

**CITY CLERK MEMORANDUM**  
**13-44**

**DATE:** September 6, 2013

**TO:** Honorable Mayor and Members of City Council

**FROM:** Diana R. Stanley, City Clerk

**SUBJECT:** ADDITIONS TO THE SEPTEMBER 9, 2013 CITY COUNCIL AGENDA

Since the agenda's posting on Tuesday, September 3, 2013, city staff has one (1) additional item that needs to be added to the September 9, 2013 City Council Agenda.

As part of the new requirements from the State of Tennessee Comptroller of the Treasury, the Finance Department needs to include a Report on Debt Obligation Form—CT 0253—regarding the Waterworks Interfold Loan Capital Outlay Note in the "Special Reports" section of the agenda. These forms indicate that the information is to be presented at a governing body's public meeting. This will allow an opportunity for discussion amongst the City Council and City Staff regarding the information contained on the forms. This item will be recorded in the minutes for the record; it does not require any action.

At September 9, 2013 meeting, please consider the following motion in order to complete the two (2) aforementioned items:

Move to amend the agenda to include the Report on Debt Obligation Forms—CT 0253—as an item under "Special Reports."

Attached, please find the material from the Finance Department which includes the Report on Debt Obligation Forms, as well as the approval from the Director of State and Local Finance and the Capital Outlay Note Form.

This information and attachments is also being submitted as the official transmittal to City Council.

  
\_\_\_\_\_  
Diana R. Stanley

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

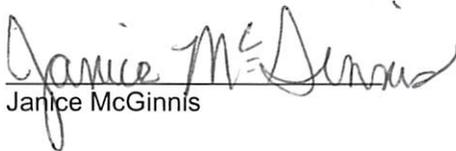
**FINANCE DEPARTMENT MEMORANDUM**  
**13-24**

DATE: September 6, 2013  
TO: Mark S. Watson, City Manager  
FROM: Janice E. McGinnis, Finance Director  
SUBJECT: Transmittal of Report on Debt Obligation – State Form CT-0253 and Capital Outlay Note Form

At the June 10, 2013, City Council approved a resolution to extend the remaining balance of the Waterworks Interfund Loan Capital Outlay Note through November 1, 2019. The resolution was submitted to the Director of State and Local Finance in the Comptroller's Office for her required approval of the extension. The approval is awarded by that office in 3-year increments. The approval for extension was granted for the next 3-year period which is through November 1, 2016. The City has filed a copy of the executed Capital Outlay Note Form with the Office of State and Local Finance for \$1,428,571.42, which will be the balance of the loan on November 1, 2013. The City plans to file a request with the Comptroller's Office for another 3-year extension prior to November 1, 2016.

As with the City's other debt, State Form CT-0253 Report on Debt Obligation is required to be transmittal to City Council. The presentation is for transparency regarding debt transactions; no action is required by City Council.

Attachments  
State Form CT-0253  
Capital Outlay Note Form  
Approval Letter from Director of State and Local Finance

  
Janice McGinnis

**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

**2. Debt Obligation:**

<input type="checkbox"/>	a. Bond
<input checked="" type="checkbox"/>	b. CON
<input type="checkbox"/>	c. BAN
<input type="checkbox"/>	d. GAN
<input type="checkbox"/>	e. TRAN
<input type="checkbox"/>	f. CRAN
<input type="checkbox"/>	g. Capital Lease
<input type="checkbox"/>	h. Loan Agreement

Note: Enclose a copy of the executed NOTE FORM if applicable.

**5. Face Amount of Debt Obligation:** \$1,428,571.42  
**Premium/Discount:** \$0.00

**6. Type of Sale:**

<input type="checkbox"/>	a. Competitive Public Sale
<input type="checkbox"/>	b. Informal Bid
<input checked="" type="checkbox"/>	c. Negotiated Sale
<input type="checkbox"/>	d. Loan Program

**3. Security For Debt Obligation:**

<input type="checkbox"/>	a. General Obligation
<input type="checkbox"/>	b. General Obligation+Revenue+Tax
<input checked="" type="checkbox"/>	c. Revenue
<input type="checkbox"/>	d. TIF
<input type="checkbox"/>	e. Annual Appropriations

**7. Tax Status:**

<input checked="" type="checkbox"/>	a. Tax Exempt
<input type="checkbox"/>	b. Tax Exempt - Bank Qualified
<input type="checkbox"/>	c. Taxable

