

## FAYETTE COUNTY LEGISLATIVE BODY

JULY 22, 2014

**BE IT REMEMBERED** that the Fayette County Legislative Body met in regular session at the Bill G. Kelley Criminal Justice Complex in Somerville, Tennessee, on the 22<sup>nd</sup> day of July, 2014. Present and presiding was Chairman Rhea Taylor. Also present were the following: Sue W. Culver, County Clerk; James R. "Bobby" Riles, Sheriff; and the following County Commissioners: Ed Allen, Joann Allen, Steve Anderson, Charles Brewer, Odis Cox, Charles "Chuck" Dacus, Lee "Sissy" Dowdle, Willie German, Jr., Reggie Howard, Bill Kelley, Terry Leggett, Sylvester Logan, David Lillard, Claude Oglesby, Steve Reeves, Ray Seals, Larry Watkins and Myles Wilson.

A quorum was declared with eighteen Commissioners present. Commissioner Judy Karcher was absent.

The floor was opened to the public to speak on non-agenda items. With no one coming forth the floor was closed.

Commissioner Leggett moved to approve the minutes with two corrections pointed out by Commissioner Joann Allen. The motion was seconded by Commissioner Logan and passed unanimously.

John Pitner, Director of Planning and Development, presented a request for rezoning a 3.01 acre piece of property for the Fayette Corner Church of God in Christ from R-1 to Special Activity-Cemetery. The Planning Commission gave a favorable recommendation for this rezoning.

The floor was opened for the public to address this rezoning. The pastor of the church spoke "FOR" the rezoning and stated that the church owns more than 24 acres of property at the location. There are plans to build a new sanctuary and meeting rooms along with the cemetery. There will be a fence and hedges surrounding the cemetery to comply with adjoining landowners' request. With no one speaking "AGAINST" the rezoning, the floor was closed.

Commissioner Logan moved that the rezoning be approved. The motion was seconded by Commissioner Reeves and passed unanimously.

RESOLUTION

A RESOLUTION TO AMEND THE FAYETTE COUNTY ZONING MAP TO REZONE FROM R-1 RURAL RESIDENTIAL TO SA-C SPECIAL ACTIVITY CEMETERY A CERTAIN TRACT OF LAND LOCATED ON FAYETTE CORNER DRIVE IN CIVIL DISTRICT NUMBER 3

WHEREAS, pursuant to Tennessee Code Annotated Sections 13-7-101 and 13-7-102 The Fayette County Board of Commissioners has adopted a Zoning Resolution and Zoning Map for Fayette County; and

WHEREAS, pursuant to Tennessee Code Annotated Sections 13-7-105 the Fayette County Board of Commissioners is empowered to amend the number, shape, boundary, area or any regulation of or within any district or districts or any other provision of the zoning resolution following submission of the amendment to the regional planning commission for its approval, disapproval or suggestions and following a public hearing at least fifteen (15) days notice of the time and place of which is given by one (1) publication in a newspaper of general circulation in the county; and

WHEREAS, pursuant to Article IV of the Fayette County Zoning Resolution a public hearing was held on the proposed Amendment by the Fayette County Regional Planning Commission on June 2, 2014, the time and place of which was published with at least five (5) days advance notice in the Fayette Falcon newspaper of general circulation in Fayette County; and

WHEREAS, pursuant to Tennessee Code Annotated Section 13-7-105 and Article IV of the Fayette County Zoning Resolution a public hearing was held on the proposed Amendment by the Fayette County Board of Commissioners on July 22, 2014, the time and place of which was published with at least fifteen (15) days advance notice in the Fayette Falcon newspaper of general circulation in Fayette County;

NOW, THEREFORE, BE IT RESOLVED BY THE FAYETTE COUNTY BOARD OF COMMISSIONERS, IN REGULAR SESSION ASSEMBLED THIS 22<sup>nd</sup> DAY OF JULY, 2014:

SECTION 1. That the following described tract of land of 3.80 acres owned by the Fayette Corner Church of Christ (Deed Book 701, Page 66, in the Office of the Fayette County Register) on the northeast side of Fayette Corner Drive identified as part of Parcel 19.00 on Tax Map 27 be rezoned from R-1 RURAL RESIDENTIAL TO SA-C SPECIAL ACTIVITY CEMETERY:

