



## Your voices are being heard

As we approach the final weeks of the legislative session, we are seeing results.

There have been changes to legislation, bills taken off notice, and committees continually postponing (rolling) bills that are unfavorable to cities.

As we enter the final stretch, key bills such as the capping of property tax is an example of why we need to remain vigilant.

Legislation like this has the potential to negatively affect your towns and cities for years to come. It's important to you, so it is important to us.

That's why our government relations team is working so hard at the Capitol to advocate for you and everyone who calls Tennessee home.

This is the time of year when they work seven days a week to make sure municipal interests are at the forefront.

But there's a special ingredient to this recipe, so to speak—your voice.

So many of you are fully

engaged in contacting your state legislators on the bills we highlight each week.

Thank you and keep up the good work. If you are not in contact with your state legislators, it's not too late.

Please make those phone calls and schedule those meetings now.

It's important that your lawmakers understand your municipality's position on these key matters.

TML members have access to talking points and deep dives on the issues that have the potential to impact your community.

Visit our website at [www.tml1.org](http://www.tml1.org) and log in to access valuable resources in our Member Tools area.

Your voice makes a difference. Please speak up now.

Anthony Haynes  
TML Executive Director

## TML Annual Awards nomination process seeks applications

Each year, the Tennessee Municipal League (TML) honors towns and cities across the state for overall excellence, outstanding programs, improvement, and department accomplishments.

The awards program gives municipalities the recognition they deserve for superior and innovative efforts in local government.

Any Tennessee town or city that is a member of the Tennessee Municipal League is eligible to submit an award nomination.

The awards committee comprised of elected municipal officials, past award recipients, TML board members, and MTAS consultants will review the nominations and select the final award winners, which will be recognized at the 86<sup>th</sup> annual TML Conference and Expo in July.

Nominations will be accepted online the first week of April until May 1.

### TML Award Categories:

1. Excellence in Economic and Community Development
2. Excellence in Energy Efficiency and Conservation
3. Excellence in Fire Service
4. Excellence in Parks and Recreation
5. Excellence in Public Works
6. Excellence in overall Municipal Governance

7. Excellence in Police Service
8. Innovation Award
9. Small Town Progress

### Criteria

- The award honors a municipality which has developed unique and creative programs that have increased the efficiency and effectiveness of local government.
- The project or department's accomplishments have made a significant impact on their city and its residents.
- The nomination is of an original project or program which has been successfully implemented and may serve as a model for other communities.
- The nomination should include a brief abstract that explains how the program has resulted in increased efficiency in the administration of local government, improved delivery of services to citizens, and/or cost savings to the city.
- The municipality must be a member of the Tennessee Municipal League, participating in and supportive of TML and its mission.
- Award recipients must attend the annual TML Conference and Expo.

## Municipal leaders gather for TML Legislative Conference in Nashville

By KATE COIL  
TT&C Assistant Editor

Municipal officials from across Tennessee gathered at the Downtown DoubleTree Hotel in Nashville March 2-3, 2026, to hear from policy experts, meet with legislators, and discuss timely municipal issues.

Nashville Vice Mayor Angie Henderson welcomed municipal leaders to the city, emphasizing the importance of officials from across the state coming together to advocate on behalf of local governments.

Henderson said pre-emption and local control, municipal funding, and regulations being placed on municipal leaders are issues that impact cities regardless of their size.

Comptroller Jason Mumpower provided an overview of how the comptroller's office works with local municipalities and new data available through the comptroller's website. Mumpower also highlighted bills his office has moving through the legislature including:

- A bill to require a Aug. 31 deadline for municipal budget adoption ([SB 1592/ HB 1516](#))



Members of the Tennessee Municipal League listen to presentations from lawmakers and advocates during the TML Legislative Conference at the DoubleTree Hotel in Nashville

- A bill that would allow the comptroller to approve emergency operation loans for local governments during natural disasters as well as allow local governments to use other revenue sources to repay grant anticipation when grant reimbursement funds are delayed

([SB 1679/ HB 1672](#)).

Mumpower also invited municipalities to apply for the new [Financial Excellence Award](#) from his office, which aims to recognize local governments that have taken the initiative to implement and *See TML on Page 5*

## Diversification, debt management key for cities in muni bond market



From left to right, Tennessee Treasurer David Lillard, FirstBank President and CEO Chris Holmes, TCRS Director of Fixed Income Markus Klar, and TMBF President and CEO Wade Morrell discuss the future of the municipal bond market at TML's Legislative Conference at the DoubleTree Hotel in Nashville.

By KATE COIL

As Tennessee municipalities look for ways to finance capital projects and infrastructure amid unprecedented growth, changes to investment markets, federal monetary policy, and a new chair of the Federal Reserve are impacting the municipal bond market.

With state and federal budgets tightening, many cities are considering bonds and other funding sources for necessary projects. In a discussion moderated by Tennessee Municipal Bond Fund President and CEO Wade Morrell, Tennessee Treasurer David Lillard,

FirstBank President and CEO Chris Holmes, and TCRS Director of Fixed Income Markus Klar gave insights into the future of local government finance during TML's Legislative Conference at the DoubleTree Hotel in Nashville.

Lillard said debt can be a useful tool for municipalities – as long as they plan for debt service and borrow wisely.

"We are in a place where we have never been before as a nation, where we have debt that is about 100% of our gross domestic product," he said. "We have other issues going on as well, such as the Fed, that affect rates and the

outlook for borrowing. What I've learned over the years is to take a very circumspect view about what you should use debt for and what you shouldn't. Take every opportunity to pre-fund obligations on the way. You need to think from a long-term standpoint of planning and implementing a debt policy, what your issuance level is, and what the maximum occurable debt level is that you're incurring."

Lillard said moves by the White House to have more control over the Federal Reserve would impact the municipal bond market.

"The Fed's 10-year treasury *See BONDS on Page 3*

## TACIR: Tennessee needs \$82.7B to maintain state's public infrastructure

By KATE COIL

Tennessee needs at least \$82.7 billion to maintain public infrastructure – a \$5 billion increase over the previous year – according to an annual report issued by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR).

The [TACIR report](#) details how much the state requires to fund public infrastructure for the five-year period between July 2024 and June 2029 with expenditures growing 6.5% - approximately \$5 billion – since the previous year's report.

Additionally, the report found that funds are not available for approximately 65% of the necessary public infrastructure projects identified. Approximately \$20.9 billion in funding has been secured for projects in the report. TACIR noted that as projects evolve "funding sources are identified and pursued," but also pointed out "most of the infrastructure needs reported in the July 2019 inventory that were *See TACIR on Page 3*



Replacing the Interstate 55 Bridge over the Mississippi River connecting Tennessee and Arkansas is the biggest single transportation investment ever for both states and has put Tennessee's aging bridge infrastructure into focus. In addition to the \$400 million federal investment, both states are investing \$200 million to replace the I-55 bridge with the new Kings' Crossing Bridge, which will include necessary safety features that the previous, 75-year-old bridge did not have. Construction is expected to begin later this year on the new bridge. (Photo by TDOT)

Save the Date



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86th Annual Conference  
in Kingsport,  
July 9-12, 2026

# NEWS ACROSS TENNESSEE



## CROSSVILLE

Durable Products officials announced the company is expanding and renovating one of its current facilities in Crossville. The project will create 134 jobs and invest \$27.3 million. Founded in Crossville in 1982, Durable Products offers its customers diverse manufacturing capabilities ranging from compression molding and rubber extrusions to die cutting and raw material processing. The company is now a subsidiary of Texas-based GreenLiner, LLLC, which will oversee the refurbishing and retrofitting of its current operations to accommodate new machinery, warehousing, inventory, and offices.

## COLUMBIA

Documotion Research Inc. officials announced the company is expanding its manufacturing operations in Columbia. The company will create 48 new jobs and invest \$9.1 million as it adds approximately 40,000-square-foot of manufacturing space and maintenance operations. Founded in Santa Ana, Calif., in 1998, the company began its Columbia operations in 2020. It produces and distributes StickyPOS liner-less labels to more than 50,000 locations.

## FAIRVIEW

Ascension St. Thomas and Dickson Medical Associates will partner to build a freestanding emergency department and outpatient campus in Fairview. The \$20.6 million project will be the first 24-hour, freestanding emergency department in Fairview, and the 11,345-square-foot facility will include 10 treatment rooms, 2 triage rooms, and a trauma room. The facility will also offer on-site CT, X-ray, and ultrasound imaging, a full-service laboratory, and around-the-clock emergency physician coverage. The outpatient facility on the campus will be run by Dickson Medical Associates and will provide primary care, express care, behavioral health, and medical and surgical subspecialty services.