**8. Dated Date:** 11/01/2013

**4. Purpose of Issue:**

<input type="checkbox"/>	a. General Government	_____ %
<input type="checkbox"/>	b. Education	_____ %
<input type="checkbox"/>	c. Highways and Streets	_____ %
<input type="checkbox"/>	d. Public Safety	_____ %
<input type="checkbox"/>	e. Solid Waste Disposal	_____ %
<input type="checkbox"/>	f. Industrial Park	_____ %
<input type="checkbox"/>	g. Manufacturing Facilities	_____ %
<input type="checkbox"/>	h. Health Facilities	_____ %
<input type="checkbox"/>	i. Airports	_____ %
<input type="checkbox"/>	j. Utilities	_____ %
<input checked="" type="checkbox"/>	i. Water	<u>30.00</u> %
<input checked="" type="checkbox"/>	ii. Sewer	<u>70.00</u> %
<input type="checkbox"/>	iii. Electric	_____ %
<input type="checkbox"/>	iv. Gas	_____ %
<input type="checkbox"/>	k. Refunding or Renewal	_____ %
<input type="checkbox"/>	l. Other _____	_____ %

specify

**9. Issue Date (Closing Date):** 11/01/2013

**10. Ratings:**

a. Moody's	_____
b. Standard & Poor's	_____
c. Fitch	_____
d. Unrated	<u>x</u> _____

**11. Interest Cost:**  
1.000000 %  a. TIC  
 b. NIC  
 c. Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ bps  
 d. Other \_\_\_\_\_

**12. Recurring Costs:**

a. Remarketing Agent (bps)	<u>Not Applicable</u>
b. Liquidity (bps)	<u>Not Applicable</u>
c. Credit Enhancements (bps)	<u>Not Applicable</u>

**13. Maturity Dates, Amounts and Interest Rates**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2014	\$238,095	1.00 %			%
2015	\$238,095	1.00 %			%
2016	\$952,381	1.00 %			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%
		%			%

If additional space is needed, attach additional sheet.

**14. Repayment Schedule**

This Issue			Total Debt Outstanding		
Year	Cum. Principal Redeemed	% Total	Year	Cum. Principal Redeemed	% Total
1	\$238,095	16.67	1	\$2,026,331	2.91
5	\$1,428,571	100.00	5	\$11,355,436	16.32
10			10	\$27,654,969	39.75
15			15	\$47,891,602	68.84
20			20	\$65,776,796	94.55
25			25	\$69,564,714	100.00
30			30		



**17. Description of Compliance with Written Debt Management Policy:**

(Use additional pages if necessary)

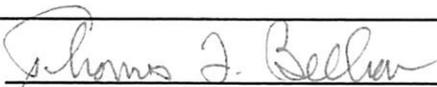
See attached description of compliance with Debt Management Policy adopted by City Council

**18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:**

(Use additional pages if necessary)

Not Applicable

19.



Authorized Representative

Mayor

Title

09/03/2013

Date

tbeehan@oakridgetn.gov

Email

Janice E. McGinnis

Preparer

Finance Director

Title

City of Oak Ridge

Firm

09/03/2013

Date

jmcginnis@oakridgetn.gov

Email

20.

Submitted to Governing Body on 09/09/2013 and presented at its public meeting held on 09/09/2013

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600,  
James K. Polk State Office Building, Nashville TN 37243-1402

Item No. 17 - Description of Compliance with Written Debt Management Policy

The loan complies with the City's debt policy as follows:

- (1) The loan fits within the definition of Debt set forth in such Debt Policy;
- (2) The loan was formally authorized by resolutions adopted by the City Council at a public meeting for which adequate public notice was given in compliance with the authority and transparency provisions of the Debt Policy.
- (3) The information relating to the loan was made available to the City Council, citizens and other interested parties pursuant to the transparency provisions of the Debt Policy.
- (4) The term of the loan does not exceed the useful economic life of the improvements to be financed as required by the Debt Policy;
- (5) The loan is less than 10 years from the date of issuance of the debt;
- (6) The loan complies with the long term debt provisions of the Debt Policy due to the City determining that the improvements to be financed should not be financed from current revenues or short-term borrowings;
- (7) The loan carries a fixed interest rate;
- (8) The loan complies with the method of issuance of debt by the City since the loan is permitted under State law.

