

**MINUTES OF SPECIAL-CALLED MEETING
BOARD OF MAYOR AND COMMISSIONERS
SEPTEMBER 3, 2013**

The Board of Mayor and Commissioners held a special-called meeting on Tuesday, September 3, 2013, at 12:00 P.M. in the conference room at City Hall. Mayor Jane W. Dawkins called the meeting to order. Upon a roll call, the following members were present: Commissioner Ronnie Lancaster, Commissioner Debbie Hughes, Commissioner Jeff Powers via conference call, and Mayor Jane W. Dawkins. Absent: Commissioner Jimmy Wigfall.

The Mayor recessed the meeting for a public hearing on **Ordinance #741** (An Ordinance of the City of South Pittsburg, Tennessee, Adopting the Annual Budget and Tax Rate for the Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014). There being no public comment, the Mayor reconvened the meeting and a **Motion** to adopt on third and final reading **Ordinance #741** was made by Commissioner Lancaster, seconded by Commissioner Hughes. Voting aye were three, none opposed.

A public hearing on **Ordinance #742** (An Ordinance of the City of South Pittsburg, Tennessee, Amending the Annual Budget and Capital Program and Tax Rate of South Pittsburg, Tennessee, for Fiscal Year 2013) was held with no public comment. The Mayor reconvened the meeting and Commissioner Lancaster made a **Motion** to adopt on third and final reading **Ordinance #742**, seconded by Commissioner Hughes. Voting aye were three, none opposed.

A public hearing on **Ordinance #743** (An Ordinance to Amend the Water and Sewer Rates and Charges for the City of South Pittsburg, Tennessee) was held. Donald Blancett, Manger of the Marion Natural Gas and Board of Waterworks, stated that this increase was due to several things, including mandatory upgrades. The Mayor reconvened the meeting and A **Motion** to adopt on third and final reading **Ordinance #743** was made by Commissioner Hughes, seconded by Commissioner Lancaster. Voting aye were three, none opposed.

City Administrator Sammy Burrows stated that the City lost six (6) vehicles in the July 10, 2013 flood. In order for the City to borrow money to purchase and replace these lost vehicles, a resolution must be passed and sent to the Comptroller's Office. Commissioner Lancaster inquired on the lease interest rate versus purchasing a vehicle. If the City were to purchase the vehicles with cash, no report would have to be filed with the Comptroller. The lease rate is between 3.5 to 4.0 percent. Burrows said two bids have been submitted and will be opened today at 2:00 P.M. Mayor Dawkins said that our 90 day lease agreements from the municipalities regarding borrowed police cars have almost expired. The City will have to move forward in order to replace lost vehicles.

A **Motion** to pass **Resolution #932** (A Resolution of the Governing Board of the City of South Pittsburg, Tennessee, Authorizing the Issuance, Sale, and Payment of 3-Year Capital Outlay Notes Not to Exceed \$135,000 Pursuant to the Informal Bid Process-City Vehicle Purchase Capital Outlay Notes, Series 2013)

was made by Commissioner Hughes, seconded by Commissioner Lancaster. Voting aye were three, none opposed the purchase of the vehicle.

Administrator Burrows said he is looking at purchasing mowing equipment for our Street Department. Before this can take place we have to go through the process with the Comptroller and pass a resolution.

A **Motion** to pass **Resolution #933** (A Resolution of the Governing Body of the City of South Pittsburg, Tennessee, Authorizing the Issuance, Sale, and Payment of 3-Year Capital Outlay Note Not to Exceed \$15,000 Pursuant to the Informal Bid Process-Mowing Equipment Purchase Capital Outlay Notes, Series 2013) was made by Commissioner Hughes, seconded by Commissioner Lancaster. Voting aye were three, none opposed.

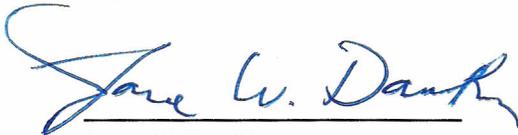
There being no further business and upon **Motion** by Commissioner Hughes, seconded by Commissioner Lancaster, the Mayor adjourned the meeting.

