



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

September 30, 2019

Honorable Scott Conger, Mayor
and Honorable City Council
City of Jackson
P.O. Box 2508
Jackson, TN 38302

Dear Mayor Conger and Members of the Council:

This letter, report and plan of refunding (the "Plan") are to be posted on the website of the City of Jackson (the "City"). Please provide a copy of the letter, report, and Plan to each member of the Board for review at the public meeting for the adoption of the refunding bond authorizing resolution.

We acknowledge receipt on September 25, 2019, of a request from the City to review its Plan for the issuance of an estimated \$61,065,000 General Obligation Refunding Bonds, Series 2019A (the "Series 2019A Refunding Bonds").

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, a plan must be submitted to our office for review. The information presented in the Plan includes the assertions of the City and may not reflect either current market conditions or market conditions at the time of sale.

Financial Professionals

The Plan was prepared by the City with the assistance of its municipal advisor, PFM Financial Advisors, LLC. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests.

Compliance with the City's Debt Management Policy

The City provided a copy of its debt management policy and within forty-five (45) days of issuance of the debt approved in this letter is required to submit a Report on Debt Obligation that indicates that debt issued complies with the City's debt policy. If the City amends its policy, please submit the amended policy to this office.

Plan of Refunding

The City intends to sell approximately \$61,065,000 Series 2019A Refunding Bonds priced at a premium of \$7,422,477 to current refund the following bonds:

- \$1,905,000 General Obligation Bonds, Series 2009, dated June 4, 2009, and maturing June 1, 2021 through June 1, 2024;
- \$21,290,000 General Obligation Refunding Bonds, Series 2009, dated February 26, 2009, and maturing March 1, 2021 through March 1, 2034;
- \$6,350,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2011, dated August 15, 2011, and maturing August 1, 2020 through August 1, 2026;
- \$13,395,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2013, dated September 25, 2013, and maturing June 1, 2020 through June 1, 2033;
- \$15,621,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2015, dated August 13, 2015, and maturing June 1, 2020 through June 1, 2035; and
- \$9,000,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2018, dated April 6, 2018, and maturing March 1, 2021 through March 1, 2038.

The total amount of refunded principal is \$67,561,000.

Report of the Review of a Plan of Refunding

The enclosed report must be presented to the members of the City Council for review prior to the adoption of a refunding bond authorizing resolution.

The enclosed report does not constitute approval or disapproval for the plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity.

The enclosed report is effective for a period of ninety (90) days from the date of the report. If the refunding bonds have not been sold within the ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to this office. We will then issue a report on the new plan for the governing body to review prior to adopting a new refunding bond authorizing resolution.

This letter and the enclosed report do not address compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel. The assumptions of the plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the plan has not been performed by this office. The enclosed report provides no assurances of the reasonableness of the underlying assumptions.

Required Notification

We recognize that the information provided in the Plan submitted to our office is based on preliminary analysis and estimates and that actual results will be determined by market conditions at the time of sale. However, if the actual results differ significantly from the information provided in the submitted Plan, the governing body and our office should be notified after the sale by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences.

Notification will be necessary only if there is a change of ten percent (10%) or more in any of the following:

1. An increase in the principal amount of the debt issued;
2. An increase in costs of issuance; or
3. A decrease in the cumulative savings or increase in the loss (if applicable).

The notification must include an explanation for any significant differences and the justification for change of ten percent (10%) or more from the amounts in the plan. This notification should be presented to the governing body and our office with the required filing of the Report on Debt Obligation, Form CT-0253.

Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

Municipal Securities Rulemaking Board (MSRB) Rule G-17

MSRB Rule G-17 requires underwriters and municipal advisors to deal fairly with the City in the conduct of its municipal securities or municipal advisory activities. The Securities and Exchange Commission approved MSRB Notice 2012-25 on the duties of underwriters to issuers of municipal securities on

May 4, 2012. On August 2, 2012, this interpretive notice to MSRB Rule G-17 on fair dealing became part of federal securities law and underwriters are required to comply with its provisions.