## FRANKLIN

The city of Franklin has received AAA bond ratings from both Moody's and Standard & Poor's Ratings Services for proposed \$106.5 million in 2026 general obligation bonds. In assigning the top rating available, the rating agencies cited the city's healthy financial position marked by high available fund balance and liquidity ratios, continued conservative budgeting, and strong revenue performance. The city will use the bond proceeds to fund various capital projects including construction of the new city hall with streetscape and an adjacent one-acre park, and completion of the Pearlina M. Bransford Complex. Other funding will include the replacement of fire apparatus and various road improvement projects. This marks 17 years in a row the city has received the top rating from both agencies.

## GERMANTOWN

A new fire engine has been added to the Germantown Fire Department as part of the city's overall Capital Improvement Plan. Designed to carry up to six firefighters, the engine meets and exceeds current NFPA and ISO standards and is fully equipped to handle fire suppression and medical emergencies, including Advanced Life Support care. The \$915,906 engine includes a 750-gallon water tank, a 1,500-per-gallon minute pump, and a foam system. The new engine also allows an older engine to be reassigned as a reserve vehicle.

## MILLINGTON

Millington officials are partnering with the U.S. Navy Memorial Foundation and Navy League to create Tennessee's first Lone Sailor Monument. Millington is home to the world's largest inland naval base – Naval Support Activity Mid-South – and city officials hope the new memorial will honor the courage, commitment, and sacrifice of the U.S. Navy members who have called Millington home. The new monument will join a select group of Lone Sailor statues across the nation. A Lone

Sailor Steering Committee has been selected to guide the process, including construction and installation, development surrounding the memorial space, education and community programming, and long-term preservation and maintenance. [Donations are also being solicited](#) for the project.

## MORRISTOWN

The Morristown Police Department has received reaccreditation from the Tennessee Law Enforcement Accreditation Program. The process involves 164 standards organized into 374 compliance items, and a review of more than 15,000 documents as well as an on-site visit. Accreditation is typically a three-year process and reviews the agency's policies, procedures, and practices against the standards to ensure necessary compliance is met.

## MT. PLEASANT

Recticel Group officials announced the company has selected Mt. Pleasant as the location for its first insulated panels manufacturing facility in the U.S. The Belgium-based company plans to create 78 new jobs and invest \$49.6 million at the Cherry Glen Industrial Park, a [Select Tennessee Certified Site](#). Once operational, the plant will produce insulated panels for the company's U.S. market, which will be marketed under the brand name Trimo North America. The company has a strong presence in both the U.S. and Europe, offering smart insulation solutions that advance a carbon-free economy and a better quality of life. It has a manufacturing network of 13 facilities in 6 countries across the globe.

## NASHVILLE

Starbucks officials announced the global coffee company is expanding its North American presence with plans to locate a corporate operations office in Nashville later this year. The new office will support the company's continued coffeehouse growth and rising customer demand in the southeast region of the U.S. Once operational, the new location will work closely with Starbucks' global headquarters in Seattle. Since 1971, Starbucks Coffee Company has been committed to responsibly sourcing and roasting high-quality arabica coffee. Today, with a global footprint of more than 40,000 company-operated and licensed coffeehouses and a growing presence in consumer-packaged goods, they are the world's premier purveyor of specialty coffee.

## NASHVILLE

Sennheiser Group officials announced plans to move its Americas Regional Hub to Rock Nashville from Old Lyme, Conn. The project represents the creation of at least 25 jobs and an investment of \$2.5 million and marks the first company to partner with TNECD to locate within the Rock Nashville facility. Founded in Wennebostel, Germany, Sennheiser has been a leading professional audio manufacturer for more than 80 years. The company is also home to the iconic *Neumann.Berlin* brand. The Sennheiser Group employs more than 2,000 people and operates on multiple continents across the globe. Rock Nashville is a dynamic, 600,000-square-foot production campus that is the largest purpose-built music campus in the world with 13 rehearsal studios and 2 arena rehearsal studios.

## TULLAHOMA

The city of Tullahoma will welcome the first expansion team in a newly formed collegiate summer baseball league. The Players

## Laurel dace statue to tour Tennessee cities



A sculpture of the endangered [laurel dace](#) fish made from recycled materials will tour municipalities throughout East Tennessee, culminating in Spring City's 2026 Laurel Dace Day Celebrations. The statue was commissioned by the Tennessee Aquarium's new Science, Technology, Research, Engineering, Art, and Math (STREAM) Learning Center, and depicts two laurel dace above a streambed on Walden's Ridge near Spring City. Made entirely from recycled plastic, the sculpture will have stops at schools and businesses in Dayton, Pikeville, and Spring City and be featured during [Laurel Dace Day 2026](#) at the Spring City Nature Park. Afterwards, the statue will return to the STREAM Learning Center in Chattanooga. In the future, the statue will also accompany STREAM Learning Center officials to events, such as the Conservation Night for the Chattanooga Lookouts in June. (Photo by Chattanooga Aquarium)

## Columbia receives sports tourism award



Columbia Parks and Recreation has been recognized as 2025 Champion of Economic Impact in Sports Tourism by Sports Destination Management, honoring the exceptional performance and national impact of the Ridley Sports Complex. The complex was honored in the Small Market category, highlighting Columbia's continued rise as a premier destination for sports tourism. Across all 2025 champions, more than \$1.4 billion in economic activity was generated nationwide over the past year, underscoring the powerful role sporting events play in strengthening local economies. This comes as the complex prepares to once again host the Midstate Classic collegiate softball tournament. From left to right: Columbia Councilmember Kenny Marshall, Councilman Charlie Huffman, Councilmember Cheryl Secrest, Mayor Chaz Molder, Parks and Recreation Director Mack Reagan, Vice Mayor McBroom, Councilmember Brian McKelvy, and City Manager Tony Massey. (Photo by Columbia)

## Goodlettsville receives TCPE award



Goodlettsville received the Level 1 Award at the 2026 Tennessee Center for Performance Excellence ceremony in Franklin. The statewide event honored organizations committed to performance excellence and continuous improvement. The Level 1 Award recognizes systematic efforts to strengthen processes, boost efficiency, and improve overall effectiveness. Goodlettsville was specifically commended for enhancing workplace efficiencies, streamlining operations, and fostering a culture of accountability and performance. (Photo by Goodlettsville)

League has formed the Volunteer State League with the Tullahoma Test Pilots serving as the first team in the new league. Founded in 2023, the Players League includes the North Carolina-based Old North State League, which features 24 teams across 4 divisions and attracts top collegiate talent

from across the country. Many of these players advance to professional baseball. The Tullahoma Test Pilots will play their home games at Tullahoma's historic Grider Stadium and are set to begin their inaugural season in June, with playoffs scheduled for late July and early August.

As a collegiate summer wood-bat team, the Test Pilots will provide high-level competition while offering affordable, family-friendly entertainment throughout the summer. The name of the team incorporates both the area's rich legacy of baseball and pilot training.

# WAUFORD

J. R. Wauford & Company, Consulting Engineers, Inc.

# Diversification, debt management key for cities in muni bond market

**BONDS**, from Page 1  
bond rate is hovering at right around 4%, though it has been higher in recent times,” Lillard said. “As we all know, the president has announced that his idea is that rates should be a lot lower. What that means and where it’s going is another question. That is dependent on the economic conditions of the world at large. While rates going down may seem good from a numbers standpoint, it does encourage a lot of borrowers to go ahead and pull a trigger to issue debt. Rates are going to move and be priced on municipal market data, which is going to change and probably be going down.”

Holmes said he felt independence for the Fed is important for both the national and world economy.

“When the Fed is moving rates, it’s moving short-term rates,” he said. “Its control is really over the short-term and while the short-term rates have come down some, we have still seen long-term rates go up. While the Fed does have a huge influence, the bond market sometimes has a mind of its own. It may move in a different direction, and we’ve seen that recently.”

At present, Holmes said there is still a good demand for municipal debt by banks.

“Credit quality remains stable and has remained stable for some time, which has kept demand strong,” he said. “As long as a good supply continues to come, there will be a good demand. In the very near term, there can always be things that are way beyond our control, like a war in the Middle East. Things still remain good from a macro standpoint.”

