

RESOLUTION NUMBER 2019-002

**RESOLUTION OF THE GOVERNING BODY OF
BLUFF CITY, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF
EASTMAN CREDIT UNION CAPITAL OUTLAY NOTES
NOT TO EXCEED \$ 70,600.00**

WHEREAS, the Governing Body of City of Bluff City, Tennessee (the Local Government) has determined that it is necessary and desirable to provide funds to finance the acquisition of two (2) 2019 Ford Explorers for the City's police department (the "Project"), at a cost of Seventy Thousand Six Hundred Dollars (\$70,600.00); and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; 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 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 City of Bluff City, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution to issue and sell capital outlay notes in the principal amount not to exceed Seventy Thousand Six Hundred Dollars (\$70,600.00) (the "Notes") at either a competitive public sale or at a private negotiated sale upon approval of the Director of the Office of Statement and Local Finance pursuant to meeting the terms, provisions, and conditions permitted by law. The Notes shall be designated "Eastman Credit Union Capital Outlay Notes, Series 2019 "; 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 and accrued interest; and shall bear interest at a rate or rates not to exceed 4.200 % per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Note shall mature not later than three (3) years after the date of issuance and that the Notes and any extension or renewal notes shall not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least five (5) years, provided, however, that each year the Notes are outstanding, one-fifth (1/5) of the original principal amount of the Notes shall mature without renewal subject to prior redemption.

Section 3. That, the Notes 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, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

Section 4. That, the Note shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, 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 Notes with interest as they mature in an amount necessary for that purpose.

Section 5. That, the Note shall be executed in the name of the Local Government and bear the manual signature of the chief executive officer of the Local Government and the manual signature of the City Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the City Recorder of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the City Recorder of the Local Government and shall be paid out for the purpose of financing of the Project pursuant to this Resolution and as required by law.

Section 6. That, the Notes 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 Notes. The note transfer, 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 instruction of 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 Notes, or in the case of any redemption of Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That the Notes shall be in substantially the form authorized by the Director of the Office of State and Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated which is Attachment 1 to this Resolution.

Section 8. That, the Notes shall be sold only after the receipt of the written approval of the Director of the Office of State and Local Finance for the sale of the Notes.

Section 9. That, upon the opinion of bond counsel, the Notes may be designated as qualified tax-exempt obligations for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986.

Section 10. That, after the sale of the Notes, and for each year that any of the notes are outstanding, the Local Government shall prepare an annual budget in a form consistent with accepted governmental standards and as approved by the Director of the Office of State and Local Finance (the "Director"). The budget shall be kept balanced during the life of the Notes. The annual budget shall be submitted to the Director immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Director in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes".) If the Director 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 Director.

Section 11. That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Notes shall be renewed or extended as permitted by law or retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approved by the Director.


Section 12. That, 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.

Duly passed and approved this 26th day of March, 2019.



Irene Wells, Mayor

ATTESTED:



Sharon Greene, City Recorder