Beginning at a point in the centerline of Fayette Corner Drive, said point being the southern-most southwest corner of the 54.734 acre tract conveyed to the Fayette Corner Church of God in Christ by instrument recorded in the Office of the Fayette County Register at Deed Book 701, Page 66, from said Point of Beginning South 89 degrees 34 minutes 13 seconds East along the south line of the Fayette Corner Church of God in Christ tract a total of 982.12 feet to a one-half inch iron rod at the southern-most southwest corner of a 30.00 acre tract conveyed by the Fayette Corner Church of God in Christ to Willie L. German and Lucinda B. German by Instrument Number 09004673 recorded in the Office of the Fayette County Register; thence North 01 degree 15 minutes 35 seconds West along the severance line with German 585.62 feet to an iron rod in the east line of the Fayette Corner Church of God in Christ; thence South 64 degrees 23 minutes 40 seconds West 104.67 feet to an iron rod in the interior of the Fayette Corner Church of God in Christ tract; thence South 33 degrees 57 minutes 09 seconds East 257.12 feet to an iron rod in the interior of the Fayette Corner Church of God in Christ tract; thence South 22 degrees 25 minutes 46 seconds East 242.88 feet to an iron rod in the interior of the Fayette Corner Church of God in Christ tract; thence South 00 degrees 29 minutes 18 seconds East 50.10 feet to a point located 50.00 feet north of the south line of the Fayette Corner Church of God in Christ tract; thence North 89 degrees 34 minutes 13 seconds West 690.79 feet to a point in the centerline of Fayette Corner Drive; thence South 27 degrees 24

minutes 51 seconds East along the centerline of Fayette Corner Drive 56.54 feet to the Point of Beginning and containing 3.80 acres.

SECTION 2. That this Resolution shall become effective the day following its adoption, THE PUBLIC WELFARE REQUIRING IT.

Commissioner Brewer moved that the following be elected Notaries Public: Sandra Z. Brown, Vanda S. Freeman, Marcia S. Gripp, Lisa Hewett, Edith D. Mallett, Molly McCarley, James H. Puryear, III, Sharon Darsaw Puryear, Kathy J. Shemwell, Kathy T. Smith and Carol A. Whitenton. The motion was seconded by Commissioner Seals and passed unanimously.

Commissioner German moved to retain the following in their respective districts on the Public Works Board:

Name	District
Hank Franck, Chairman	1/ 2/ 3
Wesley Parks, Jr	4/ 5/ 6
Andrew Avery	7/ 8/ 9
Russell Wicker	10/11/12
Jimmy Jordan	13/14/15

The motion was seconded by Commissioner Wilson and passed unanimously.

Chairman Taylor stated that the end of the year financial reports were included in Commissioners' packets. Any questions should be directed to the appropriate official.

Chairman Taylor then reported for the County Mayor's Office. Information on the progress of the new elementary school was presented and Commissioners were told that the school is on target to meet the Contract End Date of December 9, 2014. Also it is predicted that the school will come in \$100,000 under budget. Also, a draft of the Budget for the Board of Education was available for review. The Board of Education is going to meet on Monday evening, July 28, 2014 and the budget is expected to be approved at that time.

Mayor Taylor touched on the "Tennessee Promise" scholarship which will launch with the graduating class of 2015. This will give students who graduate from a Tennessee eligible high school to attend an in-state public or private secondary school which offers an associate's degree to attend that school free of charge. Information explaining requirements was handed out during the meeting, and the matter will be discussed further at the Education and Budget Committee meetings next month.

There will be a "Stuff the Bus" event on the parking lot at the Oakland Walmart store during the "tax-free" weekend on August 2, 2014, for those wishing to donate school supplies to Fayette County students.

Mayor Taylor then introduced Libby McKnight, FNP and owner of the McKnight Clinic in Somerville who spoke regarding a petition to keep Methodist Fayette Hospital open. Ms. McKnight stated that she has amassed over 2,000 signatures on the petition and is working to get 10,000. She asked for the Commission's help in keeping the hospital open because the emergency service provided there saves lives, even if patients are stabilized and then moved to a larger facility. Ms. McKnight stated that the hospital has

always lost money, but that government subsidies were available in previous years to keep it going. However, that's not the case anymore. The hospital is on target to close January 1, 2015 without some financial intervention.

No reports were given from the Sheriff's Department, Board of Education, Juvenile Court, Board of Public Works, Trustee's Office, or Planning and Development.

Commissioner Wilson reported for the Development Committee which met on July 8, 2014. The Committee discussed the Adoption of the 2012 building code, which must be adopted by the end of the year. Also discussed was the Industrial Development Board request to re-issue a bond for \$3,350,000 to refinance a previously awarded bond. The request was granted by the Industrial Development Board because the Revenue Bond is only between the borrower, Fayette Academy, and the lender, the Bank of Fayette County. The Committee approved the request and forwarded it to the Budget Committee.