CAPITAL OUTLAY NOTE FORM

Registered  
Note #: 2

City of Oak Ridge  
Of the  
State of Tennessee  
Capital Outlay Note, Series 2013

Registered  
\$ \_\_\_\_\_

DATED

INTEREST RATE

MATURITY DATE

November 1, 2013

1 %

November 1, 2016

Registered Owner: General Fund

Principal Sum: \$ 1,428,571.42

The City Council (Governing Body) of Oak Ridge, Tennessee (the Local Government) hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above on the Maturity Date specified above or according to an amortization schedule attached hereto (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on 1,428,571.42 and thereafter on November 1 of each year at the Interest Rate per annum specified above or according to an amortization schedule attached hereto, by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the Finance Department of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is a direct obligation of the Local Government for the payment of which as to both principal and interest the full faith and credit of the Local Government is pledged.

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption with a premium of 0 % of par value.

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the Local Government meeting in

session on the 10th day of June, 2013 (the "Resolution") to provide funds to finance the cost of public works projects referenced in the Resolution.

This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent of the note together with a written instrument of transfer satisfactory to the Local Government duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the Resolution of the Local Government authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Local Government or its agent shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the Mayor, and countersigned and attested by the manual signature of the City Clerk with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the November 1 day of 20 13.

James J. Beck  
(Mayor)

SEAL

ATTESTED: [Signature]  
(City Clerk)



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

RECEIVED  
2013 AUG 12 AM 8:28  
OFFICE OF THE COMPTROLLER

August 8, 2013

Honorable Thomas L. Beehan, Mayor  
Mr. Mark Watson, City Manager  
City of Oak Ridge  
P.O. Box 1  
Oak Ridge, TN 37831

Re: Extension of Waterworks Interfund Loan Capital Outlay Notes, Series 2011

Dear Mayor Beehan and Mr. Watson:

This Office received a request from the City of Oak Ridge (the "City") on July 24, 2011, for approval to issue three-year \$5,000,000 Waterworks Interfund Loan Capital Outlay Notes, Series 2011 (the "Notes"). The Notes were issued without following the provisions of Tennessee Code Annotated, Title 9, Chapter 21, Parts 4 and 6. Retroactive approval of the Notes was granted by a letter from this Office dated August 8, 2011. It was noted in the August 8, 2011, letter that a copy of the Capital Outlay Note Form ("Note Form") should be attached as part of the resolution at the time of adoption.

This Office received a copy of Resolution Number 6-44-2013 adopted on June 10, 2013, authorizing the extension of the Notes. Once again, the Note Form was not included as part of the resolution. No further capital outlay notes will be approved by this Office unless the Note Form is attached to all capital outlay note resolutions. Please send a copy of the executed note to us along with the form CT-0253.

The City provided a copy of its debt management policy. A specific description of how the debt complies with the City's debt policy should be included on the form CT-0253 to be submitted within 45 days of issuance of the debt approved in this letter. If the City amends its debt policy, please submit a copy to this office.

#### **Note Approval**

This letter constitutes approval for the City of Oak Ridge to extend the Notes in accordance with TENN. CODE ANN. §§ 9-21-604 and 9-21-606. Approval of the extension of the Notes is conditioned upon the following:

- the City's compliance with all parts of Tennessee state law giving authority to issue such notes;
- the use of the capital outlay note form enclosed with this letter as the loan document; and
- the Waterworks Fund's repayment of all principal and interest to the General Fund with interest payable on the originally transferred amount dating back to November 2010.

August 8, 2013

Letter to the City of Oak Ridge

Re: Extension of Waterworks Interfund Loan Capital Outlay Notes, Series 2011

The amount of the Notes being approved is based on the City's determination of the cost of the public works projects as authorized in TENN. CODE ANN. § 9-21-109.

The City is responsible for insuring compliance with Tennessee Code Annotated Title 9 Chapter 21 Parts 1, 4, and 6, and timely payment of outstanding note principal and interest in accordance with the note provisions. Please present a copy of this letter to the governing body at the next meeting following receipt of this letter.

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

*This approval is valid until December 31, 2013. If the Notes have not been extended by December 31, 2013, they must be paid in full by November 1, 2013.*

#### **Waiver of the Periodic Retirement Requirement**

In accordance with the requirements of TENN. CODE ANN. § 9-21-604, a condition for approval is that not less than one-ninth (1/9) of the original principal amount of the Notes is paid each year of the extension period with the balance being paid in the final year of the extension period. The City requested payment of one-sixth (1/6) of the Notes outstanding principal amount of \$1,666,667. In its resolution, the City authorized payment at the rate of 1/6 of principal each year. This extension approval includes a waiver of the 1/9<sup>th</sup> of the original principal amount of the Notes to permit a principal payment of one-sixth (1/6<sup>th</sup>) of the Notes outstanding principal amount of \$1,666,667.

