regular Instruction**

Salaries	69,076,229	729,908	69,806,137	Based on negotiated step increase
Employee Benefits	24,329,280	122,344	24,451,624	Based on year-to-date expenditures
Contracted Services	2,015,367	-	2,015,367	
Supplies and Materials	1,957,639	-	1,957,639	
Other Charges	384,315	-	384,315	
Equipment	24,000	-	24,000	

Total 71100 - Regular Instruction	97,786,830	852,252	98,639,082	
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71150 - Alternative School

Salaries	626,215	6,050	632,265	Based on negotiated step increase
Employee Benefits	184,841	1,012	185,853	Based on year-to-date expenditures
Contracted Services	29,000	-	29,000	
Supplies and Materials	3,000	-	3,000	

Total 71150 - Alternative School	843,056	7,062	850,118	
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71200 - Special Education

Salaries	11,634,555	126,490	11,761,045	Based on negotiated step increase
Employee Benefits	4,325,962	26,537	4,352,499	Based on year-to-date expenditures
Contracted Services	1,166,679	-	1,166,679	
Supplies and Materials	80,210	-	80,210	
Equipment	10,000	-	10,000	

Total 71200 - Special Education	17,217,406	153,027	17,370,433	
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71300 - Vocational Education

Salaries	3,472,468	47,868	3,520,336	Based on negotiated step increase
Employee Benefits	1,237,070	7,994	1,245,064	Based on year-to-date expenditures
Contracted Services	72,500	-	72,500	
Supplies and Materials	268,950	-	268,950	
Equipment	10,000	-	10,000	

Total 71300 - Vocational Education	5,060,988	55,862	5,116,850	
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72110 - Student Services

Salaries	519,687	6,867	526,554	Based on negotiated step increase
Employee Benefits	167,934	1,213	169,147	Based on year-to-date expenditures
Contracted Services	7,350	-	7,350	
Supplies and Materials	3,860	-	3,860	
Other Charges	5,000	-	5,000	

Total 72110 - Student Services	703,831	8,080	711,911	
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72120 - Health Services

Salaries	769,040	6,192	775,232	Based on negotiated step increase
Employee Benefits	339,806	1,380	341,186	Based on year-to-date expenditures
Contracted Services	21,700	35,600	57,300	Contract nurse for special needs student
Supplies and Materials	17,345	-	17,345	
Equipment	13,000	-	13,000	

Total 72120 - Health Services	1,160,891	43,172	1,204,063	
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Clarksville-Montgomery County School System

General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget	
72130 - Other Student Support				
Salaries	5,388,531	43,568	5,432,099	Based on negotiated step increase
Employee Benefits	1,684,465	7,675	1,692,140	Based on year-to-date expenditures
Contracted Services	141,049	8,500	149,549	State charge for testing
Supplies and Materials	3,000	-	3,000	
Total 72130 - Other Student Support	7,217,045	59,743	7,276,788	
72210 - Regular Instruction Support				
Salaries	5,022,571	81,035	5,103,606	Based on negotiated step increase
Employee Benefits	1,689,733	31,137	1,720,870	Based on year-to-date expenditures
Contracted Services	49,565	312	49,877	Based on year-to-date expenditures
Supplies and Materials	558,626	-	558,626	
Other Charges	247,031	(14,827)	232,204	Vendor scholarships no longer funded
Total 72210 - Regular Instruction Support	7,567,526	97,657	7,665,183	
72215 - Alternative School Support				
Salaries	18,689	371	19,060	Based on negotiated step increase
Employee Benefits	17,567	82	17,649	Based on year-to-date expenditures
Total 72215 - Alternative School Support	36,256	453	36,709	
72220 - Special Education Support				
Salaries	1,174,669	6,757	1,181,426	Based on negotiated step increase
Employee Benefits	369,105	2,279	371,384	Based on year-to-date expenditures
Contracted Services	25,250	-	25,250	
Supplies and Materials	63,800	-	63,800	
Other Charges	15,000	-	15,000	
Total 72220 - Special Education Support	1,647,824	9,036	1,656,860	
72230 - Vocational Education Support				
Salaries	75,244	1,508	76,752	Based on negotiated step increase
Employee Benefits	21,990	268	22,258	Based on year-to-date expenditures
Contracted Services	900	-	900	
Supplies and Materials	1,300	-	1,300	
Other Charges	1,500	-	1,500	
Total 72230 - Vocational Education Support	100,934	1,776	102,710	
72260 - Adult Education Support				
Salaries	62,983	500	63,483	Based on negotiated step increase
Employee Benefits	13,398	83	13,481	Based on year-to-date expenditures
Total 72260 - Adult Education Support	76,381	583	76,964	
72310 - Board of Education				
Salaries	60,249	-	60,249	
Employee Benefits	13,916	-	13,916	
Contracted Services	121,000	-	121,000	
Other Charges	25,000	-	25,000	
Total 72310 - Board of Education	220,165	-	220,165	

Clarksville-Montgomery County School System

General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget	
72320 - Director of Schools				
Salaries	217,290	2,093	219,383	Based on negotiated step increase
Employee Benefits	66,913	382	67,295	Based on year-to-date expenditures
Contracted Services	67,300	-	67,300	
Supplies and Materials	5,500	-	5,500	
Other Charges	15,000	-	15,000	
Total 72320 - Director of Schools	372,003	2,475	374,478	
72320 - Printing and Communications				
Salaries	286,574	6,575	293,149	Based on negotiated step increase
Employee Benefits	112,246	1,466	113,712	Based on year-to-date expenditures
Contracted Services	44,400	-	44,400	
Supplies and Materials	54,366	-	54,366	
Other Charges	8,000	-	8,000	
Equipment	6,000	-	6,000	
Total 72320 - Printing and Communication	511,586	8,041	519,627	
72410 - Office of the Principal				
Salaries	10,314,842	203,423	10,518,265	Based on negotiated step increase
Employee Benefits	3,816,531	37,032	3,853,563	Based on year-to-date expenditures
Contracted Services	31,859	-	31,859	
Other Charges	31,500	-	31,500	
Total 72410 - Office of the Principal	14,194,732	240,455	14,435,187	
72510 - Business Affairs				
Salaries	1,259,860	20,218	1,280,078	Based on negotiated step increase
Employee Benefits	494,723	4,504	499,227	Based on year-to-date expenditures
Contracted Services	131,610	2,250	133,860	Based on year-to-date expenses
Supplies and Materials	37,000	-	37,000	
Other Charges	269,200	-	269,200	
Insurance Premiums	1,233	260	1,493	Based on actual premiums
Trustee's Commission	1,176,909	-	1,176,909	
Total 72510 - Business Affairs	3,370,535	27,232	3,397,767	
72520 - Human Resources				
Salaries	996,281	10,920	1,007,201	Based on negotiated step increase
Employee Benefits	1,185,356	2,435	1,187,791	Based on year-to-date expenditures
Contracted Services	90,855	-	90,855	
Supplies and Materials	32,000	-	32,000	
Other Charges	56,000	-	56,000	
Insurance Premiums	200,000	-	200,000	
Total 72520 - Human Resources	2,560,492	13,355	2,573,847	

