

MINUTES
OF
PUTNAM COUNTY COMMISSION
DECEMBER 19, 2011

Prepared by:

Wayne Nabors
Putnam County Clerk
121 S Dixie Avenue
Cookeville, TN 38501

STATE OF TENNESSEE

COUNTY OF PUTNAM

BE IT REMEMBERED: that on December 19, 2011 there was a regular meeting of the Putnam County Board of Commissioners.

There were present and presiding the Chairman, Jerry Ford and County Clerk, Wayne Nabors.

The Sheriff, David Andrews called the meeting to order.

The Chairman, Jerry Ford recognized Reverend Johnny Bowman of Monterey First Baptist Church for the Invocation.

The Chairman, Jerry Ford recognized Commissioner Ron Williamson to lead the Pledge to the Flag of the United States of America.

It shall be noted at the opening of the December 19, 2011 meeting of the Putnam County Board of Commissioners that Commissioner Andy Honeycutt died on November 20, 2011. Therefore, the Chairman declared only (23) County Commissioners will be present. He further declared that it will take only (12) votes to pass / carry any matter instead of the usual (13) votes.

The Chairman asked the Commissioners to signify their presence at the meeting and the following were present:

PRESENT

Scott Ebersole	Eris Bryant
Tom Short	Sue Neal
David Gentry	Jonathan Williams
Jerry Ford	Daryl Blair
Ron Williamson	Kevin Maynard
Anna Ruth Burroughs	Kim Bradford
Terry Randolph	Jim Martin
Chris Savage	Bob Duncan
Reggie Shanks	Marsha Bowman
Joe Trobaugh	Steve Pierce
Michael Medley	Mike Atwood
	Cathy Reel

The Clerk announced that twenty-three (23) were present and zero (0) absent. Therefore, the Chairman declared a quorum.

MOTION RE: APPROVE AGENDA

Commissioner Eris Bryant moved and Commissioner Daryl Blair seconded the motion to amend the agenda and move Item 3C Resolutions to Item 4A.

The Chairman asked for discussion on the motion to amend the agenda. There was none.

The Chairman asked for a voice vote on the motion to amend the agenda. The motion carried.

MOTION RE: APPROVAL OF A RESOLUTION HONORING ANDY HONEYCUTT

Commissioner Eris Bryant moved and Commissioner Daryl Blair seconded the motion to approve a Resolution honoring Andy Honeycutt.

County Clerk, Wayne Nabors presented a Resolution to the Andy Honeycutt family.

(SEE ATTACHED)

RESOLUTION

WHEREAS, ANDY HONEYCUTT was an outstanding citizen of Putnam County, having been elected to serve on its County Legislative Body as County Commissioner of the Fourth District for 25 years, and

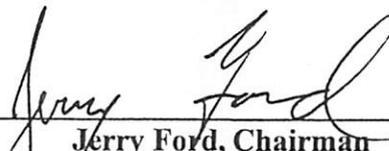
WHEREAS, MR. HONEYCUTT contributed to the growth of Putnam County while improving the quality of life for the citizens of Putnam County always having a sense of caring and respect for others, and

WHEREAS, WE his fellow colleagues, wish to express our deep sorrow at the untimely death of our esteemed colleague who faithfully served this Legislative Body on many committees during his tenure in office.

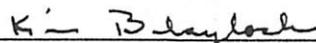
NOW, THEREFORE BE IT RESOLVED that we do hereby give formal expression of our grievous loss in the death of ANDY HONEYCUTT and do hereby record in the official minutes the passing from this life of one who was esteemed by his associates, loved by his family, and respected by all.

NOW, THEREFORE BE IT FURTHER RESOLVED that this Resolution be presented to his wife Virginia Honeycutt and family at the December 19, 2011, regular session of the Putnam County Board of Commissioners to be approved by said body as a token of our thanks for his hard work and contributions to the Commission, and that a copy of this Resolution be spread upon the minutes of this County Commission.





Jerry Ford, Chairman
Putnam County Board of Commissioners



Kim Blaylock
County Executive of Putnam County



Wayne Nabors
County Clerk of Putnam County

The Chairman asked for a voice vote on the motion to approve a Resolution Honoring Andy Honeycutt. The motion carried.

MOTION RE: APPROVE THE AMENDED AGENDA

Commissioner Tom Short moved and Commissioner Scott Ebersole seconded the motion to approve the amended agenda.

(SEE ATTACHED)

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AGENDA PUTNAM COUNTY BOARD OF COMMISSIONERS

Monthly Awards will be presented at 5:45 PM

**Regular Monthly Session
Monday, December 19, 2011**

**Presiding: Honorable Jerry Ford
Commission Chairman**

- 1. Call to Order - Sheriff David Andrews**
- 2. Invocation** *District 4*
- 3. Pledge to the Flag of the United States of America** *District 4*
- 4. Roll Call - County Clerk Wayne Nabors**
- 5. Approval of the Agenda**
- 6. Approval of the Minutes of Previous Meeting**
- 7. Unfinished Business and Action Thereon by the Board**
 - A. Report of Standing Committees**
 1. Planning Committee
 2. Fiscal Review Committee
 3. Nominating Committee
 - B. Report of Special Committees**
 - C. Other Unfinished Business**
- 8. New Business and Action Thereon by the Board**
 - A. Report of Standing Committees**

1. Planning Committee

- a. Recommends approval of a Resolution authorizing the Putnam County Executive and the Solid Waste Director to partner with advocates for the Upper Cumberland Inc., in their application for a USDA Solid Waste Management Grant.

2. Fiscal Review Committee

- a. Recommends approval of budget amendments to the General Purpose School Fund as presented.
- b. Recommends approval of budget amendments to the Capital Projects Fund in the amount of \$65,000 for the replacement of a dishwasher, refrigerator and a switch and surveillance cameras with a follow up report to be made in January on additional needs by the jail.
- c. Recommends approval of budget amendments to the County General Fund in the amount of \$19,372.
- d. Recommends approval of the Debt Management Policy.

3. Nominating Committee

- a. Recommends to appoint one (1) of the following, to appointed to fill the unexpired term of District 4 Commissioner:

John Ludwig
Marson McCormick
Jerry Roberson
Brad Vaughn
Marshall Cox
Joe Elder

B. Report of Special Committees

C. Resolutions

D. Election of Notaries

E. Other New Business

9. Announcements and Statements

10. Adjourn

The Chairman asked for a voice vote on the motion to approve the amended agenda for the December 19, 2011 meeting of the Putnam County Board of Commissioners. The motion carried.

MOTION RE: APPROVE MINUTES OF THE PREVIOUS MEETING

Commissioner Kevin Maynard moved and Commissioner Joe Trobaugh seconded the motion to approve the minutes of the November 21, 2011 meeting of the Putnam County Board of Commissioners.

The Chairman asked for a voice vote on the motion to approve the minutes of the November 21, 2011 meeting of the Putnam County Board of Commissioners. The motion carried.

UNFINISHED BUSINESS AND ACTION THEREOF BY THE BOARD

REPORT OF STANDING COMMITTEES

PLANNING COMMITTEE: No unfinished business.

FISCAL REVIEW COMMITTEE: No unfinished business.

NOMINATING COMMITTEE: No unfinished business.

REPORT OF SPECIAL COMMITTEES:

OTHER UNFINISHED BUSINESS

NEW BUSINESS AND ACTION THEREON BY THE BOARD

REPORT OF STANDING COMMITTEES

PLANNING COMMITTEE

MOTION RE: PLANNING COMMITTEE RECOMMENDS APPROVAL OF A RESOLUTION AUTHORIZING THE PUTNAM COUNTY EXECUTIVE AND THE SOLID WASTE DIRECTOR TO PARTNER WITH ADVOCATES FOR THE UPPER CUMBERLAND INC., IN THEIR APPLICATION FOR A USDA SOLID WASTE MANAGEMENT GRANT

Commissioner Eris Bryant moved and Commissioner Sue Neal seconded the motion to approve a Resolution authorizing the Putnam County Executive and the Solid Waste Director to partner with Advocates for the Upper Cumberland Inc., in their application for a USDA Solid Waste Management Grant.

(SEE ATTACHED)

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RESOLUTION NO:

A RESOLUTION AUTHORIZING THE PUTNAM COUNTY EXECUTIVE AND THE SOLID WASTE DIRECTOR TO PARTNER WITH ADVOCATES FOR THE UPPER CUMBERLAND INC., IN THEIR APPLICATION FOR A USDA SOLID WASTE MANAGEMENT GRANT

WHEREAS, the County Executive and County Commissioners of **Putnam County** believe that the quality of life for the citizens of **Putnam County** is very important; and

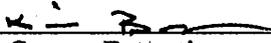
WHEREAS, the County Executives and Commissioners feel that it is in the best interest of **Putnam County** to look the future by partnering with Advocates for the Upper Cumberland Inc. with the guidance of the Upper Cumberland Development District Solid Waste Planning Staff, in their efforts of submitting an application to USDA Rural Development for a Solid Waste Management Grant.

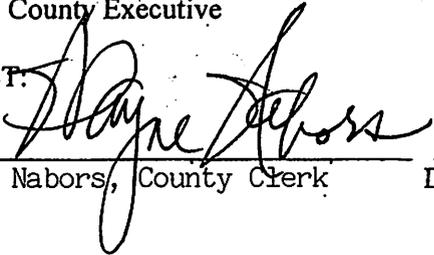
WHEREAS, this grant if funded would benefit **Putnam County** by providing additional financial assistance, education, and workshops regarding solid waste reduction and recycling efforts.

NOW THEREFORE BE IT RESOLVED by the County Executive and County Commissioners of **Putnam County** that the County Executive shall be authorized to:

- A. Sign and execute all contractual agreements with Advocates for the Upper Cumberland Inc. regarding funding (If fully awarded by USDA) will be in the amount of **\$1,768 dollars**, beginning October 1, 2012 and ending September 30, 2013.
- B. Enter into an agreement with the Advocates Corporation for Solid Waste Staff to assist UCDD Solid Waste Planning Staff with: Tracking solid waste diversion; assisting with public surveys; assisting with distribution of recycling literature when a special event is held such as an educational presentation; and commit to long-term strategic planning efforts for waste reduction efforts.
- C. Enter into the necessary agreements with Advocates for the Upper Cumberland Inc. to receive and administer such grant funds without further action by the Board.

DULY PASSED AND ADOPTED this 19TH day of December, 2011 the public welfare requiring it.

 12-19-11
Putnam County Executive Date

ATTEST:  12-19-11
Wayne Nabors, County Clerk Date

The Chairman asked for discussion on the motion to recommend approval of a Resolution authorizing the Putnam County Executive and the Solid Waste Director to partner with Advocates for the Upper Cumberland Inc., in their application for a USDA Solid Waste Management Grant. There was none.

The Chairman asked the Commissioners for a voice vote on the motion to approve a Resolution authorizing the Putnam County Executive and the Solid Waste Director to partner with Advocates for the Upper Cumberland Inc., in their application for a USDA Solid Waste Management Grant. The motion carried.

