

AUGUST 2017 COMMISSION MEETING

- Appointment – James Copeland to fill the unexpired 4-year term of James Travis from the 4th district.
- Budget Transfers – Res. 2-8-17 and 3-8-17
- Capital Outlay – Res. 4-8-17
- Model Debt Policy – Res. 5-8-17
- Discussion regarding high school bonds not to exceed \$9,100,000

STATE OF TENNESSEE
COUNTY OF HENRY...

Be it remembered that the County Commission met in a regular session at the Courthouse in Henry County, Tennessee on August 21, 2017 at 5:00 p.m. Present and presiding the Honorable Brent Greer, Chairman, Donna Craig, County Clerk and the County Commissioners:

ITEM NO. 1 The meeting was called to order by Sheriff Monte Belew.

ITEM NO. 2 The invocation was led by Elder James Travis.

ITEM NO. 3 The pledge to the flag was led by Commissioner Bradley.

ITEM NO. 4 Roll Call

The following Commissioners were present: Wesley Bradley, Dell Carter, Greg Carter, Randy Gean, Kenneth Humphreys, Don Jones, Kreg Kyle, Paul Mathenia, Connie McSwain, Paul Neal, Monte Starks, Marty Visser, and David Webb.
Absent: Bobby Freeman.

ITEM NO. 5 Citizen's Forum

NONE AND THE CHAIR CLOSED THE FORUM

ITEM NO. 6 Commissioner's Forum

- Commissioner McSwain complimented Sheriff Belew for his effort in the drug screening program.

THE CHAIR CLOSED THE FORUM

RESOLUTION NO. 1-08-17

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
HENRY COUNTY, TENNESSEE TO APPOINT CERTAIN
CITIZENS AND COMMISSIONERS TO VARIOUS
BOARDS, COMMITTEES, AND POSITIONS**

WHEREAS, certain vacancies now exist on various boards, committees, and commissions, and in various positions of Henry County, Tennessee; and

WHEREAS, it is the duty and responsibility of the Board of Commissioners of Henry County, Tennessee to appoint certain qualified citizens and Henry County Commissioners to fill the said vacancies; and

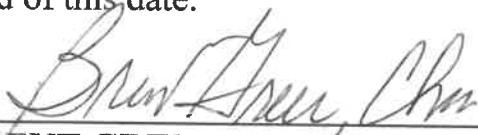
WHEREAS, the Board of Commissioners has examined and evaluated the qualifications of certain citizens and County Commissioners for appointment to the said boards, committees, commissions, and positions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this 21st day of August, 2017, a majority or more of said Commission concurring, that James Copeland be and hereby appointed to the Henry County Commission, to fill the unexpired 4-year term of James Travis from the 4th District until the general election in 2018..


BE IT FURTHER RESOLVED that this Resolution shall take effect upon its passage by this Board of County Commissioners and approval by the County Executive, the public welfare requiring it.

BE IT FINALLY RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 8-21-17




BRENT GREER, CHAIRMAN
COUNTY COMMISSION



DONNA CRAIG
COUNTY CLERK

APPROVED 8-21-17



BRENT GREER
COUNTY MAYOR

ROLL CALL
 COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
 PARIS, TENNESSEE

A motion was made by Commissioner Kyle and seconded by Commissioner Starks to approve Resolution 1a-08-17, to appoint certain citizens and commissioners to various boards, committees, and positions.

ITEM NO. 8

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY								
CARTER, DELL								
CARTER, GREG								
COPELAND, JAMES								
FREEMAN, BOBBY								
GEAN, RANDY								
HUMPHREYS, KENNETH								
JONES, DON								
KYLE, KREG			X					
MATHENIA, PAUL								
MCSWAIN, CONNIE								
NEAL, PAUL								
STARKS, MONTE				X				
VISSER, MARTY								
WEBB, DAVID								
TOTAL								