Clarksville-Montgomery County School System

General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget	
72610 - Operation of Plant				
Salaries	4,219,514	131,185	4,350,699	Based on negotiated step increase
Employee Benefits	2,284,710	29,229	2,313,939	Based on year-to-date expenditures
Contracted Services	441,740	-	441,740	
Supplies and Materials	437,217	-	437,217	
Other Charges	7,000	-	7,000	
Equipment	92,000	-	92,000	
Utilities	6,913,700	-	6,913,700	
Insurance Premiums	679,311	(8,292)	671,019	Based on actual premiums
Total 72610 - Operation of Plant	15,075,192	152,122	15,227,314	
72620 - Maintenance of Plant				
Salaries	2,195,279	37,617	2,232,896	Based on negotiated step increase
Employee Benefits	1,005,641	8,380	1,014,021	Based on year-to-date expenditures
Contracted Services	475,560	-	475,560	
Supplies and Materials	1,100,196	-	1,100,196	
Other Charges	5,900	-	5,900	
Equipment	15,000	-	15,000	
Insurance Premiums	14,776	170	14,946	Based on actual premiums
Total 72620 - Maintenance of Plant	4,812,352	46,167	4,858,519	
72810 - Information Technology				
Salaries	1,927,910	30,878	1,958,788	Based on negotiated step increase
Employee Benefits	708,320	13,230	721,550	Based on year-to-date expenditures
Contracted Services	2,531,550	25,000	2,556,550	Based on year-to-date expenditures
Supplies and Materials	857,832	-	857,832	
Other Charges	35,904	-	35,904	
Equipment	858,825	-	858,825	
Total 72810 - Information Technology	6,920,341	69,108	6,989,449	
73400 - Early Childhood Education				
Salaries	1,259,722	16,408	1,276,130	Based on negotiated step increase
Employee Benefits	522,427	3,066	525,493	Based on year-to-date expenditures
Contracted Services	60,458	-	60,458	
Supplies and Materials	19,500	(9,500)	10,000	Based on state allocation
Other Charges	24,857	(4,857)	20,000	Based on state allocation
Total 73400 - Early Childhood Education	1,886,964	5,117	1,892,081	
82230 - Debt Service				
Interest Payments	35,000	-	35,000	
Total 82230 - Debt Service	35,000	-	35,000	

Clarksville-Montgomery County School System General Purpose School Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget
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Total Expenditures	189,378,330	1,852,775	191,231,105
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Ending Reserves and Fund Balance

Fund Balance	5,741,564	1,047,738	6,789,302	Projected fund balance as of 6/30/11
On-The-Job Injury Reserve	1,375,218	-	1,375,218	
Property & Liability Insurance Reserve	1,175,000	300,000	1,475,000	Projected reserve as of 6/30/11
Extended Contract Reserve	-	675	675	Projected reserve as of 6/30/11
Career Ladder Reserve	7,278	19,857	27,135	Projected reserve as of 6/30/11
Total Reserves and Fund Balance	8,299,060	1,368,270	9,667,330	

Total Expenditures, Reserves and Fund Balance	197,677,390	3,221,045	200,898,435
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Clarksville-Montgomery County School System

Child Nutrition Fund Budget

	2010-2011 Budget	Proposed Increase (Decrease)	Amended Budget
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Estimated Revenues**Local Revenues**

43521	Lunch Payments - Children	2,600,343	-	2,600,343
43522	Lunch Payments - Adults	176,434	-	176,434
43523	Income from Breakfast	267,874	-	267,874
43525	Ala Carte Sales	1,581,479	-	1,581,479
43990	Contract Services	33,144	-	33,144
44110	Interest Earned	19,317	-	19,317
44130	Sale of Materials & Supplies	110,000	-	110,000
44170	Miscellaneous Refund	68,669	-	68,669
Total Local Revenues		4,857,260	-	4,857,260

State Revenues - BEP

46520	School Food Service	115,500	-	115,500
Total State Revenues		115,500	-	115,500

Federal Revenues

47111	Section 4 - Lunch Funds	4,879,797	-	4,879,797
47113	Breakfast Reimbursement	1,381,937	-	1,381,937
Total Federal Revenues		6,261,734	-	6,261,734

Total Revenues	11,234,494	-	11,234,494
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Beginning Fund Balance	3,412,582	507,343	3,919,925	Actual fund balance carried forward
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Total Available Funds	14,647,076	507,343	15,154,419
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Expenditures (Appropriations)**73100 - Food Service**

Salaries	3,475,054	62,873	3,537,927	Based on negotiated step increase
Employee Benefits	1,949,418	14,009	1,963,427	Based on year-to-date expenses
Contracted Services	402,982	-	402,982	
Supplies and Materials	5,142,358	-	5,142,358	
Utilities	244,500	-	244,500	
Insurance Premiums	40,000	-	40,000	
Other Charges	40,000	-	40,000	
Equipment	130,000	-	130,000	

Total 73100 - Food Service	11,424,312	76,882	11,501,194
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Total Expenditures	11,424,312	76,882	11,501,194
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Ending Fund Balance	3,222,764	430,461	3,653,225	Projected fund balance as of 6/30/11
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Total Expenditures and Fund Balance	14,647,076	507,343	15,154,419
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Clarksville-Montgomery County School System Federal Projects Fund Budget

	2010-2011 Budget	Proposed Increase (Decrease)	Amended Budget	
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Estimated Revenues**State Revenues**

46590	Adult Ed, LEAP	305,242	6,869	312,111	Based on actual Federal allocations
46591	Coordinated School Health	105,000	-	105,000	
46981	Safe Schools Act	76,200	69,600	145,800	Based on actual Federal allocations
Total State Revenues		486,442	76,469	562,911	

Federal Revenues

47120	Adult Basic Education	173,226	20,608	193,834	Based on actual Federal allocations
47131	Career Technical Education	385,030	20,570	405,600	Based on actual Federal allocations
47141	Title I	5,226,450	3,097,887	8,324,337	Based on actual Federal allocations
47143	Individuals w/ Disabilities Educ. Act (IDEA)	5,269,625	4,670,945	9,940,570	Based on actual Federal allocations
47145	Preschool (IDEA)	44,981	125,832	170,813	Based on actual Federal allocations
47146	English Language Acquisition (Title III)	123,003	82,116	205,119	Based on actual Federal allocations
47147	Safe & Drug-Free Schools (Title IV, CCLC)	750,000	3,197	753,197	Based on actual Federal allocations
47149	Homeless (Title X)	-	4,182	4,182	Based on actual Federal allocations
47189	Title II-A	1,099,461	210,064	1,309,525	Based on actual Federal allocations
47311	Race To The Top	-	1,247,710	1,247,710	Based on actual Federal allocations
47590	Title II-D	52,246	54,486	106,732	Based on actual Federal allocations
47990	Other Direct Federal	666,665	120,494	787,159	Based on actual Federal allocations
Total Federal Revenues		13,790,687	9,658,093	23,448,780	