These duties fall into three areas:

- statements and representations to issuers;
- disclosures to issuers; and
- financial aspects of underwriting transactions.

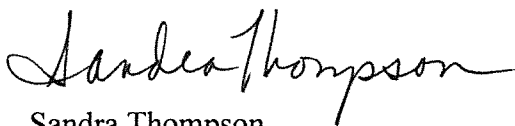
To learn more about the obligations of the City's underwriter (if applicable) and municipal advisor, please read the information posted on the MSRB website: www.msrb.org.

Report on Debt Obligation

We are enclosing a Report on Debt Obligation, Form CT-0253. Pursuant to T.C.A. § 9-21-151, this form is to be completed and filed with the governing body of the City no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to SLF.PublicDebtForm@cot.tn.gov. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation. A fillable PDF of the form can be found on our website at: <https://comptroller.tn.gov/office-functions/state-and-local-finance.html>.

If you should have questions or need assistance, please feel free to contact your financial analyst, Steve Osborne, at 615.747.5343 or Steve.Osborne@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst at the Office of State and Local Finance.

Sincerely,



Sandra Thompson
Director of the Office of State and Local Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Al Laffoon, City of Jackson
Ms. Lauren Lowe, PFM Financial Advisors, LLC
Mr. Doug Earthman, Glankler Brown

Enclosures: Report of the Director of the Office of State and Local Finance
Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE
CONCERNING THE PROPOSED ISSUANCE OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019A
CITY OF JACKSON**

The City of Jackson (the “City”) submitted a plan of refunding (the “Plan”), as required by TCA § 9-21-903 regarding the issuance of an estimated \$61,065,000 General Obligation Refunding Bonds, Series 2019A (the “Series 2019A Refunding Bonds”).

The Plan was prepared with the assistance of the City’s municipal advisor, PFM Financial Advisors, LLC. The assumptions of the plan are the assertions of the City. An evaluation of the preparation, support and underlying assumptions of the Plan has not been performed by this office. This report provides no assurances of the reasonableness of the underlying assumptions. This report must be presented to the governing body prior to the adoption of a refunding bond resolution. The Series 2019A Refunding Bonds may be issued with a structure different from that of the Plan. The City provided a copy of its debt management policy.

Balloon Indebtedness

Because the proposed debt to be issued is structured with an amortization of at least 75% of the total principal amount within ten years from the date of issuance with no more than 25% of the principal subject to payment in any one year, it does not meet the statutory definition of balloon indebtedness. If the structure is revised from the Plan, the City should determine if the new structure complies with the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness. If it is determined that the bond structure constitutes balloon indebtedness, the City must submit a Plan of Balloon Indebtedness to the Director of the Office of State and Local Finance for approval prior to the City adopting the resolution authorizing the issuance of the debt.

City’s Proposed Refunding Objective

The Series 2019A Refunding Bonds are being issued to reduce debt service costs and remove variable rate interest exposure (see Refunding Analysis below).

Plan of Refunding

\$61,065,000 Series 2019A Refunding Bonds priced at a premium of \$7,422,477 to current refund the following bonds:

- \$1,905,000 General Obligation Bonds, Series 2009, dated June 4, 2009, and maturing June 1, 2021 through June 1, 2024 (the “Series 2009 Bonds”);
- \$21,290,000 General Obligation Refunding Bonds, Series 2009, dated February 26, 2009, and maturing March 1, 2021 through March 1, 2034 (the “Series 2009 Refunding Bonds”);
- \$6,350,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2011, dated August 15, 2011, and maturing August 1, 2020 through August 1, 2026 (the “Series 2011 Loan Agreement”);

- \$13,395,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2013, dated September 25, 2013, and maturing June 1, 2020 through June 1, 2033 (the “Series 2013 Loan Agreement”);
- \$15,621,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2015, dated August 13, 2015, and maturing June 1, 2020 through June 1, 2035 (the “Series 2015 Loan Agreement”); and
- \$9,000,000 Loan Agreement with the Public Building Authority of the City of Clarksville, Tennessee, Series 2018, dated April 6, 2018, and maturing March 1, 2021 through March 1, 2038 (the “Series 2018 Loan Agreement”).