Respectfully submitted,



Diane Beavers
Recorder

Approved:



Jane W. Dawkins
Mayor

ORDINANCE NO. 741

AN ORDINANCE OF THE CITY OF SOUTH PITTSBURG, TENNESSEE ADOPTING THE ANNUAL BUDGET AND TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014

WHEREAS, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by the state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the governing body has published the annual operating budget and budgetary comparisons of the proposed budgets with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF SOUTH PITTSBURG, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body estimates anticipated revenues of the municipality from all sources to be as follows:

General Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Local Taxes	\$1,168,268	\$1,232,463	\$1,393,767
Intergovernmental Revenue	\$387,179	\$377,410	\$375,730
Fines and Forfeitures	\$25,475	\$38,735	\$55,000
Miscellaneous Revenue	\$189,657	\$139,352	\$251,395
Total Revenues	\$1,770,579	\$1,787,960	\$2,075,892
Beginning Fund Balance	\$263,578	\$378,269	\$410,182
Total Available Funds	\$2,034,157	\$2,166,229	\$2,486,074

Sanitation Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Other Financing Sources	\$4,877	\$17,820	\$16,728
Charges for Services	\$157,901	\$175,060	\$163,272
Total Revenues	\$162,778	\$192,880	\$180,000
Beginning Fund Balance	\$0	\$0	\$0
Total Available Funds	\$162,778	\$192,880	\$180,000

Drug Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Court Fines and Costs	\$851	\$988	\$1,000
Total Revenues	\$854	\$992	\$1,000
Beginning Fund Balance	\$571	\$1,425	\$2,334
Total Available Funds	\$1,425	\$2,417	\$3,334

Capital Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Other Financing Sources	\$77,674	\$101,093	\$358,672
TDOT Grant			\$617,693
Community Development Grant			\$370,615
Capital Outlay Note			\$0
Miscellaneous	\$128,981	\$995	\$1,600
Total Revenue	\$206,455	\$102,088	\$1,348,580
Beginning Fund Balances	\$424,025	\$274,175	\$243,453
Total Available Funds	\$630,480	\$376,263	\$1,592,033

SECTIONS 2: That the governing body appropriates from these anticipated revenues and unexpended and unencumbered funds as follows:

General Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
General Government	\$380,835	\$401,936	\$368,791
Public Safety	\$590,467	\$635,023	\$629,453
Public Works	\$355,920	\$383,961	\$428,155
Parks and Recreation	\$237,037	\$251,686	\$264,866
Debt Service	\$9,227	\$9,227	\$9,227
Operating Transfers	\$77,474	\$74,214	\$375,400
Total Appropriations	\$1,650,960	\$1,756,047	\$2,075,892

Sanitation Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Sanitation	\$145,376	\$172,454	\$160,000
Landfill	\$17,402	\$20,426	\$20,000
Total Appropriations	\$162,778	\$192,880	\$180,000

Drug Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
ice	\$0	\$212	\$1,000
Total Appropriations	\$0	\$212	\$1,000

Capital Fund	FY 2012 Actual	FY 2013 Estimated	FY 2014 Proposed
Projects	\$200,795	\$0	\$1,218,442
Improvements	\$58,546	\$37,511	\$3,000
Equipment	\$32,983	\$38,934	\$70,773
Note	\$63,981	\$56,365	\$56,365
Total Appropriations	\$356,305	\$132,810	\$1,348,580

SECTION 3: At the end of the current fiscal year the governing body estimates balances (deficits) as follows:

General Fund	\$378,269	\$410,182	\$410,182
Sanitation Fund	\$0	\$0	\$0
Drug Fund	\$1,425	\$2,205	\$2,205
Capital Fund	\$274,175	\$243,453	\$243,453

SECTION 4: That the governing body recognizes that the municipality has bonded and other indebtedness as follows:

Bonded or Other Indebtedness	Debt Redemption	Interest Requirement	Debt Authorized And Unissued	Condition of Sinking Fund
Bonds	\$0	\$0	\$0	\$0
Notes	\$41,820	\$14,545	\$0	\$0
Capital Leases	\$14,727	\$2,965	\$0	\$0
Other Debt	\$9,227	\$0	\$0	\$0

SECTION 5: During the coming fiscal year the governing body has planned capital projects and proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Grants
Historical Streets Restoration Repair	\$617,693	\$154,423
Armory Restoration	\$370,615	\$29,385
Transportation		
Equipment	\$70,773	
Other Improvements	\$3,000	

SECTION 6: No appropriations listed above may be exceeded without an amendment of the budget Ordinance as required by the Municipal Budget Law of 1982 T.C.A. Section 6-56-208.