However, Holmes said there are certain issues lenders are starting to factor in before taking on municipal debt, such as cost shifts on the federal levels, healthcare reimbursements, education, and susceptibility to natural disasters and severe weather. As a buyer and underwriter of municipal debt, Holmes said he often sits on both sides of the table when it comes to analyzing municipal debt.

With banks continuing to merge and consolidate, Holmes said municipalities can often see branch banks close or even move out of a service area due to decreased demand for services. While that may have an impact, he said he still thinks there are opportunities for cities to obtain



Officials gather to cut the ribbon on the new municipal complex in Dresden in 2025. The \$6 million complex houses Dresden’s city hall, police headquarters, and fire headquarters with funding for the project came in partnership with the Tennessee Municipal Bond Fund and Security Bank and Trust Company. The new complex replaces a city hall, fire department, and police department that were all destroyed – along with much of downtown Dresden – in the Dec. 10, 2021, tornado outbreak. As state and federal budgets are trimmed, more municipalities may be going to the municipal bond market to help finance necessary projects. (Photo by Dresden)

financing.

“Tennessee is blessed to be on firm financial footing,” he said. “There are states that if they were corporations they would have been bankrupted already. The fact that we have the lowest debt per capita of all 50 states and that we continue to run surpluses at the state level creates goodwill that provides good opportunities for municipal debt. I can tell you we will not buy debt from municipalities in the state of Illinois – even if that city is on solid footing – because they don’t have that anchor. If you take care of business, I think you have plenty of options.”

As a community bank, Holmes said FirstBank has a different approach than some of the larger, corporate banks that are less interested in financing local projects.

“It is important to us to be important financiers in communities,” Holmes said. “In addition to that, we think [municipalities are] frankly good business. I would say to municipalities that the deposit side of your balance sheet is more

powerful than perhaps you realize. You should be earning quite well on those deposits, which should help in the greater scheme of things. Deposits have become a more competitive business.”

Klar said there is a lot of demand for bonds, and Tennessee is an attractive place to invest because it is fiscally conservative, well-managed, and diversified.

“Right now, the outlook is good, but we will see what happens with the new conflict that has broken out [in the Middle East],” Klar said. “There are a couple of dynamics I am monitoring, and the investor base is monitoring. There are dynamics that have been in place for a long time that are now changing into something that could be less favorable. One thing that increasingly more people are paying attention to is the change in demographics in the U.S. With immigration basically at zero, the Congressional Budget Office said the population will only increase by 4.5% over the next 30 years. That will have an impact on home price appreciation, revenue

from property taxes, and revenue for sales taxes as there are fewer people in society who can spend money.”

Klar said another concern is a “lack of fiscal discipline in Washington” that may cause financial problems down the line.

“We are spending money like a drunken sailor, even during good times,” he said. “In the past, money was being spent to fix urgent problems so they didn’t drag down the entire economy. Now we are spending money to make the good times better. We are looking at a deficit of close to \$2 trillion. No matter how well the economy is doing, this money is proactively spent this year, next year, and the year after that. This works until it doesn’t, and once it no longer works, we have a gigantic mess on our hands.”

The third major change Klar said investors are monitoring is the change in relationships between the U.S. and its allies.

“Two months ago at Davos, the quotes from Canada that the U.S. is no longer a trustworthy

ally have been echoed by France and Germany,” Klar said. “The world is slowly trying to diversify away from the U.S. This is a longer-term problem, but we are still monitoring it. Europe is one of the top investors in the U.S., so if they diversify away or try to become more independent, that could be a problem here.”

However, Klar said he feels the most immediate threat to the bond market is the impact of artificial intelligence (AI).

“AI will take jobs away,” Klar said. “Previously, new technologies have always taken jobs away and created new jobs. Both of the CEOs of the main AI companies are reminding us that AI will kill jobs. That is their marketing pitch. Until two weeks ago, the market strangely ignored that, but we have seen some recent progress in AI firms, and now the market has become scared. We are seeing damage in software and technology stocks that has the risk of spreading. If the market becomes more concerned about that, there could be more problems.”

To meet these challenges, Klar said cities should diversify their debt portfolios. He said investing is like a chess game and by diversifying, officials can ensure they have more pieces on the board. He also said officials might want to consider making investments earlier rather than later, as forecasting the future is difficult.

Fortunately, Klar said Tennessee has a good reputation on the financial market with strong growth, diverse investments, and good management. Holmes agreed that Tennessee’s history of financial conservatism and debt management makes it more investor-friendly.

Lillard said Tennessee is one of only 13 states with an AAA bond rating, and part of that rating is based on what local governments have achieved. Lillard said measures to cap property taxes could impact the ability of cities to pay off debt, and it is incumbent on city leaders to aggressively manage their financial portfolios.

“Taxpayers are frustrated,” Lillard said. “They are looking at inflation at the grocery store, the pump, and everywhere else. There are other problems going on that create an environment where people are looking at limiting the government’s ability to raise revenue. We have to redouble our efforts to make sure we provide even better value to our taxpayers so there is

# TACIR: Tennessee needs \$82.7B to maintain public infrastructure

**TACIR**, from Page 1  
not already fully funded were still needed 5 years later.”

The report also stated that “the government who owns the infrastructure typically funds the bulk of its cost.”

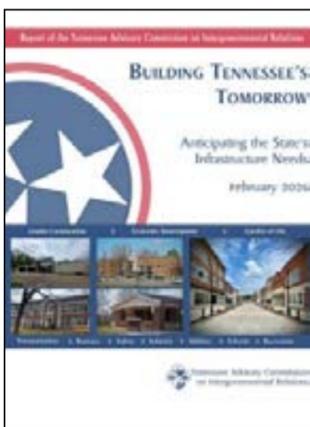
“Even so, cities and counties fund most of their infrastructure improvements with their own property and sales tax revenues, while utility districts fund their improvements primarily with dedicated revenue sources in the form of user fees,” the report indicated. “Because most of the state’s infrastructure needs are not included in this funding analysis, local government sources—mainly counties and cities— provide most of the capital for all the fully-funded needs presented here.”

## TRANSPORTATION AND UTILITIES

Transportation and utilities infrastructure needs accounted for 74% in the overall increase in infrastructure expenditures. TACIR found that \$42.8 billion was needed for transportation and utilities, with \$42.01 billion for transportation, \$731.2 million for utilities, and \$27.5 million for broadband. Transportation needs increased in cost by 9.3%, or approximately \$3.6 billion, since last year’s report.

The report noted this is the tenth year in a row the state’s transportation and utilities funding needs have increased, but that some of the transportation increases can be attributed to TDOE changing guidelines on when to replace aging bridges. Approximately one-quarter of the increases to utility costs come from \$146 million needed for the installation of gas and electrical services.

The report did not see any increase in broadband expenditures, but stated this is “because the inventory only captures govern-



**Above:** The annual TACIR report outlines the projected costs of maintaining the state’s public infrastructure for at least the next five years. (Photo by TACIR)

**Right:** One of the biggest health, safety, and welfare costs for public infrastructure is maintaining public water, including stormwater, infrastructure. The 9.6% increase in stormwater infrastructure needs translates into \$13.1 million more dollars for maintenance alone. (Photo by Clarksville)



ment-owned projects, the inventory doesn’t fully capture the need for expanded access to broadband in many communities... broadband deployment in many areas relies less on municipal utilities, which are sub-entities of municipal governments, and more on privately owned entities.”

## EDUCATION

Education spending accounts for the next largest amount of funds, with an estimated \$19.8 billion needed to maintain the state’s education infrastructure, a 5.2% increase over the previous report. The biggest educational cost increase was 23.2% for post-secondary education, adding up to \$9.1 billion.

Nearly all of the increases for post-secondary education are the results of new projects, such as the new Tennessee Technology Center at Memphis (\$89 million), new

Tennessee Colleges of Applied Technology (\$87 million) and the Williamson County campus of Columbia State Community College (\$85 million).

However, TACIR projected a decrease in costs for school renovations and new public schools and additions. An estimated \$6.45 billion is needed for school renovations – down 1.2% or \$77 million from the previous report – while \$3.9 billion is needed for new public schools and additions – down 15.3% or \$711.4 million.