Commissioner Leggett reported for the Health and Welfare Committee which met on July 6, 2014. The Committee reviewed the ambulance service run and financial reports for June.

Commissioner Oglesby reported that the Personnel Committee did not meet.

Commissioner Lillard stated that the Education Committee did not meet.

Commissioner Anderson reported for the Criminal Justice and Public Safety Committee, which met on July 7, 2014. The Committee reviewed a request from the Sheriff to auction off some surplus cars, computer equipment and miscellaneous items on August 22, 2014. Motion was made by Commissioner Wilson, seconded by Commissioner Leggett to allow the auction. The motion passed unanimously.

**FAYETTE COUNTY SHERIFF'S OFFICE VEHICLE SALE**

The Fayette County Sheriff's Office will sell the following vehicles at the Sheriff's Office on August 22, 2014 at 10:00 a.m., at the Criminal Justice Center, 705 Justice Drive, Somerville, TN, 38068 on the west side of the CJC.

Vehicles will be sold to the highest bidder on sale day for cash or certified check. Vehicle may be inspected (but not started) one hour prior to sale.

The Fayette County Sheriff's Department reserves the right to accept or refuse any or all bids.

The following vehicles will be sold:

**SEIZED VEHICLES**

<b>VIN#</b>	<b>YEAR</b>	<b>MAKE/MODEL</b>	<b>SEIZED FROM</b>
1GCEK19TXYZ249139	2000	CHEVROLET 1500	RICHARD D. PHILLIPS
1G6CD53B6N4244802	1992	CADILLAC DEVILLE	SOMERS SULLIVAN
1GKDT13WOY2284927	2000	GMC JIMMY	WILLIAM L. OLIVER
2G2FV22P1V2206892	1992	PONTIAC TRANS AM	HAILEY HINES
1GCDK14K5LZ158525	1990	CHEVROLET C1500	MARSHALL MAJOR
JH2ME03341M310338	2001	HONDA CR250R	MARSHALL MAJOR

**FAYETTE COUNTY SHERIFF'S DEPT. VEHICLES**

2002	FORD CROWN VIC	2FAFP71W53X171758
2005	FORD CROWN VIC	2FAFP71W95X174388
2001	FORD CROWN VIC	2FAFP71W31X132387
2002	FORD CROWN VIC	2FAFP71W82X147999
2003	FORD CROWN VIC	2FAHP71W93X185168

**MISC. SHOP ITEMS**

**MISC. OFFICE EQUIPMENT**

The Committee also heard a proposal to allow the payment of the local portion of the car tag fee for volunteer firemen who met the criteria of an active participant. The pros and cons of such an incentive were discussed and will be brought back next month.

Commissioner German reported for the Budget Committee which met on July 7, 2014.

The Committee received a request from Fayette County Animal Rescue for \$5,000 in the upcoming fiscal year budget. The matter was recommended for approval and will be considered in budget discussions in the next month.

The Chamber of Commerce also requested \$32,087 for the coming year. This will be discussed at next months meeting.

The Committee was given an overview of where the County may end the year. The expectation is for about \$200,000 in revenues over expenses.

The Budget Committee also discussed putting members on the Audit Committee. After discussion it was decided to put the matter on the agenda for the August meeting.

Commissioner German stated that the Industrial Development Board has granted a request by Fayette Academy to reissue a revenue bond for \$3,350,000 to refinance a previously awarded bond, and to have the bond Bank Qualified, which requires the approval of the County Commission. Commissioner moved that the request be approved. The motion was seconded by Commissioner Lillard and passed on majority vote. Commissioner Ed Allen voted "NO", and Commissioner Reeves abstained.

BE IT REMEMBERED that the Board of County Commissioners of Fayette County, Tennessee, met in regular session at 7:00 p.m. on the 22nd day of July, 2014, at its regular meeting place in the Bill Kelley Criminal Justice Complex in Somerville, Tennessee. Present were Rhea Taylor, County Mayor, and the following named Commissioners:

Present:

Absent:

Mayor Taylor, presiding, noted that a quorum was present. Commissioner \_\_\_\_\_ moved for the adoption of the following resolution, which was seconded by Commissioner \_\_\_\_\_, and after due discussion, was put to a roll call vote, the result of which was as follows:

Commissioners voting "Aye":

Commissioners voting "No":

Commissioners not voting:

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF FAYETTE  
COUNTY, TENNESSEE ACKNOWLEDGING THE ISSUANCE OF BONDS BY THE  
FAYETTE COUNTY INDUSTRIAL DEVELOPMENT BOARD OF FAYETTE  
COUNTY, TENNESSEE AND AUTHORIZING THE DESIGNATION OF SUCH BONDS  
AS BANK-QUALIFIED**