Non-Revenue Sources

49800	Operating Transfers	1,250,000	-	1,250,000	
Total Non-Revenue Sources		1,250,000	-	1,250,000	

Total Revenues	15,527,129	9,734,563	25,261,692
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Beginning Fund Balance	750,926	(4,375)	746,551	Actual fund balance carried forward
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Total Available Funds	16,278,055	9,730,188	26,008,243
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Clarksville-Montgomery County School System

Federal Projects Fund Budget

	2010-2011 Budget	Proposed Increase (Decrease)	Amended Budget	
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Expenditures (Appropriations)

71100 - Regular Instruction				
Salaries	3,496,887	1,364,327	4,861,214	Based on degree/exper./positions used
Employee Benefits	1,141,206	435,358	1,576,564	Based on year-to-date expenditures
Contracted Services	343,694	63,012	406,706	Reflects program requirements
Supplies and Materials	558,819	500,701	1,059,520	Reflects program requirements
Equipment	29,555	152,460	182,015	Reflects program requirements
Total 71100 - Regular Instruction	5,570,161	2,515,858	8,086,019	
71200 - Special Education				
Salaries	1,728,161	417,072	2,145,233	Based on degree/exper./positions used
Employee Benefits	817,875	227,036	1,044,911	Based on year-to-date expenditures
Contracted Services	-	3,000	3,000	Reflects program requirements
Supplies and Materials	21,484	94,196	115,680	Reflects program requirements
Equipment	-	40,494	40,494	Reflects program requirements
Total 71200 - Special Education	2,567,520	781,797	3,349,317	
71300 - Vocational Education				
Salaries	-	38,377	38,377	Based on degree/exper./positions used
Employee Benefits	-	11,623	11,623	Based on year-to-date expenditures
Supplies and Materials	55,542	3,319	58,861	Reflects program requirements
Other Charges	4,000	(1,500)	2,500	Reflects program requirements
Equipment	180,818	(35,818)	145,000	Reflects program requirements
Total 71300 - Vocational Education	240,360	16,001	256,361	
71600 - Adult Education				
Salaries	79,464	14,743	94,207	Based on degree/exper./positions used
Employee Benefits	13,270	(5,488)	7,782	Based on year-to-date expenditures
Supplies and Materials	2,115	10,576	12,691	Reflects program requirements
Total 71600 - Adult Education	94,849	19,831	114,680	
72130 - Other Student Support				
Salaries	148,508	5,627	154,135	Based on degree/exper./positions used
Employee Benefits	53,003	6,752	59,755	Based on year-to-date expenditures
Contracted Services	55,440	150,736	206,176	Reflects program requirements
Supplies and Materials	33,660	12,000	45,660	Reflects program requirements
Other Charges	68,718	20,032	88,750	Reflects program requirements
Total 72130 - Other Student Support	359,329	195,147	554,476	
72210 - Regular Instruction Support				
Salaries	1,085,525	291,154	1,376,679	Based on degree/exper./positions used
Employee Benefits	359,203	49,882	409,085	Based on year-to-date expenditures
Contracted Services	21,433	194,685	216,118	Reflects program requirements
Supplies and Materials	15,999	32,498	48,497	Reflects program requirements
Other Charges	631,749	1,223,879	1,855,628	Reflects program requirements
Equipment	3,000	35,667	38,667	Reflects program requirements
Total 72210 - Regular Instruction Support	2,116,909	1,827,765	3,944,674	

Clarksville-Montgomery County School System

Federal Projects Fund Budget

	2010-2011 Budget	Proposed Increase (Decrease)	Amended Budget	
72220 - Special Education Support				
Salaries	731,503	27,950	759,453	Based on degree/exper./positions used
Employee Benefits	251,649	45,061	296,710	Based on year-to-date expenditures
Contracted Services	-	2,808	2,808	Reflects program requirements
Supplies and Materials	-	231,264	231,264	Reflects program requirements
Other Charges	253,223	3,590,887	3,844,110	Reflects program requirements
Equipment	-	1,321	1,321	Reflects program requirements
Total 72220 - Special Education Support	1,236,375	3,899,290	5,135,665	
72230 - Vocation Education Support				
Contracted Services	1,000	2,000	3,000	Reflects program requirements
Other Charges	4,500	(500)	4,000	Reflects program requirements
Total 72230 - Vocation Education Support	5,500	1,500	7,000	
72260 - Adult Education Support				
Salaries	92,247	905	93,152	Based on degree/exper./positions used
Employee Benefits	38,408	74	38,482	Based on year-to-date expenditures
Supplies and Materials	3,000	-	3,000	
Other Charges	2,464	6,668	9,132	Reflects program requirements
Total 72260 - Adult Education Support	136,119	7,647	143,766	
72410 - Office of the Principal				
Salaries	-	43,831	43,831	Based on degree/exper./positions used
Employee Benefits	-	14,037	14,037	Based on year-to-date expenditures
Total 72410 - Office of the Principal	-	57,868	57,868	
72610 - Operation of Plant				
Contracted Services	14,000	1,000	15,000	Reflects program requirements
Equipment	62,200	68,610	130,810	Reflects program requirements
Total 72610 - Operation of Plant	76,200	69,610	145,810	
72710 - Transportation				
Salaries	1,232,382	44,590	1,276,972	Based on degree/exper./positions used
Employee Benefits	128,792	24,997	153,789	Based on year-to-date expenditures
Contracted Services	25,875	20,899	46,774	Reflects program requirements
Supplies and Materials	3,394	21,508	24,902	Reflects program requirements
Equipment	-	34,064	34,064	Reflects program requirements
Total 72710 - Transportation	1,390,443	146,059	1,536,502	
99100 - Interfund Transfers				
Indirect Cost	-	556,268	556,268	Increased assessment for indirect costs
Transfers To Other Funds	1,233,364	(360,462)	872,902	Change in financial reporting
Total 99100 - Interfund Transfers	1,233,364	195,806	1,429,170	

Clarksville-Montgomery County School System Federal Projects Fund Budget

CMCSS

	2010-2011 Budget	Proposed Increase (Decrease)	Amended Budget
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Total Expenditures	15,027,129	9,734,178	24,761,307	Projected fund balance as of 6/30/11
Ending Fund Balance	1,250,926	(3,991)	1,246,935	

Total Expenditures and Fund Balance	16,278,055	9,730,188	26,008,243
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Clarksville-Montgomery County School System

Transportation Fund Budget

	2010-11 Budget	Proposed Increase (Decrease)	Amended Budget
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Estimated Revenues**Local Revenues**

40110	Current Property Tax	1,704,930	-	1,704,930
40120	Trustees Collection - Prior Years	45,000	-	45,000
40140	Interest & Penalties	8,000	-	8,000
40162	Payments In Lieu of Taxes (Utility)	45,511	-	45,511
44145	Sale of Recycled Materials	1,000	-	1,000
44170	Misc. Refund - Other	11,200	-	11,200
44530	Sale of Equipment	40,500	-	40,500
44560	Damages from Individuals	1,000	-	1,000
Total Local Revenues		1,857,141	-	1,857,141

State Revenues - BEP

46511	Basic Education Program	7,730,150	-	7,730,150
Total State Revenues - BEP		7,730,150	-	7,730,150

Federal Revenues

47143	Educ. of the Handicapped Act	1,282,915	-	1,282,915
47311	Race To The Top	15,000	-	15,000
Total Federal Revenues		1,297,915	-	1,297,915

