

January 17, 2013

The Board of Mayor and Aldermen of the City of Sparta, White County, Tennessee, met in a regular scheduled meeting at the City Hall, at 5:00 PM on the 17th day of January 2013, with Mayor Jeff Young presiding.

<i>Members Present</i>	<i>Members Absent</i>
Alderman Jim Floyd	
Alderman Chad Griffin	
Alderman Hoyte Jones	
Alderman Robert Officer	
Alderman Judy Payne	
Vice-Mayor Robert Verble	

Other city staff members present were:

Hugh M. Carmichael II	City Administrator	Present
Tonya R. Tindle	City Recorder	Present
L. R. West	Electric System Director	Present
Lynn Omohundro	City Attorney	Absent
Jeff Guth	Police Chief	Present
Kirk Young	Fire Chief	Present
Olof Fornehed	Public Works Director	Present

A quorum was present and notice had been previously mailed to all members and the news media. Mayor Young called the meeting to order. Jeff Guth, Police Chief, opened with a prayer by request of the Mayor. Robert Officer, Alderman, led the Pledge of Allegiance by request of the Mayor.

There was a motion by Alderman Floyd with a second by Alderman Payne to approve the minutes of the January 3, 2013 regular meeting, which had been previously mailed to all board members and read by each member prior to the meeting. All voted “Aye” by voice vote. Motion passed.

Copies of the following letter from the Tennessee Comptroller of the Treasury approving the issue General Obligation Refunding Bonds was presented to the Board of Mayor and Aldermen.



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

January 3, 2013

Honorable Jeff Young, Mayor
City of Sparta
P.O. Box 30
Sparta, TN 338583

Dear Mayor Young:

This letter acknowledges receipt on December 14, 2012 of a request to review a plan of refunding (the “Plan”) for an amount not to exceed \$3,650,000 General Obligation Refunding Bonds, Series 2012-A (the “2012-A Refunding Bonds”), to current refund by negotiated sale, an estimated \$1,859,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee dated December 13, 2004 (the “2004 Loan Agreement”) and \$1,716,000 Loan Agreement with the Public Building Authority of the County of Montgomery, Tennessee dated November 9, 2007 (the “2007 Loan Agreement”) (collectively the “Refunded Loan Agreements”).

Under Tennessee Code Annotated Section 9-21-903 a refunding resolution may not be passed until this letter and attached report are received by the City and distributed the governing body.

Pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, a plan must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government authorizing the issuance of refunding bonds secured, in whole or in part, by the full faith and credit and unlimited taxing power of the City. The information presented in the Plan includes the assertions of the City and may not reflect either current market conditions or market conditions at the time of sale.

CITY'S PROPOSED REFUNDING OBJECTIVE

The 2012-A Refunding Bonds are being issued to reduce the City's exposure to variable interest rate debt.

THE CITY'S DEBT MANAGEMENT POLICY

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 most current version of the policy is on file with this Office, another copy of the policy does not have to be submitted with the form.

REPORT OF THE REVIEW OF A PLAN OF REFUNDING

Distribute this letter and the enclosed report to the members of the governing body to be reviewed at the Public meeting at which the proposed refunding bond resolution will be presented as required by Tennessee Code Annotated Section 9-21-903.

The enclosed report does not constitute approval or disapproval for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity.

This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel.

PRIVATE NEGOTIATED SALE

The approval of the Office of State and Local Finance is required when a municipality desires to sell refunding General Obligation debt through a negotiated sale process. The City has requested approval to sell the 2012-A Refunding Bonds through negotiated sale.

This letter constitutes approval to negotiate the sale of the 2012-A Refunding Bonds, conditioned upon the following requirements:

- The bonds are sold with the debt service payment schedule having the same principal repayment schedule as presented in the plan or the principal repayment schedule is accelerated.
- A copy of this letter and the enclosed report shall be provided to all members of the Board of Mayor and Aldermen, be presented at the next meeting of the Board after receipt, and be spread across the face of the minutes of the meeting.
- The City shall comply with all the requirements of Title 9, Chapter 21 of the Tennessee Code Annotated.

This report is effective for a period of one hundred twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office; at that time we will issue a report and extend the negotiated sale approval thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding and in the support for the negotiated sale approval remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report and negotiated sale approval remains valid for an additional 120-day period. However, with regard to the report and negotiated sale approval currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports or negotiated sale approvals will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office subsequently should be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than

fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

Public Debt Entity Report

We are enclosing a revised State Form CT-0253, Report on Debt Obligation. Pursuant to Tennessee Code Annotated Section 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 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,

Mary Margaret Collier

Mary-Margaret Collier
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Mr. Marty Carmichael, City of Sparta
Mr. Sumner Bouldin, Jr., Bouldin & Bouldin PLC

Enclosures (2): Report of the Director of the Office of State & Local Finance
State Form CT-0253, Report on Debt Obligation.