In addition, no appropriations may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two – thirds (2/3) vote of at least a quorum of the governing body in accord with Section 6-56-205 of the *Tennessee Code Annotated*.

SECTION 7: Money may be transferred from one appropriation to another in the same fund only by appropriate ordinance by the governing body, subject to such limitations and procedures as it may describe as allowed by Section 6-56-209, *Tennessee Code Annotated*. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 8: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees required by Section 6-56-206, *Tennessee Code Annotated* will be attached.

SECTION 9: If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with Section 6-56-210, *Tennessee Code Annotated* provided sufficient revenues are being collected to support the continuing appropriations. Approval of the Director of the Division of State and Local Finance in the Comptroller of the Treasury office for a continuation budget will be requested if any indebtedness is outstanding.

SECTION 10: There is hereby levied a property tax of \$.99 per \$100 of assessed value on all real and personal property.

SECTION 11: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 12: This ordinance shall take effect immediately after passage of the third and final reading, the public welfare requiring it.

First Reading: 8.13.13

Second Reading: 8.20.13

Final Reading: 9.3.13


Jane W. Dawkins

Mayor

TEST:


Diane Beavers, City Recorder

ORDINANCE NO. 742

AN ORDINANCE AMENDING THE ANNUAL BUDGET AND CAPITAL PROGRAM AND TAX RATE OF SOUTH PITTSBURG, TENNESSEE FOR FISCAL YEAR 2013

WHEREAS, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires funds first be appropriated before being expended and that no appropriations may exceed available funds;

WHEREAS, *Tennessee Code Annotated* Title 6 Chapter 56 Section 208 allows amendment of the budget ordinance in the same manner as any other ordinance may be amended;

WHEREAS, funds were not appropriated for the payment of all outstanding obligations for the fiscal year;

NOW, THEREFORE BE IT ORDAINED by the Board of Mayor and Commissioners of South Pittsburg, Tennessee, that:

SECTION 1: Revenues. The following funds are available for increased appropriation:

SOURCE: Unappropriated Fund Balance ACCOUNT: 27100 AMOUNT: 1,249

SECTION 2: Appropriations. The governing body appropriates the following increases / decreases in Expenditures:

SOURCE: General Fund ACCOUNT: AMOUNT:

Fund	Department	Function	Object	Description	Amount
110	Legislative	41100			
			141	OASI	-4
			142	Health Insurance	9,078
			230	Publicity , Subscriptions and Dues	-385
			252	Legal Services	-12,457
			280	Travel	-500
			320	Operating Supplies	19
110	Central Staff	41600			
			111	Salaries	-15,136
			133	Vacation	3,024
			141	OASI	-495
			142	Health Insurance	-1,726
			143	Retirement	-2,515
			230	Publicity , Subscriptions and Dues	-500
			245	Telephone	876
			253	Accounting and Auditing Service	1,975
			260	Repair and Maintenance	-270

		280	Travel	-138
		290	Other Contractual Services	-304
		310	Office Supplies	-19
		320	Operating Supplies	-255
City Hall Buildings	41810			
		242	Water	-227
		266	Repair and Maintenance	-77
		290	Other Contractual Services	-114
Other General Government	41990			
		147	Unemployment Insurance	-563
		201	General Elections	-500
		290	Other Contractual Services	-6,146
		510	Insurance	2,479
		520	Premiums on Surety Bonds	238
		721	Industrial Recruitment Community	5,348
		722	Promotions/Donations	6,038
Police	42100			
		111	Salaries	1,094
		121	Wages	-6,479
		122	Overtime	6,393
		129	Other Wages / Supplements	-1,200
		132	Holiday Pay	-324
		141	OASI	2,751
		142	Health Insurance	-13,386
		143	Retirement	-740
		230	Publicity , Subscriptions and Dues	-250
		241	Electric	-226
		242	Water	-189
		245	Telephone	-48
		261	Repair and Maint Motor Vehicles	5,374
		264	Repair and Maint Traffic Lights	122
		280	Travel	1,972
		320	Operating Supplies	4,676
		326	Clothing and Uniforms	-15
		331	Gas, Oil, Diesel Fuel, etc.	6,392
Fire Protection & Control	42200			
		141	OASI	-7
		162	Volunteer Firemen	461
		241	Electric	1,621

