

RESOLUTION 2011-01

A RESOLUTION AUTHORIZING THE TOWN OF KIMBALL TO HAVE AN INVESTMENT SAVINGS ACCOUNT WITH FIRST VOLUNTEER BANK

WHEREAS, the Town of Kimball, Tennessee is a Tennessee municipality organized under its Charter and the statutes of the State of Tennessee; and

WHEREAS, pursuant to said Charter and statutes of the State of Tennessee, the Town of Kimball is authorized to enter into contracts with financial institutions for the safe-keeping of the Town's depository funds; and

WHEREAS, the Mayor and Board of Aldermen have already determined that the Town of Kimball, Tennessee should enter into a Investment Savings Account Agreement with First Volunteer Bank, a local banking institution; and

WHEREAS, the financial institutions require an agreement setting forth the person or persons authorized to open, and/or withdraw from any depository accounts; and

WHEREAS, the Mayor and Board of Aldermen have determined that Mayor David Jackson, Vice-Mayor Rex Pesnell, Alderman Jerry Don Case, Alderman Mark Payne and Alderman Clarence Sisk, Jr. shall be the authorized signatories on any investment savings account for the Town of Kimball, Tennessee; and

WHEREAS, the Mayor and Board of Aldermen have determined that no less than two signatures should be required for better control of the redeeming of said investment savings account and that all checks must be made payable to the Town of Kimball, Tennessee.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Mayor and Board of Aldermen of the Town of Kimball, Tennessee that:

1. The Town of Kimball has already established an investment savings account with First Volunteer Bank, Jasper, Tennessee.
2. Mayor David Jackson, Vice-Mayor Rex Pesnell, Alderman Jerry Don Case, Alderman Mark Payne and Alderman Clarence Sisk, Jr. shall be authorized officers of the Town of Kimball, Tennessee to execute all deposit documents and/or withdrawal forms.
3. Any two signatures of the above-stated officers shall be required to withdraw from or close any investment savings account of the Town of Kimball, Tennessee, and checks issued for redemption shall only be payable to the Town of Kimball, Tennessee.

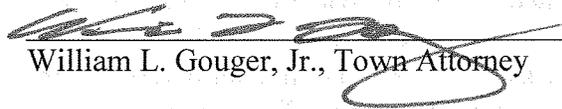
4. This Resolution will continue to be in effect until expressly written modification has been received and recorded by First Volunteer Bank. Any and all prior resolutions adopted by the Town of Kimball, Tennessee are in full force and effect until the financial institution receives and acknowledges an express written notice of revocation, modification or replacement.

THIS RESOLUTION APPROVED on this the 6th day of January, 2011.

Signed: 
David Jackson, Mayor

Attested: 
Tonia May, Town Recorder

Approved as to Form:


William L. Gouger, Jr., Town Attorney

RESOLUTION 2011-02

A RESOLUTION AUTHORIZING THE TOWN OF KIMBALL TO ENTER INTO A CHECKING, SAVINGS ACCOUNT AGREEMENT AND SAFETY DEPOSIT BOX WITH CITIZENS STATE BANK.

WHEREAS, the Town of Kimball, Tennessee is a Tennessee municipality organized under its Charter and the statutes of the State of Tennessee; and

WHEREAS, pursuant to said Charter and statutes of the State of Tennessee, the Town of Kimball is authorized to enter into contracts with financial institutions for the safe-keeping of the Town of Kimball, Tennessee's depository funds; and

WHEREAS, the Mayor and Board of Aldermen have already determined that the Town of Kimball, Tennessee should have Checking Accounts, Savings Accounts and a Safety Deposit Box with Citizens State Bank, a local banking institution; and

WHEREAS, the financial institution requires an agreement setting forth the person or persons authorized to open, sign checks and/or withdraw from any accounts; and

WHEREAS, the Mayor and Board of Aldermen have determined that Mayor David Jackson, Vice-Mayor Rex Pesnell, Alderman Jerry Don Case, Alderman Mark Payne and Alderman Clarence Sisk, Jr. should be the authorized signatories on any checking, savings accounts and/or safe deposit box for the Town of Kimball, Tennessee; and

WHEREAS, the Mayor and Board of Aldermen have determined that no less than two signatures should be required for better control of said checking or savings account.

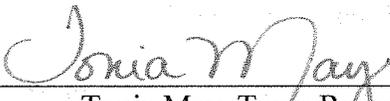
NOW, THEREFORE, BE IT HEREBY RESOLVED by the Mayor and Board of Aldermen of the Town of Kimball, Tennessee that:

1. The Town of Kimball has already established checking, savings accounts and a safe deposit box with Citizens State Bank, Jasper, Tennessee.
2. Mayor David Jackson, Vice-Mayor Rex Pesnell, Alderman Jerry Don Case, Alderman Mark Payne and Alderman Clarence Sisk, Jr. shall be authorized officers of the Town of Kimball, Tennessee to execute all depository documents, including check signatures, deposit and/or withdrawal forms.

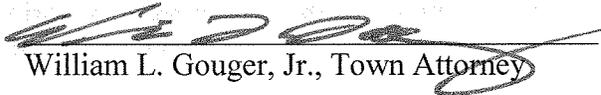
3. Any two signatures of the above-stated officers shall be required to sign checks, withdraw from or close any checking, savings account and/or safe deposit box of the Town of Kimball, Tennessee.
4. This Resolution will continue to be in effect until expressly written modification has been received and recorded by Citizens State Bank. Any and all prior resolutions adopted by the Town of Kimball, Tennessee are in full force and effect until the financial institution receives and acknowledges an express written notice of revocation, modification or replacement.

THIS RESOLUTION APPROVED on the 6th day of January, 2011.