FISCAL REVIEW COMMITTEE

MOTION RE: THE FISCAL REVIEW COMMITTEE RECOMMENDS APPROVAL OF BUDGET AMENDMENTS TO THE GENERAL PURPOSE SCHOOL FUND AS PRESENTED

Commissioner Mike Atwood moved and Commissioner Steve Pierce seconded the motion to approve Budget Amendments to the General Purpose School Fund as presented.

(SEE ATTACHED)

10

Department of Education

Putnam County

DR. KATHLEEN M. AIRHART, Director of Schools

Board of Education

Eric Brown, Chairman
Robert Hargis, Vice-Chairman

1400 East Spring Street
Cookeville, Tennessee 38506-4313
Phone (931) 526-9777
FAX (931) 372-0391

Board Members

Dr. Ray Jordon
Jerry Maynard
David McCormick
Dr. Janet Moore

December 2, 2011

Honorable Commissioners
Putnam County Courthouse
Cookeville, TN 38501

Honorable Commissioners:

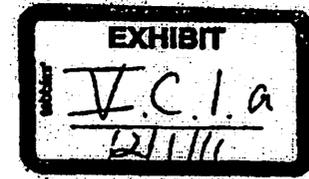
Please consider approval of the budget amendments to the General Purpose School Fund,
as submitted.

Sincerely,

Mark McReynolds
Putnam County Board of Education

Enclosures:

- To correct Extended Contract revenue code
- To reallocate Extended Contract appropriations



Putnam County Budget Amendment / Line Item Transfer Authorization Form

Department: _____

DATE: _____

Item #	Fund #	Account #	Account Description	Current Approved Amount	Increase	Decrease	Requested Approval Amount
	141	46612	Revenue	-		150,000.00	(150,000.00)
		46615-Excon	Career Ladder Extended Cont	-	150,000.00		150,000.00
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
				-	150,000.00	150,000.00	-

12

Explanation: To correct revenue code

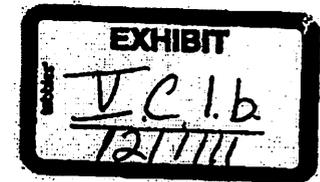
Requested by: _____ Recommended for Approval: Kel Ant 11-22-11
Supervisor Official / Department Head

Reviewed by: Mark McRaymond 11/22/11
Chief Financial Officer

Action by Fiscal Review Committee: Recommended for Approval No Recommendation Date: _____

Action by County Commission: Approved Not Approved Date: _____

11/20/11



Putnam County Budget Amendment / Line Item Transfer Authorization Form

Department: _____

DATE: _____

Item #	Fund #	Account #	Account Description	Current Approved Amount	Increase	Decrease	Requested Approval Amount
		46615-Excon	Career Ladder-Extended Cor	-		50,987.69	-
				-			-
	141	71100-127-Excon	Career Ladder-Extended Cor	95,116.00	52,884.00	-	148,000.00
	141	71100-201-Excon	Social Security	5,897.00	4,103.00		10,000.00
	141	71100-204-Excon	State Retirement	8,608.00	3,392.00		12,000.00
	141	71100-212-Excon	Employer Medicare Liability	1,379.00	10,192.00		11,571.00
							-
	141	71200-127-Excon	Career Ladder-Extended Cor	3,856.00	12,769.00		16,625.00
	141	71200-201-Excon	Social Security	239.00	797.00		1,036.00
	141	71200-204-Excon	State Retirement	349.00	1,163.00		1,512.00
	141	71200-212-Excon	Employer Medicare Liability	56.00	186.69		242.69
							-
	141	71300-127-Excon	Career Ladder-Extended Cor	1,285.00		1,285.00	-
	141	71300-201-Excon	Social Security	80.00		80.00	-
	141	71300-204-Excon	State Retirement	116.00		116.00	-
	141	71300-212-Excon	Employer Medicare Liability	19.00		19.00	-
							-
	141	72130-127-Excon	Career Ladder-Extended Cor	16,710.00		16,710.00	-
	141	72130-201-Excon	Social Security	1,036.00		1,036.00	-
	141	72130-204-Excon	State Retirement	1,512.00		1,512.00	-
	141	72130-212-Excon	Employer Medicare Liability	242.00		242.00	-
							-
	141	72210-127-Excon	Career Ladder-Extended Cor	8,997.00		8,997.00	-
	141	72210-201-Excon	Social Security	558.00		558.00	-
	141	72210-204-Excon	State Retirement	814.00		814.00	-
	141	72210-212-Excon	Employer Medicare Liability	130.00		130.00	-
							-
	141	72410-127-Excon	Career Ladder-Extended Cor	2,571.00		2,571.00	-
	141	72410-201-Excon	Social Security	159.00		159.00	-
	141	72410-204-Excon	State Retirement	233.00		233.00	-
	141	72410-212-Excon	Employer Medicare Liability	37.00		37.00	-
							-

11/22/11 WANG 11-22-11

13

				149,999.00	85,486.69	85,486.69	200,986.69

Explanation: Reallocate total appropriations

Requested by: _____ Recommended for Approval: _____

Supervisor

Official / Department Head

Reviewed by:

Mark McLaughlin 11/22/11
Chief Financial Officer

Action by Fiscal Review Committee: Recommended for Approval No Recommendation

Date: _____

Action by County Commission: Approved Not Approved

Date: _____

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RESOLUTION NO:

A RESOLUTION AUTHORIZING THE PUTNAM COUNTY EXECUTIVE AND THE SOLID WASTE DIRECTOR TO PARTNER WITH ADVOCATES FOR THE UPPER CUMBERLAND INC., IN THEIR APPLICATION FOR A USDA SOLID WASTE MANAGEMENT GRANT

WHEREAS, the County Executive and County Commissioners of **Putnam County** believe that the quality of life for the citizens of **Putnam County** is very important; and

WHEREAS, the County Executives and Commissioners feel that it is in the best interest of **Putnam County** to look the future by partnering with Advocates for the Upper Cumberland Inc. with the guidance of the Upper Cumberland Development District Solid Waste Planning Staff, in their efforts of submitting an application to USDA Rural Development for a Solid Waste Management Grant.

WHEREAS, this grant if funded would benefit **Putnam County** by providing additional financial assistance, education, and workshops regarding solid waste reduction and recycling efforts.

NOW THEREFORE BE IT RESOLVED by the County Executive and County Commissioners of **Putnam County** that the County Executive shall be authorized to:

- A. Sign and execute all contractual agreements with Advocates for the Upper Cumberland Inc. regarding funding (If fully awarded by USDA) will be in the amount of **\$1,768 dollars**, beginning October 1, 2012 and ending September 30, 2013.
- B. Enter into an agreement with the Advocates Corporation for Solid Waste Staff to assist UCDD Solid Waste Planning Staff with: Tracking solid waste diversion; assisting with public surveys; assisting with distribution of recycling literature when a special event is held such as an educational presentation; and commit to long-term strategic planning efforts for waste reduction efforts.
- C. Enter into the necessary agreements with Advocates for the Upper Cumberland Inc. to receive and administer such grant funds without further action by the Board.

DULY PASSED AND ADOPTED this ____, day of **December, 2011** the public welfare requiring it.

Putnam County Executive

Date

ATTEST:

~~City Recorder~~

County Clerk

Date

The Chairman asked for discussion on the motion to approve Budget Amendments to the General Purpose School Fund as presented. There was none.

The Chairman asked the Commissioners to vote on the motion to approve Budget Amendments to the General Purpose School Fund as presented. The Commissioners voted as follows:

FOR:

Scott Ebersole
Tom Short
David Gentry
Jerry Ford
Ron Williamson
Anna Ruth Burroughs
Terry Randolph
Chris Savage
Reggie Shanks
Joe Trobaugh
Michael Medley

Eris Bryant
Sue Neal
Jonathan Williams
Daryl Blair
Kevin Maynard
Kim Bradford
Jim Martin
Bob Duncan
Marsha Bowman
Steve Pierce
Mike Atwood
Cathy Reel

The Clerk announced that twenty-three (23) voted for, zero (0) voted against, and zero (0) absent. The motion carried.

MOTION RE: THE FISCAL REVIEW COMMITTEE RECOMMENDS APPROVAL OF BUDGET AMENDMENTS TO THE CAPITAL PROJECTS FUND IN THE AMOUNT OF \$65,000 FOR THE REPLACEMENT OF A DISHWASHER, REFRIGERATOR AND A SWITCH AND SURVEILLANCE CAMERAS WITH A FOLLOW UP REPORT TO BE MADE IN JANUARY ON ADDITIONAL NEEDS BY THE JAIL

Commissioner Mike Atwood moved and Commissioner Jim Martin seconded the motion to approve Budget Amendments to the Capital Projects Fund in the amount of \$65,000 for the replacement of a dishwasher, refrigerator and a switch and surveillance cameras with a follow up report to be made in January on additional needs by the jail.

(SEE ATTACHED)

16

Putnam County Budget Amendment/Transfer Authorization Form

Department: Capital Projects Fund

Date: December 6, 2011

<u>Fund #</u>	<u>Account #</u>	<u>Account Description</u>	<u>Current Approved Amount</u>	<u>Decrease</u>	<u>Increase</u>	<u>Amount Requested</u>	<u>Amount Expended</u>
171	54210-720	Jail Plant Operation Equip.	115,000		15,000	130,000	94,414
171	39000	Fund Balance		15,000			

AS APPROVED BY FISCAL REVIEW

171	54210-720	Plant Operation Equip			50,000		
171	#39000	Fund Balance		50,000			

Explanation: Additional funds needed to replace dishwasher and refrigerator at the Jail.

Requested By:
Kim Blaylock

The Chairman asked for discussion on the motion to approve Budget Amendments to the Capital Projects Fund in the amount of \$65,000 for the replacement of a dishwasher, refrigerator and a switch and surveillance cameras with a follow up report to be made in January on additional needs by the jail. The Commissioners discussed the motion.

Trey Hassler of the Sheriff's Department, presented a computer presentation of cameras at the jail to the Commissioners.

The Chairman asked the Commissioners to vote on the motion to approve Budget Amendments to the Capital Projects Fund in the amount of \$65,000 for the replacement of a dishwasher, refrigerator and a switch and surveillance cameras with a follow up report to be made in January on additional needs by the jail. The Commissioners voted as follows:

FOR:

Scott Ebersole
Tom Short
David Gentry
Jerry Ford
Ron Williamson
Anna Ruth Burroughs
Terry Randolph
Chris Savage
Reggie Shanks
Joe Trobuagh

Eris Bryant
Sue Neal
Jonathan Williams
Daryl Blair
Kevin Maynard
Kim Bradford
Jim Martin
Bob Duncan
Steve Pierce
Mike Atwood
Cathy Reel

AGAINST:

Michael Medley

Marsha Bowman

The Clerk announced that twenty-one (21) voted for, two (2) voted against, and zero (0) absent. The motion carried.

MOTION RE: THE FISCAL REVIEW COMMITTEE RECOMMENDS APPROVAL OF BUDGET AMENDMENTS TO THE COUNTY GENERAL FUND IN THE AMOUNT OF \$19,372

Commissioner Mike Atwood moved and Commissioner Scott Ebersole seconded the motion to approve Budget Amendments to the County General Fund in the amount of \$19,372.

