

CITY CLERK MEMORANDUM
17-14

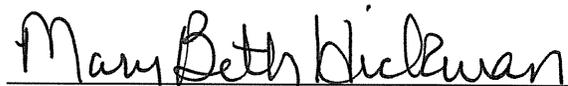
DATE: May 8, 2017
TO: Honorable Mayor and Members of City Council
FROM: Mary Beth Hickman, City Clerk
SUBJECT: ADDITION TO THE MAY 8, 2017 CITY COUNCIL AGENDA

Since the agenda's posting on Tuesday, May 2, 2017, city staff has an additional item to include on the May 8, 2017 City Council agenda and in its packet.

Attached is a memorandum from Finance Director Janice McGinnis, along with a copy of the referenced form. This item will be Item (c) under "Special Reports":

(c) Transmittal of Report on Debt Obligation – State Form CT-0253 - \$2,000,000 in State Revolving Loan Fund Program funds with a \$140,000 Loan Forgiveness (CG4-17-356) – Janice McGinnis, Finance Director

City Council will need to consider an amendment to formally add the aforementioned resolution to the agenda.


Mary Beth Hickman
Mary Beth Hickman

cc: Mark S. Watson, City Manager
Kenneth R. Krushenski, City Attorney
Department Directors

FINANCE DEPARTMENT MEMORANDUM
17-07

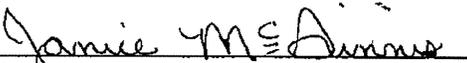
DATE: May 8, 2017
TO: Mark S. Watson, City Manager
FROM: Janice E. McGinnis, Finance Director
SUBJECT: Transmittal of Report on Debt Obligation – State Form CT-0253 on \$1,860,000 State Revolving Fund Loan

Attached is State Form CT-0253 Report on Debt Obligation for transmittal to City Council for the City's \$2,000,000 State Revolving Fund Loan CG4 2017-356 issued for lining or replacement of sewer lines, manhole rehabilitation or replacement of manhole frames and covers. The resolution authorizing this loan was approved at the February 13, 2017 City Council meeting. For all city debt issuances, the State requires Form CT-0253 to be completed and presented to the governing body at a public meeting and filed with the Office of State and Local Finance.

The loan was approved by the Tennessee Local Development Authority on April 6, 2017. The face amount of the \$2,000,000 loan is \$1,860,000 due to a \$140,000 principal forgiveness on the loan by the State. The interest rate on the loan is 1.89% and there is a .08% state administrative fee, for a total rate of 1.97% on the 20 year loan. This is a draw loan, whereby, loan proceeds are drawn as work progresses to reimburse the City for applicable expenditures. Interest and fee payments on the amount drawn begin when the first drawdown of loan proceeds are received by the City. Principal payments begin once the project becomes substantially complete. The principal amortization schedule, item 10 of the report, is based on the amortization and anticipated payment schedule of the full \$1,860,000. It is anticipated that principal payments will begin during fiscal 2019.

City staff will be available to answer questions regarding the information contained on the CT-0253 forms at the May 8, 2017 City Council meeting. The presentation is for transparency regarding debt transactions; no action is required by City Council.

Attachment


Janice McGinnis

cc: Honorable Mayor and Members of City Council

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

1. Public Entity:
 Name: City of Oak Ridge
 Address: P.O. Box 1
Oak Ridge, TN 37831-0001
 Debt Issue Name: State Revolving Loan Oak Ridge CG4 17-356
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 1,860,000.00
 Premium/Discount: \$ _____

3. Interest Cost: 1.8900 % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: _____

4. Debt Obligation:
 TRAN RAN CON
 BAN CRAN GAN
 Bond Loan Agreement Capital Lease
 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 ("OSLFP").

5. Ratings:
 Unrated
 Moody's _____ Standard & Poor's _____ Fitch _____

6. Purpose:

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %	<u>Sewer Projects - Line Rehabilitation</u>
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan
 Negotiated Sale Loan Program State Revolving Fund Loan
 Informal Bid

9. Date:
 Dated Date: 04/06/2017 Issue/Closing Date: 04/06/2017

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
2019	\$ 77,268.00	1.8900 %	2030	\$ 95,112.00	1.8900 %
2020	\$ 78,744.00	1.8900 %	2031	\$ 96,924.00	1.8900 %
2021	\$ 80,244.00	1.8900 %	2032	\$ 98,772.00	1.8900 %
2022	\$ 81,768.00	1.8900 %	2033	\$ 100,656.00	1.8900 %
2023	\$ 83,328.00	1.8900 %	2034	\$ 102,576.00	1.8900 %
2024	\$ 84,924.00	1.8900 %	2035	\$ 104,532.00	1.8900 %
2025	\$ 86,544.00	1.8900 %	2036	\$ 106,524.00	1.8900 %
2026	\$ 88,188.00	1.8900 %	2037	\$ 108,552.00	1.8900 %
2027	\$ 89,868.00	1.8900 %	2038	\$ 110,556.00	1.8900 %
2028	\$ 91,584.00	1.8900 %		\$	%
2029	\$ 93,336.00	1.8900 %		\$	%

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 (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 0	
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 _____	\$ 65,000	LDA & Associates - Engineering Planning Document
TOTAL COSTS	\$ 65,000	

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

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis point/%)	FIRM NAME (If different from #11)
Remarketing Agent	_____	_____
Paying Agent / Registrar	_____	_____
Trustee	_____	_____
Liquidity / Credit Enhancement	_____	_____
Escrow Agent	_____	_____
Sponsorship / Program / Admin	.08%	Office of State and Local Finance - State of TN
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 6/30

Name and title of person responsible for compliance Cumberland Securities Company, Inc

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 11/14/2011

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 05/08/2017 and presented at public meeting held on 05/08/2017

Copy to Director to OSLF: on 05/09/2017 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	PREPARER
Name	<u>Warren L. Gooch</u>	<u>Janice McGinnis</u>
Title	<u>Mayor</u>	<u>Finance Director</u>
Firm	_____	<u>City of Oak Ridge</u>
Email	<u>wgooch@oakridgetn.gov</u>	<u>jmcginnis@oakridgetn.gov</u>
Date	<u>05/08/2017</u>	<u>05/08/2017</u>