



**CITY OF MUNFORD BOARD OF
MAYOR AND ALDERMEN**

AGENDA

City of Munford Board of Mayor and Aldermen – Special Called Meeting –
Thursday, August 10, 2023, 5:15 p.m.
Municipal Building, 70 College Street, Munford, Tennessee

I. CALL TO ORDER

A. Establishment of Quorum

II. OLD BUSINESS AND MONTHLY DEPARTMENTAL REPORTS

- **RESOLUTION 2023-08-01** Initial Resolution Authorizing the incurrence of indebtedness by the City of Munford, Tennessee of not to exceed \$2,500,000 by the execution with the Public Building Authority of the City of Clarksville, Tennessee, of a loan agreement to provide funding for certain public works projects.
- **RESOLUTION 2023-08-02** A Resolution Authorizing a loan pursuant to a loan agreement between the City of Munford, Tennessee, and the Public Building Authority of the City of Clarksville, Tennessee, in the principal amount of not to exceed \$2,500,000; authorizing the execution and delivery of a loan agreement and other documents relating to said loan; providing for the application of the proceeds of said loan and the payment of such indebtedness; consenting to the assignment of the City's obligation under such loan agreement; and, certain other matters.

First Reading

- **ORDINANCE 2023-08-01** An Ordinance of the City of Munford, Tennessee amending the annual operating budget for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

First Reading

- **ORDINANCE 2023-08-02** An Ordinance of the City of Munford, Tennessee amending the State Street Aid Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

First Reading

- **ORDINANCE 2023-08-03** An Ordinance of the City of Munford, Tennessee amending the Drug Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

First Reading

- **ORDINANCE 2023-08-04** An Ordinance of the City of Munford, Tennessee amending the Solid Waste Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

Adjourn –

RESOLUTION NO. 2023-08-01

INITIAL RESOLUTION AUTHORIZING THE INCURRENCE OF INDEBTEDNESS BY THE CITY OF MUNFORD, TENNESSEE, OF NOT TO EXCEED \$2,500,000, BY THE EXECUTION WITH THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, OF A LOAN AGREEMENT TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS

WHEREAS, it is necessary and in the public interest of the City of Munford, Tennessee (the "City"), to incur indebtedness, through the execution with The Public Building Authority of the City of Clarksville, Tennessee (the "Authority"), of a loan agreement (a "Loan Agreement"), for the purpose of financing certain public works projects, as hereinafter more fully described.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Munford, Tennessee, as follows:

Section 1. For the purpose of financing all or a portion of the costs of the construction and improvement of parks and recreational facilities, including playgrounds, the acquisition of a bucket truck for the City, the construction, renovation, and improvement of the Regions Façade and the Veterans Plaza, and water and sewer system improvements, including the expansion of the sewer lagoon, the acquisition of all property real and personal appurtenant thereto and connected with such work, to pay all legal, fiscal, administrative, architectural, and engineering costs incident thereto, and to pay costs incident to incurring the indebtedness (collectively, the "Project"), the City is hereby authorized to incur indebtedness in the amount of not to exceed \$2,500,000, for the financing of the Project through the execution of a Loan Agreement with the Authority. The rate of interest payable pursuant to the provisions of a Loan Agreement shall be a fixed rate, which can be reset at certain intervals, which rate shall not exceed the maximum rate of interest permitted under the laws of the State of Tennessee.

Section 2. The indebtedness evidenced by the Loan Agreement shall be payable from funds of the City legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the City, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the City will be irrevocably pledged.

Section 3. The Loan Agreement shall be executed pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"), and Title 12, Chapter 10, Tennessee Code Annotated, as amended.

Section 4. After the adoption of this Resolution, the City Recorder is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the City.

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of the City of Munford, Tennessee, shall have been filed with the City Recorder of the City of Munford, Tennessee, protesting the incurrence of the indebtedness by the execution of the Loan Agreement, such Loan Agreement will be executed, as proposed.

Section 5. This Resolution shall take effect from and after its adoption, the welfare of the City requiring it.

