

Resolution 17-06-009

Sponsored by Commissioners: Moon/Lewis

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTERFUND CAPITAL OUTLAY NOTES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED **\$1,272,000** OF BLOUNT COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE NOTES.

WHEREAS, the Board of County Commissioners (the “Governing Body”) of Blount County, Tennessee (the “County”) has determined that it is necessary and desirable to provide funds for constructing, repairing, renovating and equipping of various County school buildings and school facilities (collectively, the “Projects”); and

WHEREAS, under the provisions of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated (referred to as “TCA”), local governments in Tennessee are authorized to finance the costs of the Projects through the issuance and sale of interest bearing interfund capital outlay notes with a maturity of up to three years upon the approval of the Director of State and Local Finance; and

WHEREAS, the Governing Body finds that it is advantageous to the County to authorize the issuance of interfund capital outlay notes to finance the cost of the Projects;

NOW THEREFORE, BE IT RESOLVED by the Governing Body of Blount County, Tennessee, as follows:

Section 1. For the purpose of providing funds to finance the (i) cost of the Projects, (ii) acquisition of all property, real and personal, appurtenant to the foregoing; and (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing, the County Mayor of the County is hereby authorized to issue interfund capital outlay notes in accordance with TCA 9-21-604 in a principal amount not to exceed **\$1,272,000** (the “Notes”). The Notes shall be issued on behalf of the County’s Education Capital Projects Fund. The Notes shall be purchased with monies in the General Debt Service Fund. The Notes shall be designated “County Interfund Capital Outlay Notes”, or such other designation as shall be determined by the County Mayor; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as shall be determined by the County Mayor; shall be issued at not less than 100% of par value and accrued interest; shall bear interest at a rate of interest not to exceed **two-percent (2%)**; may be issued in draw-down form, at the option of the County Mayor; and may have such other terms as may be permitted by applicable law.

Section 2. The Notes shall mature not later than the third anniversary after their initial issuance and the Notes and any extension or renewal notes shall not exceed the reasonably expected economic life of the Projects, which is hereby certified by the Governing Body to be equal to or greater than the final maturity of the notes authorized herein and any extensions thereof. The principal of the notes shall be payable in such a manner as to provide for level debt service over a period of years, not to exceed seven (7), as is designated by the County Mayor or in such other manner as is approved by the Director of State and Local Finance.

Section 3. The Notes shall be subject to redemption, in whole or in part, at any time, at the principal amount thereof and accrued interest thereon to the date of redemption, without a premium.

Section 4. The Notes shall be repaid to the General Debt Service Fund from the Education Capital Projects Fund. The County hereby pledges to the payment of the Notes its taxing power as to all taxable property within the County. The Notes shall be direct obligations of the County, for which the punctual payment of the principal and interest on the Notes, the full faith and credit of the County is irrevocably pledged. The tax herein provided may be reduced to the extent of any appropriations from the funds described above to the payment of debt service requirements of the Notes.

Section 5. The Notes shall be executed in the name of the County and bear the manual signature of the County Mayor of the County and the manual signature of the County Clerk with the County seal affixed thereon; and shall be payable as to principal and interest at the office of the County Trustee or any such paying agent duly appointed by the County Mayor of the County. Proceeds from the sale of the Notes shall be deposited in the Education Capital Projects Fund and used for the purposes described in Section 1.

Section 6. The Notes shall be in substantially the form attached hereto.

Section 7. The Notes shall not be issued until receipt of the Director of State and Local Finance's written approval for the issuance of the Notes.

Section 8. It is hereby found and determined by the Governing Body that the issuance and sale of the Notes, as proposed herein, is consistent with the County's Debt Management Policy.

Section 9. All orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Adopted and approved this 15th day of June, 2017.

CERTIFICATION OF ACTION ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____

County Clerk

County Mayor

Date

TATE OF TENNESSEE)
)
COUNTY OF BLOUNT)

I, Gaye Hasty, hereby certify that I am the duly qualified and acting County Clerk of Blount County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on June 15th, 2017; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$1,272,000 interfund capital outlay notes of said County.