(SEE ATTACHED)

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Putnam County Budget Amendment/Transfer Authorization Form

Department **County General Fund**

Date: **December 6, 2011**

<u>Fund #</u>	<u>Account #</u>	<u>Account Description</u>	<u>Current Approved Amount</u>	<u>Decrease</u>	<u>Increase</u>	<u>Amount Requested</u>	<u>Amount Expended (Received) YTD</u>
101	55130-790	Ambulance Service Other Equipment	60,000		15,000	75,000	20,677
101	44990	Other Revenue <i>Rebates received on Radios purchased</i>	225,000		15,000	240,000	27,277
101	54110-708	Sheriff's Dept. Communication Equipment	34,622		4,372	38,994	16,450
101	#39000	Fund Balance <i>Prior Year Purchase Order deleted and reissued for this fiscal year.</i>		4372			

Explanation: See above

Requested By:

Trey Hassler (Sheriff)
Randy Porter (Ambulance Service)

The Chairman asked for discussion on the motion to approve Budget Amendments to the County General Fund in the amount of \$19,372. There was none.

The Chairman asked the Commissioners to vote on the motion to approve Budget Amendments to the County General Fund in the amount of \$19,372. The Commissioners voted as follows:

FOR:

Scott Ebersole	Eris Bryant
Tom Short	Sue Neal
David Gentry	Jonathan Williams
Jerry Ford	Daryl Blair
Ron Williamson	Kevin Maynard
Anna Ruth Burroughs	Kim Bradford
Terry Randolph	Jim Martin
Chris Savage	Bob Duncan
Reggie Shanks	Marsha Bowman
Joe Trobuagh	Steve Pierce
Michael Medley	Mike Atwood
	Cathy Reel

The Clerk announced that twenty-three (23) voted for, zero (0) voted against, and zero (0) absent. The motion carried.

MOTION RE: THE FISCAL REVIEW COMMITTEE RECOMMENDS APPROVAL OF THE DEBT MANAGEMENT POLICY

Commissioner Mike Atwood moved and Commissioner Ron Williamson seconded the motion to approve the Debt Management Policy.

(SEE ATTACHED)

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PUTNAM COUNTY, TENNESSEE



Debt Management Policy

Effective _____, 2011

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Debt Management Policy

Introduction

Putnam County, Tennessee (the "County") through its Board of County Commissioners (the "Governing Body") has the opportunity and the responsibility to enhance its financial management system by adopting policies to supplement the state and federal laws with guidance, direction, and decision making principles. Policies have been and are being used in the business world and many local governments in the United States.

Good, effective policies are reviewed by the credit rating agencies and investors of the capital markets as an indication of good financial management practices to meet the County's obligations in a timely manner.

What are the purposes of policies and procedures?

Policies and procedures are used by public entities and businesses to:

- Establish standards for compliance and reporting the laws and regulations;
- Provide direction, instruction, and uniform implementation of state and federal laws and regulations;
- Promote planning and management of the County's capital assets, infrastructure, and debt obligations;
- Improve governmental services to the public and economic base
- Improve the use of the County's resources;
- Establish financial practices and management that credit rating agencies consider when rating a public entity; and
-
-

What is the purpose of debt obligations of a county?

The population of the County increased from 51,373 in 1990 to 72,321 in 2010 for an increase of 20,948 or 40.8%. Out of the 95 counties, the County had the eighteenth largest population growth.

The student population of the County increased from 8,435 in 1990 to 10,434 in 2010 for an increase of 1,999 or 23.7%. The County had the sixteenth largest increase of the 95 counties.

The County is required by state law to acquire and maintain capital assets of land, buildings for general government and public education, equipment for all operations, roads, streets, jails, court facilities, and other capital assets to support the day-to-day governmental services and the economic base of the County. For the fiscal year ending June 30, 2010, the value of the depreciated capital assets of the County was as follows:

Capital Assets
Fiscal Year Ending June 30, 2010

Capital Assets	Gen. Govt.	Pub. Educ.	Total	Percent
Land	\$5,005,322	\$5,037,976	10,043,298	5.23%
Intangible	4,680,499		4,680,499	2.44%
Construction in Progress	686,037	37,065,357	37,751,394	19.68%
Buildings & Improvements	25,845,591	75,936,564	101,782,155	53.05%
Infrastructure	29,383,621		29,383,621	15.32%
Other Assets	5,696,175	2,521,378	8,217,553	4.28%
Total	\$71,297,245	\$120,561,275	\$191,858,520	100.00%
Percent	37%	63%	100%	

Debt management policies provide written guidance for funding the capital assets related to the amount and type of debt to be issued by the local government, the issuance process, and the management of the outstanding debt obligations. A debt management policy tailored to the needs of the Board of County Commissioners (the "Governing Body") of Putnam County, Tennessee (the "County") can improve the quality of decisions, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the public interest of the County. Adherence to a debt management policy indicates to the credit rating agencies and the capital markets that a government is well-managed and intends to meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program within its available resources.

The debt program for the County includes general obligation debt issued by the County for general county purposes and for public education grades kindergarten through twelfth grade which the County has pledged its full faith and credit and its unlimited property tax authority for the payment of both principal and interest until final maturity of the obligations.

This Debt Management Policy is intended to comply with the debt management policy Directive promulgated by the Tennessee State Funding Board in December 2010.

Goals and Objectives

The Governing Body is establishing a debt policy as a tool to ensure that capital financings undertaken by the Governing Body satisfy certain clear objective standards designed to protect the County's financial resources and to meet its long-term capital needs.

A. The goals and objectives of this policy are to:

1. Document responsibility for the oversight and management of debt related transactions;
2. Establish criteria for promoting prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
3. Identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Governing Body's debt issuance authority;
4. Define the types and appropriate use of debt approved for use within the constraints established by Tennessee law;
5. Provide guidance for evaluating refunding candidates or alternative debt structures;
6. Provide support for the maintenance of a strong credit rating;
7. Enhance risk management practices; and
8. Increase transparency, reduce conflicts, and promote cooperation in the debt management process.

Debt Management Strategies

To achieve the goals and objectives above, the Governing Body adopts the following debt management strategies and procedures.

A. Funding Strategies

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of Tennessee (the "State") (including Title 9, Chapter 21, Tennessee Code Annotated (the "General Bond Act") and Title 49, Chapter 3, Part 10, Tennessee Code Annotated (the "School Bond Act") and various bond authorizations enacted by the General Assembly of the State), and pursuant to resolutions adopted by the Governing Body.

1. Debt may only be used to finance or refinance:
 - a. the capital asset costs of "public works projects" (as defined in and permitted by the General Bond Act) and such other costs related thereto as may be permitted by the General Bond Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body; and
 - b. the capital costs of County school projects (as permitted by the School Bond Act) and such other costs related thereto as may be permitted by the School Bond Act (including without limitation issuance costs,

capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body.

2. Prior to the issuance of bonds, three-year capital outlay notes or bond anticipation notes may be issued for the payment of capital costs of projects as authorized by a resolution of the Governing Body.
3. Debt shall be secured by and payable from the following sources of funds:
 - a. The full faith and credit of the County and its unlimited property tax authority commonly referred to as a general obligation pledge shall secure the obligations issued to finance public works capital asset projects under the authority of the General Bond Act; provided that in cases where debt is issued to finance capital improvements to a revenue-generating public works project, the debt may be additionally payable from and secured by a pledge of the revenues of such public works project; and
 - b. In the case of debt issued to finance County school projects under the authority of the School Bond Act, the full faith and credit of the County and its unlimited property tax authority shall be pledged.
4. Prior to the adoption of a resolution authorizing debt, the County Financial Officer (the "CFO") shall estimate the impact of the contemplated financing and identify the projected source of repayment by developing a long-term projected financial plan of the debt service fund.

B. Federal Tax Status

1. **Tax-Exempt Debt** — Based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints; the County shall use its best efforts to maximize the amount of debt sold under this policy as tax-exempt.
2. **Taxable Debt** — The County shall sell taxable debt when necessary to finance projects with a private use or uncontrolled purpose. The Governing Body encourages the financing team to blend the financing of taxable projects with the financing of tax-exempt projects whenever possible and economically advantageous within the federal Internal Revenue Code requirements.

C. Legal Limitations on the Use of Debt

1. No debt obligation, except for tax anticipation notes, shall be issued to fund the current operations of the County or any department thereof. Tax anticipation notes shall only be issued upon approval of the Governing

the County does not have any professional service providers representing its interest. Without bond counsel and a financial advisor representing the County's interest, all other parties --- administrator, liquidity provider, remarketing agent, PBA bond counsel and financial advisor, trustee --- legally represent their interest and the PBA's interest not the County or borrower. To protect the County's interest, the Governing Body's Committee and CFO shall obtain any contracts, loan agreements, trust indenture agreements and any other documents or agreements that the County shall sign before any resolution shall be considered or approved to enter into a contract for any VRDO obligations

Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution.

a. The County shall annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

b. The CFO shall be responsible for monitoring the:

- performance of the remarketing agent, if any,
- name and ratings of any letter-of-credit banks or liquidity facility providers,
- expiration date of any letter-of-credit or liquidity facility,
- dollar amount of any on-going fees associated with the variable rate debt, and
- quarterly reporting or as requested to the Governing Body the variable rates during the last quarter and detailed listing of fees and charges.

B. Short Term Debt

The County may issue short term debt by resolution of the Governing Body. Debt issued in a short-term mode shall be of one of the following types:

1. **Bond Anticipation Notes (BANs)** — BANs are short term obligations authorized to be issued under the General Bond Act and the School Bond Act that shall be repaid by proceeds of a subsequent long-term bond issue. BANs shall not be issued unless and until all steps prerequisite to the issuance of the anticipated long term bonds have been taken.
2. **Capital Outlay Notes (CONs)** - CONs are short term notes (12 years or less maturities), authorized by the General Bond Act, secured by a pledge of the County's full faith and credit and its unlimited property tax authority. CONs may be issued when the County wishes to finance capital asset projects over a relatively short period. Before the County issues the

agreements may be entered into pursuant to a negotiated sale; provided that the County has legal counsel and/or a financial advisor representing the County's interest. All one-time and ongoing fees, administrator fees, remarketing fees, liquidity fees, letter of credit fees, trustee fees, compensation, charges, costs, rebate from interest charges, retainer fees, consultant or referral fees, or any payments to a third party associated with a transaction issued through a public building authority shall be disclosed, in written form, to the County's Governing Body, for public review, prior to the approval and signing of any documents or contracts.

The Governing Body's Committee and CFO shall obtain any contracts, loan agreements, trust indenture agreements and any other documents or agreements that the County shall sign before any resolution shall be considered or approved relative to any PBA transaction. In addition to the County officials reviewing the contracts and documents, the County Attorney shall review all contracts to be signed by the County before any resolution is approved by the Governing Board.

Any structured products, also referred to as swap agreements or derivatives, issued through a public building authority shall not be considered unless (1) a policy defining the use and costs of such products is approved by the County before the transaction is considered, (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law, and (3) any contracts, documents, International Swap Document Agreement (ISDA), the swap provider, proposals for various options and risks or swap providers to be considered shall be evaluated, analyzed, and recommended by a bond counsel and financial advisor under contract representing the County's interest.