Adopted and approved this 10th day of August, 2023.

Mayor

Attest:

City Recorder

**STATE OF TENNESSEE)
COUNTY OF TIPTON)**

I, Sherry Yelvington, hereby certify that I am the duly qualified and acting City Recorder of the City of Munford, Tennessee (the "City"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board"), of said City held on August 10, 2023; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the borrowing of funds and the incurring of indebtedness in the amount of not to exceed \$2,500,000 by said City; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said City this 10th of August, 2023.

City Recorder

(SEAL)

RESOLUTION NO. 2023-08-02

RESOLUTION AUTHORIZING A LOAN PURSUANT TO A LOAN AGREEMENT BETWEEN THE CITY OF MUNFORD, TENNESSEE, AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID LOAN; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID LOAN AND THE PAYMENT OF SUCH INDEBTEDNESS; CONSENTING TO THE ASSIGNMENT OF THE CITY'S OBLIGATION UNDER SUCH LOAN AGREEMENT; AND, CERTAIN OTHER MATTERS

WHEREAS, the Board of Mayor and Aldermen (the "Board"), of City of Munford, Tennessee (the "City"), has determined that it is necessary to finance the costs of certain "public works projects", as defined in Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented, consisting of financing all or a portion of the costs of the construction and improvement of parks and recreational facilities, including playgrounds, the acquisition of a bucket truck for the City, the construction, renovation, and improvement of the Regions Façade and the Veterans Plaza, and water and sewer system improvements, including the expansion of the sewer lagoon, the acquisition of all property real and personal appurtenant thereto and connected with such work, to pay all legal, fiscal, administrative, architectural, and engineering costs incident thereto, and to pay costs incident to the issuance of the Bond and the loan of the proceeds thereof to the City (collectively, the "Project"), by obtaining a loan from The Public Building Authority of the City of Clarksville, Tennessee (the "Authority");

WHEREAS, it has been determined by the Board of the City to be in the best interests of the City to finance the Project through The Tennessee Municipal Bond Fund fixed rate loan program;

WHEREAS, the Authority has been established pursuant to the provisions of Title 12, Chapter 10, Tennessee Code Annotated, as amended (the "Act"), and is authorized pursuant to the provisions of the Act to issue its bonds from time to time, in one more series, and to loan the proceeds thereof to the City for the above described purposes;

WHEREAS, in order to effectuate the program, the Issuer has authorized and approved by its Resolution, adopted July 13, 2022, the issuance of its Local Government Loan Program Bonds, in an aggregate principal amount not to exceed \$300,000,000;

WHEREAS, the Authority will issue its Local Government Loan Program Bond, Series 2023 (City of Munford Loan) (the "Bond"), in the principal amount of not to exceed \$2,500,000, and loan the proceeds thereof to the City, pursuant to the provisions of a Loan Agreement, by and among the City, the Authority, and the Purchaser, as hereinafter defined, to be dated the date of issuance and delivery (the "Loan Agreement");

WHEREAS, the Board of the City has on the date hereof adopted an Initial Resolution authorizing the borrowing of funds and the incurring of indebtedness for the purpose of financing the Project in the amount of not to exceed \$2,500,000, and the City Recorder has been instructed to publish such Initial Resolution together with the Notice required by Section 9-21-206 of Tennessee Code Annotated, as amended, in a local newspaper in the Municipality;

WHEREAS, the indebtedness evidenced by the Loan Agreement shall be payable from any and all funds of the City legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the City, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the City will be irrevocably pledged; and,

WHEREAS, the Bond is to be secured by and contain such terms and provisions as set forth in a Bond Purchase Agreement, entered into between the Authority and the purchaser of the Bond (the "Purchaser").

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Munford, Tennessee, as follows:

Section 1. Approval of the Loan. (a) For the purpose of providing funds to finance the Project and to pay costs incident to the issuance and sale of the Bond and the loan of the proceeds thereof to the City, the loan to the City from the Authority is hereby authorized in the principal amount of not to exceed \$2,500,000, and the City is hereby authorized to borrow such funds from the Authority (the "Loan").