Signed: 
David Jackson, Mayor

Attested: 
Tonia May, Town Recorder

Approved as to Form:


William L. Gouger, Jr., Town Attorney

RESOLUTION 2011-03

A RESOLUTION REVOKING AND RESCINDING RESOLUTION 2010-03 DATED MAY 6, 2010, AND RESOLUTION 2010-05 DATED JUNE 3, 2010; BOTH RESOLUTIONS RELATING TO KIMBALL'S PARTICIPATION AS A GOVERNMENTAL ENTITY IN THE MARION COUNTY REGIONAL WASTEWATER TREATMENT AUTHORITY

WHEREAS, Resolution 2010-03 was heretofore adopted by the Town of Kimball's Board of Mayor and Aldermen on May 6, 2010, which supported participation with the City of South Pittsburg and the Town of Jasper in a 2.5 million gallon per day Regional Wastewater Treatment Plant and authorized the submission of a U.S. Rural Development application for grant and/or loan funding; and

WHEREAS, subsequent thereto, the Board of Mayor and Aldermen of the Town of Kimball adopted Resolution 2010-05 dated June 3, 2010, for the purpose of becoming a participating governmental entity in the Marion County Regional Wastewater Treatment Authority with the City of South Pittsburg and the Town of Jasper; and

WHEREAS, at the time both of the aforesaid Resolutions were adopted, it was anticipated that the City of South Pittsburg, the Town of Kimball and the Town of Jasper would participate in the establishment of the Marion County Regional Wastewater Treatment Authority for the purpose of constructing and operating a 2.5 million gallon per day Regional Wastewater Treatment Plant; and

WHEREAS, since that time, the City of South Pittsburg has decided not to participate and has opted out of the proposed Agreement; and

WHEREAS, the Town of Kimball and the Town of Jasper are in agreement to proceed with the construction of a smaller Regional Wastewater Treatment facility, which will be constructed pursuant to a separate agreement between said two municipalities; and

WHEREAS, it is thus necessary for the Board of Mayor and Aldermen of the Town of Kimball to revoke and rescind the Resolutions heretofore adopted.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, that Resolution 2010-03 dated May 6, 2010, adopted by the Town of Kimball for the purpose of supporting the participation in a 2.5 million gallon per day Regional Wastewater Treatment Plant and to submit a U.S. Rural Development application for grant and/or loan funding relative thereto is hereby revoked and rescinded.

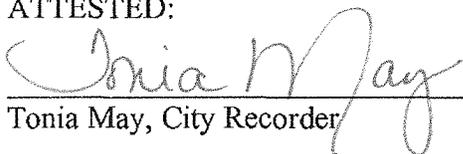
BE IT FURTHER RESOLVED that Resolution 2010-05 dated June 3, 2010, heretofore adopted by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, to become a participating governmental entity in the Marion County Regional Wastewater Treatment Authority with the City of South Pittsburg and the Town of Jasper, Tennessee, be and the same is hereby revoked and rescinded.

ADOPTED this 3rd day of February, 2011.

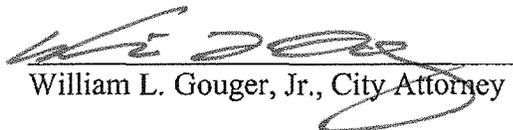
TOWN OF KIMBALL, TENNESSEE

By: 
David Jackson, Mayor

ATTESTED:


Tonia May, City Recorder

APPROVED AS TO FORM:


William L. Gouger, Jr., City Attorney

RESOLUTION 2011-04

**A RESOLUTION OF THE TOWN OF KIMBALL, TENNESSEE,
SUPPORTING PARTICIPATION WITH THE TOWN OF JASPER,
TENNESSEE, IN A REGIONAL WASTEWATER TREATMENT
PLANT HAVING A CAPACITY UP TO 1.5 MILLION GALLONS
PER DAY AND AUTHORIZING SUBMISSION OF A U.S. RURAL
DEVELOPMENT APPLICATION FOR GRANT AND/OR LOAN
FUNDING AND SELECTING CTI ENGINEERS, INC., AS THE
PROJECT ENGINEER**

WHEREAS, the Town of Kimball, Tennessee, owns a small sewer collection system and pump station and currently purchases sewage treatment capacity from the City of South Pittsburg, Tennessee, and the City of South Pittsburg, Tennessee's wastewater treatment plant has been adversely impacted by the collapse of its sewage lagoons due to sinkholes, and Kimball is desirous of owning additional sewage capacity; and

WHEREAS, the Town of Kimball currently has an eight-inch sewer force main connection between Kimball's pump station and the Jasper wastewater treatment plant, which has not been utilized, and may require expenditures by Kimball to place said line in service; and

WHEREAS, seeing the needs and in the interest of Marion County residents, the Town of Kimball and the Town of Jasper have come together to improve and enlarge the Town of Jasper's wastewater treatment plant so that it will have a capacity of up to 1.5 million gallons per day and to improve the current outfall line to the Tennessee River so that same complies with Tennessee Department of Environment and Conservation requirements; all of which can be accomplished at a preliminary estimated cost of Five million seven hundred thousand dollars (\$5,700,000.00) of which the Town of Jasper will be responsible for the payment of one half of the cost thereof and the Town of Kimball will be responsible for payment of one half of the cost thereof; and

WHEREAS, upon completion of the improvement and enlargement to the Town of Jasper's wastewater treatment plant, the Town of Jasper will agree to transfer said wastewater treatment plant together with its outfall line to a Regional Wastewater Treatment Authority that will be established by agreement of the Town of Kimball and the Town of Jasper, which Regional Wastewater Treatment Authority shall assume all indebtedness owed against Jasper's wastewater treatment plant; and

WHEREAS, in consideration of said transfer and Jasper's agreement to pay one half of the cost of the improvement and enlargement of said plant and Kimball's agreement to pay for one half of the cost of the improvement and enlargement of said plant, the Town of Jasper will own two thirds of the capacity thereof, and the Town of Kimball will own one third of the capacity thereof; and

WHEREAS, the U. S. Rural Development Administration has agreed to provide grant and loan funds for the construction and permanent financing of the improved and enlarged plant as needed to the Town of Jasper and to the Town of Kimball based on the capacity of the plant that will be required, and pursuant to agreement between the Town of Kimball and the Town of Jasper, the Town of Jasper will apply for the grant and loan funding, and will select the Engineer for the project, and thus the purpose of this Resolution.