Total Revenues	10,885,206	-	10,885,206
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Beginning Fund Balance	992,672	474,379	1,467,051	Actual fund balance carried forward
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Total Available Funds	11,877,878	474,379	12,352,257
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Expenditures (Appropriations)**72510 - Fiscal Services**

Trustee's Commission	40,000	-	40,000
Total 72510 - Fiscal Services	40,000	-	40,000

72710 - Transportation

Salaries	6,006,642	85,731	6,092,373	Based on negotiated step increase
Employee Benefits	3,110,133	19,101	3,129,234	Based on year-to-date expenses
Contracted Services	231,775	-	231,775	
Supplies and Materials	1,347,100	-	1,347,100	
Other Charges	20,000	-	20,000	
Equipment	721,000	-	721,000	
Insurance Premiums	54,817	(3,133)	51,684	Based on actual premium

Total 72710 - Transportation	11,491,467	101,699	11,593,166
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Total Expenditures	11,531,467	101,699	11,633,166
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Ending Fund Balance	346,411	372,680	719,091	Projected fund balance as of 6/30/11
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Total Expenditures and Fund Balance	11,877,878	474,379	12,352,257
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**RESOLUTION TO ACCEPT OFFICE OF DOMESTIC PREPAREDNESS STATE
HOMELAND SECURITY GRANT PROGRAM 2007-GE-T7-0051, AND TO
APPROPRIATE FUNDS**

WHEREAS, the Montgomery County Emergency Management Agency was awarded a grant from the Department of Military, Tennessee Emergency Management Agency, in the amount of nineteen thousand five hundred seven dollars and eighty eight cents (\$19,507.88); and

WHEREAS, these are residual funds from the FY2007 State Homeland Security Grant and can only be used to purchase radios for law enforcement; and

WHEREAS, the funds will be used to purchase radios that have the District 7 profiles/frequencies and they will be given to TVA Police and to THP Troopers in District 7 for better communications between all agencies; and

WHEREAS, the grant period is from September 1, 2010 until December 31, 2010; and

WHEREAS, this grant consists of all pass-through federal dollars and will not require any matching county funds and does not require continued funding after the expiration.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners assembled in regular session on this 11th day of October, 2010, that the following appropriations are approved.

County General Fund

Revenue

101-54490-00000-54-47235-11050 FY2007 Homeland Security Grant Radios \$19,507.88

Expenditures

Other Emergency Management

101-54490-00000-54-57080-11050 Communication Equipment \$19,507.88

Duly passed and approved this 11th day of October, 2010.

Sponsor

Commissioner

Approved

County Mayor

Attested

County Clerk

**RESOLUTION TO ADOPT THE HOME PROGRAM
POLICIES AND PROCEDURES FOR MONTGOMERY COUNTY, TENNESSEE**

WHEREAS, the Montgomery County Board of Commissioners approved a Resolution to accept the Tennessee Housing Development Agency HOME Grant in the amount of \$500,000.00 on the 8th of March, 2010; and

WHEREAS, the HOME Program will make available financial and/or technical assistance for the rehabilitation of eligible owner-occupied homes in the unincorporated portions of Montgomery County; and

WHEREAS, it is the desire of the Montgomery County Board of Commissioners to adopt the HOME Program Policies and Procedures to insure applicant eligibility criteria in order to meet the qualifications for a rehabilitation grant.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners meeting in regular session on this 11th day of October, 2010 that the attached HOME Program Policies and Procedures for Montgomery County, Tennessee are hereby adopted.

Duly passed and approved this 11th day of October 2010.

Sponsor

Commissioner

Approved

County Mayor

Attested

County Clerk

HOME PROGRAM POLICIES AND PROCEDURES FOR MONTGOMERY COUNTY

1. PURPOSE

This program will make available financial and/or technical assistance for the rehabilitation of eligible, substandard, owner occupied housing units located in the community. Rehabilitation work will correct deficiencies in the eligible homes and make them safe, sound, and sanitary.

2. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

3. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of five hundred thousand dollars (\$500,000) which Montgomery County has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

4. APPLICABLE LAWS

A. The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)
3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
6. Affirmative Marketing, 24 CFR 92.351.
7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.

16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

5. DRUG-FREE WORKPLACE

A. Montgomery County (HOME Grantee) will continue to provide a drug-free workplace by:

1. Notifying employees in writing that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Grantee's policy of maintaining a drug-free workplace;
 - c. Any drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

B. Providing each employee engaged in the performance of the HOME contract a copy of the notification required in paragraph A(1) above;

C. The written notification required in paragraph A (1) above will advise the employee that, as a condition of employment under the HOME grant, the employee will:

1. Abide by the terms of the notification; and
2. Notify the employers in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.

D. Notifying the State in writing, within ten (10) calendar days after receiving notice under D(2) above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.

E. Taking one of the following actions, within thirty (30) calendar days of receiving notice under D(2) above, with respect to any employee who is so convicted:

1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
3. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs A, B, C, D, E and F above.

6. CONFLICT OF INTEREST

A. No person listed in paragraph B may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

B PERSONS COVERED – Immediate family members of any local elected official or of any employee or board member of a non-profit agency are ineligible to receive benefits through the HOME program. “Immediate family member” means the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any covered individual.

In addition, the conflict of interest provisions as apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of THDA, the local community or the non-profit agency (including CHDOs) receiving HOME funds, and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities.

C APPEARANCE OF A CONFLICT OF INTEREST - Grantees must also make every effort to avoid the appearance of favoritism in the eligibility determination process. In those cases where the applicant is otherwise eligible, but there exists the appearance of a conflict of interest or the appearance of favoritism, the Grantee must complete HO-4A (Determination of a Conflict of Interest) and submit written documentation to THDA that the following procedures have been observed:

1. The Grantee must publish an announcement in the local newspaper concerning the potential for a conflict of interest and request citizen comments.
2. The Grantee’s attorney must render an opinion as to whether or not a conflict of interest exists and that no state or local laws will be violated should the applicant receive HOME assistance.
3. The Grantee’s elected body must pass a resolution approving the applicant.

7 APPLICANT ELIGIBILITY

A. APPLICANT ELIGIBILITY CRITERIA: The following criteria must be satisfied by all applicants in order to become eligible for a rehabilitation grant:

1. The applicant must be low or very low income as defined by Section 8 income requirements, i.e., below 80% of area median income.
2. The applicant must have been the resident of the property to be rehabilitated for a period of not less than one year and must occupy the property as his or her principle residence.
3. The applicant’s ownership must be in the form of fee simple title or a 99-year leasehold. The title must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.
4. In the case of manufactured housing units, the applicant must own both the dwelling and the land on which the manufactured unit sits.
5. The applicant must voluntarily apply for assistance.

8 INCOME ELIGIBILITY

A. ANNUAL INCOME (GROSS INCOME) - The State’s HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used

to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and

3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.

4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.

B. ASSETS - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.

2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:

a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.

c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

C. INCOME FROM ASSETS - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest of dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.

a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or

b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.

c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.