VOICE VOTE CARRIED

DATE : 8-21-17

RESOLUTION NO. 1a-08-17

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
HENRY COUNTY, TENNESSEE TO APPOINT CERTAIN
CITIZENS AND COMMISSIONERS TO VARIOUS
BOARDS, COMMITTEES, AND POSITIONS**

WHEREAS, certain vacancies now exist on various boards, committees, and commissions, and in various positions of Henry County, Tennessee; and

WHEREAS, it is the duty and responsibility of the Board of Commissioners of Henry County, Tennessee to appoint certain qualified citizens and Henry County Commissioners to fill the said vacancies; and

WHEREAS, the Board of Commissioners has examined and evaluated the qualifications of certain citizens and County Commissioners for appointment to the said boards, committees, commissions, and positions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this 21st day of August, 2017, a majority or more of said Commission concurring, these Commissioners from:

- 1st District – Wes Bradley
- 2nd District – Paul Neal
- 3rd District – Paul Mathenia
- 4th District – Dell Carter
- 5th District – Greg Carter

be and hereby are appointed to the Health and Safety Standards Board.

BE IT FURTHER RESOLVED that this Resolution shall take effect upon its passage by this Board of County Commissioners and approval by the County Mayor, the public welfare requiring it.

BE IT FINALLY RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 8-21-17



**BRENT GREER, CHAIRMAN
COUNTY COMMISSION**



**DONNA CRAIG
COUNTY CLERK**

APPROVED 8-21-17



**BRENT GREER
COUNTY MAYOR**

ROLL CALL
 COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
 PARIS, TENNESSEE

A motion was made by Commissioner Mathenia and seconded by Commissioner Greg Carter to approve the Consent Agenda, which consists of the following: Minutes of the meeting of July 17, 2017, various quarterly reports, Henry County Medical Center statement of cash flow, Trustee's month end report, report of property tax collections to date, report of total revenue collections to date, and the following Notary Public designations: Daniel Williams, Jennifer Reed, Lola M. Teague, Bryan K. Reddick, Jeanne Lamb, Kimberly R. McClain, Amanda M. Phifer, and Emily Christine Bloemer; and the following bonds: Amanda M. Phifer and Emily Christine Bloemer, Principals, and Russell W. Culley and Mitch R. Ellis, Sureties.

ITEM NO. 9

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY								
CARTER, DELL								
CARTER, GREG				X				
COPELAND, JAMES								
FREEMAN, BOBBY								
GEAN, RANDY								
HUMPHREYS, KENNETH								
JONES, DON								
KYLE, KREG								
MATHENIA, PAUL			X					
MCSWAIN, CONNIE								
NEAL, PAUL								
STARKS, MONTE								
VISSER, MARTY								
WEBB, DAVID								
TOTAL								

VOICE VOTE CARRIED

DATE : 8-21-17

00 340

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
PARIS, TENNESSEE

Commissioner Humphreys presented and made a motion to approve Resolutions 2-8-17 and 3-8-17, to authorize certain changes in the budget for Fiscal 2017-2018.
 Commissioner Bradley seconded the motion.

ITEM NO. 10

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY				X	X			
CARTER, DELL					X			
CARTER, GREG					X			
COPELAND, JAMES					X			
FREEMAN, BOBBY	X							
GEAN, RANDY					X			
HUMPHREYS, KENNETH			X		X			
JONES, DON					X			
KYLE, KREG					X			
MATHENIA, PAUL					X			
MCSWAIN, CONNIE					X			
NEAL, PAUL					X			
STARKS, MONTE					X			
VISSER, MARTY					X			
WEBB, DAVID					X			
TOTAL	1				14			

MOTION CARRIED

DATE : 8-21-17

RESOLUTION #2-8-17

A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF COMMISSIONERS TO AUTHORIZE CERTAIN CHANGES IN THE BUDGET FOR THE HENRY COUNTY GENERAL FUND FOR FISCAL 2017-2018

WHEREAS, the Board of County Commissioners of Henry County, Tennessee at its June Recessed Session, 2017, adopted the budget for the Henry County General Fund for fiscal 2017-2018; and,