Debt Management Practices

A. Structure

The Governing Body shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected life of the assets financed by such debt. In addition, the final maturity of any bond debt should not be longer than the expected life of the longest lived asset financed thereby, and in no event more than 30 years from issuance.

2. Principal Amortization

Each bond issue shall be structured in accordance with Tennessee Code Annotated, and seek to achieve an overall level debt service plan;

however, there may be instances where, with justification, the debt service plan may vary considering current fixed or variable interest rates, the population and student population growth, the state federal and state mandates or requirements, inflation factor, and the additional burden place on the current taxpayers..

3. Capitalized Interest

Interest on a debt issue may be financed (capitalized) through a period permitted by federal law and the authorizing resolution of the Governing Body if it is determined that doing so is consistent with the financial objectives of the County.

4. Debt Service Structure

Debt issuance shall be planned to achieve, in conjunction with other outstanding County debt service, a debt service schedule that – over the long term – is approximately level or declining.

5. Call/Redemption Provisions

The County shall strive to issue all of its debt with a call feature occurring no later than the end of the tenth fiscal year after delivery of the bonds. In any event, call features should be structured to provide the maximum flexibility relative to cost. The County shall avoid the sale of long-term non-callable bonds absent careful evaluation by the Governing Body with respect to the value of the call option.

B. Refinancing/Refunding Outstanding Debt

Refinancing of bonds, notes, or other obligations is accomplished by issuing new obligations usually in the same form --- bonds, notes or other --- with the cash proceeds to be used for paying off the prior obligations. This process is commonly referred to in municipal bond market as “refunding” the prior obligations with “refunding bonds or refunding notes”. The prior or original bonds or notes are referred to as the “refunded” bonds or notes.

If the prior/refunded bonds or notes can be paid off within 90 days of the issuance of the new refunding bonds, it is considered a “current refunding”. The refunding bond proceeds may be invested at the maximum rate and not subject to IRS arbitrage limitations. The current refunding of obligations is not subject to any number of refundings during the life of the original debt issue.

If the prior/refunded bonds or notes will be paid off at a future date of more than 90 days, the new refunding bond proceeds shall be deposited with an escrow bank and invested in U. S. Government State and Local Government Securities (SLGS)

at an investment rate not exceed the "bond yield rate" of the new bond or note issue. Escrow investments may include other securities issued by U.S. Government or agencies thereof; provided the purchasing of the securities meet IRS Code and Regulations and as further described by this policy. This refunding bond issue is referred to as an advanced refunding issue. The original bond or notes issue may be "advanced" refunded only once during life of the original issue. There is not limitation on the number of "current" refundings.

1. Purposes for Refinancing/Refunding

The CFO shall periodically analyze outstanding bond issues to determine whether bonds can be refinanced for debt service savings. Bonds shall be considered for refunding when the refunding generates results in aggregate net present value savings (calculation net of all costs to the county) to the County. In determining whether a refunding is advisable, the Governing Body shall take into account, among other factors, the level of savings both annual and present value, the call date and final maturity date of the refunded bonds, and projected interest rates relative to historical interest rate levels

The County may also consider refunding bonds if necessary due to a change in private/public use of a project that would cause a need to change the tax status of the bonds.

The County may also consider refunding bonds to restructure outstanding debt service; provided that the costs of such restructuring shall be presented to the Governing Body and the Governing Body must expressly determine by resolution that the restructuring is in the County's best interest.

2. Term of Refunding Issues

The Governing Body shall refund bonds within the term of the originally issued debt, unless otherwise expressly approved by resolution of the Governing Body.

3. Escrow Structuring

The County shall utilize the least costly securities available in structuring refunding escrows; provided that the County shall purchase U.S. Treasuries – State and Local Government Series if it is determined that the costs and risks attendant to the solicitation of open market securities outweigh any attendant benefits. With respect to purchases of open market securities, the County shall take competitive bids on a selected portfolio of securities and shall award to the lowest cost provider as required by the federal Internal Revenue Code. The provider must guarantee the delivery

of securities and that the securities were bid and awarded as required by the federal Internal Revenue Code. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.

C. Debt Management Financing Plan

Decision makers, Governing Body members, officials and managers are entitled to know the facts, options, recommendations, and the financing plan to accomplish the financing. They are entitled to know and understand the transaction --- the purpose of the transaction, the cost associated with the transaction, the risks, the contracts, the documents, the potential liabilities, the termination provisions, the redemption/callable features, and the consequences resulting from the failure to pay any obligations. However, it is most important that the Governing Body understand how the County will pay for the current outstanding obligations and the proposed new financing.

The purpose of this section is to assist the Governing Body, the officials and managers with a better understanding of issuing obligations for the purpose of financing capital assets and infrastructure assets.

1. **Current Outstanding Debt Obligations** --- To develop an acceptable debt financial plan, the decision makers should have a clear understanding the current outstanding obligations --- bonds, notes, loan agreements or any other obligations.

The CFO, the staff, and the financial advisor shall prepare a detailed schedule by fiscal years for each debt service fund for all current outstanding obligations at the beginning of the most recent fiscal year. Bonds, notes, loan agreements and other financial obligations shall be grouped together but each issue listed separately showing the principal amount, interest rate, interest cost. Other information relative to purpose of the issue, call feature, interest and principal payment dates, and other features of each issue shall be included a clear understanding of the County's outstanding obligations.

Any costs of collecting taxes and revenues and related to the management of the debt service funds shall be included in projecting the fiscal year annual debt service requirements.

2. **Current Debt Service Funding and Projections** --- Obligations issued by the County shall have a projected tax or revenue source for making the timely principal and interest payments.

Using the County's current fiscal year budget and prior year audits, the CFO, financial advisor and staff shall analyze the taxes, tax rates,

revenues, interest earnings and all other revenues allocated to each debt service fund used to fund and pay debt obligations.

The programmed taxes and revenues shall be projected for each fiscal year considering the possible growth of taxes and revenues in a conservative manner based on historical growth percentages. The projections shall extend to the final maturity of any proposed new debt issuance.

3. **Projected Current Debt Capacity ---**

Combining the fixed component of the current outstanding obligations and the projected taxes and revenues allocated to the debt service fund by fiscal years along with any projected beginning and ending unreserved fund balance can provide a reasonable estimated of current funding capacity for any new debt issuance. The projection model can be expanded to predict any additional taxes or revenues needed to fund any proposed new debt issuance.

4. **Debt Service Financial Plan and Options ---** Considering the current outstanding obligations, projected taxes, revenues and unreserved fund balance, a Debt Service Financial Plan shall be prepared by fiscal year until final maturity. Optional Financial Plans shall be prepared projected any taxes or revenues needed to fund the proposed new debt issuance.

5. **Facts and Options ---** The CFO and financial advisor shall prepare facts and options related to any additional taxes or revenues needed to finance the proposed new debt issuance.

D. Methods of Sale

It shall be the policy of the County to sell all bonds issued for the purpose of financing public works projects or school construction projects through a competitive bid process. In accordance with General Bond Act and the School Bond Act, notes and refunding bonds may be sold through either a competitive bid process or through a negotiated sale.

1. **Competitive** — In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost bid as long as the bid adheres in all material respects to the requirements set forth in the official notice of sale.
2. **Negotiated** — The Governing Body recognizes that some bonds are best sold through the negotiating process --- refunding bonds issued to fund an escrow account with a future redemption date exceeding 90 days, and other bond issues with a revenue pledge only that are authorized by the General Bond Act. The Governing Body shall review the facts of a

negotiated sale and determine if a negotiated sale is in the best interest of the County.

In a negotiated sale, the underwriter(s) shall be chosen prior to the sale and the interest rate and underwriter's fees shall be negotiated prior to the sale. All fees, costs, consultant fees, and any other compensation shall be disclosed and certified before the sale or at the time of the sale of bonds or notes. The factors to be considered for a negotiated sale include the following:

- Volatility of market conditions
- Size and complexity of the bond sale
- Credit strength
- In the case of a refunding, timing of borrowing rates, escrow account investment rates, and interest rate sensitivity
- Whether the bonds are structured in a manner that is not conducive to competitive sale (eg. variable rate bonds)

E. Private Placement

From time to time the Governing Body may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.

F. Underwriter Selection (Negotiated Transaction)

1. **Selection Criteria** — The County shall select, or provide for the selection of, the underwriter(s) for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:
 - Ability and experience in managing similar transactions;
 - Prior knowledge and experience with the County;
 - Capital adequacy;
 - Quality and experience of personnel assigned to the County's engagement;
 - Financing ideas and options presented; and
 - Underwriting fees, costs and other compensation related to the transaction..
2. **Underwriter's Discount** — The County shall evaluate the proposed underwriter's discount in comparison to other issues in the market. All fees shall be determined prior to the sale date; a cap on expenses and

underwriter's counsel, if any, shall be established and communicated to all parties by the County.

3. **Evaluation of Underwriter Performance** — The CFO shall evaluate each bond sale after completion to assess the following: costs of issuance including the underwriter's compensation, and the pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis.

F. Credit Quality

The County's debt management activities shall be conducted to obtain and maintain the highest credit ratings possible, consistent with County's financing and public policy objectives. The CFO shall be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the County's debt. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The CFO and any professional service provider contracted by the County shall prepare and make presentations to the rating agencies, as needed, to assist credit analysts in making an informed decision.

G. Credit Enhancements

The County shall consider the use of credit enhancements on a case-by-case basis, evaluating economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The County may consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. Bond Insurance

The County may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the County may either purchase bond insurance or make the issue eligible for bond insurance and allow the purchaser of the bonds to determine whether bond insurance shall be used, and to pay for such bond insurance.

2. Letters of Credit

The County may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The County shall prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the County. All terms, contracts, costs, termination features, consultant fees, referral fees, and other factors shall be analyzed and evaluated by the CFO for determining the letter of credit provider and the contract provisions for the County.

3. Liquidity

For variable rate debt requiring liquidity facilities to protect against remarketing risk, the County shall evaluate:

- Alternative forms or contracts of liquidity, including direct pay letters of credit, standby letters of credit, and line of credit, in order to balance the protection offered against the economic costs associated with each alternative;
- Diversification among liquidity providers, thereby limiting exposure to any individual liquidity provider;
- All cost components attendant to the liquidity facility, including commitment fees, standby fees, draw fees, and interest rates charged against liquidity draws; and
- A comparative analysis and evaluation of the cost of external liquidity providers compared to the requirements for self liquidity.

H. Use of Structured Products

No interest rate agreements or forward purchase agreements, also referred to as swaps and derivatives, shall be considered unless (1) a policy defining the use of such products is approved by the Governing Body before the transaction is considered, and (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law.

Any evaluation of structured products does not mitigate the ongoing business, financial, market or operating risks nor does it mitigate in any way the County's responsibility to seek an independent review of the transaction by a professional, with a fiduciary duty to the County, with regular monitoring to fully understand the risks associated with these types of transactions.

I. Risk Assessment

In the capital financial markets, a major objective of financial products providers is to transfer all or most of the risks associated with the financial product to the counter party. The County shall evaluate each transaction to assess the types and amounts of risk associated with the transaction, considering all available means to mitigate those risks. The County shall evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

1. **Change in Public/Private Use** — The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.
2. **Default Risk** — The risk that debt service payments cannot be made by the due date.