WITNESS my official signature and seal of said County this _____ day of _____, 2017.

County Clerk

(SEAL)

[Form of Note]

STATE OF TENNESSEE
COUNTY OF BLOUNT
COUNTY INTERFUND CAPITAL OUTLAY NOTE

DATED

INTEREST RATE

MATURITY

Principal Sum: \$1,272,000

The Board of County Commissioners of Blount County, Tennessee (the "County"), does hereby acknowledge itself indebted and for value received hereby promises to pay from the Educational Capital Projects Fund to the County's General Debt Service Fund (the "Fund"), on the Maturity Date (specified above) (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), the Principal Sum (specified above) or so much thereof that has been drawn, together with interest at the rate specified above on _____, 20_, by check, draft, warrant or interfund transfer to the Fund. Both principal of and interest on this Note are payable at the office of the County Trustee (the "Registration Agent") of the County or a successor Registration Agent duly appointed by the Board of County Commissioners of the County.

This Note is payable from unlimited ad valorem taxes on all taxable property within the County. This Note is a direct obligation of the County for the payment of which as to principal and interest the full faith and credit of the County 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 County upon payment of the principal amount of the Note together with the interest accrued thereon in the case of redemption.

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 Board of County Commissioners of the County on the 15th day of June, 2017 (the "Resolution") to finance the Projects and pay expenses related thereto as authorized in the Resolution.

This Note shall have the qualities and incidents of a negotiable instrument.

Tennessee Code annotated Section 9-21-117 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 the laws of the State of Tennessee, and that the amount of this Note, together with all indebtedness of the County, does not exceed any constitutional or statutory limitation thereon, and that this Note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the County has caused this Note to be executed in the name of the

County by the manual signature of the County Mayor of the County and attested by the manual signature of the County Clerk of the County with the seal of the County affixed hereto.

COUNTY MAYOR

COUNTY CLERK

Transferable and payable at the
office
of:

Blount
Trustee

County

Maryville, Tennessee

Date of Authentication:

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

BLOUNT COUNTY TRUSTEE

By: _____

County Trustee

SOURCES AND USES OF FUNDS

Blount County, Tennessee
FY 2018 Capital Outlay Note for County Schools (7 Yrs)

Sources:

Bond Proceeds:	
Par Amount	1,272,000.00
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	1,272,000.00
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Uses:

Project Fund Deposits:	
County School Project Fund	1,272,000.00
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	1,272,000.00
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BOND PRICING

Blount County, Tennessee
 FY 2018 Capital Outlay Note for County Schools (7 Yrs)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/01/2018	175,805.20	1.100%	1.100%	100.000
	07/01/2019	177,739.00	1.100%	1.100%	100.000
	07/01/2020	179,694.20	1.100%	1.100%	100.000
	07/01/2021	181,670.80	1.100%	1.100%	100.000
	07/01/2022	183,669.20	1.100%	1.100%	100.000
	07/01/2023	185,689.50	1.100%	1.100%	100.000
	07/01/2024	187,732.10	1.100%	1.100%	100.000
		1,272,000.00			

Dated Date	07/01/2017	
Delivery Date	07/01/2017	
First Coupon	07/01/2018	
Par Amount	1,272,000.00	
Original Issue Discount		
Production	1,272,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,272,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,272,000.00	

BOND DEBT SERVICE

Blount County, Tennessee
FY 2018 Capital Outlay Note for County Schools (7 Yrs)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2019	175,805.20	1.100%	13,992.00	189,797.20
06/30/2020	177,739.00	1.100%	12,058.14	189,797.14
06/30/2021	179,694.20	1.100%	10,103.01	189,797.21
06/30/2022	181,670.80	1.100%	8,126.38	189,797.18
06/30/2023	183,669.20	1.100%	6,128.00	189,797.20
06/30/2024	185,689.50	1.100%	4,107.64	189,797.14
06/30/2025	187,732.10	1.100%	2,065.05	189,797.15
	1,272,000.00		56,580.22	1,328,580.22