Collectively these are the “Refunded Bonds.” The total amount of refunded principal is \$67,561,000.

Refunding Analysis

- The results of the refunding assume that the City intends to sell \$61,065,000 Series 2019A Refunding Bonds by competitive sale and priced at a premium of \$7,422,477.
- The City projects that the refunding of the Series 2009 Bonds, Series 2009 Refunding Bonds, and the Series 2011 Loan Agreement will generate net present value debt service savings of \$2,005,699 or 6.79% of the refunded principal amount of \$29,545,000.
- The City plans to issue the Series 2019 Refunding Bonds with a fixed interest rate to remove its exposure to variable rate interest risk for the Series 2013 and Series 2015 Loan Agreements that pay interest at a variable interest rate, and the Series 2018 PBA Loan Agreement that has an interest rate reset in 2025.
- The final maturity of the Series 2019A Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance for the Series 2019A Refunding Bonds is \$483,706 or \$7.92 per \$1,000 of the par amount of the Series 2019A Refunding Bonds. See Table 1 for individual costs of issuance.

Table 1
Costs of Issuance
Series 2019 Refunding Bonds

	Amount	Price per \$1,000 Bond
Estimated Underwriter's Discount (TBD)	\$ 305,325	\$ 5.00
Municipal Advisor (PFM Financial Advisors)	59,854	0.98
Bond Counsel (Glankler Brown)	64,553	1.06
Rating Agency	46,042	0.75
Miscellaneous	7,932	0.13
Total Cost of Issuance	\$ 483,706	\$ 7.92

This report of the Office of State and Local Finance does not constitute approval or disapproval by our office for the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale.

If the City does not refund all the Refunded Bonds as a part of the Series 2019A Refunding Bonds, and the City wishes to refund a portion in a subsequent bond issue, then a new plan will have to be submitted to this office for review.

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to this office.

A handwritten signature in cursive script that reads "Sandra Thompson".

Sandra Thompson
Director of the Office of State and Local Finance
Date: September 30, 2019

INSTRUCTIONS FOR PREPARATION OF
FORM CT-0253: REPORT ON DEBT OBLIGATION ("Report")

Note: The Report must be prepared for all debt obligations issued or entered into by any public entity and filed with the Governing Body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee ("OSLF"). The purpose for the Report is to provide clear and concise information to members of the governing or legislative body who authorized and are responsible for debt that has been issued. Conduit issuers must complete a Report even if costs and responsibilities are paid or assumed by a non-governmental borrower.

For a draw down borrowing program, including but not limited to commercial paper programs or the State Revolving Fund loan program ("Borrowing Program"), in which the maximum principal amount of the program or loan is established, but will not be drawn upon until a future date, the Governing Body may elect to file a Report at the time of establishment of the program (with disclosures as if the entire amount has been issued). In other words, the Report can be filed for a commercial paper program in the maximum amount authorized ("Initial Report") and an additional Report is not needed each time the commercial paper is issued within the maximum amount authorized by the established program. As an alternative, the Governing Body could also submit a Report for each draw on the Borrowing Program.

The Governing Body must decide what ongoing disclosures it wishes to receive regarding the Borrowing Program, such as updated payment schedules when funds are drawn. These ongoing disclosures should occur on a frequency no less than annually and should follow the same process as with a Report. Copies of these updates to the Initial Report may (but are not required to) be filed with the OSLF

This Report has been approved by the State Funding Board pursuant to TCA Section 9-21-151(c)(1) and must be used. Responses (including "Not Applicable" or NA) are required for all questions; Reports without responses to each question will be deemed non-compliant under TCA Section 9-21-151, returned to the public entity, and the public entity will be included on the discovery list. **Any entity failing to comply within 15 days will be placed on the list of nonresponsive entities and pursuant to that Section will be legally unable to enter into any additional debt obligations until compliance is achieved.** Definitions are included at the end of these Instructions.