3. **Liquidity Risk** — The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing.
4. **Interest Rate Risk** — The risk that interest rates shall rise, on a sustained basis, above levels that would have been set if the issued had been fixed.
5. **Rollover Risk** — The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.
6. **Credit Risk** — The risk that an issuer of debt securities or a borrower may default on his obligations by failing to repay principal and interest in a timely manner.
7. **Termination and Early Payment Risks.** The risk that hidden and unusual costs associated with the termination or early payment shall be unacceptable burden to the taxpayers of the County.
8. **Fee Risk** — The risk that on-going fees may increase beyond what is initially expected.

J. Continuing Disclosure

To the extent that any of the County's debt issues are subject to disclosure agreements required by U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the County shall ensure that it remains in compliance with such agreements. Specifically, the County shall provide certain financial information and operating data by specified dates, and shall provide notice of certain enumerated events with respect to the bonds, all as described in Rule 15c2-12.

The County's continuing disclosure requirements shall be filled annually using the Electronic Municipal Market Access (EMMA) administered by the Municipal Securities Rulemaking Board" (MSRB) website www.emma.msrb.org.

K. Transparency

The County shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda when matters related to debt issuance shall be considered. Additionally, in the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the Governing Body and citizens in a timely manner. In order to comply with the requirements of the preceding sentence, an estimate of the costs described above shall be presented to the Governing Body along with any resolution authorizing debt.

Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the office of the CFO for review by members of the Governing Body and the public.

L. **Professional Services**

Contracts for professional services related to debt shall be awarded on the basis of recognized competence and integrity, as required by Section 12-4-106, Tennessee Code Annotated. To evaluate the competence and integrity, the County may request detailed resumes of training and experience, references and licensing requirements of the individuals being considered to contract with the County. All persons and professionals engaged to assist in the process of issuing debt shall be required to clearly disclose all compensation and consideration received directly or indirectly related to services provided in the debt issuance process by the County. Prior to the sale of any bonds or notes, the individuals associated with the transaction shall sign a certificate or affidavit that only the fees, compensation, and any reward received directly or indirectly are disclosed on the certificate or affidavit.

1. **Counsel** — The County shall enter into an engagement letter agreement with each lawyer or law firm to represent the legal interest of the County in a debt transaction. No engagement letter is required for any lawyer who serves as counsel to the County regarding County matters generally.
2. **Bond Counsel** — Bond counsel for each debt transaction shall enter into an engagement letter agreement or contract to represent the legal interest of the County and the legal requirements of transactions considering all of the legal requirements related to the bond or note issue.
3. **Financial Advisor** — The County shall enter into a written agreement with the financial advisor for debt management advice and coordinate the transactions to represent the interest of the County and in compliance Municipal Securities Rulemaking Board rules. The financial advisor shall not be permitted to bid on or underwrite an issue for which they are or have been providing advisory services.
8. **Underwriter** — If an underwriter is selected to negotiate the sale of a debt issue, the underwriter must clearly identify itself to the County in writing (e.g., in a response to a request for proposals or in promotional materials provided to the County) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the County with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the County. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both

as to interest rates and to takedown per maturity to the CFO in advance of the pricing of the debt.

If the bonds or notes are sold at a competitive sale, the underwriter shall not be pre-approved to purchase the bonds or notes. In a competitive sale, the bonds or notes will be sold and awarded to the firm and underwriter offering the lowest average true interest cost (TIC) rate and depositing the good faith deposit as required by the sale specifications.

M. Potential Conflicts of Interest

Professionals involved in a debt transaction hired or compensated by the County shall be required to disclose existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, administrator, swap advisor, bond counsel, swap counsel, liquidity provider, letter of credit provider, trustee, paying agent, underwriter, counterparty, remarketing agent, and any compensation paid or received as a consultant, referral or agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the County to appreciate the significance of the relationships. Each party involved in the transaction shall certify or provide an affidavit that the fees, compensation or any other remuneration as disclosed was all that was received.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Debt Administration

A. Planning for Sale

1. Prior to submitting a bond resolution for approval by the Governing Body, it shall first be considered by the Budget Committee of the Governing Body. The CFO or the professional service provider contracted to serve the County shall present to the members of the Budget Committee and the members of the Governing Body the purpose of the financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team, and an estimate of all the costs associated with the financing, and
2. In the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the CFO or the professional service provider contracted to serve the County shall present the rationale for

using the proposed debt structure, an estimate of the expected savings associated with the transaction (if applicable) and a discussion of the potential risks associated with the proposed structure, and

3. If required by Rule 15c2-12, the CFO, the bond counsel, financial advisor, if any, along with other members of the financing team shall prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Post Sale

1. The CFO shall maintain for review by members of the Governing Body and the public a report, such as State Form CT-0253, describing the transaction and setting forth all the estimated costs associated with the transaction.
2. The CFO shall obtain a closing memorandum with written instructions on transfer and flow of funds.
3. The Trustee, in conjunction with the CFO, shall establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds reporting to the IRS all arbitrage earnings associated with the financing and any tax liability that may be owed.
4. The CFO, the bond counsel and financial advisor, along with other members of the financing team shall prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

C. Arbitrage

Compliance with arbitrage requirements on invested tax-exempt bond funds shall be maintained. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The County shall comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earning on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The County shall contract with an arbitrage consultant to prepare these calculations, when needed. The County shall also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

D. Private Activity

Compliance with private activity requirements with respect to tax exempt debt-financed facilities shall be maintained. The Finance Office shall maintain a record of the allocation of debt proceeds to expenditures, and monitor the use of tax exempt debt-financed facilities to ensure that no impermissible private use occurs.

E. Investment of Proceeds

Any proceeds or other funds available for investment by the County must be invested pursuant to applicable State law.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. A violation of the Governing Body's debt policy shall in no way be interpreted as a violation of law and shall have no bearing on the validity of debt issued by the Governing Body. The Governing Body maintains the right to modify these guidelines (except to the extent these guidelines are mandated by applicable state law or regulation) and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the Governing Body's goals. Any exceptions to these policies shall be expressly acknowledged in the resolution authorizing the pertinent debt issue. In the event of a conflict between the terms of a debt resolution and this policy, the terms of the debt resolution shall control.

This policy shall be periodically reviewed by the CFO. The CFO may at any time present recommendations for any amendments, deletions, additions, improvements or clarifications.

Adoption of the Policy

The Governing Body adopted this Policy on _____, 2011, effective _____, 2011.

Glossary of Municipal Debt Terminology

Accrued interest. Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery. Since interest on municipal bonds is payable semi-annually, every six months, when you buy a bond in mid-term you are only entitled to the interest the bond earns after you buy it. The interest earned previously, the accrued interest, belongs to the seller. Some first-time bond buyers think this payment is a hidden charge or fee, not realizing that they shall get it back in full at the next interest payment date as tax-free interest.

Ad Valorem Tax. (It actually means "according to its value.") A state or local government tax based on the value of real property as determined by the public entity's tax assessor.

Advance Refunded Bonds. A municipality may sell a second bond issue at a lower interest rate cost, placing the proceeds of the issue in an escrow account from which the first issue's principal and interest shall be repaid when due.

Amortization of Debt. The annual reduction of principal through the use of serial bonds or term bonds with a sinking fund.

Arbitrage. The interest rate differential that exists when proceeds from a municipal bond - which is tax-free and carries a lower yield - are invested in taxable securities with a yield that is higher. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

Assessed Valuation. A municipality's worth in dollars based on real estate and/or other property for the purpose of taxation, sometimes expressed as a percent of the full market value of the community.

Authority or Agency. A state or local unit of government created to perform a single activity or a limited group of functions and authorized by the state legislature.

Authorizing Resolution. A resolution that when enacted allows the unit of government to sell a specific bond issue or finance a specific project.

Average life. The average length of time an issue of serial bonds and/or term bonds with mandatory sinking funds and/or estimated prepayments is expected to be outstanding. It also can be the average maturity of a bond portfolio.

Balloon Maturity. An inordinately large amount of bond principal maturing in any single year. Also called a Term Bond.

B.A.N. (Bond Anticipation Note). A short-term security, one year or less, used for interim financing to be repaid from the proceeds of a planned long-term bond issue.

Basis Point. One one-hundredth of one percent ($1/100$ % or 0.01 percent). Thus 25 basis points equal one-quarter of one percent, 100 basis points equal one percent. This is typical in-group, professional bond talk.

Bid. An offer to buy at a fixed price or yield. As opposed to Ask, which is an offering to sell.

Bond or note. A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

Bond Counsel or Bond Approving Attorney. A lawyer who writes an opinion on the bond or note as to its tax exempt status and the authenticity of its issuance.

Bond Insurance. Insurance issued by a private insurance company for either an entire issue or specific maturities that guarantees to pay principal and interest when due. This may result in a lower borrowing cost for the issuer.

Bond Premium. The amount at which a bond or note is bought or sold above its par value or face value without including accrued interest.

Bonded debt. The portion of an issuer's debt structure represented by outstanding bonds.

Book Entry. A system of security ownership in which the ownership is held as a computer entry on the records of a central company for its owner. The bond owner gets a computer printout as proof of ownership.

Broker. Technically a broker is a bond trader in the secondary market buying from and selling to bond dealers. Its most common usage is as a description of a bond salesperson.

Callable bond. A bond or note that is subject to redemption at the option of the issuer prior to its stated maturity. The call date and call premium, if any, is stated in the offering statement.

Conduit Bonds. Bonds whose repayment is the responsibility of the business or developer who benefits from the financing, rather than the issuer who only collects the taxes, fees or revenues and passes them on to the bondholder.

Coupon. The detachable part of a bond that evidences the rate of interest due and the interest payment date. In the days of bearer bonds, coupons were detached from the bonds and presented to the paying agent for payment just as one might cash a government check.

Coupon rate. The specified annual interest rate payable to the bond or note holder as printed on the bond.

Covenant. A legally binding commitment by the issuer of municipal bonds to the bondholder. An impairment of a covenant can lead to a Technical Default.

Coverage. This is the margin of safety for payment of debt service on a revenue bond that reflects the number of times the actual and/or estimated project earnings or income for a 12-month period of time exceeds debt service that is payable.

Current Yield. The ratio of the coupon rate on a bond to the dollar purchase price expressed as a percentage. Thus if you pay par or 100 cents on the dollar for your bond and the coupon rate is 6%, the current yield is 6%; however, if you paid 97 for your 6% discount bond the current yield is 6.186%. (.06 divided by 97). If you paid 102 for a 6% bond the current yield is 5.88% (.06 divided by 102).

Cushion Bonds. Bonds selling at a premium are called "cushion" bonds because they cushion the price volatility in an up and down market. By definition, a premium bond has a higher-than-market coupon interest rate. The dollar price movement of a high interest rate bond is less than that of a lower interest rate bond of the same maturity when general interest rates move up or down a few basis points.

Dated Date. (dtd.) The date carried on the face of a bond or note from which interest normally begins to accrue.

Dealer. A corporation or partnership that buys and sells and maintains an ongoing position in bonds and/or notes. They are also authorized to underwrite new issues. Some large commercial banks are licensed to act as bond dealers.