WHEREAS, the said Board of County Commissioners of Henry County, Tennessee must authorize and approve any and all changes and amendments of the said budget of the Henry County General Fund; and,

WHEREAS, the expenditures authorized in the said budget of the Henry County General Fund will be insufficient in certain line items with funds being available for transfer; and,

WHEREAS, it is necessary and appropriate that the said budget of the Henry County General Fund be amended to provide additional funds for certain line items.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Henry County, Tennessee assembled in regular session on this the 21st day of August 2017, a majority or more of said membership concurring, that the budget for the Henry County General Fund be and hereby is amended as follows, to-wit:

REGISTER OF DEEDS

INCREASE ACCOUNT 51600-169, entitled "Part-time Personnel," in the amount of \$1,000.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$1,000.00

Please see request from Pam Martin regarding this request.

SHERIFF'S OFFICE

INCREASE REVENUE ACCOUNT 49800, entitled "Operating Transfers," in the amount of \$12,000.00

INCREASE ACCOUNT 54210-169, entitled "Part-time Personnel," in the amount of \$12,000.00

Transfer due to donation from 911 to fund a part-time dispatcher.

INCREASE ACCOUNT 54110-103, entitled "Chief Deputy Salary," in the amount of \$1,028.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$1,028.00

Transfer due to COLA being omitted from this position during the budgeting process.

INCREASE ACCOUNT 54210-340, entitled "Medical & Dental Services," in the amount of \$1,165.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$1,165.00

Transfer due to check being lost in the mail for June services. We voided the check and processed a replacement in July.

EMERGENCY MANAGEMENT

INCREASE ACCOUNT 54490-599, entitled "Other Charges," in the amount of \$1,415.40

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$1,415.40

Transfer due to amount rebudgeted from last year's budget not being enough.

GENERAL WELFARE ASSISTANCE

INCREASE REVENUE ACCOUNT 48610, entitled "Donations," in the amount of \$15,270.00

INCREASE ACCOUNT 55510-599, entitled "Other Charges," in the amount of \$15,270.00

Transfer due to donations for The Shed program for a building.

OFFICE ON AGING

INCREASE ACCOUNT 56100-307, entitled "Communications," in the amount of \$500.00

DECREASE ACCOUNT 56100-330, entitled "Operating Lease Payments," in the amount of \$500.00

Please see correspondence from Reggie Caldwell regarding this request.

OTHER ECONOMIC & COMMUNITY DEVELOPMENT

INCREASE ACCOUNT 58190-399, entitled "Other Contracted Services," in the amount of \$10,000.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$10,000.00

Transfer due to this amount not being rebudgeted from 2016-17 budget.

MISCELLANEOUS

INCREASE REVENUE ACCOUNT 40240, entitled "Wheel Tax Collections," in the amount of \$15,000.00

INCREASE ACCOUNT 58900-590, entitled "Transfer to Other Funds - Highway," in the amount of \$15,000.00

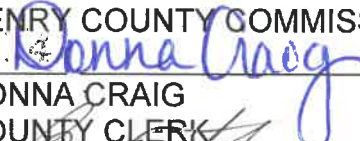
Transfer due to collections surpassing budgeted amount in FY2016-17.

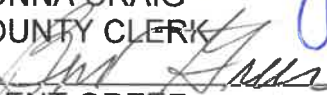
BE IT FURTHER RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 8-21-17


BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION

APPROVED 8-21-17


DONNA CRAIG
COUNTY CLERK


BRENT GREER
COUNTY MAYOR

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RESOLUTION #3-8-17

**A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF
COMMISSIONERS TO AUTHORIZE CERTAIN CHANGES IN THE BUDGET
FOR THE HENRY COUNTY DRUG FUND
FOR FISCAL 2017-2018**

WHEREAS, the Board of County Commissioners of Henry County, Tennessee at its June Recessed Session, 2017, adopted the budget for the Henry County Drug Fund for fiscal 2017-2018; and,