2. When an Asset Produces Little or No Income:

a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the

total amount of all assets is less than \$5,000.

b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:

i. actual income from assets, or

ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.

3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).

b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.

c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.

2. Stocks, bonds, savings certificates, money market funds and other investment accounts.

3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*

4. The cash value of trusts that are available to the household.

5. IRA, Keogh, and similar retirement savings accounts, even though withdrawal would result in penalty.

6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.

7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.

8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

10. Cash value of life insurance policies.

11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above

2. Interest in Indian Trust lands

3. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
8. All regular pay, special pay and allowances of a member of the Armed Forces. (See paragraph (8) under Income Exclusions).

G. INCOME EXCLUSIONS - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18

years;

2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;

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3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

5. Income of a live-in aide;

6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).

7. The full amount of student financial assistance paid directly to the student or to the educational institution;

8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

9. a. Amounts received under training programs funded by HUD;

b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;

d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.

e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.

10. Temporary, nonrecurring or sporadic income (including gifts);

11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

13. Adoption assistance payments in excess of \$480 per adopted child;

14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.

15. Deferred periodic amounts from SSI and Social Security benefits that are received in a

lump sum amount or in prospective monthly amounts.

16. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.

17. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

18. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;

b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);

c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));

d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);

e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;

g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)

i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;

l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)

m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. Income must be verified before rehabilitation assistance begins.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.

2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to providing assistance.

3. The Grantee must calculate the annual income of the household by projecting the

prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. *The Grantee is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the Grantee determined that the family qualified as income eligible.*

a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.

b. For homeownership programs, the income eligibility of the families is timed as follows:

i. In the case of a contract to purchase existing housing, it is the date of the purchase;

ii. In the case of a lease-purchase agreement for existing housing or for housing to be constructed, it is the date the lease-purchase agreement is signed; and

iii. In the case of a contract to purchase housing to be constructed, it is the date the contract is signed.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.

a. To conduct third-party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.

b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. **REVIEW OF DOCUMENTS** - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

3. **APPLICANT CERTIFICATION** - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a

year).

2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.

3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. **INCOME OF LIVE-IN AIDES** - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);

2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and

3. **EARNED INCOME OF MINORS** - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.

4. **TEMPORARILY ABSENT FAMILY MEMBERS** - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the state. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;

5. **ADULT STUDENTS LIVING AWAY FROM HOME** - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and

6. **PERMANENTLY ABSENT FAMILY MEMBER** - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

7. **PERSONS WITH DISABILITIES** - During the annual recertification of a family's income, increases in the income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME tenant- based rental assistance is excluded. 24 CFR 5.61(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to an eligible family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, 50 percent of the increase in income is excluded. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.

9 ELIGIBILITY REQUIREMENTS OF PROPERTY TO BE REHABILITATED

A. DEFINITIONS - The following are definitions of the various terms used with respect to eligibility requirements of the property to be rehabilitated.

1. DWELLING UNIT - A housing structure which is used entirely for residential purposes.
2. SINGLE FAMILY - A housing unit designed for single-family use, although more than one family may be residing therein, if every resident has access to all parts of the structure.
3. SUBSTANDARD - A housing unit failing to meet all applicable codes, rehabilitation standards ordinances, and zoning ordinances as set forth by the Community, HQS as defined by HUD, or as defined by the HOME application.

B. ELIGIBILITY CRITERIA

1. The minimum HOME expenditure per unit must exceed \$1,000.
2. The dwelling must be located within the designated area as outlined in the application.
3. The dwelling unit must be classified as substandard, based on a written, detailed inspection report by a codes inspector.
4. The dwelling unit must not lie within a 100-year floodplain.

10. RATING SYSTEM FOR RANKING OF APPLICANTS

A. The awarding of rehabilitation grants to eligible applicants will be based on a priority list, according to which households are in greatest need for housing assistance. Houses will be rehabilitated in descending order, the household with the most need first, the next household second, and so on until the funds are expended.

B. The rating system is based on points. The most needy households will have the highest number of points. Information for determination of points is taken from the application (HO-3) submitted by the homeowner. Each application shall be rated according to:

1. INCOME/FAMILY SIZE

FAMILY SIZE 80% INCOME LIMIT ¹

- 1 \$
- 2 \$
- 3 \$
- 4 \$
- 5 \$
- 6 \$
- 7 \$
- 8 \$

If the income based on family size is less than the stated figure, the household will receive extra points.

If 80% to 99% less Add 70 points

If 60% to 79% less Add 60 points

If 40% to 59% less Add 50 points

If less than 39% Add 20 points

¹ Annual Income Limit Figures available from HUD/THDA

2. NUMBER IN HOUSEHOLD

- 1 Person Household 5 Points
- 2 Person Household 10 Points
- 3 Person Household 20 Points
- 4 Person Household 25 Points
- 5 Person Household 30 Points
- 6 Person Household 35 Points
- 7 Person Household 40 Points
- 8 Person Household 45 Points

3. NUMBER OF ELDERLY 10 Points per person

For each household member at least 62 years old at the time of application

4. NUMBER OF HANDICAPPED/DISABLED 10 Points per person

Household member receiving disability benefits from Social Security, a pension program, life insurance program, or a total or partial physical impairment which renders the person unable to work. Where there exists reasonable question, a doctor's certification will be used.

5. HEAD OF HOUSEHOLD 10 Points

This is a single head of household (male or female) with children under 18, or a dependent with severe developmental disabilities or severe dementia. This does not apply to a widow/widower living alone.

6. NUMBER OF PERSONS 18 OR YOUNGER 10 Points per person

7. CONDITION OF THE DWELLING STRUCTURE

Standard Dwelling No Points

Substandard Dwelling 15 to 29 Points

Dilapidated Structure 30 to 40 Points

Life Threatening Dwelling 41 to 50 Points

Dwelling lacks: Water;

Electrical power;

Heat;

Roof.

11. TERMS, CONDITIONS AND CONSIDERATIONS FOR GRANTS

A. DETERMINATION OF THE AMOUNT OF THE GRANT - The amount of a rehabilitation grant that an applicant may receive will not exceed:

1. The actual and approved cost of the repairs and improvements necessary to make the dwelling conform to the housing standards adopted by the Grantee and THDA.
2. The amount and structure of the grant must be consistent with the application submitted to THDA.
3. When the applicant is furnishing supplementary funds from other sources, evidence that actual funds are available will consist of verification and documentation by the Grantee that the applicant has deposited the required amount in the appropriate escrow account. Such deposit must be made before the grant application and any construction work can begin.

B. STRUCTURE OF FINANCIAL ASSISTANCE - HOME funds are used to make forgivable grants to property owners to cover the full cost of the needed rehabilitation work.

1. To prevent homeowners from simply selling the property and profiting from the HOME funded improvements, the owners must repay the program if they sell the property within the compliance period. Part of the owner's obligation is forgiven each year they live in the rehabilitated unit.