#### **Purpose, Terms, and Life**

This project meets the definition of a public works project in TENN. CODE ANN. § 9-21-105, and the City may issue notes under the authority of Tennessee Code Annotated Title 9 Chapter 21 to finance such a project. The maturity of the Notes does not exceed the life of the proposed project as attested by the local governing body. The submitted certified resolution and supporting documents appear to meet the requirements for the issuance of notes in Tennessee Code Annotated Title 9 Chapter 21 Parts 1, 4, and 6. The maximum maturity for the Notes as authorized by the governing body is three years after the date of extension.

#### **Nonconforming Obligations**

Notes issued contrary to Tennessee Code Annotated Title 9 Chapter 21 Parts 4 and 6 or Notes not properly extended are nonconforming obligations. The Comptroller has the option to levy a penalty for notes deemed nonconforming obligations.

#### **Director's Approval Requirement**

By issuing capital outlay notes under the authority of Tennessee Code Annotated Title 9 Chapter 21 the City has placed itself under the budget approval authority of the Director of the Office of State and Local Finance (the "Director") for the life of any outstanding notes. This authority requires you, as Chief

August 8, 2013

Letter to the City of Oak Ridge

Re: Extension of Waterworks Interfund Loan Capital Outlay Notes, Series 2011

Executive Officer, to submit to the Director, the appropriation resolution for official budget approval within 15 days of adoption, with any necessary supporting documents that substantiate:

- the City's budget is balanced as required by state law,
- the City intends to pay all of its outstanding debt obligations, and
- the annual budget is prepared in a form consistent with accepted governmental standards and as approved by the Director.

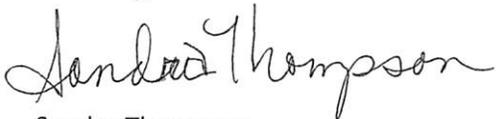
This Office can require the City to provide any information or perform any audits necessary to ascertain that the City maintains a balanced budget and make payments on its outstanding debt obligations. If the government is unwilling to submit information to comply with the requirements of TENN. CODE ANN. § 9-21-403, the approval to issue the Notes is rescinded.

### **Public Debt Entity Report**

Enclosed is a revised Form CT-0253 - Report on Debt Obligation. The Form CT-0253 must be filed with the governing body of the public entity issuing the Debt not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any public entity, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by email to the address below or mailed to the address on the letter. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation. [StateandLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateandLocalFinance.PublicDebtForm@cot.tn.gov)

Please notify us if the City decides not to issue the Notes.

Sincerely,



Sandra Thompson  
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Ms. Sheila Reed, Audit Manager, Division of Local Government Audit, COT  
Ms. Janice McGinnis, Finance Director

Enclosures (2)  
Form CT-0253 Report on Debt Obligation  
Capital Outlay Note Form

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

**1. Public Entity:**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2. Debt Obligation:**

- |                          |                   |
|--------------------------|-------------------|
| <input type="checkbox"/> | a. Bond           |
| <input type="checkbox"/> | b. CON            |
| <input type="checkbox"/> | c. BAN            |
| <input type="checkbox"/> | d. GAN            |
| <input type="checkbox"/> | e. TRAN           |
| <input type="checkbox"/> | f. CRAN           |
| <input type="checkbox"/> | g. Capital Lease  |
| <input type="checkbox"/> | h. Loan Agreement |

Note: Enclose a copy of the executed NOTE FORM if applicable.

**5. Face Amount of Debt Obligation:** \_\_\_\_\_

**Premium/Discount:** \_\_\_\_\_

**6. Type of Sale:**

- |                          |                            |
|--------------------------|----------------------------|
| <input type="checkbox"/> | a. Competitive Public Sale |
| <input type="checkbox"/> | b. Informal Bid            |
| <input type="checkbox"/> | c. Negotiated Sale         |
| <input type="checkbox"/> | d. Loan Program            |

**3. Security For Debt Obligation:**

- |                          |                                   |
|--------------------------|-----------------------------------|
| <input type="checkbox"/> | a. General Obligation             |
| <input type="checkbox"/> | b. General Obligation+Revenue+Tax |
| <input type="checkbox"/> | c. Revenue                        |
| <input type="checkbox"/> | d. TIF                            |
| <input type="checkbox"/> | e. Annual Appropriations          |