WHEREAS, the said Board of County Commissioners of Henry County, Tennessee must authorize and approve any and all changes and amendments of the said budget of the Henry County Drug Fund; and,

WHEREAS, the expenditures authorized in the said budget of the Henry County Drug Fund will be insufficient in certain line items with funds being available for transfer; and,

WHEREAS, it is necessary and appropriate that the said budget of the Henry County Drug Fund be amended to provide additional funds for certain line items.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Henry County, Tennessee assembled in regular session on this the 21st day of August 2017, a majority or more of said membership concurring, that the budget for the Henry County Drug Fund be and hereby is amended as follows, to-wit:

INCREASE ACCOUNT 54150-319, entitled "Confidential Drug Enforcement," in the amount of \$4,000.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$4,000.00

BE IT FURTHER RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 8-21-17

Brent Greer
BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION

Donna Craig
DONNA CRAIG
COUNTY CLERK

APPROVED 8-21-17

Brent Greer
BRENT GREER
COUNTY MAYOR

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
PARIS, TENNESSEE

A motion was made by Commissioner Mathenia and seconded by Commissioner Kyle to approve Resolution 4-8-17, to authorize the issuance, sale, and payment of Capital Outlay notes not to exceed \$113,000.

ITEM NO. 11

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY					X			
CARTER, DELL					X			
CARTER, GREG					X			
COPELAND, JAMES					X			
FREEMAN, BOBBY	X							
GEAN, RANDY					X			
HUMPHREYS, KENNETH					X			
JONES, DON					X			
KYLE, KREG				X	X			
MATHENIA, PAUL			X		X			
MCSWAIN, CONNIE					X			
NEAL, PAUL					X			
STARKS, MONTE					X			
VISSER, MARTY					X			
WEBB, DAVID					X			
TOTAL	1				14			

MOTION CARRIED

DATE : 8-21-17

3

RESOLUTION NO. 4-08-17

**A RESOLUTION OF THE HENRY COUNTY, TENNESSEE
BOARD OF COMMISSIONERS TO AUTHORIZE THE ISSUANCE, SALE,
AND PAYMENT OF CAPITAL OUTLAY NOTES NOT TO
EXCEED \$113,000**

WHEREAS, the Governing Body of Henry County, Tennessee (the Local Government) has determined that it is necessary and desirable to provide funds for the following public works project (the "Project"): Capital Outlay Note 2017-2018 Fiscal Year (See Attachment).

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 State Director of Local Finance; 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 Henry County, 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 interest-bearing capital outlay notes in a principal amount not to exceed one-hundred thirteen thousand dollars (\$113,000) (the "Notes") at either a competitive public sale or at a private negotiated sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "2017 Capital Outlay Notes, Series 2017a", 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 3 percent (3%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature not later than one (1) year 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 See Attachment year. The existing balance of said note will be retired prior to the end of the 2017-2018 fiscal year.

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 Notes 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 Notes. 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.

If applicable, the Notes shall be further secured by Not Applicable.

(If the revenues generated by Project are to be applied as additional security for the Notes, describe such revenues here.)

Section 5. That, the Notes 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 County Clerk with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the County Mayor of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the County Trustee of the Local Government and shall be paid out for the purpose of financing 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 Notes remain outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a 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 of transfer satisfactory to the Local Government duly executed by the registered owner of 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 Notes. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date of the Notes or, in the case of any redemption of the 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 State Director of Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8. That, the Notes shall be sold only after the receipt of the written approval of the State Director of 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 State Director of 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 one (1) year 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 approval by the State Director of Local Finance.


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 21st day of August, 2017.