2. a. Repayment of the rehabilitation grant shall be based on a twenty percent (20%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months 100% Repayment

After one year 80% Repayment

After two years 60% Repayment

After three years 40% Repayment

After four years 20% Repayment

After five years 0% Repayment

b. If the unit is reconstructed, the repayment of the rehabilitation grant shall be based on a six and 66/100 percent (6.66%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months 100% Repayment
After one year 93.34% Repayment
After two years 86.68% Repayment
After three years 80.02% Repayment
After four years 73.36% Repayment
After five years 66.70% Repayment
After six years 60.04% Repayment
After seven years 53.38% Repayment
After eight years 46.72% Repayment
After nine years 40.06% Repayment
After ten years 33.40% Repayment
After eleven years 26.74% Repayment
After twelve years 20.08% Repayment
After thirteen years 13.42% Repayment
After fourteen years 6.76% Repayment
After fifteen years 0% Repayment

3. The property owner must sign a Grant Note and a Deed of Trust. The Deed of Trust secures the Grant Note by placing a lien against the property and is activated if the owner attempts to sell within the compliance period.

4. In cases of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. The heirs may occupy the unit, rent it or let it sit empty, without triggering the repayment clause. However, if the heirs sell the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid to THDA, less any forgivable portion.

C. OTHER GRANT CONDITIONS - Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to:

1. Allow inspection by the Grantee and/or THDA of the property whenever the Grantee and/or THDA determines that such inspection is necessary.
2. Furnish complete, truthful and proper information as needed to determine eligibility for receipt of grant money.
3. Permit the contractor to use, at no cost, reasonable existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work.
4. Cooperate fully with the Grantee and the contractor to insure that the rehabilitation work will be carried out promptly.

12. ELIGIBLE REHABILITATION ACTIVITIES

A. INTRODUCTION - A rehabilitation grant may be made only to cover the cost of rehabilitation necessary to make a dwelling unit conform to the local housing code adopted by the jurisdiction in which the property is located and consistent with the application submitted to THDA.

B. HOUSING REHABILITATION COSTS AND LEAD-BASED PAINT - The maximum HOME subsidy per unit is established by HUD and cannot be exceeded.

1. If a unit to be rehabilitated was built after 1978, the rehabilitation costs are capped by the HOME subsidy limits.
2. All units built prior to 1978 require a risk assessment by a qualified lead inspector. If the risk assessment of a pre-1978 unit discloses no lead, then the cap for rehabilitation costs are the HOME subsidy limits.
3. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint *and* the estimated rehabilitation costs are less than \$25,000, the standard treatments will apply *and the maximum HOME subsidy for rehabilitation is limited to \$25,000.*
4. If the risk assessment for a pre-1978 unit reveals the presence of lead-based paint *and* the

estimated rehabilitation costs exceed \$25,000, then abatement using a qualified abatement contractor will be required to provide assistance up to the HOME subsidy limits. The Grantee must have pre-approval by THDA staff before proceeding with abatement.

C. ELIGIBLE COSTS

1. **EXISTING CODE VIOLATIONS** - Costs which can be included in rehabilitation grants are the costs of correcting existing housing code violations which have been determined by a qualified housing inspector and formalized in an individualized housing report.

2. **INCIPIENT CODE VIOLATIONS** - An incipient violation exists if at the time of inspection an element in the structure which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the grant period and thus become a code violation. Costs to correct these potential violations are eligible costs.

3. **PERMITS AND FEES** - Rehabilitation funds may be used to cover the cost of building permits and related fees required to carry out the proposed rehabilitation work. However, since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount. Recording and filing fees are eligible costs.

4. **EQUIPMENT** - Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary and healthy environment. These include such items as a furnace, water heater, electrical and sanitary fixtures, kitchen stove, refrigerator, cabinets and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non-functional. There is a \$1,000 maximum expenditure (including taxes and delivery) for a kitchen stove, and a \$1,000 maximum expenditure (including taxes and delivery) for a refrigerator. These appliances should be Energy-Star rated where available.

5. **HANDICAPPED** - Special alterations or costs related to making the dwelling more convenient or accessible for handicapped persons are eligible costs. All work performed in these units must comply with all applicable costs as well as all Federal and State regulations.

6. **LEAD-BASED PAINT** - All costs associated with the reduction of lead-based paint hazards must comply with 24 CFR 92.355.

7. **DEMOLITION OF EXISTING STRUCTURES AND UTILITY CONNECTIONS**
All costs related to the demolition of existing structures and to provide utility connections are to comply with 24 CFR 92.206(a)(3).

8. **DEMOLITION OR REMOVAL OF MANUFACTURED HOUSING UNITS (MOBILE HOMES)** - When replacing a manufactured housing unit with a new manufactured housing unit, the work write-up must explain how the substandard unit will be disposed of. If the substandard unit is to be taken to a dump site, then the contractor must supply the Grantee with a receipt or certification verifying that the unit was disposed of properly.

9. **EXTERIOR PAINTING** - Exterior painting is an eligible cost when it is necessary to maintain a watertight exterior on the dwelling.

10. **GUTTERS** - Gutters are an eligible cost when rehabilitating the exterior of a unit or when reconstructing a unit.

11. **OTHER COSTS** - Rehabilitation costs not specifically required by the housing rehabilitation standards found necessary for the safety, health, and general welfare of the occupants of the structure may be considered for eligibility, with prior consent of the Grantee's governing body and THDA, as well as any other cost as outlined in 24 CFR 92.206.

C. INELIGIBLE COSTS

1. Renovation of dilapidated out buildings.
2. Appliances not required by code standards.
3. Materials, fixtures, equipment, or landscaping of type or quality that exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated.
4. All items outlined in 24 CFR 92.214.

D. RECONSTRUCTION HOUSING - Prior to authorizing new dwellings under the "Reconstruction" provisions of the HOME program, the Grantee must determine if reconstruction is the more cost effective use of HOME funds. The offer by the Grantee to reconstruct a home is a voluntary offer.

1. When reconstruction is recommended, a completed HO-7, along with required supporting documentation and photographs must be submitted to THDA for review. If THDA concurs with the determination, written permission to proceed will be provided.

2. **REPLACEMENT HOME GUIDELINES** - The intent of a reconstruction activity is to provide assistance to homeowners who might not otherwise be helped due to the prohibitive cost of rehabilitating their existing home. A replacement home, if deemed the most cost-effective solution to the housing deficiencies, shall be prescribed by the grantee.

1. Rehabilitation spending beyond reasonable limits on an existing home is not authorized if a replacement home is refused by the homeowner.

2. A replacement home does not necessarily have to meet the same requirements as the existing home in terms of square footage, number of bedrooms/bathrooms or other design/amenity considerations.

3. The replacement home must provide all permanent residents of the home with safe, decent, and sanitary housing within the terms of the 2009 International Residential Code for One- and Two-Family Dwellings, and/or local codes, as applicable.

13. HOUSING REHABILITATION SPECIFICATIONS

A. INTRODUCTION - This section sets forth the responsibilities of the Grantee for determining the rehabilitation work necessary to bring a dwelling into conformance with the minimum code adopted by the Grantee, and with the objective of the program as proposed in the application submitted to THDA. The Grantee will:

1. Inspect the property and prepare an inspection list noting code deficiencies.
2. Conduct lead-based paint testing/risk assessment to identify lead-based paint hazards.
3. Consult with and advise the owner of the work to be done and the availability of a rehabilitation grant.
4. Prepare a work write-up and cost estimate as a basis for rehabilitation grant and for the bid process in contracting for rehabilitation work and lead-paint hazard reduction activities.

