

Resolution No. 2023-55

**RESOLUTION OF THE GOVERNING BODY OF
JEFFERSON COUNTY, TENNESSEE, AUTHORIZING
THE ISSUANCE, SALE, AND PAYMENT OF
GENERAL OBLIGATION INTERFUND
CAPITAL OUTLAY NOTE IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
TWO MILLION DOLLARS (\$2,000,000)**

WHEREAS, the Governing Body of Jefferson County, Tennessee (the "Local Government") has determined that it is necessary and desirable to issue not to exceed \$2,000,000 in aggregate principal amount of capital outlay notes to provide funds for the purpose of (i) the acquisition of land for and construction, improvement, renovation and equipping of school facilities, (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (the "Project"); (iii) reimbursement for funds previously expended for Project costs, if any; and (iv) the payment of costs incident to the issuance and sale of the notes authorized herein; and

WHEREAS, the Governing Body Governing Body has determined that the Project is a public works project within the meaning of the Act (as defined below);; and

WHEREAS, under the provisions of Parts I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this Project through the issuance and sale of interest-bearing interfund capital outlay notes upon the approval of the Comptroller of the Treasury or Comptroller's designee; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

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

Section 1. For the purpose of providing funds to finance the cost of the Project, the chief executive officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller's designee, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed Two Million Dollars (\$2,000,000) (the "Note"). The Note shall be designated "General Obligation Interfund Capital Outlay Note, Series 2023"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value plus accrued interest if any; and shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. The Note shall mature not more than one day after issuance, unless otherwise approved by the Comptroller of the Treasury or Comptroller's designee., The weighted average maturity of the Note shall not exceed the reasonably expected weighted average life of the Project which is hereby estimated to be fifteen (15) years.

Section 3. That, the Note shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, plus accrued interest.

Section 4. The Note shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the Note, the full faith and credit of the Local Government is irrevocably pledged, and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Note. The Governing Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Note with interest as they mature in an amount necessary for that purpose.

Section 5. The Note shall be executed in the name of the Local Government; shall bear the signature of the chief executive officer of the Local Government and the signature of the recording officer of the Local Government and shall be payable as to principal and interest at the office of recording officer of the Local Government or at the office of the paying agent duly appointed by the Local Government. Proceeds of the Note shall be deposited with the official designated by law as custodian of the funds of the Local Government. All proceeds shall be paid out for financing the Project pursuant to this Resolution and as required by law.

Section 6. The Note will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Note. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Note or, in the case of any redemption of the Note, during the forty-five (45) days next preceding the date of redemption.

Section 7. The Note shall be in substantially the form attached as Attachment 1 with only changes as are necessary or appropriate to comply with the requirements of the purchaser thereof as determined by the chief executive officer.

Section 8. The Note shall be issued as an interfund loan between the General Fund and the Capital Project Fund, as authorized in T.C.A. § 9-21-408. The Note will be paid back from revenues in the General Debt Service Fund.

Section 9. The Note shall not be sold until receipt of the Comptroller of the Treasury or Comptroller's Designee's written approval for the sale of the Note.

Section 10. The chief executive officer is authorized to designate the Note as qualified tax-exempt obligations for the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986 if so eligible to be designated. Additionally, the Note may be issued as taxable.

Section 11. After the sale of the Note, and for each year that any of the Note are outstanding, the Local Government shall prepare an annual budget and budget ordinance in a form consistent with accepted governmental standards and as approved by the Comptroller of the Treasury or Comptroller's designee. The budget shall be kept balanced during the life of the Note and shall appropriate sufficient monies to pay all annual debt service. The annual budget and ordinance shall be submitted to the Comptroller of the Treasury or Comptroller's designee immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes"). If the Comptroller of the Treasury or Comptroller's designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Comptroller of the Treasury or Comptroller's designee.

Section 12. Reimbursement. This resolution shall serve as the expression of official intent of the County to reimburse itself for Project expenditures from proceeds of the notes in an amount not to exceed the amount of the Note for purposes of Treasury Regulations Section 1.150-2.

Section 13. All orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Adopted and approved this 11th day of December, 2023.

/s/ _____
County Mayor

APPROVED:

/s/ _____
County Clerk

*NO ACTION
TAKEN*

Attachment 1
CAPITAL OUTLAY NOTE FORM

Registered
Note #: 1

Registered
\$2,000,000

Of the
State of Tennessee

General Obligation Interfund Capital
Outlay Note, Series 2023 (Federally
Taxable)

Interest Rate:
_____ %

Maturity Date:
June 1, 2024

Date of Note:
December ___, 2024

Registered Owner: Jefferson County Trustee on behalf of the _____ Fund

Principal Amount: Two Million Dollars

The County Commission (the "Governing Body") of Jefferson County, Tennessee (the "Local Government") hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above on the Maturity Date specified above or according to an amortization schedule attached hereto (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on \$2,000,000 and thereafter on June 1 of each year at the Interest Rate per annum specified above or according to an amortization schedule attached hereto, by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the Finance Director of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

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

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

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the Local Government meeting in session on December 11, 2023 (the "Resolution") to provide funds to finance the cost of public works projects referenced in the Resolution.

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

Pursuant to Tenn. Code Ann. Section 9-21-117, this note and interest thereon are exempt from all state, county, and municipal taxation except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

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

IN WITNESS WHEREOF, Jefferson County, Tennessee, has caused this Note to be signed by its County Mayor with his manual signature and attested by its County Clerk with his manual signature under an impression of the corporate seal of the County, all as of the day and date hereinabove set forth.

BY: _____
County Mayor

ATTESTED:

County Clerk

No Action taken

ASSIGNMENT

Note No. R- _____.

Amount: \$ _____.

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

(Name and address of assignee)

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

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

Date: _____

Assignor: _____

Address: _____

Signature Guaranteed by: _____

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

NO ACTION TAKEN