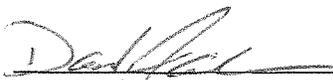
NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, that the Town of Kimball does hereby endorse said Regional Wastewater Treatment Plant to be established and financed by the Town of Kimball and the Town of Jasper as herein stated, and authorizes the Mayor to sign and submit an application to the U. S. Rural Development Administration and/or to any other potential source of grant or loan funds up to Five million seven hundred thousand dollars (\$5,700,000.00) of which it is estimated that 45% thereof will be evidenced by a grant and 55% thereof will be in the form of a loan, contingent upon the Town of Jasper, Tennessee, agreeing to pay for one half of the loan amount.

BE IT FURTHER RESOLVED that the Town of Jasper be authorized to employ CTI Engineers, Inc., as the engineering firm for this project as it has worked with the Town of Jasper for the last many years on matters concerning its wastewater treatment plant; the contract for engineering services shall be the standard federal agency contract approved by Rural Development for similar projects.

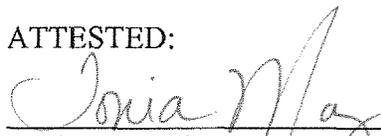
BE IT FURTHER RESOLVED that the Mayor of the Town of Kimball is authorized to enter into agreements and sign documents necessary for the successful construction of the improvement and enlargement of the Jasper Wastewater Treatment Plant as herein set out and the award of the proposed grant and loan.

ADOPTED this 3rd day of February, 2011.

TOWN OF KIMBALL, TENNESSEE

By: 
David Jackson, Mayor

ATTESTED:


Tonia May, City Recorder

APPROVED AS TO FORM:


William L. Gouger, Jr., City Attorney

RESOLUTION 2011-05

**A RESOLUTION OF THE TOWN OF KIMBALL, TENNESSEE
REQUESTING REINSTATEMENT OF FUNDING FOR CLEAN UP AND
DISPOSAL OF METHAMPHETAMINE LABS AND DEBRIS.**

WHEREAS, the manufacture, possession and sale of methamphetamine is an ongoing problem in Southeast Tennessee and many other areas throughout the United States; and

WHEREAS, until recently, Federal and State funds were available to assist with the destruction and disposal of methamphetamine labs and related materials after detection by local government law enforcement agencies; and

WHEREAS, such State and Federal financial assistance has been terminated, and local governments and their law enforcement agencies, including but not limited to, the Town of Kimball, Tennessee and its Police Department, lack sufficient personnel, equipment, and funds with which to properly and safely destroy and dispose of meth labs and their related components and chemicals, to the detriment of such local governments and their citizens; and

WHEREAS, the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, strongly encourages the restoration of funding by all applicable agencies of Federal and Tennessee State governments to provide assistance to local governments, including the Town of Kimball, in the destruction and disposal of Meth labs by local governments and their law enforcement agencies.

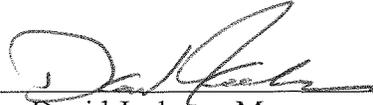
NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, meeting in regular session on this 7th day of April, 2011, that the legislative bodies of both the Federal and Tennessee governments take such actions as are necessary to restore and appropriate funding to assist local governments in their efforts to destroy methamphetamine labs and properly clean such sites and dispose of contaminated materials.

BE IT FURTHER RESOLVED that certified copies of this Resolution be delivered to those members of the United States Congress and the Tennessee Legislature that serve the Town of Kimball and its residents.

ADOPTED this 7th day of April, 2011.

TOWN OF KIMBALL, TENNESSEE

By: _____

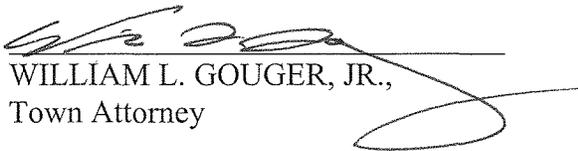

David Jackson, Mayor

ATTESTED:



Tonia May, Town Recorder

APPROVED AS TO FORM



WILLIAM L. GOUGER, JR.,
Town Attorney

RESOLUTION NO. 2011-06

A RESOLUTION OF THE GOVERNING BODY OF THE TOWN OF KIMBALL, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING GENERAL CAPITAL OUTLAY NOTES NOT TO EXCEED ONE HUNDRED FIFTY THOUSAND DOLLARS.

\$150,000.00 DOLLARS

WHEREAS, the Governing Body of the Town of Kimball, Tennessee, the ("Local Government") has determined that it is necessary and desirable to issue capital outlay notes in order to fund repairs to the Town's sewage collection system, (the "Project"), for the benefit of the citizens of the Town of Kimball; 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 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 the Town of Kimball, 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 Mayor 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 the principal amount not to exceed One Hundred Fifty Thousand (\$150,000.00) Dollars (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 "Town of Kimball, Tennessee Capital Outlay Notes, Series 2011"; shall be numbered serially from one upwards; shall be dated as of the date of issuance; shall be in denominations as agreed upon with the purchaser; shall be sold at not less than ninety nine (99%) percent of par value and accrued interest; and shall bear interest at a rate or rates not to exceed 1.10% 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 two (2) 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 thirty (30) years. Provided, however, that each year the Notes are outstanding, one-half (1/2), but in no event not less than one-ninth (1/9), of the original principal amount of the Notes shall mature without renewal but 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 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.

Section 5. That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the Mayor 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 Mayor 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 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, which 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 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 attached hereto 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, the Notes are hereby designated as qualified tax-exempt obligations for purposes 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 two (2) 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 State Director of Local Finance.

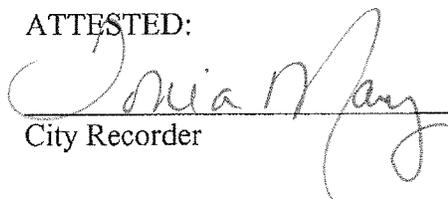
Section 12. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflicts exist; and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this 5th day of May, 2011.