B. PROPERTY INSPECTION AND SPECIFICATIONS CHECKLIST - The Grantee will have the property inspected and have a report prepared that identifies each deficiency with respect to the housing code adopted by the Community and the lead-based paint hazard reduction activities required by the testing/risk assessment. The homeowner will also list other deficiencies and request for repairs which may be eligible for correction through the rehabilitation grant. These reports provide a proper basis for the preparation of the work write-up, cost estimate and contract specifications.

C. WORK WRITE-UP AND COST ESTIMATE - The work write-up and cost estimate is a statement based on the code inspection and lead-based paint testing/risk assessment. It itemizes

separately all the rehabilitation work and the lead hazard reduction activities to be done on the dwelling and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflect a reasonable profit for the contractor.

1. **DUAL-USE OF WORK WRITE-UP** - The write-up will be detailed and specific in style. Each item will be identified as correcting a code violation, meeting a code requirement, reducing lead-based paint hazards, or as an eligible cost under the grant. This same write-up without the cost estimate will serve as part of the specifications for the construction contract documents.

2. **ITEMIZING COSTS** - Each item of work and its estimated cost will be identified in the work write-up as either correcting a code violation, meeting a code requirement, reducing lead-based paint hazards, or eligible under the grant. This will be done on the work write-up by entering the cost estimates in a columnar arrangement.

3. **OWNER PREFERENCE** - A work write-up need not contain details that have no significant effect on cost. The term “to be selected by owner” may be used appropriately.

D. CONSULTATION WITH HOMEOWNER/APPLICANT - The Grantee will consult with the prospective applicant on the work write-up and cost estimate. The Grantee will advise the applicant that only work that is directed toward correcting a code violation, meeting a code requirement, or that is an eligible activity can be funded by the grant. The homeowner must understand that “cosmetic improvements” are not eligible for funding. The final work write-up (without costs) will be used by contractors for determining their bids and incorporated into the rehabilitation contract documents which the homeowner and contractor will sign. The homeowner should initial each page and sign the last page of the write-up.

E. CLEARLY WRITTEN SPECIFICATIONS - The work write-up will be written so that it provides a clear detailed understanding of the nature and scope of the work to be done and a basis for carefully determined bids and proposals from contractors. The homeowner shall have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.

1. Each specification will show the nature and location of the work and the quantity and type of material required.

2. The specifications will refer to manufacturer’s brand names or association standards to identify quality of material and equipment, and may make provision for acceptable substitutes or quality and brand name requirements may be included in the “General Conditions and Specifications” and indicated by reference in the work write-up.

14. CONTRACTING FOR REHABILITATION WORK

A. INTRODUCTION - This section sets forth requirements and procedures with respect to the construction contracts for housing rehabilitation financed through a rehabilitation grant.

Rehabilitation work will be undertaken only through a written contract between the contractor and the property owner receiving the grant.

1. **FORM OF CONTRACT** - The construction contract will consist of a single document signed by the contractor and the property owner, following approval of the grant application. It will contain a bid, the Grantee’s General Conditions and Specifications by reference, the work write-up which specifies the work to be done, and the existing code violations.

2. **USE OF ALTERNATES** - The document prepared by the Grantee may contain alternates by which each bidder may increase or decrease the lump sum contract price, if the alternates are later accepted as part of the work to be performed.

3. **PROCUREMENT OF BIDS** - The Grantee will advertise openly and publicly for bids and encourage minority and female owned firms to bid on its projects.

B. GENERAL CONDITIONS - The bid package will contain the following:

1. The address, time and date by which the bid should be submitted by the contractor.

2. A provision that the bid be accepted by the homeowner within a specified length of time.
3. A provision that the contractor start work within a specified length of time.
4. A statement concerning the acceptability of progress payments.
5. A provision that final payment on the contract amount will be made only after final inspection, acceptance of all work by the Grantee and the homeowner, and after the Grantee receives the contractor's final invoice release of liens and warranty, and claims for liens by subcontractors, laborers and material suppliers for completed work or supplied materials.
6. Provisions that the contractor will be required to:
 - a. Obtain and pay for all permits and licenses necessary for the completion and execution of the work and labor to be performed.
 - b. Perform all work in conformance with applicable local codes, as well as leadbased paint regulations and requirements, whether or not covered by specification and drawings for the work.
 - c. Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor, unless specifically stated otherwise within the work write-up.
 - d. Not assign the contract without written consent of the Grantee and homeowner.
 - e. Guarantee the work performed for a period of one year from the date of final acceptance of all work required by the contract. Furthermore, furnish the homeowner, in care of the Grantee, with all manufacturer's and suppliers written guarantees and warranties covering materials and equipment furnished under the contract.
 - f. Include a statement as to whether the premises are to be either occupied or vacant during the course of construction work.
 - g. A provision that the contractor may reasonably use existing utilities without payment during the course of the work.

C. INSURANCE

1. The contractor shall carry or require that there be carried Workman's Compensation Insurance for all his employees and those of his subcontractors engaged in work at the site in accordance with Tennessee State Workman's Compensation Laws.
2. The contractor shall carry or require that there be carried Manufacturer's and Contractor's Public Liability Insurance. This insurance will be in an amount not less than \$100,000 for injuries including accidental death to any one person for one accident, and to protect the contractor and subcontractors against claims for injury or death of one or more persons because of accidents which may occur or result from operations under the contract. Such insurance shall cover the use of all equipment, including but not limited to, excavating machinery, trenching machines, cranes, hoists, rollers, concrete mixers, and motor vehicles in the construction of the rehabilitation embraced in their contract.
3. The contractor shall carry during the life of the contract Property Damage Insurance in an amount of not less than \$50,000 to protect him and his subcontractors from claims for property damage which might arise from operations under their contract.
4. Before commencing work, the contractor shall submit evidence of coverage required to the Grantee. A certificate of insurance shall be presented as the evidence.

NOTE - The Grantee is advised to consult with its attorney to insure that the extent, limit, and amount of contractor's insurance is consistent with the scope of the project and current State law.

D. WORK WRITE-UPS, SPECIFICATIONS AND DRAWINGS - The specifications, based on the code inspection, and work write-up and illustrative sketches, if any, covering the specific rehabilitation work for each property to be rehabilitated will be prepared by the Grantee. The specifications will:

1. Clearly identify the code violation and lead-based paint hazard;
2. Specify work to correct those violations or hazards;
3. Note any unusual features or limitations;
4. Include the Grantee's estimated cost for rehabilitation; and
5. Will be initialed on each page by the homeowner and signed on the signature page by the homeowner.

E. INELIGIBLE CONTRACTORS - The Grantee may determine a contractor ineligible to bid on projects when:

1. The contractor is listed on the Federal Debarred list;
2. There is documented proof that the contractor has not paid material suppliers;
3. There is documented proof that the contractor has not completed projects within the allotted time frame;
4. There exist substantial complaints by homeowners about quality of work and performance.
5. There is documented proof that the contractor has not performed warranty work on previous contracts.