		242	Water	-188
		261	Repair and Maint Motor Vehicles	559
		280	Travel	-529
		320	Operating Supplies	8,288
		326	Clothing and Uniforms	1,457
		331	Gas, Oil, Diesel Fuel, etc.	-1,500
Building Inspection	42420			
		141	OASI	15
		230	Publicity , Subscriptions and Dues	-300
		280	Travel	-500
		320	Operating Supplies	-300
Highway and Streets	43100			
		111	Salaries	-622
		121	Wages	-1,046
		122	Overtime	-6,143
		124	Seasonal Employees	7,816
		141	OASI	-312
		142	Health Insurance	538
		143	Retirement	-1,493
		241	Electric	-2,581
		245	Telephone	-45
		247	Street Lighting Elec and Maint	9,419
		261	Repair and Maint Motor Vehicles	-5,459
		320	Operating Supplies	715
		331	Gas, Oil, Diesel Fuel, etc.	-1,334
		400	Building Material	228
State Street Aid	43190			
		410	Concrete and Clay Products	-1,848
		420	Metal Products	-300
		430	Wood Products	2,200
		471	Asphalt and Asphalt Filler	-52
Animal Shelter	44140			
		241	Electric	80
		320	Operating Supplies	-250
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Recreation	44400			
		111	Salaries	-1
		118	Recreation Director	1
		121	Wages	24
		124	Seasonal Employees	-90

141	OASI	77
142	Health Insurance	-657
241	Electric	-1,565
242	Water	-3,000
245	Telephone	747
261	Repair and Maint Motor Vehicles	1,464
265	Repair and Maint Grounds	-2,024
290	Other Contractual Services	-2,694
320	Operating Supplies	10,504
331	Gas, Oil, Diesel Fuel, etc.	123
	Community Promotions	
722	/Donations	-2,909

Library 44800

141	OASI	14
	Reference - Other	
219	Communications	-2,009
266	Repair and Maint Building	27
320	Operating Supplies	1,968

Section 3 : **Submission to the Director of Local Finance.** This amendment will be submitted to the Director of Local Finance as required by state statute to show continued compliance with the requirements of Tennessee Code Annotated Title 9 Chapter 21 Section 403 to maintain a balanced budget.


 Jane W. Dawkins
 Mayor


 Diane Beavers
 City Recorder

Passed 1st Reading 8.13.13
 Passed 2nd Reading 8.20.13
 Passed 3rd Reading 9.3.13

ORDINANCE # 743

**AN ORDINANCE TO AMEND WATER AND SEWER RATES AND CHARGES
FOR THE CITY OF SOUTH PITTSBURG, TENNESSEE**

WHEREAS, there has not been an increase in water rates in the City of South Pittsburg, Tennessee since 2010; and

WHEREAS, , there has not been an increase in sewer rates in the City of South Pittsburg, Tennessee since 2010; and

WHEREAS, pursuant to State law, a fund that has water and/or sewer system operations cannot operate at a loss, and if such system operates at a loss for two consecutive years, the State can set rates; and

WHEREAS, it has been determined that a rate increase is necessary to prevent the water and sewer systems from operating at a loss; and

WHEREAS, rate increases are necessary due to inflationary pressures which are increasing costs in general as well as significantly higher costs for operating pump stations including electricity and other fuel costs; and

WHEREAS, Section 18-103 of the Municipal Code of the City of South Pittsburg, Tennessee provides that all water and sewer services furnished by the City shall be furnished under such rate schedules and shall be subject to such charges as the Board of Mayor and Commissioners may from time to time prescribe.