## HEALTH AND SAFETY

An estimated \$12.7 billion is needed for health, safety, and welfare infrastructure across the state,

a 1.1% increase from the previous report. Stormwater infrastructure saw the biggest increase in spending needs at 9.6% – an increase of \$13.1 million – needed to maintain infrastructure.

Other infrastructure that saw increases in need include water and wastewater at 3.3% and fire protection at 2.7%. However, the projected costs of law enforcement, public health facilities, and housing all decreased.

Water and wastewater had the biggest price tag at \$7.27 billion – \$229.3 million more than last year. Of that total cost, \$306 million is needed for new projects with \$431 million going to increased project costs.

## RECREATION AND GOVERNMENT

The report also found \$3.6 billion is needed in each category for recreation and culture infrastruc-

ture, as well as general government infrastructure.

Recreation and culture costs – which include public amenities like parks, libraries, museums, historic sites, and community development – saw a 6.8% increase in infrastructure needs, largely due to new projects totaling \$119 million and \$122 million in cost increases.

Large recreation projects on the horizon include a \$50 million athletic complex in Clarksville, a \$30 million recreation and aquatics center in Mt. Juliet, and \$8 million increase in the cost of renovating the historic Cobblestone Landing in Memphis.

General government – which includes public buildings and facilities – saw a 1% decrease in spending needs, largely driven by a \$56 million or 2% decrease in reported needs. This is primarily because of the competition of major projects such as the former Tennessee Library and Archives building renovation as well as the postponement of other projects.

## ECONOMIC DEVELOPMENT

For economic development, the TACIR report indicated \$199 million is needed, a 3.1% decrease from the previous report. This includes funding for industrial sites and parks as well as business development districts.

The needs for industrial sites and parks decreased by \$5 million with the cost of existing needs largely offset by completed projects, like two industrial access projects, one in Marion County costing \$2 million and one in Warren County costing \$7 million. Business development district needs also decreased by \$1 million.

A [full copy of the report](#) with a county-by-county breakdown of spending needs can be found online.



# PEOPLE

**Linda Adair**, finance director and city recorder for Lawrenceburg, has retired after 41 years of service to the city. Adair joined the city in 1984, becoming a steady, dependable, and trusted presence in local government. Adair holds a bachelor's degree in accounting from the University of North Alabama. Jada Wilburn has been appointed the new finance director and acting city recorder following Adair's retirement.



Linda Adair

Gallatin, Inc., Historic Rose Mont, Sumner County Relay for Life, and Homeward Bound Sumner County.

**Tony Buchanan** has been selected as the new chief of police by the Erwin Board of Mayor and Alderman. Buchanan has been serving as the interim chief of the Erwin Police Department since June 2025. He served for four years in the U.S. Air Force before joining the Erwin Police Department in 2001. He began as a school resource officer for Unicoi County High School and also served as an investigator with the police department.



Tony Buchanan

**William Barner** has retired as public works director of Greeneville after 44 years of service to the town. Barner's initial employment with the department was for three months in 1972 when he took a summer job as a high school student. After graduating high school, he joined the Marine Corps for several years, returning to work full-time for the public works department in 1982. After working in a variety of roles, he was promoted to supervisor in 2008, assistant director in 2010, and director in 2022.



William Barner

**Eric Claunch** has been chosen by the Clarksville City Council to fill the Ward 2 vacancy created by former Councilwoman Deanna McLaughlin resigning her position to work for newly elected U.S. Rep. Matt Van Epps. Claunch will fill the Ward 2 seat until the next Clarksville municipal election. Claunch spent 20 years in the U.S. Army and holds both a bachelor's degree and an MBA in organizational management from Ashford University. He served as an instructor at the nonprofit Homebuilders Institute and is presently self-employed as the operations manager of Wake Tahoe Properties, LLC.



Eric Claunch

**Emmett Bolyard**, the longest-serving volunteer with the Bolivar Fire Department, died Feb. 10, 2026. Bolyard began his service to the department in 1964, was later hired as a career firefighter, and eventually promoted to captain in 1970. He was promoted to assistant chief in 1994 and then retired in February 2001. However, he remained an active volunteer following his retirement until his final call in June 2025. In total, Bolyard gave 62 years of service to the Bolivar Fire Department. He is the father of BFD's Lt. B.J. Bolyard and grandfather of Engineer Tanner Parker and Volunteer Firefighter Abigail Parker.



Emmett Bolyard

**Bobby Jarnagin**, vice mayor of Surgoinsville, died Feb. 4, 2026, at the age of 78. Jarnagin was first elected as an alderman for Surgoinsville in 2016 and served as vice mayor of the town since 2017. Prior to joining the board of mayor and alderman, he spent many years in public service including as a member of the Hawkins County Rescue Squad and Hawkins County Highway Department. Jarnagin was also retired from Holliston Mills after more than 40 years of service. Alderman Randall Collier was selected to take the role of vice mayor.



Bobby Jarnagin

**Julie Brackenbury**, former member of the Gallatin City Council and longtime community journalist, died Feb. 14, 2026, at the age of 58. She served on the Gallatin City Council as an at-large member from 2013 to 2017. Additionally, Brackenbury was well-known for her work in local media and community organizations. She was a graphic designer and worked as an advertising consultant for The Tennessean, as publisher of The Gallatin Newspaper, and in 2008, Brackenbury helped launch The Hendersonville Standard. She also volunteered with numerous Sumner County organizations including Historic Downtown



Julie Brackenbury

**Kane Sesler** has retired as assistant chief for the Dickson Fire Department after 31 years with the department. Sesler began working with the Dickson Fire Department in 1995, working his way up through the ranks to assistant chief in 2017. During his tenure, Sesler received the distinguished service ribbon, lifesaving ribbon, and educational ribbon. Brent Ham has been selected as the new assistant



Kane Sesler

## Lt. Gov. Randy McNally announces retirement

After a 50-year career, Lt. Gov. Randy McNally has announced he will not seek re-election this fall.

McNally, who represents Tennessee Senate District 5, cited health concerns as the primary reason for his decision. McNally underwent emergency heart surgery in February 2023 where a pacemaker was installed and missed some of the 2024 legislative session after having a second surgery on an ankle.

"It has been the honor of my life to represent the people of my community and serve the people of Tennessee," McNally said in a statement via Facebook. "It is with a full heart and a deep sense of gratitude that I announce I will not be a candidate for the state Senate in 2026. My public service has been a team effort every step of the way. I offer my deepest thanks to the constituents I have served and to the members and staff with whom I have collaborated. My aim each day was to leave my state and my community a little better than I found them. Together, I believe we have done just that."

The Oak Ridge Republican has served in the 50th lieutenant governor of the state since his appointment in 2017. He was initially elected to the Tennessee State House representing House District 33 from 1979 until 1987. He was then elected to represent Senate District 5 in 1987, a position he has held since.

"Tennessee's success is due in no small part to the people I have served alongside every day,"



Lt. Gov. Randy McNally

positive impact on our state and the people who call Tennessee home," Haynes said.

Gov. Bill Lee said McNally and his wife, Jan, have been great friends to Lee and his wife, Maria, providing them comfort and kindness during some of their darkest days. Lee said McNally's legacy would continue to shape the future of the state.

"Lt. Gov. Randy McNally has faithfully served the people of Tennessee with conviction and humility," Lee said. "His steady leadership has guided our state through seasons of growth and change, and few statesmen have had as lasting and meaningful an impact. Since my first days of serving as governor, Randy has been a trusted mentor to me, generous with his counsel, and unwavering in his deep love for the Tennesseans he represents."

House Speaker Cameron Sexton thanked McNally for "a job well done."

"I've known Lt. Gov. Randy McNally for almost four decades," Sexton said. "My first job in politics was working on his campaign in 1994. It has been an honor to serve with him and be able to call him a mentor and a friend. His steady leadership, courage, and integrity have guided Tennessee through some of our toughest moments, and he always stood strong in those moments for all of us. Thank you to Jan and his children for the sacrifices they made so he could serve our great state."

McNally said. "It is the result of disciplined budgeting, conservative leadership, and a steadfast commitment to our citizens. We have maintained balanced budgets, built one of the largest rainy day funds in state history, cut taxes to spur economic growth, and made strategic investments in education and workforce development. At the same time, we have strengthened public safety, kept our debt low, and ensured responsible spending. That is how you build a state that works not just for today, but for generations to come. I am proud to have been part of that effort."

TML Executive Director Anthony Haynes noted that McNally has been a fixture at many of TML's Legislative Conferences, addressing membership on a wide variety of issues.