TOWN OF KIMBALL, TENNESSEE

By: 
David Jackson, Mayor

ATTESTED:


City Recorder

RESOLUTION 2011-07

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF KIMBALL, TENNESSEE TO ADOPT A REVENUE RECOGNITION POLICY AND A FUND BALANCE POLICY IN COMPLIANCE WITH GENERAL ACCOUNTING STANDARDS BOARD (GASB) RULE 54.

WHEREAS, GASB Rule 54 requires that local governments adopt a revenue recognition policy and a fund balance policy, and have such policies in place by June 30, 2011, and the Board of Mayor and Aldermen of Kimball, Tennessee desires to adopt the policies hereinafter set forth in compliance with said requirement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, meeting in regular session on the 2nd day of June, 2011, that it hereby adopts the following Revenue Recognition and Fund Balance Policies as required by GASB Rule 54:

REVENUE POLICY

The purpose of the policy of the Town of Kimball is to provide guidelines regarding the intended purpose for revenues allocated to or earned by governmental funds. This policy is in place to designate that all monies deposited into or earned by a fund are to be considered restricted or committed to the same purpose of that fund (i.e. transfers, interest, and other miscellaneous revenues).

The Revenue Policy of the Town of Kimball is as follows:

Any monies allocated to or realized by a special revenue fund are to be used for the purpose of that fund.

FUND BALANCE POLICY

Section 1: The Fund Balance Policy of the Town of Kimball is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It is also intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The Fund Balance Policy is established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the Town to be in a strong fiscal condition that will allow for better position to weather negative economic trends.

The Fund Balance consists of five (5) categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

1. **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

2. **Restricted Fund Balance** consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. (New funding source set aside by Ordinance.)

3. **Committed Fund Balance** consists of funds that are set aside for a specific purpose by the Town's Board of Mayor and Aldermen. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds. (Redirection of current revenue source by Resolution or Ordinance.)

4. **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by the Town's Board of Mayor and Aldermen or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in an unassigned fund balance. (Assignment may be by Resolution or Motion of the Board.)

5. **Unassigned Fund Balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. This fund balance can only be reported in the General Fund.

Section 2: Fund Balance Reporting

It is the responsibility of the Town's Finance Director to report all fund balances appropriately in the Town's Financial Statements. These balances must also be reported to the Board of Mayor and Aldermen within six months of the end of the fiscal year.

Section 3: Order of Use of Restricted and Unrestricted Funds

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned, and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

Section 4: Authority to Commit Funds

The Town's Board of Mayor and Aldermen has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance require, at a minimum, the passage of a resolution by a simple majority vote. An ordinance may also be used. Commitment must take place prior to June 30th of the applicable fiscal year. If the actual amount of the

commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available. In the event the Board wishes to lift the committed status of funds so that they may be used for general purposes, a formal action equal to that which originally committed the funds must be taken (i.e. - resolution for resolution; ordinance for ordinance).

Section 5: Authority to Assign Funds

The Town Board of Mayor and Aldermen has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, the Finance Director shall record the amount as Assigned Fund Balance.

Section 6: Unassigned Fund Balance

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

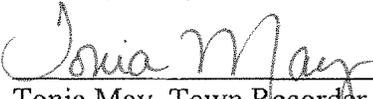
This Resolution shall take effect immediately upon its passage, the public welfare requiring it.

ADOPTED this 2nd day of June, 2011.

TOWN OF KIMBALL, TENNESSEE

By: 
David Jackson, Mayor

ATTESTED:


Tonia May, Town Recorder

APPROVED AS TO FORM


WILLIAM L. GOUGER, JR.,
Town Attorney

RESOLUTION 2011 - 08

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF KIMBALL, TENNESSEE TO ADOPT AN EXPENSE PRIORITIZATION POLICY FOR SPECIAL REVENUE FUNDS IN COMPLIANCE WITH GENERAL ACCOUNTING STANDARDS BOARD (GASB) RULE 54.

WHEREAS, GASB Rule 54 requires that local governments adopt an expense prioritization policy for special revenue funds and have such policy in place by June 30, 2011, and the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, desires to adopt such policy as hereinafter set forth in compliance with said requirement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Kimball, Tennessee, meeting in regular session on the 2nd day of June, 2011, that it hereby adopts the following Expense Prioritization Policy for Special Revenue Funds as required by GASB Rule 54:

EXPENSE PRIORITIZATION POLICY FOR SPECIAL REVENUE FUNDS

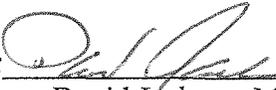
The flow assumption for all special revenue funds is to use restricted amounts before unrestricted amounts and to use the default policy for its unrestricted fund balance. If expenditures incurred exceed the amounts that have been restricted, committed, and assigned to a specific purpose and results in a negative residual amount for that specific purpose, amounts assigned to other purposes in that particular special revenue fund are reduced to eliminate the deficit.

Under this assumption, all restricted funds will be spent first, for their restricted purpose.

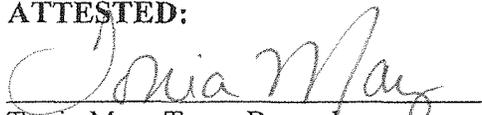
This Resolution shall take effect immediately upon its passage, the public welfare requiring it.

ADOPTED this 2nd day of June, 2011.

TOWN OF KIMBALL, TENNESSEE

By: 
David Jackson, Mayor

ATTESTED:


Tonia May, Town Recorder

APPROVED AS TO FORM


WILLIAM L. GOUGER, JR.
Town Attorney

RESOLUTION NO. 2011- 90

**A RESOLUTION ADOPTING
A COMPLIANCE MANUAL REGARDING
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.**

WHEREAS, the Board of Mayor and Aldermen of the Town of Kimball, Tennessee desires to comply with all state and federal regulations; and

WHEREAS, the State of Tennessee requires municipalities to be in compliance with Title VI policy in order to receive federal monies that are directed through the State; and

WHEREAS, the Board of Mayor and Aldermen of the Town of Kimball desires to reinforce its practice of Title VI compliance with a policy manual. Now, therefore

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF KIMBALL, TENNESSEE AS FOLLOWS:

Section 1. The attached Title VI Compliance Manual for the Town of Kimball shall be adopted in its entirety by reference.