**WHEREAS**, Fayette Academy, a Tennessee not-for-profit 501(c)(3) corporation (the "School") operates a school and related activities on a campus located at 15090 Highway 64, Somerville, Tennessee; and

**WHEREAS**, the Fayette County Industrial Development Board of Fayette County, Tennessee (the "Issuer") previously issued its Revenue Bond, Series 2010 (Fayette Academy Project) on May 7, 2010 (the "Series 2010 Fayette Academy Bond"), at the request of and for the benefit of the School for the purpose of providing financing for the acquisition, construction and equipping of improvements to the School's campus, including, but not limited to, construction of a new gymnasium with a stage for performances, installing new lights for the football and baseball fields, bricking up the front of existing buildings, filling in an old lagoon and construction of a softball field (collectively the "2010 Project"); and

**WHEREAS**, the School would like to refinance the balance outstanding on the Series 2010 Bond and, to the extent legally permissible, the outstanding amount of an additional note ("Promissory Note") entered into by the School to pay for certain cost overruns relating to the 2010 Project; and

**WHEREAS**, the School would also like to make additional capital improvements to its campus, including but not limited to, improving existing parking areas and creating additional parking areas, acquiring and installing security and intercom upgrades, improving playground areas, and acquiring and installing new playground equipment (collectively, the "2014 Project"); and

**WHEREAS**, the Issuer is being requested by the School to issue its tax-exempt bond (the "Series 2014 Fayette Academy Bond") during calendar year 2014 in an amount not-to-exceed \$3,350,000 in order to (i) refund the Series 2010 Fayette Academy Bond and, if permissible, the School's Promissory Note for cost overruns, (ii) provide financing for the 2014 Project, and (iii) pay costs of issuance of the Series 2014 Fayette Academy Bond; and

**WHEREAS**, the Issuer desires that the Series 2014 Fayette Academy Bond be a "qualified 501(c)(3) bond" and under Section 265(b)(3) of the Internal Revenue Code of 1986, as

amended (the "Code"), and qualified 501(c)(3) bonds may be designated as bank-eligible investments if the Issuer otherwise qualifies as a \$10,000,000 or less bond issuer for the calendar year, and the bonds are designated as bank-eligible investments; and

**WHEREAS**, the Issuer is a subordinate entity to Fayette County, Tennessee (the "County") and the County can allocate a portion of its bank-qualified capacity to a subordinate entity that expects to issue tax-exempt bonds; and

**WHEREAS**, it is not expected that the total amount of the 2014 Fayette Academy Bond, together with any other tax-exempt obligations of Fayette County issued during calendar year 2014 that count against the County's bank-qualified capacity for calendar year 2014 will exceed \$10,000,000, and as a result, all such tax-exempt obligations may be designated as "bank-qualified";

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FAYETTE COUNTY, TENNESSEE, AS FOLLOWS:**

1. The Board hereby acknowledges that the Issuer expects to issue tax-exempt bonds in calendar year 2014 in an amount not-to-exceed \$3,350,000 to (i) refund the Issuer's Series 2010 Fayette Academy Bond, issued at the request of and for the benefit of School, and to the extent legally permissible, the School's Promissory Note for cost overruns, (ii) provide moneys for additional capital improvements on the campus of the School as described above, and (iii) pay costs of issuance of the Series 2014 Fayette Academy Bond.

2. The County does not expect to issue tax-exempt obligations during 2014 that count against its bank-qualified capacity in an aggregate amount which, when combined with the Series 2014 Fayette Academy Bond, will exceed \$10,000,000.00. As a result, all such tax-exempt obligations of the County (including the Series 2014 Fayette Academy Bond) may be designated as "bank-qualified", and the County hereby authorizes the Issuer to designate the Series 2014 Fayette Academy Bond as "bank-qualified" pursuant to Section 265(b)(3) of the Code.

3. The County Mayor is authorized and directed to execute and deliver all documents necessary or appropriate to evidence the intent of the County as to the statements made herein.

Passed and approved this 22nd day of July, 2014.

\_\_\_\_\_  
Rhea Taylor, County Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
Sue Culver, County Clerk

4822-5604-3034, v. 2

Chairman Taylor asked that the following reports be read into the minutes.

