



AGENDA ACTION FORM

Consideration of a Resolution Adopting the Fleet Internal Service Fund Financial Management Policy

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-260-2026

Work Session: August 31, 2026

First Reading: N/A

Final Adoption: September 1, 2026

Staff Work By: Travis Bishop

Presentation By: Travis Bishop

Strategic Focus Area: 1. Efficient & Responsive Government

Recommendation:

Approve the Resolution

Executive Summary:

The City of Kingsport maintains a Fleet Internal Service Fund. The fund provides for two components:

1. Fleet Operations – Provides centralized garage services, including preventive maintenance, repairs, diagnostics, parts procurement and inventory, outsourced specialty repairs, fleet administration, and other related fleet services.
2. Fleet Replacement – Provides funding for the replacement of vehicles and large equipment at the end of their useful lives through a monthly depreciation recapture or rental fee charged to the using department.

The proposed policy formally establishes the financial management framework, billing structure, funding methodology, operational responsibilities, and governance requirements for the Fleet Fund. The policy also establishes procedures for maintaining replacement reserves, conducting annual inflation reviews, addressing underfunded assets, and completing a comprehensive review of useful life assumptions, reserve sufficiency, and inflation trends every two years.

Attachments:

1. Resolution
2. Fleet Internal Service Fund Financial Management Policy
3. Vehicle and Equipment Replacement Form

	Y	N	O
Baker	—	—	—
Byers	—	—	—
Clifton	—	—	—
Duncan	—	—	—
Isaacs	—	—	—
Phillips	—	—	—
Montgomery	—	—	—