Debt Limited. The maximum statutory or constitutional amount of debt that the general obligation bond issuer can either issue or have outstanding at any time.

Debt Ratio. The ratio of the issuer's general obligation debt to a measure of value, such as real property valuations, personal income, general fund resources, or population.

Debt Service. Required payments for principal and interest.

Debt Service Reserve Fund. A bank trustee account established by the trust indenture and used as a backup security for an issuer's bonds. It usually amounts to one year's debt service, and can be drawn on by the Trustee in the event of an impairment of the Trust indenture.

Default. Failure to pay in a timely manner principal and/or interest when due, or a Technical Default, the occurrence of an event as stipulated in the Indenture of Trust resulting in an abrogation of that agreement.

Defeased bonds. Refunded bonds for which the payment of principal and interest has been assured through the structuring of a portfolio of government securities, the principal and interest on which shall be sufficient to pay debt service on the refunded, outstanding bonds. When a bond issue is defeased, the claim on the revenues of the issuer is usually eliminated.

Delinquent Taxes. Property taxes that have been levied but remain unpaid on and after the due date. Special taxes and assessments are often due on these dates as well. When tax delinquencies exceed 5% the Bond Advisor places the issue on its internal Bond Watch.

Delivery. For new issues, the time when payment is made to, and the executed bonds and notes are received from, the issuer.

Denomination. The face or par amount - nominally \$1000 or \$5000 but can be \$100,000 or more in the case of a note - that the issuer promises to pay at a specific bond or note maturity.

Direct debt. In general obligation bond analysis, the amount of debt that a particular local unit of government has incurred in its own name or assumed through annexation.

Discount. The amount of dollars by which market value of a bond is less than par value or face value.

Discount Bonds. Bonds which sell at a dollar price below par in which case the yield would exceed the coupon rate. The difference between the discount price and the maturity price is subject to federal capital gains tax except in the case of Original Issue Discount Bonds, which see.

Discount note. Non-interest-bearing note sold at a discount and maturing at par. A U.S. Treasury Bill is a discount note.

Double-barreled Bond. A bond with two distinct pledged sources of revenue, such as earmarked monies from a specific enterprise or aid payment, as well as the general obligation taxing powers of the issuer.

Escrow Fund. A fund that contains monies that only can be used to pay debt service.

Escrowed to Maturity. An Advanced Refunded bond. When interest rates fall, an issuer may choose to sell a new issue called a refunding issue and use the proceeds of the second issue to pay off the original issue, much the same as a home owner refinancing a mortgage in an effort to save interest costs. The proceeds of the refunding issue are used to structure a portfolio of U.S. government securities, the principal and interest payments of which exactly match the principal and interest payments of the refunded bonds. The portfolio is placed in escrow at the paying agent and the bond issue is said to be fully defeased and escrowed to maturity. In actual practice the bonds are usually called on the first call date. Because of the U.S. Treasury backing, ETM bonds are considered the safest municipal bonds available and trade on the market with a rating that matches the United States Government.

Feasibility Study. A financial study provide by the issuer of a revenue bond that estimates service needs, construction schedules, and most importantly, future project revenues and expenses used to determine the financial feasibility and creditworthiness of the project to be financed.

Financial Advisor. A firm that advises the issuer on all financial matters pertaining to a proposed issue and is not part of the underwriting syndicate.

Fiscal Year. A 12-month time horizon by which state and local governments annually budget their respective revenues and expenditures. Usually not the calendar year, January to December, but often July to June.

Flow of Funds. The annual legal sequence by which a public entity's revenues are paid out for operating and maintenance costs, debt service, sinking fund payments, and so on.

Full Faith and Credit. The pledge of "the full faith and credit and taxing power without limitation as to rate or amount." A phrase used primarily in conjunction with General Obligation bonds to convey the pledge of utilizing all taxing powers and resources, if necessary, to pay the bond holders.

General Obligation Bond. (G.O.) A bond secured by a pledge of the issuer's taxing powers (limited or unlimited). More commonly the general obligation bonds of local governments are paid from ad valorem property taxes and other general revenues. Considered the most secure of all municipal debt.

General Property Tax. A tax levied on real estate and personal property.

Gross Debt. The sum total of a state's or local government's debt obligations.

Gross Revenues. Generally, all annual receipts of a revenue bond issuer prior to the payment of all expenses. Normally only Net Revenues are pledged to the repayment of bonds.

Indenture of Trust. A legal document describing in specific detail the terms and conditions of a bond offering, the rights of the bondholder, and the obligations of the issuer to the bondholder; such document is alternatively referred to as a bond resolution.

Industrial Development Bonds. (IDBs) also called Industrial Revenue Bonds (IRBs). Used to finance facilities for private enterprises, water and air pollution control, ports, airports, resource-recovery plants, and housing, among others. The bonds are backed by the credit of the private corporation borrower rather than by the credit of the issuer. Also known as Conduit Bonds.

Interim Borrowing. (1) Short-term loans to be repaid from general revenues or tax collections during the current fiscal year (TRANS or RANs); (2) short-term loans in anticipation of bond issuance or grant receipts (BANs).

Investment Banker. A firm engaged in raising capital for an issuer. Participates as the middleman in purchasing securities from the issuer and in selling the same securities to investors.

Issuer. A state or local unit of government that borrows money through the sale of bonds and/or notes.

Investment Grade. Bond issues that the three major bond rating agencies, Moody's, Standard & Poor's, and Fitch rate BBB or Baa or better. Many fiduciaries, trustees, some mutual fund managers can only invest in securities with an investment grade rating.

Junk Bonds. Most non-rated bonds and bonds rated below investment grade.

Legal Opinion. A written opinion from bond counsel that an issue of bonds was duly authorized and issued. The opinion usually includes the statement, "interest received thereon is exempt from federal taxes and, in certain circumstances, from state and local taxes."

Letter of Credit. A form of supplement or, in some cases, direct security for a municipal bond under which a commercial bank or private corporation guarantees payment on the bond under certain specified conditions. Used most often in variable rate transactions.

Level Debt Service. Principal and interest payments that, together, represent more or less equal annual payments over the life of the loan. Principal may be serial maturities or sinking fund installments.

Maximum Annual Debt Service. The maximum amount of principal and interest due by a revenue bond issuer on its outstanding bonds in any future fiscal year. This is sometimes the amount to be maintained in the Debt Service Reserve Fund.

Municipal Bond. Bonds issued by any of the 50 states, the territories and their subdivisions, counties, cities, towns, villages and school districts, agencies, such as authorities and special districts created by the states, and certain federally sponsored agencies such as local housing authorities. Historically, the interest paid on these bonds has been exempt from federal income taxes and is generally exempt from state and local taxes in the state of issuance.

Municipal Notes. Short-term municipal obligations, generally maturing in one year or less. The most common types are (1) bond anticipation notes (BANs), (2) revenue anticipation notes (RANs), (3) tax anticipation notes (TANs), (4) grant anticipation notes, (5) project notes, and (6) construction loan notes. .

Municipal Securities Rulemaking Board (MSRB). An independent self-regulatory organization established by Congress in 1975 which is charged with primary rulemaking authority - under the SEC - over dealers, dealer banks, and brokers in municipal securities.

Net Bonded Debt. Gross general obligation debt less self-supporting general obligation debt, housing bonds, water revenue bonds, etc..

Net Interest Cost (NIC). Generally speaking, issuers award competitive bond sales to the underwriter bidding the lowest NIC. It represents the average coupon rate weighted to reflect the time until repayment of principal and adjusted for the premium or discount.

Official Statement (OS) or Offering Circular (OC). A document (prospectus) circulated for an issuer prior to a bond sale with salient facts regarding the proposed financing. There are two OSs, the first known as the preliminary, or "red herring" - so named because some of the type on its cover is printed in red - and it is supposed to be available to the investor before the sale. The final OS must be sent to the purchaser before delivery of the bonds.

Original Issue Discount. Some maturities of a new bond issue that have an offering price substantially below par; the appreciation from the original price to par over the life of the bonds is treated as tax-exempt income and is not subject to capital gains tax. See also Zero Coupon Bond.

Overlapping Debt. The proportionate share of the general obligation bonds of local governments located wholly or in part within the limits of the reporting unit of government that must be borne by property owners within the unit.

Par Value. The face value or principal amount of a bond, usually \$5,000 due the holder at maturity. It has no relation to the market value. For pricing purposes it is considered 100.

Parity Bonds. Revenue bonds that have an equal lien on the revenues of the issuer.

Paying Agent. Also Fiscal Agent. Generally a bank that performs the function of paying interest and principal for the issuing body.

Premium. The amount, if any, by which the price exceeds the principal amount (par value) of a bond. Its current yield shall be less than its coupon rate.

Price to Call. The yield of a bond priced to the first call date rather than maturity.

Primary Market. The new issue market

Principal. The face value of a bond or note, exclusive of interest.

Put Bond. A bond that can be redeemed on a date or dates prior to the stated maturity date by the bondholder. Also known as an option tender bond.

Qualified Legal Opinion. Conditional affirmation of the legal basis for the bond or note issue. The average investor should avoid any but the strongest opinion by the most recognized bond approving attorneys.

RANs. Revenue anticipation notes.

Rate Covenant. A legal commitment by a revenue bond issuer to maintain rates at levels to generate a specified debt-service coverage.

Ratings. Various alphabetical and numerical designations used by institutional investors, underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Investors Service Inc. use the same system, starting with their highest rating of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Services uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use + or - or +1 to indicate half steps in between. The top four grades are considered Investment Grade Ratings.

Red Herring. A preliminary offering statement, subject to final change and update upon completion of sale of bonds. The name comes from the red type along the side on the cover.

Redemption. Process of retiring existing bonds prior to maturity from excess earnings or proceeds of refunding bonds. It also refers to redeeming shares in a mutual fund by selling the shares back to the sponsor.

Refunding Bond. The issuance of a new bond for the purpose of retiring an already outstanding bond issue.

Registered Bond. A non-negotiable instrument in the name of the holder either registered as to principal or as to principal and interest.

Revenue Bond. A municipal bond whose debt service is payable solely from the revenues derived from operating the facilities acquired or constructed with the proceeds of the bonds.

Secondary Market. The trading market for outstanding bonds and notes. This is an O.T.C. market, a free form negotiated method of buying and selling, usually conducted by telephone or computer. Traders buy and sell for their own inventory. **Security.** The legally available revenues and assets that are used to pay the bond holders. The key component that supports debt service.

Self-Supporting Bonds. Bonds payable from the earnings of a municipal utility enterprise.

Serial Bond. A bond of an issue that features maturities every year, annually or semiannually over a period of years, as opposed to a Term Bond, which is a large block of bonds maturing in a single year.

Short term. Bonds or notes sold on an interim basis with tax-exempt securities for a period of from one to five years.

Sinking Fund. Money set aside on a periodic basis to retire term bonds at or prior to maturity.

Sinking Fund Schedule. A schedule of payments required under the original revenue bond resolutions to be placed each year into a special fund, called the sinking fund, and to be used for retiring a specified portion of a term bond issue prior to maturity.

Swap. The exchange of one bond for another. Generally, the act of selling a bond to establish an income tax loss and replacing the bond with a new item of comparable value.