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b>	
Name:	Fayette County, Tennessee
Address:	P.O. Box 218 Somerville, Tennessee 38068
Debt Issue Name:	County General Fund Tax Anticipation Note, Series 2014
<small>If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.</small>	
<b>2. Face Amount:</b> \$ 500,000.00	
Premium/Discount:	\$ 0.00
<b>3. Interest Cost:</b> 0.6000 % <input checked="" type="checkbox"/> Tax-exempt <input type="checkbox"/> Taxable	
<input checked="" type="checkbox"/> TIC <input type="checkbox"/> NIC <input type="checkbox"/> Variable: Index _____ plus _____ basis points; or <input type="checkbox"/> Variable: Remarketing Agent _____ <input type="checkbox"/> Other: _____	
<b>4. Debt Obligation:</b>	
<input checked="" type="checkbox"/> TRAN <input type="checkbox"/> RAN <input type="checkbox"/> CON <input type="checkbox"/> BAN <input type="checkbox"/> CRAN <input type="checkbox"/> GAN <input type="checkbox"/> Bond <input type="checkbox"/> Loan Agreement <input type="checkbox"/> Capital Lease	
<small>If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").</small>	
<b>5. Ratings:</b>	
<input checked="" type="checkbox"/> Unrated Moody's _____ Standard & Poor's _____ Fitch _____	
<b>6. Purpose:</b>	
	<small>BRIEF DESCRIPTION</small>
<input checked="" type="checkbox"/> General Government 100.00 %	Funding cumulative cash flow deficits in the CG Fund
<input type="checkbox"/> Education _____ %	_____
<input type="checkbox"/> Utilities _____ %	_____
<input type="checkbox"/> Other _____ %	_____
<input type="checkbox"/> Refunding/Renewal _____ %	_____
<b>7. Security:</b>	
<input type="checkbox"/> General Obligation <input type="checkbox"/> General Obligation + Revenue/Tax <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Tax Increment Financing (TIF) <input type="checkbox"/> Annual Appropriation (Capital Lease Only) <input type="checkbox"/> Other (Describe): _____	
<b>8. Type of Sale:</b>	
<input type="checkbox"/> Competitive Public Sale <input type="checkbox"/> Interfund Loan _____ <input type="checkbox"/> Negotiated Sale <input type="checkbox"/> Loan Program _____ <input checked="" type="checkbox"/> Informal Bid	
<b>9. Date:</b>	
Dated Date: 07/18/2014	Issue/Closing Date: 07/18/2014

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2015	\$500,000.00	0.6000 %		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 6,600	Glanklor Brown, PLLC
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____%	\$ 0	
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
<b>TOTAL COSTS</b>	<b>\$ 6,600</b>	

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT	FIRM NAME
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other		

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?  Yes  No

Is there a continuing disclosure obligation agreement related to this debt?  Yes  No

If yes to either question, date that disclosure is due \_\_\_\_\_

Name and title of person responsible for compliance \_\_\_\_\_

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 10/25/2011

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 07/22/2014 and presented at public meeting held on 07/22/2014

Copy to Director to OSLE: on 07/22/2014 either by:

Mail to: \_\_\_\_\_ OR  Email to: [StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)

505 Deshaun Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARED BY
Name	<u>Rhea Taylor</u>	<u>B. Douglas Earhman</u>
Title	<u>County Mayor</u>	<u>Member</u>
Firm		<u>Glankler Brown, PLLC</u>
Email	<u>rtaylor@fayette.tn.us</u>	<u>dearthman@glankler.com</u>
Date	<u>07/18/2014</u>	<u>07/18/2014</u>