"Randy McNally will rank among the highest of Tennessee statesmen who made a lasting,

chief for the department.

**Bryson Masters** has been selected to fill a vacancy on the Red Boiling Springs City Council. A lifelong city resident and 2022 graduate of Red Boiling Springs High School, Masters has served for the past four years with the Red



Bryson Masters

Boiling Springs Fire Department, including taking on a leadership role as a training officer. He is presently taking classes for continuing EMT education as well as working for Tennessee Fence Solutions.

**Don Wright**, former Gallatin mayor and state lawmaker, died Tuesday, Feb. 24, 2026, at the age of 87. A native of Louisville, Ky., Wright graduated from Goodlettsville High School in 1968 and then served in the U.S. Army as

a military policeman from 1962 to 1964. After his military service, he worked as a pipefitter and taught drafting at a Lebanon trade school. Wright served in the Tennessee State Senate from 1992 to 1996 and then as mayor of Gallatin from 1997 to 2006.



Don Wright

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# Municipal leaders gather for TML Legislative Conference

See TML on Page 9 maintain excellence in budgeting, debt management, financial management, oversight and accountability, and reporting and transparency.

Kent Starwalt, executive vice president of the Tennessee Road Builders Association addressed members on the critical long-term needs the state is facing for its transportation infrastructure and some possible sources of funding to meet those needs.

Starwalt noted that more sustainable funding sources are needed than the gas and diesel fees, vehicle registration fees, sales taxes on tires, EV fees, and the occasional general fund transfers that have been used to fund TDOT.

Gas and diesel tax remains the biggest funding source for the state with nearly 70% of state revenues coming from that source – 40% of which is paid by motorists who don't live in Tennessee but travel through.

Inflation is the biggest challenge leading to fewer projects being financed, even with recent increases to the gas taxes.

Starwalt said some proposed funding sources to offset increased costs include a variable rate user fee, taxing rideshare services, taxing electric vehicle charging stations, general fund transfers, vehicle registration for all trailers, taxing retail package deliveries, vehicle miles traveled taxes, and road usage charges. Taking out bonds to finance roads has also been considered.

Kevin Hensley, director of public policy with the Tennessee Farm Bureau, spoke about the organization's efforts to support Resolution 2, a proposed constitutional amendment that would ban Tennessee's state government from collecting a property tax. Hensley clarified that the bill would not prohibit counties or municipalities from enacting property taxes.

Based on a [joint resolution](#)

passed by the Tennessee General Assembly, the amendment will be up for an initial vote in November 2026.

Tennessee Municipal Bond Fund President and CEO Wade Morrell also moderated a panel discussion on the future of the municipal bond market, featuring State Treasurer David Lillard, FirstBank President and CEO Chris Holmes, and TCRS Director of Fixed Income Markus Klar.

TML Deputy Director Chad Jenkins provided members with an update on the league's [legislative priorities](#) as well as bills to watch. Some of the key issues include:

- a proposed property tax cap ([SB 2064/HB 1837](#)),
- residential rental property protection ([SB 592/HB 648](#)),
- modernizing public notices ([SB 2450/HB 2114](#)), and
- TML's effort to restore the historic state-shared sales tax relationship ([SB 117/HB 909](#)).



From left to right, TML Executive Director Anthony Haynes, President and Bolivar Mayor Julian McTizic, First Vice President and Cleveland Mayor Kevin Brooks, and TML Second Vice President and Lawrenceburg Mayor Blake Lay during the meeting of the board of directors. Board members discussed both pending legislation and upcoming goals for the league during the spring board meeting.



Comptroller Jason Mumpower addresses city leaders on new initiatives and data available from his office.



Tennessee Road Builders Association Executive Vice President Ken Starwalt discusses the future of transportation infrastructure.



Tennessee Farm Bureau Director of Public Policy Kevin Hensley discusses a proposed constitutional amendment to ban a state property tax.



TML First Vice President and Cleveland Mayor Kevin Brooks, left, and TML At-Large Director and Clarksville Mayor Joe Pitts, right.



TML Executive Director Chad Jenkins updates members of the TML Board about legislation impacting municipalities.



**Above left:** Fayetteville Mayor Donna Hartman, left, is sworn in by TML President and Bolivar Mayor Julian McTizic, right. Hartman will represent Public Entity Partners (PEP) on the TML Board as a non-voting member.

**Above right:** From left to right, Tennessee Treasurer David Lillard, TML Executive Director Anthony Haynes, and FirstBank CEO and President Chris Holmes.

**Right:** From left to right, Chattanooga Mayor Tim Kelly, District 6 Director and Nolensville Vice Mayor Jessica Salamida, At-Large Director and Newport Mayor Roland Dykes, and District 8 Director and Millington Alderwoman Bethany Huffman listen to presentations during the board meeting.



# Municipal leaders gather for TML Legislative Conference



From left to right, Brownsville Mayor Bill Rawls, Brownsville City Planner Shelton Merrell, and Munford Mayor Dwayne Cole.



From left to right, Pulaski Economic and Community Development Director Phil Reese, City Administrator Ricky Keith, and Mayor J.J. Brindley.



**Above:** East Ridge Finance Director/CMFO Diane Qualls, left, and City Councilmember Aundie Witt, right.



**Right:** From left to right, Lebanon Finance Director/CMFO Lindsey Wolfenbarger, Engineering and Planning Department Executive Director Kristen Rice, and Mayor Rick Bell.



From left to right, Morristown Vice Mayor Tommy Pedigo, TML Second Vice President and Lawrenceburg Mayor Blake Lay, and Paris Commissioner Sam Tharpe.



Nashville District 14 Councilmember Brandon Huffman, left, and At-Large Councilmember Burkley Allen, right.



TML President and Bolivar Mayor Julian McTizic welcomes delegates to the first general session of the conference.



From left to right, Bolivar Councilwoman Caroline Miller, Selmer Alderwoman LaShell Moore, Selmer Alderwoman Felisha Porter, and Maury City Alderwoman Bobbie Wells.

# Municipal leaders gather for TML Legislative Conference



**Above:** Left to right, McKenzie Mayor Ryan Griffin, Paris Mayor Kathy Ray, Paris Commissioner Jacqueline Jones, and Paris Vice Mayor John Etheridge.



**Top Right:** Winchester Mayor Seth Crabtree, left, and City Administrator Beth Rhoton, right.



**Bottom Right:** Chattanooga Director of Intergovernmental and External Affairs Ellis Smith, left, and Constituent Services Coordinator Andrew Crockett, right.



Munford Vice Mayor Ray Deneka, left, and Atoka Mayor Barry Akin, right.



Bartlett Alderwoman Monique Williams, left, and Alderman Kevin Quinn, right.



Crossville City Manager Valerie Hale, left, and TML District 4 Director and Algood City Administrator Keith Morrison, right.



From left to right, TML First Vice President and Cleveland Mayor Kevin Brooks, Nashville Vice Mayor Angie Henderson, and TML At-Large Director and Newport Mayor Roland Dykes.



Three Way Mayor David Turner, left, and Alderman Danny Wade, right.



**Above:** TCMA President and Kingsport City Manager Chris McCartt, left, and TML Affiliate Director and Belle Meade City Manager Jennifer Moody, right.



**Top Left:** From left to right, Elizabethton Mayor Bill Carter, City Manager Daniel Estes, and Councilmember Deb Gouge.



**Bottom Left:** From left to right, Millington Mayor Larry Dagen, District 8 Director and Millington Alderwoman Bethany Huffman, and Alderman Thomas McGhee.

## STATE BRIEFS

The Tennessee Department of Transportation (TDOT) is expanding its successful HELP Program to assist motorists in rural areas of the state. With crashes in rural areas often more severe and hospitals often farther away, TDOT officials hope the patrols will fill a critical gap in emergency response coverage and provide security and peace of mind to travelers. Currently, TDOT's HELP Trucks patrol Tennessee's four largest urban areas—Nashville, Knoxville, Chattanooga, and Memphis. With this expansion, the Rural Service Program will launch this spring, starting with Region 2. By the summer of 2026, it will extend across all 4 regions, covering more than 870 miles of interstate.

The Tennessee Department of Environment and Conservation (TDEC) is now accepting applications for the Brownfield Redevelopment Area Grant (BRAG) program. For more information on the program, potential applicants can [download the updated grant manual](#), or [watch the 2026 BRAG overview webinar](#). Applications can be made online through the [TDEC website](#). For additional assistance or information, please reach out to [TDEC.Grants@tn.gov](mailto:TDEC.Grants@tn.gov).