**7. Tax Status:**

- |                          |                                |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | a. Tax Exempt                  |
| <input type="checkbox"/> | b. Tax Exempt - Bank Qualified |
| <input type="checkbox"/> | c. Taxable                     |

**8. Dated Date:** \_\_\_\_\_

**9. Issue Date (Closing Date):** \_\_\_\_\_

**4. Purpose of Issue:**

- |                          |                             |         |
|--------------------------|-----------------------------|---------|
| <input type="checkbox"/> | a. General Government       | _____ % |
| <input type="checkbox"/> | b. Education                | _____ % |
| <input type="checkbox"/> | c. Highways and Streets     | _____ % |
| <input type="checkbox"/> | d. Public Safety            | _____ % |
| <input type="checkbox"/> | e. Solid Waste Disposal     | _____ % |
| <input type="checkbox"/> | f. Industrial Park          | _____ % |
| <input type="checkbox"/> | g. Manufacturing Facilities | _____ % |
| <input type="checkbox"/> | h. Health Facilities        | _____ % |
| <input type="checkbox"/> | i. Airports                 | _____ % |
| <input type="checkbox"/> | j. Utilities                | _____ % |
| <input type="checkbox"/> | i. Water                    | _____ % |
| <input type="checkbox"/> | ii. Sewer                   | _____ % |
| <input type="checkbox"/> | iii. Electric               | _____ % |
| <input type="checkbox"/> | iv. Gas                     | _____ % |
| <input type="checkbox"/> | k. Refunding or Renewal     | _____ % |
| <input type="checkbox"/> | l. Other _____              | _____ % |

specify

**10. Ratings:**

- |                      |       |
|----------------------|-------|
| a. Moody's           | _____ |
| b. Standard & Poor's | _____ |
| c. Fitch             | _____ |
| d. Unrated           | _____ |

**11. Interest Cost:**

- |         |                          |   |
|---------|--------------------------|---|
| _____ % | <input type="checkbox"/> | a. TIC                                  |
|         | <input type="checkbox"/> | b. NIC                                  |
|         | <input type="checkbox"/> | c. Variable: Index _____ plus _____ bps |
|         | <input type="checkbox"/> | d. Other _____                          |

**12. Recurring Costs:**

- |                              |       |
|------------------------------|-------|
| a. Remarketing Agent (bps)   | _____ |
| b. Liquidity (bps)           | _____ |
| c. Credit Enhancements (bps) | _____ |



**INSTRUCTIONS FOR PREPARATION OF CT-0253  
REPORT ON DEBT OBLIGATION  
DO NOT ADD TO, DELETE FROM OR CHANGE THIS FORMAT**

1. Issuer                      Include the full name and address of the public entity. (**This is NOT the bank or lending institution.**)
  
2. Debt Obligation        Identify the type of debt obligations being issued either as a bond, note [capital outlay (CON), bond anticipation (BAN), grant anticipation (GAN), tax and revenue anticipation (TRAN), or capital revenue anticipation (CRAN)], capital lease or loan agreement. Note: For all notes, attach a copy of the executed Note Form. Form CT-0253 must be filed for any loan from the State Revolving Fund, a Public Building Authority, the Energy Efficient Schools Initiative or the Tennessee Local Development Authority. A line of credit is a CON. A lease/lease purchase includes Certificates of Participation.
  
3. Security for Debt Obligation    Indicate the security for the debt obligation. Annual appropriations are applicable ONLY to lease/lease purchase obligations.
  
4. Purpose of Issue        Indicate the purpose(s) of the debt issue. If the debt is issued for multiple purposes, provide the percentage of the amount of debt issued in each category. If final percentages have not been determined for multiple purposes, use reasonable estimates.
  
5. Face Amount of Debt Obligation    Indicate the face or par amount of debt issued. When debt is issued in multiple series of bonds, a separate Form CT-0253 should be completed for each series (i.e. 2012 Series A, 2012 Series B).
  
6. Type of Sale            Indicate whether the debt was sold through a competitive sale, negotiated sale or through an agreement under a loan program. If the debt is a loan agreement, specify the name of the loan program, i.e. State Revolving Fund, Tennessee Local Development Authority, Public Building Authority, Energy Efficient Schools Initiative.
  
