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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

March 27, 2015

The Honorable County Mayor
and County Commission of Rutherford County
Rutherford County Courthouse, Room 101
Public Square
Murfreesboro, TN 37130

Dear Mayor Burgess and Commissioners:

This letter should be included in the minutes of the next meeting of the County Commission with a copy provided to each commissioner.

This Office received a request from the Rutherford County (the "County") on March 26, 2015, for approval to issue interfund three-year capital outlay notes in an amount not to exceed \$5,000,000 to be known as the Interfund Capital Outlay Notes, Series 2015 (the "Notes").

Included with the request was a certified copy of an unnumbered Resolution adopted on March 12, 2015, authorizing the issuance of the Notes to finance the acquisition of property and the construction, renovation, and equipping of schools (the "Projects"). The proposed note form was included with the resolution. Please send a copy of the executed note form to us along with the completed Report on Debt Obligation within forty-five days of the issuance of the debt herein approved.

The County 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 this debt complies with its debt policy. If the County amends its policy, please submit the amended policy to this office.

Note Approval

This letter constitutes approval for the County to issue the Notes as an interfund loan from the General Debt Service Fund pursuant to T.C.A. §§ 9-21-604 and §9-21-408. Approval of the sale of the Notes is conditioned upon the County's compliance with all relevant provisions of Tennessee law.

This Office has relied upon the County's determination of the cost of the public works project.

The County is responsible for insuring compliance with Title 9 Chapter 21 Parts 1, 4, and 6 of the Tennessee Code Annotated, its debt management policy, and timely payment of outstanding note principal and interest in accordance with the note provisions.

This letter and the approval to issue debt do not address the compliance with federal tax regulations and should not be relied upon for that purpose. The County should discuss these issues with a tax attorney or bond counsel.

This approval is valid for six months after the date of this letter. If the Notes have not been issued within that time, a new note resolution must be passed by the Governing Body and submitted to this Office for approval.

Periodic Principal Retirement Waiver

The City requested a waiver of principal retirement for three years until the debt is permanently financed with a longer term bond issue. This letter further constitutes approval of a principal retirement waiver for a period of three years after the date of issuance of the Notes.

Purpose, Terms, and Life

These Projects meets the definition for public works projects in T.C.A. § 9-21-105, and the County may issue notes under the authority of Title 9 Chapter 21 of the Tennessee Code Annotated to finance such Projects. The maturity of the Notes does not exceed the life of the proposed Project as attested by the local governing body. The submitted certified resolution and supporting documents appear to meet the requirements for the issuance of notes in Title 9 Chapter 21 Parts 1, 4, and 6 of the Tennessee Code Annotated. The maximum maturity for the Notes as authorized by the governing body is three years after the date of issuance.

Nonconforming Obligations

Notes issued contrary to Tennessee Code Annotated, Title 9, Chapter 21, Parts 4 and 6, or notes not properly extended are nonconforming obligations. The Comptroller has the option to levy a penalty for notes deemed nonconforming obligations.

Director's Approval Requirement

By issuing debt under the authority of Title 9 Chapter 21 of the Tennessee Code Annotated, the County has placed itself under the budget approval authority of the Director of the Office of State and Local Finance (the "Director") for the life of any outstanding debt. This authority requires you, as Chief Executive Officer, to submit to the Director the appropriation resolution for official budget approval within 15 days of adoption, with any necessary supporting documents that substantiate:

- the County's budget is balanced as required by state law,
- the County intends to pay all of its outstanding debt obligations, and
- the annual budget is prepared in a form consistent with accepted governmental standards and as approved by the Director.

This Office can require the County to provide any information or perform any audits necessary to ascertain that the County maintains a balanced budget and make payments on its outstanding debt obligations. If the government is unwilling to submit information to comply with the requirements of T.C.A. § 9-21-403, the approval to issue the Notes is rescinded.

Report on Debt Obligation

Enclosed is a Report on Debt Obligation (Form CT-0253). The Report on Debt Obligation must be filed with the governing body of the public entity issuing the Debt not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any public entity, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address

Letter to Rutherford County – CON Approval

on this letter or by email to StateandLocalFinance.PublicDebtForm@cot.tn.gov. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Please notify us if the County decides not to issue the Notes.

Sincerely,

A handwritten signature in black ink that reads "Sandra Thompson". The signature is written in a cursive style with a large initial 'S'.

Sandra Thompson
Director of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT

Enclosure: Report on Debt Obligation (Form CT-0253)

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:
 Name: Rutherford County, Tennessee
 Address: 1 Public Square, Suite 101
Murfreesboro, TN 37130
 Debt Issue Name: 2015 Interfund Capital Outlay Note, Fund 189
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

2. Face Amount: \$ 5,000,000.00
 Premium/Discount: \$ 0.00

3. Interest Cost: 0.0000 % Tax-exempt Taxable
 TIC NIC
 Variable: Index _____ plus _____ basis points; or
 Variable: Remarketing Agent _____
 Other: _____

4. Debt Obligation:
 TRAN RAN CON
 BAN CRAN GAN
 Bond Loan Agreement Capital Lease
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