PASSED 8-21-17



**BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION**



**DONNA CRAIG
COUNTY CLERK**

APPROVED 8-21-17



**BRENT GREER
HENRY COUNTY MAYOR**

ATTACHMENT "A"

CAPITAL PROJECTS

<u>General Admin</u>		<u>Estimated Life</u>
Airport Improvements	\$10,000	20 yrs.
Building Improvements	\$31,700	Various
Data Processing	\$ 7,700	5 yrs.
Heating & A/C	\$10,000	5 yrs.
Law Enforcement Equipment	\$10,000	5 yrs.
Vehicles	\$25,000	5 yrs.
Office Equipment	\$ 6,600	5 yrs.
Other Equipment	\$ 6,000	5 yrs.
Other Capital Outlay	\$ 6,000	5 yrs.
Total	\$113,000	

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
PARIS, TENNESSEE

Commissioner Starks made a motion to approve Resolution 5-8-17, to make the annual review of the model debt policy for Henry County in compliance with requirements of the Governor's Three Star Program. The motion was seconded by Commissioner Kyle.

ITEM NO. 12

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY								
CARTER, DELL								
CARTER, GREG								
COPELAND, JAMES								
FREEMAN, BOBBY								
GEAN, RANDY								
HUMPHREYS, KENNETH								
JONES, DON								
KYLE, KREG				X				
MATHENIA, PAUL								
MCSWAIN, CONNIE								
NEAL, PAUL								
STARKS, MONTE			X					
VISSER, MARTY								
WEBB, DAVID								
TOTAL								

VOICE VOTE CARRIED

DATE : 8-21-17

RESOLUTION NO. 5-08-17

A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF COMMISSIONERS TO MAKE THE ANNUAL REVIEW OF THE MODEL DEBT POLICY FOR HENRY COUNTY IN COMPLIANCE WITH REQUIREMENTS OF THE GOVERNOR'S THREE STAR PROGRAM

WHEREAS, Henry County adopted a Modified Debt Policy in its January, 2012, commission meeting; and

WHEREAS, to remain in compliance for eligibility of the Governor's Three Star Program, the Model Debt Policy must be reviewed annually; and

WHEREAS, the Henry County Board of Commission, prior to the issuance of debt in fiscal year 2017-2018 has reviewed the Henry County Modified Model Debt Policy.


NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this 21st day of August, 2017, a majority or more of the membership concurring, does hereby make the annual review and acceptance of the Model Debt Policy for fiscal year 2017-2018.

BE IT FINALLY RESOLVED that a true copy of this Resolution and the attached (as modified August 21, 2017) Debt Management Policy be spread upon the Commission record of this date.

PASSED 8-21-17



BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION



DONNA CRAIG
COUNTY CLERK

APPROVED 8-21-17



BRENT GREER
HENRY COUNTY MAYOR

Henry County, Tennessee

Debt Management Policy

(As modified January 20, 2012, November 21, 2016 and August 21, 2017)

Goal/Mission: To provide management with appropriate guidelines and direction to assist in making sound debt management decisions. To further demonstrate strong financial management practices for our county citizens, outside investors, and credit agencies.

Objectives:

- Enhance decision process transparency and identify all expenditures of principal, interest, and annual costs along with issue specific transaction costs
- Address hiring outside professionals
- Address any potential conflict of interest issues
- Additional requirements for new debt

1. Enhance transparency of decisions by way of Annual Budgets and Specific New Issue Report

Responsibilities for analysis and reporting shall be with the county mayor, director of accounts and budgets and the county's budget committee. All meetings are considered open to the public and are announced via the local media.

To insure transparency of decisions, an annual debt service budgets, as well as specific issuance debt reports (i.e. those required by state law) shall be prepared and available for public review and comment. County officials will comply with State of Tennessee Open Record laws and respond to record requests from any citizen of Tennessee promptly.

Annual Debt Report

An annual debt payment report shall be submitted to the county commission with the annual debt budget. The annual report shall consist of:

- Budget summary and detailed budget as required by Comptroller's Office.
- Net debt calculation – total principal outstanding less most recent year respective debt fund balance.
- Reports will reflect estimated fund balance.

Annual Debt Budgets

Annual Debt Budgets shall be adopted by the county legislative body and comply with legal notice and filings requirements per state law.

New Debt Issuance

Any new debt issuance shall comply with State Form CT-0253 as well as any other state required forms that detail all associated costs for the issuance of the proposed debt. These records will be available for public and county commission inspection prior to the commission approval of the debt issuance.