NOW THEREFORE, BE IT RESOLVED, by the Board of Mayor and Commissioners for the City of South Pittsburg, Tennessee, that the water and sewer rates for the City of South Pittsburg, Tennessee are hereby amended as follows:

1. Water Rate Schedule, to be effective as of the date of this ordinance:

In-Town Customers:	<u>0 - 2,000 gal.</u>	<u>Next 15,000 gal.</u>	<u>Next 30,000 gal.</u>	<u>Over 47,000 gal.</u>
30% increase fy 2014	9.91	3.08	2.76	2.44
Out-of-Town Customers:				
30% increase fy 2014	14.77	4.63	4.15	3.68

2. Sewer Rate Schedule, to be effective as of the date of this ordinance:

	<u>Per 1,000 gal.</u>
40% increase fy 2014	4.76

NOW BE IT FURTHER ORDAINED that this ordinance shall become effective upon final reading and passage by the Board of Mayor and Commissioners of the City of South Pittsburg, Tennessee.

APPROVED:


Jane W. Dawkins, Mayor

ATTEST:


Diane Beavers, City Recorder

Passed on First Reading: 8.13.13
Passed on Second Reading: 8.20.13
Passed on Third Reading: 9.3.13

Resolution No. 932

**RESOLUTION OF THE GOVERNING BODY OF
THE CITY OF SOUTH PITTSBURG, TENNESSEE, AUTHORIZING THE
ISSUANCE, SALE, AND PAYMENT OF
3-YEAR CAPITAL OUTLAY NOTES NOT TO EXCEED \$135,000
PURSUANT TO THE INFORMAL BID PROCESS**

WHEREAS, the Governing Body of the City of South Pittsburg, Tennessee, (the "Local Government") has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the following public works project: Purchase Local Government vehicles (the "Project") at a cost of \$135,000 with an economic life of 5 years; and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

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

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

NOW THEREFORE, BE IT RESOLVED, by the Governing Body of the City of South Pittsburg, Tennessee, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller's Designee, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed One Hundred Thirty-Five Thousand Dollars (\$135,000) (the "Notes") by an informal bid process pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "City Vehicle Purchase Capital Outlay Notes, Series 2013"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed 2.0 per cent (2.0%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature four (4) fiscal years after the fiscal year of issuance and, unless otherwise approved by the Comptroller of the Treasury or Comptroller's Designee, the Notes shall be amortized in an amount reflecting at least level debt service on the Notes approximately according to the following schedule:

<u>FISCAL</u> <u>YEAR</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2014	\$ 33,750
2015	33,750
2016	33,750
2017	<u>33,750</u>
	\$ 135,000

The final maturity of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby estimated to be five years which at least equal to or greater than the life of the notes.

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; shall bear the manual signature of the chief executive officer of the Local Government and the manual signature of the city recorder together with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the city recorder or at the office of the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the official designated by law as custodian of the funds. All proceeds shall be paid out for 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 Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the

Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered 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 on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Notes shall be in substantially the form authorized by the Comptroller of the Treasury or Comptroller's Designee and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated which is attached to this resolution as attachment 1.

Section 8. That, prior to the sale of the Notes, the Local Government shall submit a copy of this resolution authorizing the Notes to the Comptroller of the Treasury or Comptroller's Designee for approval and a copy of the proposed disclosure statement, if any, and a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees; (9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses; (12) the number of financial institutions contacted by telephone or by letter (which should be at least three) for the purpose of obtaining interest rates, and at least three institutions were contacted.

In its request for approval, the Local Government shall state and demonstrate that the proposed sale by the informal bid process is feasible, in the best interest of the Local Government, and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

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

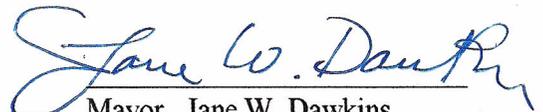
Section 10. That the Notes may be designated as qualified tax-exempt obligations for the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986.

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

Section 12. That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Notes shall be retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approval by the Comptroller of the Treasury or Comptroller's Designee.