Tennessee has been named the fourth most tax-friendly state in the country by [Consumer Affairs](#). The consumer review platform ranked all states across five major tax categories including income, sales, and property taxes with Tennessee earning the fourth spot for its lack of income tax and generally low-to-moderate tax rates across the other categories. Tennessee does have the highest alcohol tax in the country at \$1.29 per gallon and second-highest sales tax in the country at 7%, which the platform said was mitigated by generous tax breaks elsewhere. The state's property tax was also ranked the seventh lowest. Tennessee was outranked by Alaska, Wyoming, and New Hampshire.

Two new music surveys have been launched by state agencies to better define music ecosystems in Tennessee's Southern Middle and Upper Cumberland regions. The Tennessee Department of Economic and Community Development (TNECD), Tennessee Entertainment Commission, Tennessee Department of Tourist Development, Upper Cumberland Tourism, and Experience Tennessee are partnering on the initiative designed to bring musicians, venues, music industry professionals, and music nonprofits across Middle Tennessee together to gain a better understanding of the region's music

ecosystem. Similar initiatives have already been conducted in Northeast Tennessee and West Tennessee. You can learn more [online](#) or reach out to TNECD Director of Business Development Jimmy Wheeler at [jimmy.wheeler@tn.gov](mailto:jimmy.wheeler@tn.gov).

The section of Tennessee's Interstate 40 washed out during Hurricane Helene is expected to fully reopen in fall 2027, according to officials with the Tennessee Department of Transportation. The storm damage along the Pigeon River Gorge impacted parts of the interstate on both sides of the border between Tennessee and North Carolina. Repairs to the Tennessee side between mile markers 446 and 451 are moving more quickly than the North Carolina side, which officials said may not fully reopen until 2028. The interstate reopened in a limited capacity in March 2025 with one lane open in each direction at a 35-mile-per-hour speed limit. However, a rockslide in June 2025 stalled progress.

A historic farm near Chattanooga is going to become the newest Tennessee State Park. Gov. Bill Lee has proposed \$45.3 million to transform 1,300 acres of the McDonald Farm's total 2,100 acres into a new state park in Hamilton and Rhea Counties. At least 250 acres of the remaining land will still be owned by Hamilton County, including the fairgrounds area. The new park is expected to generate \$11 million in annual economic output and create 77 new jobs. Plans include camping and recreational amenities and a visitor's center. The site already features active agriculture, open air barns, an event barn, and an agriculture-themed play area.

Tennessee is only one of five states that saw average electric prices decrease year-over-year. AI data centers and winter weather are putting more pressure on electric grids and causing Americans nationwide to see an increase in electricity costs. Electricity prices rose faster than inflation in 2024, according to data from the Bureau of Labor Statistics. The Consumer price index (CPI) showed electric costs increased at a rate of 6.3% while general CPI or inflation only increased by 2.4%. On average, electricity prices rose 7.1% per kilowatt hour in 2025 with many states reporting electric costs jumping by double digits over the past year. This is the result of increased demand on systems from major consumers like AI data centers and extreme weather situations. Much of the country's electric grid is also aging and unable to keep up with demand.

## New reports from TACIR address homelessness, juvenile detention

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) has published new reports focused on improvements that can be made to address homelessness and juvenile detention capacity.

The TACIR report "[Improving Tennessee's Continuum of Care with Flexible Funding, Better Data, and Greater Collaboration across the State](#)," was established as part of a federal program through the U.S. Department of Housing and Urban Development to determine how the state's 10 Continuum of Care (CoC) are operating compared to other states and what improvements can be made.

Each of state's Tennessee's CoC cover at least one county and address homelessness, organizing funding applications, collecting data, and coordinating services.

[Key highlights](#) from the report show that flexible funding, enhanced data sharing, and greater coordination between CoCs and state agencies could improve performance.

"The CoCs face an enormous

challenge with limited resources, and as letting people remain homeless can cost a community more than it does to rehouse them. Preventing them from becoming homeless is better than trying to resolve it after the fact," the report stated.

Recommended findings from the report included appropriations from the General Assembly to incentivize homeless service organizations to participate in data reporting, to have the University of Tennessee's Social Work Office of Research and Public Service to aggregate data from all 10 CoCs, and to cover expenses not funded by the federal government.

TACIR also recommended re-establishing a state interagency council on homelessness with representation from all CoCs and state agencies to improve coordination.

The second TACIR report, "[Assessing Juvenile Detention Capacity in Tennessee](#)," looks to address concerns among state and local officials about whether there are enough facilities for housing

and providing rehabilitative services to youth who have been accused or convicted of serious crimes.

The [report noted](#) that juvenile crime has decreased overall in Tennessee during the last decade, though certain types of offenses for juveniles—specifically, murder, aggravated assault, motor vehicle theft, and crimes in which firearms were used—are increasing.

TACIR determined that \$333 million for three new juvenile detention facilities will meet post-adjudication needs, but that a new juvenile detention center could be used in West Tennessee with temporary beds for pre-adjudication.

TACIR also found more oversight needs to be built into the juvenile justice system by requiring local governments operating them to be licensed by DCS and to authorize the Tennessee Commission on Children and Youth and/or DCS to levy financial penalties on pre- and post-adjudication facilities that violate state or federal requirements.

## January 2025 state revenues \$27.2M above estimates

Tennessee revenues exceeded budgeted estimates for the month of January.

Department of Finance and Administration Commissioner Jim Bryson reported that total January tax revenues were \$2.1 billion, \$27.2 million more than the budgeted estimate and \$87.7 million more than January 2025. The total tax growth rate for the month was 4.45%.

General fund revenues were \$19.4 million more than the January estimate, while the four other funds that share in state tax revenues were \$7.8 million more than the estimates.

On an accrual basis, January is the sixth month in the 2025-2026 fiscal year.

"January tax receipts have aligned fairly well with our budget estimates and reflected strong growth compared to last year," said Bryson. "Sales tax revenues, driven by the December holiday shopping season, were slightly below our expectations but still demonstrated year-over-year growth. Corporate tax collections, including franchise and excise taxes, not only met but exceeded our expectations and continued to show an upward trend compared to last year's totals. Additionally, other tax revenues were generally in line with projections and grew healthily compared to the same period last year. Through the first half of

the fiscal year, collections have exceeded expectations, and we are encouraged by the continued strength in state revenues. However, we remain committed to closely monitoring economic conditions to proactively address any potential impact on our revenue performance."

On a year-to-date basis, August through January, total tax revenues are 1.33% greater than the budget estimate, or \$144.8 million above expectations. When compared to this same period last year, total tax revenues have grown 5.07% or \$531.8 million.

General fund revenues are 1.22% greater than the year-to-date budgeted estimate, or \$111.3 million higher. Likewise, general fund collections compared to this same period last year have increased 4.68% or \$411.8 million.

### Individual tax performance compared to January 2026 Budgeted Estimates:

- Sales Taxes: Below estimate by 0.24% or \$3.5 million
- Corporate Taxes (Franchise & Excise): Above estimate by 2.32% or \$6.7 million
- Fuel Taxes: Above estimate by 1.67% or \$1.8 million
- All other taxes: Above estimate by 13% or \$22.1 million

### Year-to-date performance com-

### pared to Budgeted Estimates:

- Sales Taxes: Above estimate by 1.62% or \$123.6 million
- Corporate Taxes (Franchise & Excise): Below estimate by 3.22% or \$51 million
- Fuel Taxes: Above estimate by 0.42% or \$2.8 million
- All other taxes: Above estimate by 7.02% or \$69.4 million

### Individual tax performance compared to January 2025:

- Sales Taxes: Up 4.31% or \$60.3 million
- Corporate Taxes (Franchise & Excise): Up 1.41% or \$4.1 million
- Fuel Taxes: Up 1.95% or \$2.1 million
- All other taxes: Up 12.4% or \$21.2 million

### Individual tax performance compared to August 2024 through January 2025:

- Sales Taxes: Up 4.25% or \$316.4 million
- Corporate Taxes (Franchise & Excise): Up 10.22% or \$142.1 million
- Fuel Taxes: Up 0.12% or \$0.8 million
- All other taxes: Up 7.36% or \$72.5 million

Monthly estimates for fiscal year 2025-2026 are [available on the state's website](#).