Section 2. The following statement shall be deemed as the Town of Kimball's Title VI policy statement: "It is the policy of the Town of Kimball to ensure that no citizen shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

Section 3. This Resolution shall take effect immediately from and after its passage, the welfare of the Town demanding it.

This Resolution duly passed and approved on this 4th day of August, 2011.

TOWN OF KIMBALL, TENNESSEE

By: _____

David Jackson, Mayor

Attested: _____

Tonia May, Town Recorder

Approved as to form:

William L. Gouger, Jr., Town Attorney

Town of Kimball, Tennessee Title VI Compliance Manual

I. Policy Statement:

It is the policy of the Town of Kimball to ensure that no citizen shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

II. Applicability:

This policy applies to the administration of all programs, projects, facilities, benefits, or services that receive assistance from the federal government.

III. Title VI Coordinator

The Town Recorder or his/her designee is the official responsible for maintaining records and submitting reports to the state agency from which the federal assistance is transferred.

VI. Record Keeping

- A. The Town Recorder (or his/her designee), as established in Section III above, is charged with maintaining permanent records and submitting required Title VI reports. These records shall include, but are not limited to, the Non-Elected Boards or Commissions form, as found in Appendix A, any written complaints, all correspondence to complainants found in Appendix E, and the annual self-survey for the Military Department.

VII. Title VI Information Dissemination

- A. Title VI information posters, including the name of the local coordinator shall be prominently and publicly displayed.
- B. Title VI information shall be disseminated to town employees at least once per year by including the Employee Education form, as found in Appendix B, in payroll envelopes. This form not only reminds employees of the town's policy statement, but also reminds employees of their Title VI responsibilities in their daily work and duties.
- C. New employees shall receive the New Employee Orientation on Title VI form, as found in Appendix C, informing them of the town's position on Title VI, and the town's expectations of them in performing their duties in regard to Title VI.
- D. Title VI information shall be disseminated to citizens at least once per year by printing the town's Title VI policy statement on or including it in utility customers' billing statements or property tax notices.
- E. Whenever possible, the Town of Kimball will take positive and specific actions to advise minorities of program availability by using such means of communication as newspaper articles, radio and television announcements, town newsletters; and by distributing letters, leaflets, brochures and bulletins to referral sources and relevant service area minority organizations.

VIII. Subcontracts and Vendors

All subcontractors and vendors (tertiary recipients) who receive payments from the Town of Kimball (secondary recipient) shall be required to submit to the Town of Kimball Assurance of

Compliance Under Title VI of the Civil Rights Act of 1964 form, as found in Appendix D, before any federally-assisted payment(s) will be made.

All written contracts shall contain the following non-discrimination statement that complies with Title VI:

It is the policy of the Town of Kimball to provide equal employment opportunities and to provide its programs, activities, and services to all individuals regardless of race, color, religion, sex, national origin, age, disability, or status in any other group protected by law. Inquiries and charges of violation of this policy should be directed to the Town Recorder at (423) 837-7040 or at 675 Main Street, Kimball, Tennessee 37347. Requests for accommodation of a disability should be directed to the Town Recorder at (423) 837-7040 or at 675 Main Street, Kimball, Tennessee 37347.

IX. Public Interaction

- A. All town-owned equipment or physical facilities (i.e. restrooms, waiting rooms, recreational areas, etc.) shall be provided to citizens without regard to race, color, or national origin.
- B. Staff shall use courtesy titles (i.e. Mr., Mrs., Ms., or Miss) to address citizens without regard to race, color or national origin.

X. Complaints and Investigations

- A. The Town of Kimball treats Title VI violation complaints very seriously. Appendix E provides sample forms for all correspondences regarding complaints filed against the Town.
- B. All complaints, written or verbal, shall be accepted. In the event a complainant sets forth the allegations verbally and refuses to reduce such allegations to writing, the person to whom the complaint is made should reduce the elements of the complaint to writing. All complaints shall include the following information:
 - a. Name, address, and telephone number of the complainant.
 - b. The location and name of the entity delivering the service.
 - c. The nature of the incident that led to the complainant to feel discrimination was a factor.
 - d. The basis of the complaint, i.e. race, color or national origin.
 - e. Names, addresses and phone numbers of people who may have knowledge of the event.
 - f. The date or dates on which the alleged discriminatory event or events occurred.
- C. The Discrimination Complaint Form, as found in Appendix E, may be used to gather this information, but its use is not required to make a complaint.
- D. All complaints shall be responded to, recorded, investigated, and maintained on file by the Title VI Coordinator, or his/her designee.
- E. All complaints shall be handled within 90 days of their receipt.

Appendix A

Non-Elected Boards or Commissions

	(a) # of Members	(b) # of White Members	(c) # of Non- White Members	(d) Appointed By:	(e) Term of Office	(f) Est. Minority Population in service area	(g) ✓ if (f) > 5%
Beer Board							
Industrial Board							
Planning Commission							
Zoning Appeals Board							

If there are no minorities listed in column (c) and there is a minority population of 5% or greater within the Board's/Commission's geographic service area (column (g) is checked), then the Town shall take steps to obtain minority representation on each Board or Commission including, but not limited to, publicly advertising all Board/Commission vacancies, conducting outreach to minority groups to identify interested persons, and/or creating a Board/Commission member application process.

Appendix B

Employee Education

Title VI Policy

It is the policy of the Town of Kimball to ensure that no citizen shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

All employees of the Town of Kimball are expected to consider, respect and observe this policy in their daily work and duties. If a citizen approaches you with a question or complaint, direct him or her to the Town Recorder, Kimball's Title VI Coordinator, at Town Hall.