TAN. Tax Anticipation Note.

Tax Base. The total resource of the community that is legally available for taxation.

Taxable Equivalent Yield. The yield an investor would have to obtain on a taxable corporate or U.S. government bond to match the same after-tax yield on a municipal bond. **Tax Allocation Bond.** Bonds issued in conjunction with a redevelopment project. The taxes pledged to their repayment come from the increase of assessed value over and above a pre-established base. The redevelopment creates this added value, known as the tax increment.

Tax-exempt Bond. Bonds exempt from federal income, state income, or state tax and local personal property taxes. This tax exemption results from the theory of reciprocal immunity: States do not tax instruments of the federal government and the federal government does not tax interest of securities of state and local governments.

Technical Default. Failure by the issuer to meet the requirements of a bond covenant. These defaults do not necessarily result in losses to the bond holder. The default may be cured by simple changes of policy or actions by the issuer.

Term Bond. A large block of bonds of long maturity. They may be part of a serial Bond issue; there may be more than one term bond in an issue or a single maturity. Some are subject to a sinking fund redemption.

TRAN. Tax and Revenue Anticipation Note.

Trustee. A bank designated as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the trust indenture and represents bondholders to enforce their contract with the issuer.

Underlying Debt. The general obligation bonds of smaller units of local government within a given issuer's jurisdiction.

Underwriter. An agreement to purchase an issuer's unsold securities at a set price, thereby guaranteeing the issuer proceeds and a fixed borrowing cost.

Variable Rate Bond. A bond whose yield is not fixed but is adjusted periodically according to a prescribed formula.

Yield Curve. Graph depicting the relationship between yields and current maturity for securities with identical default risk.

Yield-to-call. From an investor's perspective, the Return available to call date taking into consideration the current value of the call premium, if any.

Yield-to-maturity. (YTM) From an investor's perspective, the Return available taking into account the interest rate, length of time to maturity, and price paid. It is assumed that the coupon reinvestment rate for the life of the bonds shall be the same as the yield-to-maturity.

Zero-coupon Bonds. A deep discount municipal bond on which no current interest is paid. Instead, at bond maturity, the investor receives compounded interest at a specified rate. The difference between the discount price at purchase and the accreted value at maturity is not taxed as a capital gain but is considered tax-exempt interest.

The Chairman asked for discussion on the motion to approve the Debt Management Policy. There was none.

The Chairman asked the Commissioners to vote on the motion to approve the Debt Management Policy. The Commissioners voted as follows:

FOR:

Scott Ebersole	Eris Bryant
Tom Short	Sue Neal
David Gentry	Jonathan Williams
Jerry Ford	Daryl Blair
Ron Williamson	Kevin Maynard
Anna Ruth Burroughs	Kim Bradford
Terry Randolph	Jim Martin
Chris Savage	Marsha Bowman
Reggie Shanks	Steve Pierce
Joe Trobuagh	Mike Atwood
	Cathy Reel

AGAINST:

Michael Medley	Bob Duncan
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The Clerk announced that twenty-one (21) voted for, two (2) voted against, and zero (0) absent. The motion carried.

NOMINATING COMMITTEE

MOTION RE: NOMINATING COMMITTEE RECOMMENDS TO APPOINT ONE (1) OF THE FOLLOWING, TO FILL THE UNEXPIRED TERM OF DISTRICT 4

**COMMISSIONER: JOHN LUDWIG
MARSON MCCORMICK
JERRY ROBERSON
BRAD VAUGHN
MARSHALL COX
JOE ELDER**

Commissioner Jim Martin moved and Commissioner Ron Williamson seconded the motion to appoint one (1) of the following, to fill the unexpired term of District 4
Commissioner: John Ludwig, Marson McCormick, Jerry Roberson, Brad Vaughn, Marshall Cox or Joe Elder.

The Chairman asked the nominees to make a statement to the Commissioners. Each nominee addressed the Commissioners.

The Chairman asked the Commissioners to vote on one (1) of the nominees to fill the unexpired term of District 4 Commissioner. The Commissioners voted as follows:

Scott Ebersole – John Ludwig
Tom Short – John Ludwig
Bob Duncan – John Ludwig
Jim Martin – John Ludwig
David Gentry – Marson McCormick
Jerry Ford – John Ludwig
Ron Williamson – John Ludwig
Anna Ruth Burroughs – Marson McCormick
Terry Randolph – John Ludwig
Reggie Shanks – John Ludwig
Chris Savage – John Ludwig
Michael Medley – Jerry Roberson
Joe Trobaugh – John Ludwig
Eris Bryant – John Ludwig
Sue Neal – John Ludwig
Daryl Blair – John Ludwig
Jonathan Williams – John Ludwig
Kevin Maynard – Marson McCormick
Kim Bradford – John Ludwig
Steve Pierce – John Ludwig
Marsha Bowman – John Ludwig
Cathy Reel – John Ludwig
Mike Atwood – John Ludwig

The Clerk announced nineteen (19) voted for John Ludwig, three (3) voted for Marson McCormick, and one (1) voted for Jerry Roberson, Brad Vaughn, Marshall Cox, and Joe Elder received zero (0) votes. John Ludwig is nominated to fill the unexpired term of District 4 Commissioner.

Oath of Office for John Ludwig.

(SEE ATTACHED)

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OATH OF OFFICE

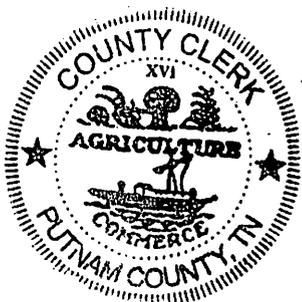
COUNTY COMMISSIONER OF PUTNAM COUNTY, TENNESSEE

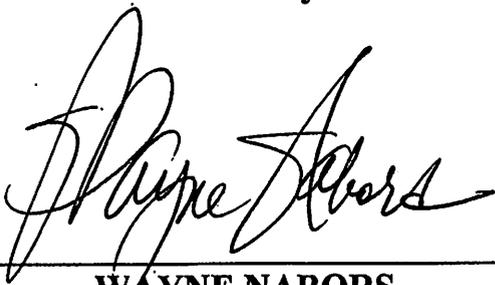
I, JOHN LUDWIG, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Tennessee, and that I will perform with fidelity the duties of the Office of County Commissioner for Putnam County, Tennessee, to which I have been duly appointed, and which duties I am about to assume, to the best of my skill and ability – SO HELP ME GOD.

WITNESS my hand this 19th day of December, 2011.


JOHN LUDWIG

Subscribed and sworn to before me this 19th day of December, 2011.




WAYNE NABORS
County Clerk of Putnam County, TN

John Ludwig is sworn in by County Clerk Wayne Nabors to fill the unexpired term of District 4 Putnam County Commissioner.

REPORT OF SPECIAL COMMITTEES

RESOLUTIONS

ELECTION OF NOTARIES

Commissioner Eris Bryant moved and Commissioner Michael Medley seconded the motion to approve the Election of Notaries.

(SEE ATTACHED)

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PUTNAM COUNTY CLERK
WAYNE NABORS COUNTY CLERK
P.O. BOX 220
COOKEVILLE TN 38503
Telephone 931-526-7106
Fax 931-372-8201

Notaries to be elected December 19, 2011

DEBORAH G AKERS	JOIE LANIGAN
BEVERLY COATES	ERIK J MCALPIN
HEATHER COPELAND	TERRY L MOUL
BRYANT C DUNAWAY	BRYANT KEITH PRESLEY
DORIS E FOWLER	GALE QUALLS
VICKY GOODPASTER	JEAN WARD
CHRISTOPHER L HOLLOWAY	KRISTIE WEAVER
DEBRA L JAGNANDAN	MELISSA A WILSON
DOUG JONES	

The Chairman asked for discussion on the Election of Notaries. There was none.

The Chairman asked the Commissioners to vote on the Election of Notaries. The Commissioners voted as follows:

FOR:

Scott Ebersole	Eris Bryant
Tom Short	Sue Neal
David Gentry	Jonathan Williams
Jerry Ford	Daryl Blair
Ron Williamson	Kevin Maynard
John Ludwig	Kim Bradford
Anna Ruth Burroughs	Jim Martin
Terry Randolph	Bob Duncan
Chris Savage	Marsha Bowman
Reggie Shanks	Steve Pierce
Joe Trobaugh	Mike Atwood
Michael Medley	Cathy Reel

The Clerk announced that twenty-four (24) voted for, zero (0) voted against, and zero (0) absent. The motion carried.

OTHER NEW BUSINESS

A Jail Repair Report was given by Johnny Stites of J & S Construction.

(SEE ATTACHED)

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Putnam County Criminal Justice Center Executive Summary of Activities

Construction Manager – J&S Construction Company Inc.

- J&S has been researching the best and most efficient methods of construction of the PCCJC to be certain we save Putnam County as much money as possible. J&S has been reviewing every opportunity available to use local contractors to perform as much work as possible. We want our county to benefit as much as possible from this project; utilizing tools and contractors already in place in Putnam County.
- J&S has been meeting with our architect, Hart Freeman Roberts, Inc and engineer, Oliver-Rhoads and Associates, Inc, both onsite and off, to assure that all parties are fully educated of the facility and the potential design methods. We want to make sure every party involved is knowledgeable of the facility, avoiding unnecessary spending.
- J&S has held several meetings, again both onsite and off, with TRANE and Carwile Mechanical. TRANE holds existing contracts on specific items within the PCCJC such as the chillers and cooling tower (which have been properly maintained). Carwile Mechanical was the initial contractor who installed the mechanical systems in the building; therefore Carwile Mechanical knows firsthand the existing design and functions of the PCCJC. By having the assistance of Carwile Mechanical, we have saved the County a lot of time and money, avoiding paying additional subcontractors, engineers, and architects to determine what is currently in place.
- J&S is making it a priority to address all TCI issues as well as life safety issues to help get the facility in the proper condition and reduce liability circumstances. We want to emphasize how important it is to be sure that all life safety issues are addressed and properly maintained to avoid Putnam County unnecessary lawsuits.
- J&S has been researching purchasing programs such as TCPN (The Cooperative Purchasing Network), which has been previously used by Putnam County to purchase materials. Putnam County has expressed an interest to attempt using a standard purchasing program; therefore we are trying to use programs already in place with Putnam County to make it easy and efficient to purchase additional products in the future. (Putnam County has already used this program to purchase items such as technology equipment, office supplies, etc). Not only does this program offer quality materials with high credentials, it has also already been through the bid process, determining the lowest bidders, and therefore guaranteeing the County set prices with quality products and respected manufactures.

- J&S has begun the testing inspections of the HVAC, Smoke EVAC, and the Fire Alarm Systems. This effort will save the County billed hours of the architect, engineering, and designers' and the testing will ensure the nature of problems are correctly assessed and avoid "risk cost" typically incurred by owners when the exact cause of the problem with each component is unknown.
- J&S has carefully chosen a design team with the utmost integrity in the construction industry as well as an enormous amount of jail / prison experience to ensure an outstanding outcome. Our team has had much experience working with and more than satisfying TCI requirements on many penitentiary facilities.

Architect – Hart Freeman Roberts, Inc.