F. INVITATION TO CONTRACTORS FOR BID AND PROPOSAL

1. The Grantee will announce the program and advertise for contractors in local and/or regional newspapers at the beginning of the program and at least once each year thereafter.
2. The Grantee will accept applications from contractors throughout the life of the program.
3. The Grantee will develop and maintain a list of contractors, including minority and female headed firms within the region.
4. The Grantee will notify in writing and in a timely fashion all contractors on the Contractors List when bid packages are available.
5. The Grantee will document when and to whom invitations to bid are sent out and packages picked up.

G. SELECTION OF A SUCCESSFUL BIDDER - The opening of the sealed bids must meet these conditions.

1. The opening must be public.
2. The lowest bid will prevail unless it falls 15% under or 15% over the Grantee's cost estimate at which time it may be rejected.
3. There must be **at least three (3) competitive bids** by eligible contractors.
4. Minutes of the award and bid tabulations should be appropriately filed.
5. Questions concerning contractor eligibility shall be decided prior to opening the bids.
6. The Grantee will verify with THDA that contractors are not debarred.
7. The Grantee may limit the number of bids awarded to any one contractor at any one bid letting to three (3).
8. If all bids exceed the amount of the construction budget, the Grantee may not negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.
9. If there are not at least three (3) competitive bids from eligible contractors, the project must be re-bid. If there are still not three bids after the project has been re-bid, the Grantee will contact THDA before awarding the contract.

H. AWARD OF THE CONSTRUCTION CONTRACT - The contract will become effective upon the signatures of the homeowner and contractor and with the Grantee's endorsement. The Grantee will distribute the executed contract documents as follows: original to Grantee, copy to homeowner, copy to contractor.

15. INSPECTION, CLOSE-OUT AND PAYMENT FOR REHABILITATION WORK

A. RESPONSIBILITY FOR MAKING INSPECTIONS - Inspection of construction will be performed by the Grantee or its designate as follows:

1. Compliance inspections will be made as often as necessary to assure that the work is being completed in accordance with the community's building, electrical, mechanical and plumbing codes, zoning regulations, and any other related State or local laws and ordinances.

2. Inspections will be made as often as necessary to assure that the work being performed is in accordance with the terms of the construction contract.

3. Written notices of inspections (HO-17) shall be filed appropriately.

B. PROGRESS PAYMENTS - If progress payments are allowed by the Grantee, no more than one progress payment can be made and the payment will be 50% of the funds at the completion of 60% of the work.

C. FINAL PAYMENTS

1. **FINAL INSPECTION** - Upon completion of the rehabilitation work, a final inspection is held by the Grantee. Any uncompleted work or work that is unsatisfactory is noted on a final "punch list" and sent to the contractor in writing (HO-17 and HO-18). When these items are completed, clearance testing for lead-based paint hazards is conducted on the unit. When the unit passes clearance testing, the contract is complete.

2. **CERTIFICATION** - After the Grantee determines that the rehabilitation work has been fully and satisfactorily completed and the unit has passed clearance testing, the Certification of Completion and Final Inspection is prepared (FM-7). The homeowner signs the Certification indicating that he accepts the rehabilitation work as meeting the terms and conditions of the contract. The contractor signs the Certification indicating that the work has been completed in accordance with the contract and that there are no unpaid claims for labor, materials supplies or equipment. The inspector signs the Certification indicating that work has been completed in accordance with the contract and authorizing final payment.

3. **NOTICE OF COMPLETION** - The contractor shall file a Notice of Completion with the Register of Deeds in the county where the work is performed and return a certified copy to the Grantee.

4. **MAKING FINAL PAYMENT** - When the final inspection determines that the work is completed in accordance with the contract and the homeowner has accepted the work, the Grantee will obtain from the contractor a release of liens, including all subcontractors and suppliers, and a copy of each warranty due the owner for the work. The Grantee will request final payment from THDA at that time.

5. If the homeowner refuses to sign the final acceptance, the Grantee may authorize full payment for those items which are undisputed and acceptable to all parties.

16. GRIEVANCE PROCEDURE

A. The Grievance Procedure shall be made a part of the contract between the homeowner and the contractor. Disputes between the homeowner, Grantee and contractor may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties, the grievance procedure will be followed.

1. The grievance by the homeowner or contractor is to be filed with the program administrator in writing.

2. The program administrator will meet with the homeowner/contractor and attempt to

negotiate a solution.

3. Contact the THDA Community Programs Division at (615) 815-2030 should the program administrator fail to negotiate a solution.

B. GRIEVANCE PROCEDURE - If this fails, the program administrator will follow the grievance procedure as outlined below:

1. All claims or disputes between the owner and contractor arising out of or related to the work shall be decided by arbitration in accordance with the current construction industry arbitration rules of the American Arbitration Association unless the parties mutually agree otherwise.

1. DWELLING UNIT - A housing structure which is used entirely for residential purposes.
2. SINGLE FAMILY - A housing unit designed for single-family use, although more than one family may be residing therein, if every resident has access to all parts of the structure.
3. SUBSTANDARD - A housing unit failing to meet all applicable codes, rehabilitation standards ordinances, and zoning ordinances as set forth by the Community, HQS as defined by HUD, or as defined by the HOME application.

B. ELIGIBILITY CRITERIA

1. The minimum HOME expenditure per unit must exceed \$1,000.
2. The dwelling must be located within the designated area as outlined in the application.
3. The dwelling unit must be classified as substandard, based on a written, detailed inspection report by a codes inspector.
4. The dwelling unit must not lie within a 100-year floodplain.

10. RATING SYSTEM FOR RANKING OF APPLICANTS

A. The awarding of rehabilitation grants to eligible applicants will be based on a priority list, according to which households are in greatest need for housing assistance. Houses will be rehabilitated in descending order, the household with the most need first, the next household second, and so on until the funds are expended.

B. The rating system is based on points. The most needy households will have the highest number of points. Information for determination of points is taken from the application (HO-3) submitted by the homeowner. Each application shall be rated according to:

1. INCOME/FAMILY SIZE

FAMILY SIZE 80% INCOME LIMIT ¹

- 1 \$ 29,400.00
- 2 \$ 33,600.00
- 3 \$ 37,800.00
- 4 \$ 42,000.00
- 5 \$ 45,400.00
- 6 \$ 48,750.00
- 7 \$ 52,100.00
- 8 \$ 55,450.00

If the income based on family size is less than the stated figure, the household will receive extra points.

If 80% to 99% less Add 70 points

If 60% to 79% less Add 60 points

If 40% to 59% less Add 50 points

If less than 39% Add 20 points

¹ Annual Income Limit Figures available from HUD/THDA

2. NUMBER IN HOUSEHOLD

- 1 Person Household 5 Points
- 2 Person Household 10 Points
- 3 Person Household 20 Points
- 4 Person Household 25 Points
- 5 Person Household 30 Points
- 6 Person Household 35 Points
- 7 Person Household 40 Points
- 8 Person Household 45 Points

3. NUMBER OF ELDERLY 10 Points per person

For each household member at least 62 years old at the time of application