**REPORT ON DEBT OBLIGATION**

(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b> Name: <u>Fayette County, Tennessee</u> Address: <u>P.O. Box 218</u> <u>Somerville, Tennessee 38068</u> Debt Issue Name: <u>General Purpose School Fund Tax Anticipation Note, Series 2014</u> <small>If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.</small>					
<b>2. Face Amount:</b> \$ <u>2,000,000.00</u> Premium/Discount: \$ <u>0.00</u>					
<b>3. Interest Cost:</b> <u>0.6000 %</u> <input checked="" type="checkbox"/> Tax exempt <input type="checkbox"/> Taxable <input checked="" type="checkbox"/> TIC <input type="checkbox"/> NIC <input type="checkbox"/> Variable: Index _____ plus _____ basis points; or <input type="checkbox"/> Variable: Remarketing Agent _____ <input type="checkbox"/> Other: _____					
<b>4. Debt Obligation:</b> <input checked="" type="checkbox"/> TRAN <input type="checkbox"/> BAN <input type="checkbox"/> CON <input type="checkbox"/> BAN <input type="checkbox"/> CRAN <input type="checkbox"/> GAN <input type="checkbox"/> Bond <input type="checkbox"/> Loan Agreement <input type="checkbox"/> Capital Lease <small>If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").</small>					
<b>5. Ratings:</b> <input checked="" type="checkbox"/> Unrated Moody's _____ Standard & Poor's _____ Fitch _____					
<b>6. Purpose:</b> <input type="checkbox"/> General Government _____ % <input checked="" type="checkbox"/> Education <u>100.00</u> % <input type="checkbox"/> Utilities _____ % <input type="checkbox"/> Other _____ % <input type="checkbox"/> Refunding/Renewal _____ %	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">BRIEF DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td><u>Funding cumulative cash flow deficits in the GPS Fund</u></td> </tr> <tr> <td> </td> </tr> <tr> <td> </td> </tr> </tbody> </table>	BRIEF DESCRIPTION	<u>Funding cumulative cash flow deficits in the GPS Fund</u>		
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<b>7. Security:</b> <input type="checkbox"/> General Obligation <input type="checkbox"/> General Obligation + Revenue/Tax <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Tax Increment Financing (TIF) <input type="checkbox"/> Annual Appropriation (Capital Lease Only) <input type="checkbox"/> Other (Describe): _____					
<b>8. Type of Sale:</b> <input type="checkbox"/> Competitive Public Sale <input type="checkbox"/> Interfund Loan _____ <input type="checkbox"/> Negotiated Sale <input type="checkbox"/> Loan Program _____ <input checked="" type="checkbox"/> Informal Bid					
<b>9. Date:</b> Dated Date: <u>07/18/2014</u> Issue/Closing Date: <u>07/18/2014</u>					

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2015	\$ 2,000,000.00	0.6000 %		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

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If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source MUST BE PREPARED AND ATTACHED. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 7,100	Glankler Brown, PLLC
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____ %		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
<b>TOTAL COSTS</b>	<b>\$ 7,100</b>	

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-251)

**12. Recurring Costs:**

No Recurring Costs

	AMOUNT	FIRM NAME
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other		

**13. Disclosure Document / Official Statement:**

None Prepared

EMMA link \_\_\_\_\_ or

Copy attached

**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?  Yes  No

Is there a continuing disclosure obligation agreement related to this debt?  Yes  No

If yes to either question, date that disclosure is due \_\_\_\_\_

Name and title of person responsible for compliance \_\_\_\_\_

**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy 10/25/2011

Is the debt obligation in compliance with and clearly authorized under the policy?  Yes  No

**16. Written Derivative Management Policy:**

No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?  Yes  No

**17. Submission of Report:**

To the Governing Body: on 07/22/2014 and presented at public meeting held on 07/22/2014

Copy to Director to OSIF: on 07/22/2014 either by:

Mail to: \_\_\_\_\_ OR  Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

505 Deaderick Street, Suite 1600  
James K. Polk State Office Building  
Nashville, TN 37243-1402

**18. Signatures:**

	AUTHORIZED REPRESENTATIVE	PREPARED BY
Name	<u>Rhea Taylor</u>	<u>B. Douglas Earthman</u>
Title	<u>County Mayor</u>	<u>Member</u>
Firm		<u>Glinkler Brown, PLLC</u>
Email	<u>rtaylor@fayettefn.us</u>	<u>dearthman@glanklor.com</u>
Date	<u>07/18/2014</u>	<u>07/18/2014</u>



**STATE OF TENNESSEE**  
**COMPTROLLER OF THE TREASURY**  
 OFFICE OF STATE AND LOCAL FINANCE  
 SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
 505 DEADERICK STREET  
 NASHVILLE, TENNESSEE 37243-1402  
 PHONE (615) 401-7872  
 FAX (615) 741-5986

June 20, 2014

Honorable Rhea Taylor, Mayor  
 Fayette County  
 P.O. Box 218  
 Somerville, TN 38068

Re: Approval of \$1,292,038 General Fund Tax and Revenue Anticipation Notes, Series 2015

Dear Mayor Taylor:

The Office of State and Local Finance ("OSLF") received a request from Mayor Taylor on April 29, 2014, to approve the issuance of tax and revenue anticipation notes ("TRANs") for fiscal year 2015 for an amount up to \$1,292,038 for Fayette County's (the "County") General Fund. The County, upon request, provided documentation demonstrating its compliance with the balanced budget requirements of T.C.A. § 9-21-403 for fiscal year 2014.

The request included an unnumbered resolution to adopt a continuing budget and tax rate for fiscal year 2015 and to authorize the issuance of tax anticipation notes for the County. The resolution was adopted by the county commission on April 22, 2014. The County committed in the resolution to repay the TRANs no later than June 30, 2015.