1. Public Entity

Include the full name and address of the public entity issuing the debt (this is NOT the bank or the lending institution). Provide the name of the debt issue (such as "Police Car Three-Year Capital Outlay Notes, Series 2013"). If this is an interfund loan, indicate the borrowing fund.

If the Governing Body has elected to receive an Initial Report for a Borrowing Program, then attach a copy of a draft form the Governing Body will use for its annual updates to the Initial Report. Such form should include a schedule similar to #10 of the Report.

2. Face Amount

Indicate the face or par amount of debt issued and the amount of any premium or discount. When debt is issued in multiple series of bonds (for example Revenue Bonds Series 2013-A and 2013-B), the Governing Body may file a separate Report for each series or file a consolidated Report. Separate Reports should be used if consolidated reporting does not provide transparent disclosure.

3. Interest Cost

Indicate the interest rate percentage and method used to determine the rate and whether the debt is federally tax-exempt or taxable. If the rate is variable, indicate the first assigned rate specifying the formula for calculating (such as the index plus spread) or that the rate is established by a remarketing agent. Add-on fees should be disclosed in Item 12- Recurring Costs.

4. Debt Obligation

Identify the type of debt obligations being issued:

- Notes: bond anticipation note (BAN), capital outlay note (CON), tax and revenue anticipation note (TRAN), revenue anticipation note (RAN), capital revenue anticipation note (CRAN), or grant anticipation note (GAN). **If any of the notes listed above are issued pursuant to the Local Government Public Obligations Act (TCA Section 9-21-101 et seq.), enclose a copy of the executed note with the copy filed with OSLF.**
- Bonds
- Capital leases (including Certificates of Participation and Lease/purchase agreements)
- Loan agreements pursuant to a federal or state loan program or with a public building authority, such as the State Revolving Fund, the Energy Efficient Schools Initiative, or Rural Economic Development Loans and Grants (USDA REDLG).

5. Ratings

Specify the rating(s) the debt has been assigned, or indicate that the debt is unrated.

6. Purpose

Indicate the purpose(s) of the debt issue, the percentage of the amount of debt issued in each category, and a brief description of the project(s) or use. If final percentages have not been determined, use reasonable estimates.

7. Security

Indicate the security for the repayment of the debt obligation. Annual appropriations are applicable **ONLY** to capital lease/lease purchase obligations.

8. Type of Sale

Indicate whether the debt was sold through a competitive sale, negotiated sale, informal bid, or as an agreement under a loan program. If the debt is a loan agreement, specify the name of the loan program. If the debt is an interfund loan, specify the lending fund.

9. Date

The “dated date” is the date that interest begins to accrue on the obligation or the date that value begins to increase or accrete. The “issue or closing date” is the date that proceeds of the debt obligation are received by the public entity.

10. Maturity Dates, Amounts and Interest Rates*

Indicate each year that principal is paid, the principal amount maturing in each year and the interest rate for that maturity. **If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years or (3) debt service payments are not level throughout the retirement period, then YOU MUST PREPARE AND ATTACH a cumulative repayment schedule (grouped in 5 year increments, out to 30) including this and all other entity debt then outstanding secured by the same source. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source. The format to use follows:**

THIS ISSUE			TOTAL DEBT OUTSTANDING		
Year	Cumulative Principal	% Total	Year	Cumulative Principal	% Total
1	\$	%	1	\$	%
5			5		
10			10		
15			15		
20			20		
25			25		
30			30		

*This section is not applicable to an Initial Report for a Borrowing Program.