Appendix C

New Employee Orientation on Title VI

Title VI Policy

It is the policy of the Town of Kimball to ensure that no citizen shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

All employees of the Town of Kimball are expected to consider, respect and observe this policy in their daily work and duties. If a citizen approaches you with a question or complaint, direct him or her to the Town Recorder, Kimball's Title VI Coordinator, at Town Hall.

Appendix D

Assurance of Compliance Under Title VI of the Civil Rights Act of 1964

Name of Applicant (hereby referred to as "The Applicant")

Hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by the Regulations of the U.S. Department of Justice (28 CFR Parts 42 & 50) and the Town of Kimball, and any directives or regulations issued pursuant to that Act and the Regulations, to the effect that, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity for which the Applicant received Federal financial assistance from the Town and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use, Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the Applicant by the Town.

BY ACCEPTING THIS ASSURANCE, the applicant agrees to compile data, maintain records, and submit reports as required to permit effective enforcement of Title VI, and permit authorized Town personnel during normal working hours to review such records, books, and accounts as needed to ascertain compliance with Title VI. If there are any violations of this assurance, the Town shall have the right to seek administrative and/or judicial enforcement of this assurance.

This assurance is binding on the applicant, its successors, transferees, and assignees as long as it receives assistance from the Town. In the case of real property, this assurance is binding for as long as the property is used for a purpose for which this assistance was intended or for the provision of services or benefits similar to those originally intended. In the case of personal property, this assurance applies for as long as the recipient retains ownership or possession of the property. The person or persons whose signatures appear below are authorized to sign this assurance on the behalf of the applicant.

Dated _____

(Applicant)

Address _____

By _____
(Title of Authorized Official)

No further monies or other benefits may be paid out under these programs unless this Assurance is completed and filed as required by existing regulations.

Appendix E

Discrimination Complaint Form

Note: We are asking for the following information to assist us in processing your complaint. If you need help in completing this form, please let us know.

1. Complainant's Name _____

Street Address _____

City, State and Zip Code _____

Telephone Number – home (____) _____

business (____) _____

2. Person discriminated against (if someone other than the complainant)

Name _____

Street Address _____

City, State, and Zip Code _____

Telephone Number (____) _____

3. What is the name and location of the institution or agency that you believe discriminated against you?

Name _____

Street Address _____

City, State, and Zip Code _____

Telephone Number (____) _____

Appendix E - continued

Discrimination Complaint Form - continued

4. Which of the following best describes the reason you believe the discrimination took place? Was it because of your:

- a. Race (specify) _____
- b. Color (specify) _____
- c. National Origin (specify) _____

5. What date did the alleged discrimination take place? _____

6. In your own words, describe the alleged discrimination. Explain what happened, and whom you believe was responsible.

7. Have you tried to resolve this complaint through the internal grievance procedures at the institution or agency? _____ Yes _____ No

If yes, what is the status of the grievance? _____

Name and title of the person who is handling the grievance procedure:

Name _____

Title _____

Appendix E - continued

Discrimination Complaint Form - continued

8. Have you filed this complaint with any other federal, state, or local agency; or with any federal or state court? _____ Yes _____ No

If yes, check all that apply:

Federal agency _____

Federal court _____

State agency _____

State court _____

Local agency _____

Please provide information about a contact person at the agency/court where the complaint was filed.

Name _____

Street Address _____

City, State, and Zip Code _____

Telephone Number (____) _____

9. Do you intend to file this complaint with another agency?
_____ Yes _____ No

If yes, when and where do you plan to file the complaint?

Date _____

Agency _____

Street Address _____

City, State, and Zip Code _____

Telephone Number (____) _____

Appendix E - continued

Discrimination Complaint Form - continued

10. Has the complaint been filed with this agency before?

_____ Yes _____ No

If yes, when? Date _____

11. Have you filed any other complaints with this agency?

_____ Yes _____ No

If yes, when and against whom were they filed?

Date _____

Agency _____

Street Address _____

City, State, and Zip Code _____

Telephone Number (_____) _____

12. Please sign below. You may attach any written materials or other information that you think is relevant to your complaint.

Complainant's Signature

Date

Appendix E - continued

Letter Acknowledging Receipt of Complaint

Today's Date

Ms. Joanne Doe
1234 Main St.
Kimball, Tennessee 37347

Dear Ms. Doe:

This letter is to acknowledge receipt of your complaint against the Town of Kimball alleging denial of participation of minorities in the _____ program

An investigator will be assigned to investigate your complaint. In the interim, if you have additional information you wish to convey or questions concerning this matter, please feel free to contact this office by telephoning 423/837-7040, or writing to me at the above address.

A member of my staff will contact you soon.

Sincerely,

XXXXXX XXXXXXXX
Town Recorder

Appendix E – continued

Second Letter to Complainant

Today's Date

Ms. Joanne Doe
1234 Main St.
Kimball, Tennessee 37347

Dear Ms. Doe:

Your complaint of _____ (date) alleging denial of participation of minorities in the _____ program of the Town of Kimball has been directed to this office.

Your complaint has been reviewed. In preparation for a possible investigation, we would like to discuss the matters stated in your letter with you by telephone. Please send a telephone number and state a time between the hours of 8:00 a.m. and 4:30 p.m. when it would be convenient for a member of my staff to call you.

Sincerely,

Xxxxxx Xxxxxxx
Town Recorder

Appendix E – continued

Investigator's Worksheet

Case Name _____ Case Number _____

For Complaint Investigation _____

A. The Complainant(s)

Name _____

Telephone Number(s)

Address _____

_____ home

_____ work

_____ other

Date complaint received _____

Hours complainant says convenient
to call:

_____ a.m.

_____ p.m.

Complainant alleges discrimination based on:

_____ race

_____ color

_____ national origin

_____ sex*

* applicable for section 109, HCDA 1974 only

For compliance review _____

B. Date when compliance review was scheduled _____

Reason why compliance review is scheduled _____

Office requesting compliance review _____

Date of last compliance review or complaint investigation _____

Appendix E - continued

Letter Notifying Complainant of an Investigation

Today's Date

Ms. Joanne Doe
1234 Main St.
Kimball, Tennessee 37347

Dear Ms. Doe:

The matter referenced in your letter of _____ (date) against the Town of Kimball alleging denial of participation of minorities in the _____ program will be investigated by staff from this office.