2. Hiring of professionals for Debt Issuance

- From time to time the county may hire legal counsel, a financial advisor or underwriter to assist in issuance of debt.
- Financial Advisor: The county shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Whether in a negotiated or competitive sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are providing advisory services for the issuance. The county will utilize the most current definition of "financial advisor", as

determined by the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board, when determining what exactly defines a financial advisor.

- **Underwriter:** If there is an underwriter, the county shall require the underwriter to clearly identify itself in writing (e.g. in a response to a request for proposal or in promotional materials provided to the issuer) 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's. The underwriter in a publically offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the governing body in advance of the pricing of the debt
- All professionals involved with the cost of issuance of debt shall disclose the estimated cost of their respective services including "soft" costs or compensations in lieu of direct payments to the county commission prior to the issuance of the debt.

3. Conflict of interest issues

- It is required that all professionals related to the debt issue will enter into a written engagement letter related to their proposed services, cost, and any potential conflict of interest. These letters will be signed by the county mayor and are open records.
- Professionals involved in a debt transaction hired or compensated by the county shall be required to disclose to the county existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing 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. No engagement letter is required for any lawyer who is an employee of the county or lawyer or law firm which is under a general appointment or contract to serve as counsel to the

county. The county does not need an engagement letter with counsel not representing the county, such as underwriters' counsel.

- 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.

4. Additional Requirements for New Debt

- All leases will be reviewed by the county mayor and director of accounts and budgets prior to execution of the lease, in order to determine if the instrument is a capital or operating lease. No county official that is not authorized by State statute should execute a capital lease on behalf of the county. All capital leases will be presented for approval prior to execution to the county commission.
- In accordance with State statute, no repayment schedule of debt will extend past the useful life of the asset that the funds are being issued for. The most current, adopted county's fixed asset policy will be referenced for asset useful lives.
- If borrowing using capital outlay notes, the county will solicit a competitive bid from local banks as well as any other loan source deemed appropriate. In all instances the county will select the lowest and/or best offer as determined by the county mayor and director of accounts and budgets.
- The county commission may utilize variable rate debt in the county's overall debt management plan. The variable rate debt may utilize the opportunity presented by the local government loan pool through a public building authority borrowing. Such variable rate debt, including the percentage of variable-rate to fixed-rate debt in the overall debt portfolio will be discussed and approved by the county commission in a public meeting prior to issuance. The percentage ratio in the debt portfolio will be dependent upon market conditions and overall debt management discussions with the county commission. In the case of an advanced refunding or a refunding opportunity, an analysis report shall be provided which fully explains the reasons for the refunding and the net savings and costs of the refunding which will include not only interest charges, but also the fees

associated with the transaction. Absent other reasons such as the opportunity to eliminate onerous requirements contained in existing documents or other reasons recommended by the county mayor and director of accounts and budgets to the county commission for consideration and approval, the county has established a minimum net present value savings threshold of at least 3.0% of the refunded principal amount. Refunding opportunities may be considered by the county using any savings threshold if the refunding generates positive net present value savings. The decision to take less than 3.0% net present value savings or to take the savings in any matter other than a traditional year-to-year level savings pattern will be considered by the county mayor and director of accounts and budgets and discussed with county commission. To the extent required by law, this analysis or plan shall be sent to the Director of State and Local Finance for review. The Director normally must report directly to the county on the analysis or plan of refunding prior to formal consideration by county commission. Such refundings will be discussed and must be approved with the county commission at a public meeting prior to issuance.

- State Form CT- 0253 will be prepared and submitted as required by state law.

5. Types and Limits of Debt

- It is in the best interest of the county's citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid, the real cost of debt, and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity. Generally, balloon indebtedness does not always meet these objectives
- As a general rule, the county will not backload, use "wrap-around" techniques, balloon payments or other unusual formats to pursue the financing of projects. Any exception to the general rule, will only take place when sufficient due diligence from the county mayor and director of accounts and budgets has occurred and is presented to the county commission in a public meeting for concurrence. The county may utilize non-level debt methods as determined in the best interest of the county and its taxpayers by the county

mayor and director of accounts and budgets and has been presented to the county commission in a public meeting for approval.