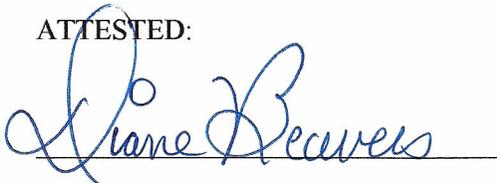
Section 13. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists; and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this 3rd day of September, 2013.

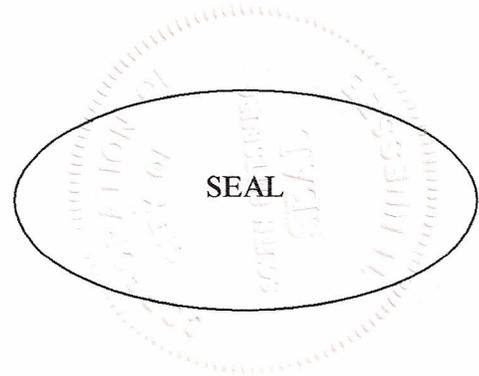


Mayor, Jane W. Dawkins

ATTESTED:



Diane Beaver, City Recorder



Resolution No. 933

**RESOLUTION OF THE GOVERNING BODY OF
THE CITY OF SOUTH PITTSBURG, TENNESSEE, AUTHORIZING THE
ISSUANCE, SALE, AND PAYMENT OF
3-YEAR CAPITAL OUTLAY NOTES NOT TO EXCEED \$15,000
PURSUANT TO THE INFORMAL BID PROCESS**

WHEREAS, the Governing Body of the City of South Pittsburg, Tennessee, (the "Local Government") has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the following public works project: Purchase Local Government mowing equipment (the "Project") at a cost of \$15,000 with an economic life of 5 years; and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

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

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

NOW THEREFORE, BE IT RESOLVED, by the Governing Body of the City of South Pittsburg, Tennessee, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller's Designee, to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000) (the "Notes") by an informal bid process pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "City Mowing Equipment Purchase Capital Outlay Notes, Series 2013"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed 3.0 per cent (3.0%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature four (4) fiscal years after the fiscal year of issuance and, unless otherwise approved by the Comptroller of the Treasury or Comptroller's Designee, the Notes shall be amortized in an amount reflecting at least level debt service on the Notes approximately according to the following schedule:

<u>FISCAL YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2014	\$ 3,750
2015	3,750
2016	3,750
2017	<u>3,750</u>
	\$ 15,000

The final maturity of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby estimated to be five years which at least equal to or greater than the life of the notes.

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; shall bear the manual signature of the chief executive officer of the Local Government and the manual signature of the city recorder together with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the city recorder or at the office of the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the official designated by law as custodian of the funds. All proceeds shall be paid out for 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 Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the

Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered 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 on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Notes shall be in substantially the form authorized by the Comptroller of the Treasury or Comptroller's Designee and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated which is attached to this resolution as attachment 1.

Section 8. That, prior to the sale of the Notes, the Local Government shall submit a copy of this resolution authorizing the Notes to the Comptroller of the Treasury or Comptroller's Designee for approval and a copy of the proposed disclosure statement, if any, and a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees; (9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses; (12) the number of financial institutions contacted by telephone or by letter (which should be at least three) for the purpose of obtaining interest rates, and at least three institutions were contacted.

In its request for approval, the Local Government shall state and demonstrate that the proposed sale by the informal bid process is feasible, in the best interest of the Local Government, and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

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

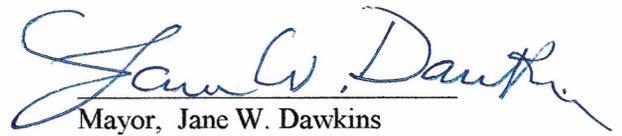
Section 10. That the Notes may be designated as qualified tax-exempt obligations for the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986.

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

Section 12. That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Notes shall be retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approval by the Comptroller of the Treasury or Comptroller's Designee.

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

Duly passed and approved this 3rd day of September, 2013.


Mayor, Jane W. Dawkins

ATTESTED:


Diane Beaver, City Recorder