Upon the request by OSLF, the County provided proof that TRANs issued on July 9, 2013, for the General Fund and the General Purpose School Fund had been paid in full. The County also provided a cash flow analysis indicating the need to issue the TRANs and its ability to repay them by June 30, 2015.

The County has not appropriated monies for fiscal year 2015 in accordance with the County General Budget Law Act (Title 5 Chapter 9 Part 4 of the Tennessee Code Annotated).

**FISCAL YEAR 2015 BUDGET**

The County Commission adopted a Continuing Resolution indicating that its fiscal year 2015 budget will not be approved prior to the start of the fiscal year. Pursuant to TCA § 5-9-404, the County Commission has a duty to adopt a budget and appropriate funds for all departments, commissions, institutions, boards, offices or agencies for the ensuing fiscal year by June 30, 2014.

Approval of the TRANs will be contingent upon the County Commission's agreement to adopt its fiscal year 2015 appropriation resolution as soon as possible and submit a complete and proper budget to this Office by September 5, 2014. The County Commission will need to send us documentation of its agreement with this condition before issuing the TRAN.

*Please note that OSLF will not approve any TRANs for fiscal year 2016 unless the County adopts a budget by June 30, 2015, in accordance with the requirements of the County General Law Budget Act.*

#### **DEBT MANAGEMENT POLICY**

The County provided a copy of its debt management policy, and within forty-five days of issuance of the debt approved in this letter, is required to submit a Report on Debt Obligation that indicates that this debt complies with its debt policy. If the County amends its policy, please submit the amended policy to OSLF.

#### **TAX AND REVENUE ANTICIPATION NOTE APPROVAL**

This letter constitutes approval of the issuance of up to \$1,292,038 General Fund Tax and Revenue Anticipation Notes by competitive public or private negotiated sale pursuant to T.C.A. § 9-21-803 contingent upon the Mayor and County Commission adopting its fiscal year 2015 budget and submitting it to this Office by September 5, 2014.

The approval of the TRANs is conditional upon agreement with the following terms by the County Board of Commissioners:

- That the Mayor and County Commission submit a complete and proper budget to this Office no later than September 5, 2014. Documentation of this agreement shall be sent to this Office before these TRANs may be issued.
- A copy of this letter shall be provided to all the members of the County Commission, be presented at the next meeting of the County Commission, and be entered into the minutes of the meeting.
- The County shall comply with the requirements Title 9 Chapter 21 of the Tennessee Code Annotated, and shall provide this Office verifiable documentation of compliance for Fiscal Year 2015.
- The County shall use the Tax and Revenue Anticipation Note Form enclosed with this letter as its loan document.
- The County shall report the execution of the TRANs and the amounts on the "Report on Debt Obligation" (Form CT-0253) for each TRAN. The County will include the executed Note Forms and minutes of the meeting the Reports on Debt Obligation were submitted to the County Commission.
- The County shall maintain a balanced budget with no cash deficits and be sufficient to pay operating and debt service costs.
- The County shall repay the TRANs no later than June 30, 2015, and provide this Office documentation within 15 days of the repayment, no later than June 30, 2015.

This letter and the approval to issue debt do not address compliance with federal tax regulations and should not be relied upon for that purpose. The County should discuss these issues with a tax attorney or bond counsel.

#### **REPORT ON DEBT OBLIGATION**

We are enclosing State Form CT-0253, Report on Debt Obligation. Pursuant to TCA § 9-21-151, this form is to be completed and filed with the governing body of the public entity issuing the debt no later than forty-

Letter to Fayette County  
Page 3

five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to [stateandlocalfinance.publicdebtform@cot.tn.gov](mailto:stateandlocalfinance.publicdebtform@cot.tn.gov). No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,



Sandra Thompson  
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Mr. Joe Kimery, Assistant Director, Division of Local Government Audit, COT

Enclosure: Form CT-0253 - Report on Debt Obligation  
Tax and Revenue Anticipation Note Form



**STATE OF TENNESSEE**  
**COMPTROLLER OF THE TREASURY**  
 OFFICE OF STATE AND LOCAL FINANCE  
 SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
 505 DEADERICK STREET  
 NASHVILLE, TENNESSEE 37243-1402  
 PHONE (615) 401-7872  
 FAX (615) 741-5986

July 10, 2014

Honorable Rhea Taylor, Mayor  
 Fayette County  
 P.O. Box 218  
 Somerville, TN 38068

Re: Approval of \$2,000,000 General Purpose School Fund Tax Anticipation Notes, Series 2014

Dear Mayor Taylor:

The Office of State and Local Finance ("OSLF") received a request from Fayette County (the "County") on July 7, 2014, to approve the issuance of tax and revenue anticipation notes ("TRANS") for fiscal year 2015 in the amount of \$2,000,000 for the County's General Purpose School Fund. The County, upon request, provided documentation demonstrating its compliance with the balanced budget requirements of T.C.A. § 921-403 for fiscal year 2014.