7. Tax Status              Indicate whether the interest on the debt is intended to be exempt from federal income taxation. If the debt is both taxable and tax-exempt, a separate Form CT-0253 must be completed for each.
  
8. Dated Date             Indicate the date of the debt obligation which is the date that interest begins to accrue on the obligation.
  
9. Issue Date (Closing Date)        Indicate the date that proceeds of the debt obligation are received by the Public Entity.
  
10. Rating                 Specify the rating(s) the debt obligation has been assigned, or indicate that the debt is unrated.
  
11. Interest Cost         Indicate the interest rate percentage and method used to determine the rate. If the rate is the variable, indicate the first assigned rate specifying the index plus spread. TIC is True Interest Cost. NIC is Net Interest Cost.

19. Signatures of the Authorized Representative and Preparer      The authorized representative is the chief executive officer of the public entity, i.e. County Executive, Mayor, President, Chairman, etc. If Form CT-0253 is prepared by someone other than the authorized representative, indicate in the space provided. However, the authorized representative must still sign the form.
20. Filing      The Form CT-0253 must be filed with the governing body not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any Public Entity and with the Director of the Office of State and Local Finance. Public Entities that fail to comply with the requirements of TCA Section 9-21-151 will not be allowed to enter into any further Debt Obligations or Derivatives until they have complied with the law.

#### DEFINITIONS

“Chief Executive Officer” means County Executive, Mayor, President, or Chairman

“Debt obligation” means bonds, notes, capital leases, loan agreements, and any other evidence of indebtedness lawfully issued, executed or assumed by a Public Entity.

“Derivative” means an interest rate agreement, as defined in TCA § 9-22-103 and other transactions identified by the State Funding Board.

“Finance transaction” means debt obligations, derivatives, or both.

“Public entity” means the state, a state agency, a local government, a local government instrumentality, or any other authority, board, district, instrumentality, or entity created by the state, a state agency, local government, a local government instrumentality, or combination, thereof.

**INCORRECT OR INCOMPLETE FORMS WILL BE RETURNED!!!**

ASSIGNMENT

Note No. R- \_\_\_\_\_ .

Amount: \$ \_\_\_\_\_ .

**For value received, the undersigned hereby sells, assigns and transfers unto**

\_\_\_\_\_

(Name and address of assignee)

\_\_\_\_\_

(Please indicate social security or other tax identifying number of assignee)

The within-mentioned note and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney-in-fact, to transfer the same on the note register in the office of the \_\_\_\_\_ or the agent of the Local Government with full power of substitution in the premises.

Date: \_\_\_\_\_

Assignor: \_\_\_\_\_

Address: \_\_\_\_\_

Signature Guaranteed by: \_\_\_\_\_

NOTE: The signature as to this assignment must correspond with the name as written on the face of the within note in every particular, without alteration, enlargement or any change whatsoever.

CAPITAL OUTLAY NOTE FORM

Registered  
Note #: \_\_\_\_\_

City of \_\_\_\_\_  
Of the  
State of Tennessee  
Capital Outlay Note, Series 20 \_\_\_\_\_

Registered  
\$ \_\_\_\_\_

DATED \_\_\_\_\_, 20\_\_\_\_ INTEREST RATE \_\_\_\_\_ % MATURITY DATE \_\_\_\_\_, 20\_\_\_\_

Registered Owner: \_\_\_\_\_  
Principal Sum: \$ \_\_\_\_\_

The \_\_\_\_\_ (Governing Body) of \_\_\_\_\_, Tennessee (the Local Government) hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above on the Maturity Date specified above or according to an amortization schedule attached hereto (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on \_\_\_\_\_ and thereafter on \_\_\_\_\_ of each year at the Interest Rate per annum specified above or according to an amortization schedule attached hereto, by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the \_\_\_\_\_ of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is a direct obligation of the Local Government for the payment of which as to both principal and interest the full faith and credit of the Local Government is pledged.

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption with a premium of \_\_\_\_\_ % of par value.

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the Local Government meeting in

session on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Resolution") to provide funds to finance the cost of public works projects referenced in the Resolution.

This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent of the note together with a written instrument of transfer satisfactory to the Local Government duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the Resolution of the Local Government authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Local Government or its agent shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the \_\_\_\_\_, and countersigned and attested by the manual signature of the \_\_\_\_\_ with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the \_\_\_\_\_ day of 20\_\_\_\_\_.

\_\_\_\_\_  
(Mayor)

ATTESTED: \_\_\_\_\_  
(City Recorder)

SEAL