## No loan is too large or too small



The city of Collegedale has used various TMBF loan programs 15 times since December of 1988. The latest is for a \$3 million sewer system note issue, which closed in December of 2026. Seated: Collegedale Assistant City Manager/Finance Director Michelle Toro, left, and Collegedale Mayor Morty Lloyd, right. Standing: TMBF Marketing Representative Steve Queener.



The city of Munford has used the TMBF loan programs 11 times since December of 2005. The latest was for a public building authority loan in the amount of \$1.2 million for water and sewer system projects. Seated: Munford Mayor Dwayne Cole, left, and Munford City Recorder/Treasurer Sherry Yvelington. Standing: TMBF Marketing Representative Justin Hanson.



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# State property tax relief pushing local government budgets to the brink

By RILEY JUDD  
*Pew Charitable Trusts*

Property taxes have become a lightning rod for state policymakers who are facing public frustration over rising home costs, inflation, and housing affordability.

In the years following the pandemic, lawmakers have repeatedly pursued measures to [cut property taxes](#)—or even eliminate them. Such initiatives often bring new fiscal pressures and carry significant fiscal risks, particularly for local governments that depend on property taxes.

Adding to the complex mix, state leaders face a difficult balancing act when trying to address the affordability of homes. During years of [record revenue growth and surpluses](#), some used the [extra cash to pay for property tax relief](#). With budgets [now becoming strained](#), policymakers have limited ability to backfill local revenue lost to property tax cuts. As political and public pressure to address housing costs persist, several states that enacted property tax cuts in 2025 left it up to local governments to make up lost revenue.

Statewide property tax cuts in 2025 in Indiana, Ohio, and Wyoming are already straining local budgets. Indiana [passed](#) sweeping legislation to give homeowners \$1.2 billion in tax relief between 2026 and 2028 through an annual tax credit of up to \$300 on property tax bills and caps on local income tax rates, among other provisions. Those savings come at a cost to local government coffers—an estimated \$1.5 billion over a three-year period. Many localities now face [budget shortfalls](#) and are [enacting budget cuts](#) in response. [Accelerate Indiana Municipalities](#), which represents the state's cities and towns, is pushing the Legislature to consider [several changes](#) to the law during its 2026 session.

Counties and municipalities in Wyoming are also facing fallout from state legislation [that cuts property taxes](#) by 25% for up to \$1 million of a home's property value—without backfilling local governments for lost revenue. Public schools [could be the hardest hit](#). They receive roughly 70% of all property tax revenue in Wyoming with the rest going to local governments. The impacts of revenue losses are rippling through local government budgets, forcing cuts to [libraries](#), [city park maintenance](#), and [hospitals](#).

Local officials may have more to be concerned [about](#) in the 2026 legislative session. Wyoming lawmakers plan to [consider increasing the 2025 property tax cut](#) to 50%, while also exploring a [slate of property tax reforms](#) that go as far as [eliminating property taxes](#) and replacing them with sales and use taxes, pending voter approval. Wyoming's Legislative Service Office [projects](#) local governments and schools would collectively lose \$644 million per year in revenue if property taxes were eliminated, while the Department of Revenue [estimates](#) the proposed 2% sales tax increase (to 6% from the current 4%) intended to offset the losses would only bring in approximately

\$475 million annually.

Last fall, lawmakers in Ohio [overrode a veto by Gov. Mike DeWine](#) and enacted restrictions on local property tax increases. [Proponents said](#) the law, which eliminated two types of levies used by school districts and other local entities, will reduce voter confusion around similarly named levies they argue misled voters about what they're approving. Some [school districts](#), [libraries](#), and [other local entities](#) argue that the new limits will reduce local budget flexibility and lead to insufficient funding.

Ohio lawmakers [passed four bills](#) that will collectively provide more than \$2 billion in property tax relief, largely by capping property tax revenue growth, reconfiguring how school taxes are calculated, and allowing county budget commissions to reduce property tax levies [considered "excessive" or "unnecessary."](#)

Sen. Sandra O'Brien, chair of the Local Government Committee, [said](#) the measures "are a chance to show Ohio taxpayers that we hear their pleas for property tax relief." She has urged lawmakers to act amid growing pressure from grassroots organizers [gathering signatures](#) for a ballot measure to eliminate property taxes—an outcome she cautioned "would place Ohio at the edge of the abyss."

Locals are also contending with potential impacts. School officials have [sounded the alarm](#) these new laws could create serious cash flow issues and lead to teacher layoffs and service cuts. The Ohio Municipal League and Ohio Association of Professional Firefighters [warned](#) that one law's elimination of inside millage—the portion of property taxes local governments can levy without voter approval—would likely lead to budget shortfalls and force service cuts, layoffs, and deferred maintenance.

In Florida, Gov. Ron DeSantis, pushed to end property taxes in the 2025 legislative session. Although lawmakers stopped short of doing so, they did establish a bipartisan committee to study the issue. That committee has now [approved a slate of property tax reform proposals](#)—ranging from expanding homestead exemptions to eliminating [nonschool homestead property taxes](#)—that would go to voters in November if the proposals pass during the upcoming legislative session. Three measures are [up for final consideration](#) in the Florida House, but none has companion legislation in the state Senate, putting their prospects for enactment in question.

Many of the bills have generated pushback from [local leaders](#). [Fire departments](#) and [emergency services](#) are especially concerned because some proposals do not shield them from the impact of property tax cuts—unlike law enforcement and schools—leaving their budgets vulnerable.

Amid legislative uncertainty and concerns, property tax relief remains a priority for DeSantis. His proposed budget includes [\\$300 million](#) to offset the effects of homestead property tax cuts for fiscally constrained counties. DeSantis has also said he would call a [special session](#) if lawmakers don't put a constitutional amendment to eliminate property taxes on the November 2026 ballot.

Outright elimination leaves a big gap, according to separate analyses by the right-leaning [Tax Foundation](#) and left-leaning [Florida Policy Institute](#).

Each concluded lawmakers would have to at least double the state's general sales tax rate to replace the lost local revenue. At the same time, because economic shifts tend to affect [sales tax revenue](#) more than property tax revenue, relying on sales taxes to support services currently funded by property taxes could leave those services more vulnerable to cuts and disruptions during economic downturns.

Some counties and municipalities are proactively shoring up other sources of revenue. Several local governments have [increased service fees](#), which have tighter restrictions on how they can be spent than general tax revenues but can help offset rising costs and potential losses in property tax revenue.

Elsewhere, property tax relief for homeowners has come with local funding—for now. In Texas, voters last year [approved a \\$10 billion property tax relief package](#) that increases homestead and senior exemptions and boosts the business personal property tax exemption. The state plans to use mostly one-time surplus money to backfill school districts for the lost revenue through a process known as compression. Rice University's John Diamond [warned](#), the state has funded previous property tax reductions through surplus dollars, a one-time revenue source. [Texas Gov. Greg Abbott](#) has since called for even deeper property tax changes, including [elimination of school property taxes](#), [reduced caps on home assessment increases](#), and [increased limits](#) on local government spending and taxing authority.

In North Dakota, lawmakers in 2025 [more than tripled](#) the state's primary residence credit, limited annual local property tax increases to 3%, capped school tax hikes, and expanded relief for disabled veterans and renters. The \$473 million package draws on earnings from the state's [Legacy Fund](#) to backfill schools affected by the cap and establishes a model for future reductions as the fund grows. Gov. Kelly Armstrong said his long-term goal is to use the Legacy Fund, which was established in 2010 to set aside revenue from an oil extraction boom, to eventually eliminate property taxes for most homeowners.

Montana [took a different approach](#)—funding property tax relief for homeowners by increasing taxes on second homes, short-term rentals, and large commercial and industrial properties. The 2025 law establishes property tax tiers based on how a home's value compares to the statewide median, creates a new commercial property tax structure, and imposes a flat 1.9% tax rate on second homes and short-term rentals.

In Delaware, frustration with high property tax bills [boiled over](#) last summer after the state's three counties conducted reassessments for the first time in decades. That led to a special session that resulted in [a series of measures](#). More legislation is likely to come from a bipartisan special committee that's conducting a [comprehensive review](#) of the state's reassessment process.