The request included an unnumbered resolution to authorize the issuance of tax anticipation notes for the County's General Purpose School Fund. The resolution was adopted by the county commission on June 24, 2014. The County committed in the resolution to repay the TRANS no later than June 30, 2015. In two separate resolutions adopted on June 24, 2014, the county commission and the county school board each agreed to the following to meet the approval conditions set forth previously by this Office:

- The school board agreed to adopt and present its budget to the commission for fiscal year 2015 by July 31, 2014,
- The commission agreed to adopt and present its budget to this Office for fiscal year 2015 by August 31, 2014, and
- The commission and the school board both agreed to pay off the TRAN no later than June 1, 2015.

Upon the request by OSLF, the County provided proof that TRANS issued on June 17, 2013, for the General Fund and the General Purpose School Fund had been paid in full. The County also provided a cash flow analysis indicating the need to issue the TRANS and its ability to repay them by June 30, 2015.

**FISCAL YEAR 2015 BUDGET**

The county commission adopted a continuing resolution and has indicated that its fiscal year 2015 budget will be adopted and submitted to this office by August 31, 2014. Pursuant to TCA § 5-9-404, the county commission has a duty to adopt a budget and appropriate funds for all departments, commissions, institutions, boards, offices or agencies for the ensuing fiscal year by June 30, 2014.

*Please note that OSLF will not approve any TRANs for fiscal year 2016 unless the County adopts a budget by June 30, 2015, in accordance with the requirements of the County General Law Budget Act.*

#### **DEBT MANAGEMENT POLICY**

The County provided a copy of its debt management policy, and within forty-five days of issuance of the debt approved in this letter, is required to submit a Report on Debt Obligation that indicates that this debt complies with its debt policy. If the County amends its policy, please submit the amended policy to OSLF.

#### **TAX AND REVENUE ANTICIPATION NOTE APPROVAL**

This letter constitutes approval of the issuance of \$2,000,000 General Purpose School Fund Tax and Revenue Anticipation Notes by competitive public or private negotiated sale pursuant to T.C.A. § 9-21-803.

The approval of the TRANs is conditional upon agreement with the following terms by the County Board of Commissioners:

- That the Mayor and County Commission submit a complete and proper budget to this Office no later than September 5, 2014. The Commission adopted a resolution on June 24, 2014, in agreement with this condition.
- A copy of this letter shall be provided to all members of the county commission, be presented at the next meeting of the county commission, and be entered into the minutes of the meeting.
- The County shall comply with the requirements of Title 9 Chapter 21 of the Tennessee Code Annotated, and shall provide this Office verifiable documentation of compliance for Fiscal Year 2015.
- The County shall use the Tax and Revenue Anticipation Note Form enclosed with this letter as its loan document.
- The County shall report the execution of the TRANs and the amounts on the "Report on Debt Obligation" (Form CT-0253) for each TRAN. The County will include the executed Note Forms and minutes of the meeting during which the Reports on Debt Obligation were submitted to the county commission.
- The County shall maintain a balanced budget with no cash deficits and be sufficient to pay operating and debt service costs.
- The County shall repay the TRANs no later than June 30, 2015, and provide this Office documentation within 15 days of the repayment, no later than June 30, 2015.

This letter and the approval to issue debt do not address compliance with federal tax regulations and should not be relied upon for that purpose. The County should discuss these issues with a tax attorney or bond counsel.

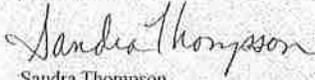
#### **REPORT ON DEBT OBLIGATION**

We are enclosing State Form CT-0253, Report on Debt Obligation. Pursuant to TCA § 9-21-151, this form is to be completed and filed with the governing body of the public entity issuing the debt no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to

Letter to Fayette County  
Page 3

stateandlocalfinance.publicdebtform@cot.tn.gov. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,



Sandra Thompson  
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Mr. Joe Kimery, Assistant Director, Division of Local Government Audit, COT

Enclosure: Form CT-0253 - Report on Debt Obligation  
Tax and Revenue Anticipation Note Form

With no further business before the Board, the meeting was adjourned.

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Rhea Taylor, County Mayor

ATTEST:

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Sue Culver, County Clerk