- Exhibit A attached hereto is the plan for balloon debt management.

6. Internal Controls

In accordance with the requirements of Section 9-18-102, Tennessee Code Annotated, the county commission using its audit committee and appropriate county personnel shall perform a risk assessment of the debt management process to put into place effective internal controls to implement the Debt Policy.

7. Periodic Review

- The DMP and the Debt Plan incorporated as Exhibit A hereto (collectively, the “Policy”) is intended to provide general direction regarding the future use and administration of debt obligations of the County. A violation of the Policy shall in no way be interpreted as a violation of law and shall have no bearing on the validity of any debt obligation issued by the County. The County reserves the right to modify the Policy (except to the extent certain elements of the Policy are mandated by applicable state law or regulation) and make exceptions to any of part of the Policy at any time.
- Unless the Policy is modified prior to formal consideration of a resolution or resolutions authorizing the sale and issuance of debt obligations, any exceptions to this Policy shall be expressly acknowledged in any formal resolution or resolutions authorizing the sale and issuance of any debt obligation of the County. In the event of a conflict between the terms of such resolution or resolutions and this Policy, the terms of the debt resolution or resolutions shall control.
- At least annually or as existing debt obligations and/or dedicated revenue streams roll off, this Policy shall be reviewed by the County Mayor and Director of Accounts and Budgets. At any time, the County Mayor may present recommendations for amendments,

including but not limited to, deletions, additions, improvements or clarifications where appropriate to this Policy.

EXHIBIT A

BALLOON DEBT MANAGEMENT PLAN

Introduction

This Balloon Debt Management Plan (the “Debt Plan”) is a written guideline to manage, reduce, and mitigate the effect of existing balloon indebtedness on the county’s financial condition and to issue future debt structured with level principal payments or a level debt amortization. The county has previously issued balloon indebtedness as defined by Section 9-21-134, Tennessee Code Annotated (“Balloon Debt”). The purpose of this Debt Plan is to improve the quality of management and legislative decisions for the county regarding the structure of its current and future debt issuances consistent with the county’s Debt Management Policy’s (“DMP”) goals and to do what is in the best interest of the county and its taxpayers.

Policy Statement

It is in the best interest of the county’s citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid, the real cost of debt and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity.

This Debt Plan formally establishes parameters for structuring debt and managing a debt portfolio that considers:

- Specific current capital improvement needs
- Future capital improvement needs
- Ability to repay financial obligations
- Impact on future debt capacity and revenues available for operations
- Existing legal, economic, and financial market conditions.

Specifically, the intent of the plan outlined in this document is to assist in the following:

- To guide the county commission in debt issuance decisions
- Except when facts and circumstances so dictate, establish a county commission policy to issue new money debt that is not balloon indebtedness as defined by Section 9-21-134, Tennessee Code Annotated
- To manage and mitigate the county's currently outstanding balloon indebtedness
- To promote sound financial management
- To protect the county's credit rating

Current History. When the most recent phases of school building financing were started in 2001, several bond issues were structured over time into a planned, integrated program resulting in a level debt or declining structure. All current school debt is secured and payable in whole or in part from a portion not exceeding \$722,000 of the County-wide 0.75% addition to the Local Option Sales Tax which was approved by County voters on August 4, 1983.

Prior to the adoption of the county's current debt policy, several bond issues were structured that met the subsequent definition of balloon indebtedness under Tennessee law even though when viewed collectively, all school debt undertaken has resulted in a level debt service structure.

Impact of Balloon Indebtedness. The overall level debt structure of the county's school debt has reduced its future debt capacity requiring it to either find new revenue sources to fund the new debt service or the issuance of new debt structured with a balloon payment structure.