The investigation has been scheduled for the week of _____ (date). Mr. /Ms. _____ has been assigned to investigate the matter. He/She will contact you to establish a convenient time for you to discuss your complaint with him/her.

We appreciate your help in this important matter.

Sincerely,

XXXXXX XXXXXXXX
Town Recorder

Appendix E - continued

Letter Notifying Complainant of Title VI Compliance Status of Respondent

Today's Date

Ms. Joanne Doe
1234 Main St.
Kimball, Tennessee 37347

Dear Ms. Doe:

The matter referenced in your letter of _____ (date) against the Town of Kimball alleging denial of participation of minorities in the _____ program has been investigated by staff from this office.

My staff found several apparent violations of Title VI of the Civil Rights Act of 1964, including those mentioned in your letter. Efforts are underway to correct these deficiencies.

Thank you for calling this important matter to our attention. You were extremely helpful during our review of the program. *(If a hearing is requested, the following sentence may be appropriate.)* You may be hearing from this office, or from federal authorities, if your services should be needed during the administrative hearing process.

Sincerely,

Xxxxxx Xxxxxxx
Town Recorder

Appendix E - continued

Letter Notifying Complainant that the Complaint Is Not Substantiated

Today's Date

Ms. Joanne Doe
1234 Main St.
Kimball, Tennessee 37347

Dear Ms. Doe:

The matter referenced in your letter of _____ (date) against the Town of Kimball alleging denial of participation of minorities in the _____ program has been investigated by staff from this office.

The results of the investigation did not indicate that the provisions of Title VI of the Civil Rights Act of 1964 had in fact been violated. As you know, Title VI prohibits discrimination based on race, color, or national origin in any program receiving federal financial assistance.

My staff has analyzed the materials and facts during the course of their investigation of your complaint for evidence of a failure to comply with any of the civil rights laws administered by this office. We did not find evidence that any of these laws have been violated.

We must therefore advise you that your complaint has not been substantiated, and that we are closing this matter in our files.

Thank you for taking the time to write to this office. If we can be of assistance to you in the future, do not hesitate to call us.

Sincerely,

XXXXXX XXXXXXXX
Town Recorder

RESOLUTION NO. 2011-09

**A RESOLUTION TO ESTABLISH A TOWN OF KIMBALL, TENNESSEE
DEBT MANAGEMENT POLICY IN ACCORDANCE WITH TENNESSEE
STATE FUNDING BOARD DIRECTIVE.**

WHEREAS, in December, 2010, the Tennessee State Funding Board adopted a statement on debt management directing governmental entities in Tennessee to draft and adopt their own debt management policies no later than December 31, 2011; and

WHEREAS, a Debt Management Policy will be necessary if the Town of Kimball needs to borrow money after December 31, 2011; and

WHEREAS, the Town of Kimball has chosen to use a model policy from the Tennessee Municipal League, as provided by UT-MTAS under the assistance of Dick Phebus, Financial Consultant; and

WHEREAS, the model policy has been reviewed to ensure that it meets the requirements for said policy as outlined by information contained in a memo from the State of Tennessee Comptroller of the Treasury, dated June 1, 2011; and

WHEREAS, the Board of Mayor and Aldermen has determined specific language governing debt with the Town of Kimball based on historical data from prior debt and current financial data; and

WHEREAS, the Board of Mayor and Aldermen deems it in the best interest, health, safety, and welfare of the citizens of the Town of Kimball to adopt a Debt Management Policy.

NOW, THEREFORE, BE IT RESOLVED, that the attached Debt Management Policy be adopted subject to the review and approval of The Comptroller of the Treasury of The State of Tennessee.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption, the public welfare requiring it.

PASSED AND ADOPTED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF KIMBALL, TENNESSEE THIS 6th DAY OF OCTOBER, 2011.



DAVID JACKSON, Mayor

ATTEST:



Tonia May, Town Recorder

TOWN OF KIMBALL, TENNESSEE DEBT MANAGEMENT POLICY

The purpose of this debt management policy is to establish a set of parameters by which debt obligations will be undertaken by the Town of Kimball, Tennessee. This policy reinforces the commitment of the Town and its officials to manage the financial affairs of the Town so as to minimize risks, avoid conflicts of interest, and ensure transparency while still meeting the capital needs of the Town. A debt management policy signals to the public and the rating agencies that the Town is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

Definition of Debt: All obligations of the Town to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction or operation of Town resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type whether from an outside source such as a bank or from another internal fund.

Approval of Debt: Bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes will be submitted to the State of Tennessee Comptroller's Office and the Town's Board of Mayor and Aldermen prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the Comptroller's Office prior to issuance. Capital or equipment leases may be entered into by the Board of Mayor and Aldermen; however, details on the lease agreement will be forwarded to the Comptroller's Office on the specified form within 45 days.

Transparency:

- * The Town shall comply with legal requirements for notice and for public meetings related to debt issuance.
- * All notices shall be posted in the customary and required posting locations, including, as required, local newspapers, bulletin boards, and websites.
- * All costs (including principal, interest, issuance, continuing, and one-time) shall be clearly presented and disclosed to the citizens, Board of Mayor and Aldermen, and other stakeholders in a timely manner.
- * The terms and life of each debt issue shall be clearly presented and disclosed to the citizens/members, Board of Mayor and Aldermen, and other stakeholders in a timely manner.

* A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens/members, Board of Mayor and Aldermen, and other stakeholders in a timely manner.

Role of Debt:

* Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the Town will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.

* In accordance with Generally Accepted Accounting Principles and state law,

1. The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed 30 years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices.

2. Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.