5. Ratings:
 Unrated
 Moody's _____ Standard & Poor's _____ Fitch _____

6. Purpose:

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input checked="" type="checkbox"/> Education	<u>100.00</u> %	<u>land acquisition; architect, engineering, construction, etc</u>
<input type="checkbox"/> Utilities	_____ %	_____
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

7. Security:
 General Obligation General Obligation + Revenue/Tax
 Revenue Tax Increment Financing (TIF)
 Annual Appropriation (Capital Lease Only) Other (Describe): _____

8. Type of Sale:
 Competitive Public Sale Interfund Loan Debt Service Fund is the lending fund
 Negotiated Sale Loan Program _____
 Informal Bid _____

9. Date:
 Dated Date: 04/06/2015 Issue/Closing Date: 04/07/2015

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (If different from #11)
Remarketing Agent	_____	_____
Paying Agent / Registrar	_____	_____
Trustee	_____	_____
Liquidity / Credit Enhancement	_____	_____
Escrow Agent	_____	_____
Sponsorship / Program / Admin	_____	_____
Other _____	_____	_____

13. Disclosure Document / Official Statement:

None Prepared

EMMA link _____ or

Copy attached

14. Continuing Disclosure Obligations:

Is there an existing continuing disclosure obligation related to the security for this debt? Yes No

Is there a continuing disclosure obligation agreement related to this debt? Yes No

If yes to either question, date that disclosure is due _____

Name and title of person responsible for compliance _____

15. Written Debt Management Policy:

Governing Body's approval date of the current version of the written debt management policy 04/17/2014

Is the debt obligation in compliance with and clearly authorized under the policy? Yes No

16. Written Derivative Management Policy:

No derivative

Governing Body's approval date of the current version of the written derivative management policy _____

Date of Letter of Compliance for derivative _____

Is the derivative in compliance with and clearly authorized under the policy? Yes No

17. Submission of Report:

To the Governing Body: on 04/16/2015 and presented at public meeting held on 04/16/2015

Copy to Director to OSLF: on 04/17/2015 either by:

Mail to: _____ OR Email to: StateAndLocalFinance.PublicDebtForm@cot.tn.gov

505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Lisa A. Nolen</u>	<u>Lisa A. Nolen</u>
Title	<u>Finance Director</u>	_____
Firm	_____	_____
Email	<u>Inolen@rutherfordcountyttn.gov</u>	_____
Date	<u>04/01/2015</u>	_____

2015 Interfund Capital Outlay Note

YE	This Issue			Total Debt Outstanding		
	YEAR	Cumulative Principal	% Total	YEAR	Cumulative Principal	% Total
2015	1			1	27,180,000	7.7%
2020	5	5,000,000		5	166,395,000	46.9%
2025	10			10	271,555,000	76.6%
2030	15			15	341,450,000	96.3%
2035	20			20	354,730,000	100.0%
	25			25		
	30			30		

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF RUTHERFORD
OTHER CAPITAL PROJECTS FUND
INTERFUND CAPITAL OUTLAY NOTE, SERIES 2015

<u>DATED</u>	<u>INTEREST RATE</u>	<u>MATURITY</u>
04/06/2015	0%	04/06/2018

Registered Owner: GENERAL DEBT SERVICE FUND

Principal Sum: \$5,000,000.00

The Board of County Commissioners of Rutherford County, Tennessee (the "County"), does hereby acknowledge itself indebted and for value received hereby promises to pay from the Other Capital Projects Fund to the County's General Debt Service Fund (the "Fund"), on the Maturity Date (specified above) (unless this Note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), the Principal Sum (specified above), together with interest at the rate specified above on April 6, 2018, by check, draft, warrant or inter-fund transfer to the Fund. Both principal of and interest on this Note are payable at the office of the County Trustee (the "Registration Agent") of the County or a successor Registration Agent duly appointed by the Board of Commissioners of the County.

This Note is payable from unlimited ad valorem taxes on all taxable property located lying within the County. The full faith and credit of the County are irrevocably pledged for the prompt payment of principal of and interest on this Note.

This Note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the County upon payment of the principal amount of the Note together with the interest accrued thereon in the case of redemption.

This Note is issued under the authority of Parts, I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated and a Resolution duly adopted by the Board of Commissioners of the County on the 12th day of March, 2015 (the "Resolution") to finance the Projects (as defined in the Resolution) and pay expenses related thereto as authorized in the Resolution.

Tennessee Code Annotated Section 9-21-117 provides that this Note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer, and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by the Constitution and the

laws of the State of Tennessee, and that the amount of this Note, together with all indebtedness of the County, does not exceed any constitutional or statutory limitation thereon, and that this Note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the County has caused this Note to be executed in the name of the County by the manual signature of the County Mayor of the County and attested by the manual signature of the County Clerk of the County with the seal of the County affixed hereto.



Lisa Crowell

LISA CROWELL, County Clerk

Ernest A Burgess

ERNEST G. BURGESS, County Mayor

Transferable and payable at the office of:

County Trustee of Rutherford County, Tennessee
Rutherford County, Tennessee

Date of Authentication:

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

COUNTY TRUSTEE OF RUTHERFORD COUNTY,
TENNESSEE

By:

Thomas E. Batey

Thomas E. Batey, County Trustee