EXISTING DEBT MANAGEMENT PLAN

Repayment Plan for Outstanding Balloon Indebtedness. If possible, the county commission will attempt to mitigate the impact of the current balloon indebtedness structure. The county commission intends to continue the existing plan of repayment for existing school debt structured as balloon indebtedness based on projected revenue only being sufficient to support the current payment structure. For balloon indebtedness refunded with balloon indebtedness

there will be no extension of debt, but the current amortization pattern will remain in place and existing revenues pledged for such purposes will continue. The county commission will follow the procedure described in future debt for balloon indebtedness when refunding its current balloon indebtedness.

FUTURE DEBT

New Debt. Consistent with the county's adopted DMP, the County commission intends to issue new debt with a level or declining payment structure. If warranted, the county commission will follow the procedure below for issuing new money debt as balloon indebtedness.

FY 2018 High School Capital Improvement Program. For the FY 2018 High School Capital Improvement Program, additional revenues will be required to service any new debt whether or not the structure of such new debt is deemed to be "Balloon Debt". Such additional revenue to pay debt service may come from one or more sources or a combination of such sources to include, but be not limited to, additional County-wide property tax revenue and/or an additional increment on the existing County wheel tax.

Refunding of Debt. Upon determination by the county commission that a balloon indebtedness structure is in the public's best interest as described in New Debt, refinancing of debt structured as part of the long-standing overall program will continue to match existing debt service patterns given the underlying security and payment provisions pledged for each individual issue. If warranted, the county commission will follow the procedure below for issuing refunding debt as balloon indebtedness.

Procedure. Non-level debt methods may be used if the county commission determines it is in the public's best interest after due diligence as required by Section 5 of the County's DMP. The county commission will make that determination by analyzing the structure's impact on county revenues and future debt capacity. The analysis will include the proposed debt structure, including the principal and interest payments, and terms and life of the debt issue as well as a depiction showing the percentage of debt retired every five years on the proposed debt. Upon

the determination balloon indebtedness is in the public's best interest, the county commission will submit a plan of balloon indebtedness for review and approval to the Director of State and Local Finance. The county commission will only adopt a bond resolution authorizing balloon indebtedness after receiving approval for its plan of balloon indebtedness.

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
PARIS, TENNESSEE

A discussion was held regarding a resolution authorizing the issuance of not to exceed nine million one hundred thousand dollars (\$9,100,000) in aggregate principal amount, in one or more series, of general obligation high school bonds of Henry County, Tennessee; making provision for the issuance, sale and payment of said bonds; establishing the terms thereof and the disposition of proceeds therefrom; and providing for the levy of taxes for the payment of principal of, premium, if any, and interest on the bonds.

ITEM NO. 13

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY								
CARTER, DELL								
CARTER, GREG								
COPELAND, JAMES								
FREEMAN, BOBBY								
GEAN, RANDY								
HUMPHREYS, KENNETH								
JONES, DON								
KYLE, KREG								
MATHENIA, PAUL								
MCSWAIN, CONNIE								
NEAL, PAUL								
STARKS, MONTE								
VISSER, MARTY								
WEBB, DAVID								
TOTAL								

DATE : 8-21-17

ROLL CALL
 COUNTY COMMISSION, HENRY COUNTY, DONNA CRAIG, COUNTY CLERK
 PARIS, TENNESSEE

Commissioner Jones made a motion to adjourn. The motion was seconded by
 Commissioner Visser.

ITEM NO. 14

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
BRADLEY, WESLEY								
CARTER, DELL								
CARTER, GREG								
COPELAND, JAMES								
FREEMAN, BOBBY								
GEAN, RANDY								
HUMPHREYS, KENNETH								
JONES, DON			X					
KYLE, KREG								
MATHENIA, PAUL								
MCSWAIN, CONNIE								
NEAL, PAUL								
STARKS, MONTE								
VISSER, MARTY				X				
WEBB, DAVID								
TOTAL								

VOICE VOTE CARRIED

DATE : 8-21-17