Property tax relief efforts also could play out at the ballot box this year. In [Nebraska](#), a group is planning a petition to eliminate property, income, and inheritance taxes. [Michigan](#), [Ohio](#), and [Tennessee](#) are also seeing efforts to place property tax reform initiatives on the 2026 ballot.



## TENNESSEE FESTIVALS

**March 21: Bell Buckle**[Daffodil Day](#)

Every March, Bell Buckle bursts into full bloom with a colorful explosion of daffodils and marks the arrival of spring by inviting everyone to come enjoy a day full of fun, family-friendly activities.

**March 21: Erin**[64th Annual Irish Celebration](#)

The 64th Irish Celebration includes over 100 food and craft vendors, live music, a carnival with rides and games, and a Grand Parade with includes floats, old cars, and other entries.

**March 27-28: Linden**[Blooming Arts Festival](#)

Enjoy a vibrant showcase of art, live music, delicious food, and fun for all ages. Don't miss this spring tradition in the heart of Tennessee.

**April 9-11: Columbia**[Mule Day](#)

This weeklong event is an annual celebration of all things related to mules and is held in Columbia, the "Mule Capital" of the world.

**April 10-12: Beersheba Springs**[Trails and Trilliums](#)

Enjoy three days of guided hikes, workshops, and talks by 50 top naturalists from across the state.

**April 11: Cleveland**[Hot Slaw and Art Y'all](#)

A fun, unique, and unexpected festival combining art with the first official food of the state of Tennessee.

**April 11: Germantown**[5th Annual Bluebird Nature Fest and Crawfish Boil](#)

This event will showcase the Eastern Bluebird and highlight the conservation efforts Germantown has made to protect this species.

**April 12: Clinton**[Mosaic Arts Festival](#)

Kick off the day with a color run and stick around for all things art inspired as they celebrate art around the world.

**April 16-19: Johnson City**[Johnson City Jazz Festival](#)

The 8th annual Johnson City Jazz Festival will feature internationally and regionally acclaimed jazz bands in a 4-day event.

**April 18: Fayetteville**[Slawburger Festival](#)

Celebrating the rich history of the unique sweet and tangy mustard-based slaw served on an all-beef burger.

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# BluewaysTN seeks local input to develop recreation, tourism

By KATE COIL  
TT&C Assistant Editor

A new blueways master plan is bringing state funding and resources to municipalities seeking more recreation, tourism, and economic development along 15 major waterways in Tennessee.

The [BluewaysTN initiative](#) was outlined in Gov. Bill Lee's 2024 State of the State address with the ultimate goal of strategically conserving, developing, and supporting recreational waterways. A blueway is another name for a water trail or water-based recreational corridor, often designated for activities such as kayaking, canoeing, boating, fishing, and other water-related activities.

For the initiative, five major waterways were selected in each of the state's three grand divisions. The Hatchie, Wolf, Middle Fork Forked Deer, South Fork Forked Deer, and Obion rivers were selected for West Tennessee. In Middle Tennessee, the Duck, Buffalo, Caney Fork, Sequatchie, and Harpeth rivers were selected. In East Tennessee, the initiative will focus on the Hiwassee, Clinch, French Broad, Nolichucky, and Emory rivers.

Brian Clifford, deputy commissioner for the Bureau of Conservation within the Tennessee Department of Environment and Conservation (TDEC), said the initiative is looking at conservation, access, and community engagement along these waterways. A \$15 million investment from the Tennessee General Assembly and Gov. Bill Lee will focus on the initial 15 rivers.

"Tennessee has more than 60,000 miles of rivers and streams, so we knew we were unique in the country in terms of waterways," Clifford said. "Coming from the Appalachian Mountains in the east to the Mississippi Delta in the west, we have waters for everyone, whether you want extreme white-water adventure or a nice slow paddle. We realized we needed to do something with our waterways, which led to conversations across the state and mainly in rural communities about what they wanted to see in their outdoor spaces."

Jamison Sliger, blueways coordinator with the Office of Outdoor Recreation, said the 15 rivers were selected by a steering committee based on how suited to development they are, the level of development already existing on the rivers, and if the waterways are accessible year-round. However, the hope is that the initiative will eventually expand.

Clifford said just about every community talked about recreation on local waterways, showing there is a statewide demand for more blueway development. The state is working on a plan for both the overall initiative as well as deeper dives into each of the priority rivers. Part of the planning process includes asset development, access points, signage, branding, wayfinding, and on-river information.

"We believe the coverage reaches 92 of the state's 95 counties based on reasonable drive time to access points," he said. "Benefits we hope to see out of



Approximately 75 miles of the more than 100 miles of the Wolf River in both Tennessee and Mississippi is already open to paddling. The municipalities of La Grange, Moscow, Rossville, Piperton, Collierville, Germantown, and Bartlett are all along the river, which spills into the Mississippi in downtown Memphis. As a result, the Wolf River has the potential to provide a blueway with recreational opportunities in both urban and rural settings. (Photo by Wolf River Conservancy)



A total of 15 rivers - 5 in each grand division - have been selected as part of the BluewaysTN Initiative. The TDEC project will focus on developing tourism, recreation, and local economies with potential for future expansion to other state waterways. (Map by BluewaysTN)

the program include health improvements, tourism, economic development, local job creation, and conservation efforts around these rivers. A big goal is to make rivers a destination people want to come to. If visitors come, they are going to spend money on gas, food, guides, equipment, and hospitality. That money stays in the community."

Sliger said the statewide planning phase is largely complete with focus shifting to specific plans for individual rivers. Based on [survey feedback](#) from communities, Sliger said TDEC will work with a planning firm to develop recommendations for how each river should be developed.

"Each river has its own DNA, waterflow, culture, and heritage," he said. "We talk to people who grew up on these rivers, fishing with their grandfathers and learning to swim. We want to keep telling the stories of these



A view of the Duck River Dam from Columbia's Riverwalk. The most biologically diverse river in North America, the Duck River is home to 50 species of freshwater mussels and 151 species of fish and also frequently cited as one of the most endangered waterways in the country. (Photo by Visit Columbia)

communities via blueways. Our planners are out in the field right now looking at the rivers and classifying them. With that data, we are going to create a public-facing landing page so people can plan their trips depending on what kind

of rapids they want to experience and how long they want to spend on the water."

Sliger said one of the biggest barriers they have discovered to blueway recreation is a lack of information.

"People need to be prepared when they get there to enjoy the trip," he said. "Blueways are a bit different than hiking trails. If you don't enjoy a hiking trail, you can turn around and go back to your car. If you're on a river, that's a little harder."

Through data collection, Sliger said more than 380 existing access points have been identified across the 15 rivers, as well as where future access points could be developed. Many of these enhancements are in more urban areas, and Sliger said there is a goal of developing new and enhancing existing access points in more rural communities.

Another asset being developed as part of the project is mapping streambanks to determine their impact on water quality. The map will show potential risk areas so that mitigation projects, like riparian buffers, can be developed. The tool will be available to local communities and agencies like USDA and utilities.

Sliger said the initiative also aims to get local officials to think about their rivers in new ways.

"These rivers provide power and a way to travel in these communities, and more than likely

the primary reason for the location of these communities. A river is a natural resource, provides power, and a way to travel. As we have expanded technology, we are getting away from rivers for those original needs, but they now fill a recreational need, which is good for our health. This natural resource can help both local residents and visitors. Having leadership buy-in helps us build a future for these blueways that is environmentally sound, with stewardship and recreation."

While some conversations are already underway with local officials, Sliger said TDEC is eager to assist community leaders who want to get involved in the initiative. He encouraged those leaders, residents, and business owners to also [take the survey](#).

"The more data we have, the more information we know, and the better recommendations we can make," Sliger said. "The notion and movement for this is really spurred from the communities and our citizens. The more input and buy-in we have, the more we can get right. Once we are done with these individual river recreation plans, they will be available to local governments who can then take those plans to apply for recreation grants that our office provides."

To learn more about the initiative and how to participate, contact Jamison Sliger at [615-313-5165](tel:615-313-5165) or [Jamison.Sliger@tn.gov](mailto:Jamison.Sliger@tn.gov).



The Clinch River near Tazewell has become a popular destination for paddlers and floaters. While the 340-mile river begins in Virginia, it has long been a major resource for East Tennessee, ultimately flowing into the Tennessee River near Knoxville. Also a popular fishing destination - particularly around Norris Dam - the Clinch is home to 40 varieties of freshwater mussels and 19 rare fish species. (Photo by Visit Knoxville)