Types and Limits of Debt:

* The Town will seek to limit total outstanding debt obligations to ten (10%) percent of assessments, excluding overlapping debt, enterprise debt, and revenue debt; however, the debt limit may be exceeded up to five (5%) based on purchases authorized and deemed necessary to address the public health and/or public safety emergencies declared by the Mayor, or for indebtedness deemed necessary by two-thirds (2/3) vote of the Board of Mayor and Aldermen.

* The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

* The Town's total outstanding debt obligation will be monitored and reported to the Board of Mayor and Aldermen by the Chief Financial Officer once a year during the budget process. The Chief Financial Officer shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The Chief Financial Officer shall also report to the Board of Mayor and Aldermen any matter that adversely affects the credit or financial integrity of the Town.

* The Town has issued Revenue Bonds and Capital Outlay Notes in the past and is authorized to issue General Obligation bonds, Revenue bonds, TIFs, loans, notes and other debt allowed by law.

* The Town will seek to structure debt with level or declining debt service payments over the life of each individual bond issue or loan.

* As a rule, the Town will not backload, use "wrap-around" techniques, balloon payments or other exotic formats to pursue the financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur, the Town may utilize non-level debt methods; however, the use of such methods must be thoroughly discussed in a public meeting and the Board of Mayor and Aldermen must determine that such use is justified and in the best interest of the Town.

* The Town may use capital leases to finance short-term projects.

* Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The Town may use its General Obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the Town. The Board of Mayor and Aldermen and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the Town's General Fund.

Use of Variable Rate Debt:

* The Town recognizes the value of variable rate debt obligations and that cities have greatly benefitted from the use of variable rate debt in the financing of needed infrastructure and capital improvements. The percentages of net variable rate debt outstanding (excluding enterprise debt and revenue debt) shall not exceed twenty (25%) percent of the Town's overall debt.

* However, the Town also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks; including:

1. The Town will 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.

2. Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the Board of Mayor and Aldermen shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.

3. Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the Board of Mayor and Aldermen shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.

4. Prior to entering into any variable rate debt obligation, the Board of Mayor and Aldermen will be informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.

5. The Town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation.

Use of Derivatives:

* The Town chooses not to use derivative or other exotic financial structures in the management of the Town's debt portfolio.

* Prior to any reversal of this provision:

1. A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the Board of Mayor and Aldermen; and

2. The Board of Mayor and Aldermen must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the State Funding Board Guidelines.

Costs of Debt:

* All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the Board of Mayor and Aldermen in accordance with the notice requirements stated above.

* In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.

* Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e. General Obligations bonds in context of the General Fund, Revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes).

Refinancing Outstanding Debt:

* The Town will refund debt when it is in the best financial interest of the Town to do so, and the Chief Financial Officer shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.

* The Chief Financial Officer will consider the following issues when analyzing possible refunding opportunities:

1. Onerous Restrictions - Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.

2. Restructuring for Economic Purposes - The Town will refund debt when it is in the best financial interest of the Town to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the Chief Financial Officer if the refunding generates positive present value savings, the minimum present value savings threshold for any refinancing should be five (5%) percent unless the purpose of refunding is to eliminate restrictive debt covenants or "smooth" debt service payments.

3. Term of Refunding Issues - The Town will refund bonds within the term of the originally issued debt; however, the Chief Financial Officer may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The Chief Financial Officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. Escrow Structuring - The Town shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the Town from its own account.

5. Arbitrage - The Town shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

Professional Services:

The Town shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the Town and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

* **Counsel:** The Town shall enter into an engagement letter agreement with each lawyer or law firm representing the Town in a debt transaction. No engagement letter is required for any lawyer who is an employee of the Town or lawyer or law firm which is under a general appointment or contract to serve as counsel to the Town. The Town does not need an engagement letter with counsel not representing the Town, such as underwriters' counsel.

* **Financial Advisor:** If the Town chooses to hire financial advisors, the Town shall enter into a written agreement with each person or firm serving as financial advisor in debt management and transactions.

1. In a competitive sale, the financial advisor shall not be permitted to bid on an issue for which they are or have been providing advisory services.

2. In a publicly offered, negotiated sale, the financial advisor shall not be permitted to resign as financial advisor in order to underwrite an issue for which they are or have been providing advisory services; or

* **Underwriter:** In advance of pricing of the debt in a publicly offered, negotiated sale, the underwriter must provide pricing information both as to interest rates and to takedown per maturity to the Board of Mayor and Aldermen.

Conflicts:

* Professionals involved in a debt transaction hired or compensated by the Town shall be required to disclose to the Town 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, liquidity or credit enhancement provider, 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 Town to appreciate the significance of the relationships.

- * 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.

Review of Policy:

This policy shall be reviewed at least annually by the Board of Mayor and Aldermen with the approval of the annual budget. Any amendments shall be considered and approved in the same process as the initial adoption of this Policy, with opportunity for public input.

Compliance:

Chief Financial Officer is responsible for ensuring compliance with this policy. The Chief Financial Officer for the Town is The Mayor who will seek assistance from the Certified Municipal Finance Officer (Treasurer).

Method for Disclosure

- * The Town shall prepare Public Debt Report form CT0253, (to be submitted to the Director of State and Local Finance within 45 days following issuance of a debt obligation, T.C.A 9-21-151) which details the type of debt, security, purpose, face amount, type of sale, interest cost, recurring cost, maturity dates, amounts and interest rates, and itemized description of cost of issuance.
- * A report containing essentially the same information as the CT0253, including the type of debt, security, purpose, face amount, type of sale, interest cost, recurring cost, maturity dates, amounts and interest rates, and itemized description of cost of issuance, shall be presented to the Board of Mayor and Aldermen along with the Board Resolution, copies of reports given to the governing body, copies of Public Notice and this policy shall be made available to the public for review.
- * The Bond Resolution shall conform to T.C.A. 9-21-205 for General Obligation Bonds and T.C.A. 9-21-304 for Revenue Bonds,
- * The Town shall publish the Bond Resolution in a newspaper of general circulation in accordance with T.C.A. 9-21-206 for General Obligation and T.C.A. 9-21-304 for Revenue Bonds.