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE
CITY OF SPARTA, TENNESSEE
CONCERNING THE PROPOSED ISSUANCE OF ITS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012-A

The City of Sparta (the “City”) submitted a plan of refunding (the “Plan”), as required by Tennessee Code Annotated Section 9-21-903 for the issuance of an amount not to exceed \$3,650,000 General Obligation Refunding Bonds, Series 2012-A (the “2012-A Refunding Bonds”), to current refund by negotiated sale, an estimated \$1,859,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee dated December 13, 2004 (the “2004 Loan Agreement”) and \$1,716,000 Loan Agreement with the Public Building Authority of the County of Montgomery, Tennessee dated November 9, 2007 (the “2007 Loan Agreement”) (collectively the “Refunded Loan Agreements”). The City has filed a copy of its debt management policy with this Office.

CITY’S PROPOSED REFUNDING OBJECTIVE

The City is issuing the 2012-A Refunding Bonds to reduce its exposure to variable interest rate debt.

REFUNDING ANALYSIS

- The results for the refunding are based on the assumption that \$3,616,000 of 2012-A Refunding Bonds will be sold by negotiated sale.
- The 2012-A Refunding Bonds are being issued at a fixed interest rate to refund variable interest rate debt.
- The 2012-A Refunding Bonds extend the life of the 2004 Loan Agreement three years to match the maturity of the 2007 Loan Agreement.
- The estimated costs of issuance of the Refunding Bonds are \$40,199 or \$11.12 per \$1,000 par amount of the 2012-A Refunding Bonds.

The City has not identified a municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City’s Plan may not reflect either current market conditions or market conditions at the time of sale.

This report does not provide broad approval to refund the 2012-A Refunded Bonds in a bond issue other than the proposed 2012-A Refunding Bonds. If all of the Refunded Loan Agreements are not refunded as a part of the 2012-A Refunding Bonds, then a new plan will have to be submitted to this Office for review.

Mary-Margaret Collier
Mary-Margaret Collier
Director of the Office of State and Local Finance
Date: January 3, 2012

There was a motion by Alderman Floyd with a second by Alderman Jones to approve Resolution No.12-467, a resolution of the Board of Mayor and Alderman of the City of Sparta authorizing the issuance of General Obligation bonds in an aggregate principal amount not to exceed three million six hundred fifty thousand dollars (\$3,650,000.00) of the City of Sparta, Tennessee to refund the city obligations under that certain loan agreement dated December 13, 2004 between the city and the Public Building Authority of the City of Clarksville, Tennessee, and the city’s obligations under that certain loan agreement dated November 9, 2007 between the City and the Public Building Authority of the County of Montgomery, Tennessee, and the payment of legal, fiscal, and administrative costs incident to the issuance of the bonds; to make provision for the issuance, sale, and payment of said bonds; to establish the terms thereof and the disposition of proceeds therefrom; and to provide for the payment of principal of, premium, if any, and interest of the bonds. The roll call was as follows:

Mayor Young.....Yes
Alderman Floyd.....Yes
Alderman Griffin.....Yes
Alderman Jones.....Yes
Alderman Officer.....Yes
Alderman Payne.....Yes
Vice-Mayor Verble.....Yes
The motion passed.

There was a motion by Alderman Payne with a second by Alderman Griffin to approve Resolution No.13-468, a supplemental resolution relating to the issuance of \$876,000 General Obligation Notes, Series 2012-B. The roll call was as follows:

Mayor Young.....Yes
Alderman Floyd.....Yes
Alderman Griffin.....Yes
Alderman Jones.....Yes
Alderman Officer.....Yes
Alderman Payne.....Yes
Vice-Mayor Verble.....Yes
The motion passed.

Department heads gave reports and there were no comments.

There was a motion by Alderman Jones with a second by Alderman Officer to approve the hiring recommendation of Anthony Lumpkin for the position of Trades Helper I for the Public Works Department, Water / Sewer group. The roll call was as follows:

Mayor Young.....Yes
Alderman Floyd.....Yes
Alderman Griffin.....Yes
Alderman Jones.....Yes
Alderman Officer.....Yes
Alderman Payne.....Yes
Vice-Mayor Verble.....Yes
The motion passed.

There was a motion by Alderman Officer with a second by Alderman Griffin to approve James Stinnett as a volunteer firefighter. All voted “Aye” by voice vote. Motion passed.

There was a motion by Alderman Jones with a second by Alderman Griffin to authorize the solicitation of employment applications for the position of street laborer, due to the promotion of Anthony Lumpkin to Trades Helper I. All voted “Aye” by voice vote. Motion passed.

There was a motion by Alderman Griffin with a second by Alderman Floyd to authorize the solicitation of bids for the demolition and removal of the old jail. All voted “Aye” by voice vote. Motion passed.

- Additional items discussed:
- Sales Tax collections
 - Farmers Market
 - Jail removal
 - City / County sewer contract
 - Update on the LED sign @ Pearson Park

There being no further business, there was a motion to adjourn by Alderman Payne with second by Alderman Officer. All voted “Aye” by voice vote. Motion passed. The meeting was adjourned at 5:36 P.M.

Read and approved this _____ day of _____, 2013

ATTEST

Jeff Young, Mayor

Tonya R. Tindle, City Recorder