11. Costs of Issuance

Indicate all costs incurred in the initial issuance of the debt, rounded to the nearest dollar. Related costs that may recur on a periodic basis while the debt is outstanding are reported in #12. Include with professional fees any expenses billed by the professional, such as long distance calls or printing costs. If the financial advisor fee includes any other costs such as legal, printing, or rating fees, these costs should be itemized separately. If there are fees and costs that are not identified by categories shown on the form, indicate these in the “other costs” category; this may be aggregated only if this amount is less than \$5,000. Pro-rate the issuance costs on each Report if multiple series are reported on separate forms.

12. Recurring Costs

List the ongoing or recurring costs involved in connection with remarketing, liquidity, and credit enhancement, specifying any periodic fees and charges that may be incurred on a per transaction basis. Indicate any sponsorship, program, or administrative fees. If the periodic fees are not based on the outstanding principal balance of debt, please specify how the fees are calculated.

13. Disclosure Document/Official Statement

If applicable, provide a link to the document filed with the Electronic Municipal Market Access system or "EMMA" or attach a copy of the final disclosure or official statement.

14. Continuing Disclosure Obligations

Indicate if the public entity previously has agreed to make any continuing disclosures and if the entity agreed to any continuing disclosure obligations in connection with this debt. Indicate the date the annual disclosure is due. Identify the individual responsible for making the disclosures.

15. Written Debt Management Policy

Indicate the Governing Body's approval date of the current version of the written debt management policy and whether the debt complies with the policy and is clearly authorized by the policy.

16. Written Derivative Management Policy

If a Derivative is related to the debt obligation, indicate the Governing Body's approval date of the current version of the written Derivative Policy, the date of the Letter of Compliance, and whether the Derivative complies with the Policy and is clearly authorized by the Policy.

17. Submission of Report

The Report must be filed with the Governing Body not later than forty-five (45) days after the issuance or execution of a debt obligation by or on behalf of any Public Entity and with a copy to the Director of the OSLF. The Report is to be delivered to each member of the Governing Body and presented at a public meeting of the body. If there is not a scheduled meeting within forty-five (45) days, deliver the Report to each member and list the date of the next scheduled meeting at which the Report will be presented. **Public Entities that fail to comply with the requirements of TCA Section 9-21-151 will not be allowed to enter into any further Debt Obligations or Derivatives until they have complied with the law.**

18. Signatures

The authorized representative is the chief executive officer of the Public Entity. If the Report is prepared by someone other than the authorized representative, indicate in the space provided. **However, the authorized representative must still sign the Report and is certifying the accuracy of the information included.**

DEFINITIONS

"Borrowing Program" means a draw down borrowing program, in which the maximum principal amount of the program or loan is established, but will not be drawn upon until a future date. Examples are commercial paper programs and the State Revolving Fund loan program.

"Chief Executive Officer" means County Executive, County Mayor, Mayor, President, or Chairman.

"Debt obligation" means bonds, notes, capital leases, loan agreements, and any other evidence of indebtedness lawfully issued, executed or assumed by a Public Entity.

"Derivative" means an interest rate agreement, as defined in TCA Section 9-22-103 and other transactions identified by the State Funding Board.

"Finance transaction" means debt obligations, derivatives, or both.

"Governing body" means the legislative body of any public entity or any other authority charged with the governing of the affairs of any public entity.

"Initial Report" means a Report filed at the time of establishment of a Borrowing Program (with disclosures as if the entire amount has been issued).

"NIC" means net interest cost and "TIC" means true interest cost.

"Public entity" means the state, a state agency, a local government, a local government instrumentality, or any other authority, board, district, instrumentality, or entity created by the state, a state agency, local government, a local government instrumentality, or combination, thereof.

INCORRECT OR INCOMPLETE FORMS WILL BE RETURNED
AND THE PUBLIC ENTITY WILL BE DEEMED NOT IN COMPLIANCE WITH TCA SECTION 9-21-151.