- Hart Freeman Roberts, Inc. (HFR) has executed actual drawings provided by the PCCJC staff, and created CAD drawings for the use of the architects and engineers to conduct the designs. This effort alone has saved the County tremendous amounts of both time and money by eliminating months of work surveying, drawing, and the recreation of accurate plans.
- HFR has been and will be highly involved with this project; ensuring all design and products administered on the PCCJC are high quality and specific for the facility. HFR has had many years of experience working in penitentiary facilities and with the selected engineers on this project.

Engineer – Oliver-Rhoads & Associates, Inc

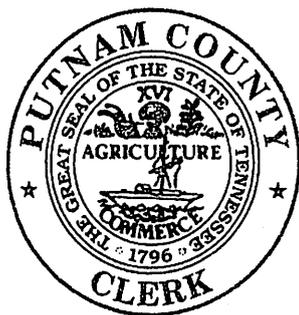
- Oliver-Rhoads & Associates Inc. (ORA) is in the design phase of the project, involving the HVAC, Smoke EVAC, and the Fire Alarm systems for the PCCJC. ORA has been highly involved in coordinating accurate products and systems, which will not only make the PCCJC components operate correctly, but will also operate more efficiently. ORA is reviewing every possibility to save Putnam County as much money as possible by using energy efficient approaches in their design concepts.
- ORA has been involved in many penitentiary projects and designs offering a wide variety of design opportunities.

ANNOUNCEMENTS AND STATEMENTS

ADJOURN:

Commissioner Mike Atwood moved and Commissioner Steve Pierce seconded the motion to Adjourn.

The Chairman asked for a voice vote on the motion to Adjourn. The motion carried.



WAYNE NABORS

COUNTY CLERK - PUTNAM COUNTY

NOTICE TO COUNTY COMMISSIONERS OF ELECTION

Date: November 28, 2011
To: All County Commissioners of Putnam County
From: County Clerk Wayne Nabors

As I am sure you may be aware, there is currently a vacancy on the Putnam County Commission. It will be necessary for the County Commission to fill this vacancy.

You are hereby given notice that the Putnam County Board of Commissioners will meet at the Putnam County Courthouse County Commission Chambers on December 19, 2011 at 6:00 p.m. to fill the vacancy in the Putnam County Commission.

This the 28th day of November, 2011.

Wayne Nabors
County Clerk
Putnam County, TN.

zc: Jeff Jones, County Attorney – Kim Blaylock, County Executive

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(legal ad)

Vacancy On The Putnam County Commission

On November 20, 2011, Putnam County Commissioner Andy Honeycutt passed away leaving a vacancy on the Putnam County Commission.

According to Tennessee law, vacancies on the county legislative body are to be filled by the County Commission. Accordingly, the vacancy on the Putnam County Commission, District 4, will be filled by the Putnam County Commission at the next regular meeting of the Putnam County Board of Commissioners on December 19, 2011 at 6:00 p.m. at the Putnam County Courthouse.

**Jerry Ford
Chairman, Putnam County Commission**

Please run:

Sunday – December 4th

**VACANCY ON THE PUTNAM
COUNTY COMMISSION**

On November 20, 2011, Putnam County Commissioner Andy Honeycutt passed away leaving a vacancy on the Putnam County Commission.

According to Tennessee law, vacancies on the county legislative body are to be filled by the County Commission. Accordingly, the vacancy on the Putnam County Commission, District 4, will be filled by the Putnam County Commission at the next regular meeting of the Putnam County Board of Commissioners on December 19, 2011 at 6:00 p.m. at the Putnam County Courthouse.

Jerry Ford
Chairman
Putnam County Commission

12/4



Wimberly Lawson
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Jeffrey G. Jones, Regional Managing Member
jjones@wimberlylawson.com

November 22, 2011

Wayne Nabors
County Court Clerk
P.O. Box 220
Cookeville, TN 38503-0220

Re: Vacancies in County Offices

Dear Wayne:

Pursuant to our telephone conversation of November 21, 2011, enclosed is the Notice to the County Commission regarding filling the vacancy on the Putnam County Commission in light of Andy Honeycutt's passing.

As you know, pursuant to Tennessee Code Annotated 5-5-113, should any vacancy occur in an office required to be filled by the county legislative body, the county clerk must give at least ten (10) days notice to every member of the county legislative body to assemble at the courthouse of their county in order to fill the office or vacancy. Pursuant to Tennessee Code Annotated, 5-5-114, in addition to the notice required by Tennessee Code Annotated, 5-5-113, the presiding officer of the county legislative body shall cause public notice to be given in a newspaper of general circulation in the county at least one week before the meeting of the body, specifying the offices to be filled at that meeting.

Should you have any questions, please do not hesitate to give me a call.

Sincerely,

Jeffrey G. Jones
For the Firm

JGJ/jk

Enclosure: As Stated.

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Knoxville Morristown Cookeville Nashville



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Jeffrey G. Jones, Regional Managing Member
jjones@wimberlylawson.com

November 22, 2011

Kim Blaylock
County Executive
Putnam County
300 East Spring St., Room 8
Cookeville, TN 38501

Re: Vacancies in County Offices

Dear Kim:

Pursuant to our telephone conversation of November 21, 2011, I wanted to give you an idea as to the procedure related to filling the vacancy left Andy Honeycutt's passing.

Pursuant to Tennessee Code Annotated 5-5-113, should any vacancy occur in an office required to be filled by the county legislative body, the county clerk must give at least ten (10) days notice to every member of the county legislative body to assemble at the courthouse of their county in order to fill the office or vacancy. According to the case law regarding this provision of the law, notice under these circumstances is directory. The fact that notice may not have been given regarding an election will not necessarily invalidate that election. The courts have stated that such notice is highly desirable, but the failure to give the same does not render the election null and void. State et rel. Wolfe v. Henegar, 175 S.W.2d 553 (Tenn. 1943). This law has been on the books forever. The law arose at a time in which county commissions may have only met once a quarter. Thus, special meetings would have to be called to fill vacancies. The notice provisions allowed all of the county commissioners to attend said special meetings to vote. In our situation, meetings being held on a regular monthly basis makes it much easier in terms of notice; however, to be certain that there are no procedural irregularities, providing notice as stated by the law is a good policy.

Pursuant to Tennessee Code Annotated, 5-5-114, in addition to the notice required by Tennessee Code Annotated, 5-5-113, the presiding officer of the county legislative body shall cause public notice to be given in a newspaper of general circulation in the county at least one week before the meeting of the body, specifying the offices to be filled at that meeting. Ordinarily, Debby has been sending the notices to the newspaper. Again, there are several cases that have held when a body of electors has actual notice of the time and place of a holding of an election, substantial compliance with the statutory formalities as to notice is sufficient. Other cases have held that county residents who actually receive timely notice of forthcoming elections through unofficial channels, for example by letter, newspaper, or canvassing by candidates made it an official oversight as to notice immaterial. Again, adherence to the statute regarding notices of elections is the better procedure, however.

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Kim Blaylock
November 22, 2011
Page 2

I have attached to the foregoing letter a couple of forms that you can use to give the required notice. I would suggest that we send these forms out as quickly as we have knowledge of the vacancy and know the date of the county commission meeting at which the vacancy will be filled. Further, would suggest that a copy of the notice to the newspaper, in addition being sent to the legal section, be attached to a press release so that local news media can publish the notice even further.

If there are any questions, please do not hesitate to give me a call.

Sincerely,

Jeffrey G. Jones
For the Firm

JGJ/jk

Enclosures: As Stated.



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Knoxville

Morristown

Cookeville

Nashville

PLANNING COMMITTEE

TO: Putnam County Board of Commissioners

FROM: Kim Blaylock, County Executive

DATE: December 6, 2011

RE: Planning Committee Agenda

Listed below are items to be considered by the County's Planning Committee on Monday, December 12, 2011, at 6:00 PM in the County Commission Chambers at the Courthouse.

1. Consider a Resolution authorizing the County Executive and the Solid Waste Director to partner with advocates for the Upper Cumberland Inc. in their application for USDA Solid Waste Management Grant.
2. Any other business that needs to be reviewed by the Planning Committee.

NOTE: THERE WILL NOT BE A MEETING ON THURSDAY THIS MONTH.

**PLANNING COMMITTEE
MINUTES**

December 12, 2011

Jim Martin	Present	Eris Bryant	Present
Tom Short	Present	Kim Bradford	Present
Reggie Shanks	Present	Marsha Bowman	Present
Ronald Williamson	Present	Jonathan Williams	Present
Anna Ruth Burroughs	Present	David Gentry	Present
Cathy Reel	Present	Joe Trobaugh	Present

Item #1 *SWS Grant with UCDD*

Motion: **Recommends approval of a resolution authorizing the Putnam County Executive and the Solid Waste Director to Partner with advocates for the Upper Cumberland Inc., in their application for a USDA Solid Waste Management Grant.**

Made By: Martin
Seconded: Bradford

VOICE VOTE

APPROVED

Item #2 *Any other business*

NONE

ADJOURNED

FISCAL REVIEW AGENDA

TO: Putnam County Board of Commissioners

FROM: Kim Blaylock, County Executive

DATE: December 6, 2011

RE: Fiscal Review Committee Agenda

Listed below are items to be considered by the County's Fiscal Review Committee on Monday, December 12, 2011, at 5:30 PM in the County Commission Chambers at the Courthouse.

1. Consider budget amendments to the General Purpose School Fund.
2. Consider budget amendment to the Capital Project Fund.
3. Consider budget amendment to the County General Fund.
4. Discuss Debt Management Policy. (deferred from last month)
Policy mailed out last month
5. Any other business that needs to be reviewed by the Fiscal Review Committee.

NOTE: THERE WILL NOT BE A MEETING ON THURSDAY THIS MONTH.

NOMINATING COMMITTEE

TO: Putnam County Board of Commissioners

FROM: Kim Blaylock, County Executive

DATE: December 6, 2011

RE: Nominating Committee Agenda

Listed below are items to be considered by the Nominating Committee on Monday, December 12, 2011 AFTER THE FISCAL REVIEW COMMITTEE MEETING.

1. Discuss appointment of District 4 Commissioner.
2. Any other business that needs to be reviewed by the Nominating Committee.

Nominating Committee Minutes
December 12, 2011
Prepared by Scott Ebersole

Chairman Martin brought the meeting to order at 5:55 pm with the following committee members were present;

Jim Martin
Jerry Ford
Mike Atwood
Eris Bryant
Scott Ebersole

Item #1 Discuss appointment of District 4 Commissioner.

Chairman Martin had contacted all six candidates who had qualified for the general election to ask if they would want to be nominated to serve the temporary position. They all agreed, the following is the list of candidates

John Ludwig
Marson McCormick
Jerry Roberson
Brad Vaughn
Marshall Cox
Joe Elder

A motion was made to nominate all candidates

Motion Passed

Commissioner Ron Williamson shared a conversation he had with Commissioner Honeycutt where Andy asked him if for some reason he could not fulfill his term, he asked if Commissioner Williamson would nominate John Ludwig to fill out his term. Chairman Martin thanked Commissioner Williamson for sharing that conversation.

No other business needing to be discussed, meeting was adjourned.