(b) The Bond to be issued by the Authority shall bear interest at a fixed rate to be determined at the time of the issuance of the Bond, as provided in the Loan Agreement. The Mayor and City Recorder are authorized to enter into the Loan Agreement, such Loan Agreement to bear interest at a fixed rate, which can be reset at certain intervals, as the Mayor and City Recorder shall determine is in the best interest of the City. The City shall make payments of interest and principal in the amounts and on the dates set forth in the Loan Agreement from the sources and funds described herein and in the Loan Agreement. The final rate of interest payable on the Loan Agreement shall not exceed the maximum rate of interest permitted by applicable law. The Loan Agreement shall be for a term of twenty years. The final principal and interest payment dates, final interest rate payable, amortization of principal amounts of the loan evidenced by the Loan Agreement, and prepayment provisions of such Loan Agreement, may be established by the Mayor and the Purchaser, at the time of the sale of the Bond and the execution and delivery of the Loan Agreement, as shall be determined to be in the best interests of the City, in accordance with the terms of this Resolution and the Loan Agreement. If the City enters into the Loan Agreement with the Authority to finance the Project, the rate of interest payable on the loan includes an annual administration fee equal to fifteen basis points (0.15%), payable to TMBF, as the program administrator, by the Purchaser, to be paid from each periodic payment of interest on the Loan Agreement, based on the outstanding principal amount of the loan. The weighted average maturity of the Loan shall not exceed the reasonably expected weighted average life of the Project which is hereby estimated to be in excess of twenty (20) years.

(c) **The Board of the City understands and is aware that the Purchaser has the option to put the Bond for purchase to the Authority during the term of the Loan (the "Put Option"), at certain intervals upon not less than one hundred eighty days' written notice to the Authority, the Tennessee Municipal Bond Fund, as administrator, and the City.**

The Board is aware of the risks and benefits associated with the Loan and the Put Option. The Board finds that the repayment structure of the Loan (including the Put Option) is in the public interest of the City.

The Board further agrees that it is willing to pay additional issuance costs associated with the refunding of the Loan and related Bond in the event the Put Option is exercised by the Purchaser. In the event that the Put Option is exercised by the Purchaser, and the City is unable to pay the Loan amount in full on such date and no subsequent holder can be determined, the Board commits to refund the Loan in the following manner:

(x) **the Board shall submit a plan of refunding to the Comptroller or Comptroller's designee;**

(y) **the final maturity of the refunding debt obligation will not extend beyond the final maturity of the original Loan; and,**

(z) the debt service structure of the refunding debt obligation will be substantially similar to or more declining than the debt structure of the original Loan.

The Board has not retained an independent municipal advisor in connection with the Loan. The Board understands and acknowledges that the Purchaser does not owe a fiduciary duty to the City and that the Purchaser is acting for its own business and commercial interests. The Board has consulted with such advisors and experts as it deems appropriate before the consideration and adoption of this Resolution.

Section 2. Approval of Loan Agreement. The form, terms, and provisions of the Loan Agreement are in the best interest of the City and are hereby approved and the Board hereby authorizes the Mayor and the City Recorder of the City to execute and deliver such Loan Agreement, such Loan Agreement to be in substantially the form of the Loan Agreement presented to this meeting, the execution of such Loan Agreement by the Mayor and the City Recorder to evidence their approval of any and all changes to such Loan Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Loan Agreement. The City further agrees to comply with, and to enable the Authority to comply with, all covenants and requirements contained in the Bond Purchase Agreement and that certain Tax Exemption Certificate to be executed by the Authority at the time of the issuance of the Bond.

Section 3. Fulfillment of Obligations. The Board of the City is authorized and directed to fulfill all obligations of the City under the terms of the Loan Agreement.

Section 4. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the City on all taxable property within the corporate limits of the City without limitation as to time, rate, or amount, to the extent necessary in the event funds of the City legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the City under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the City are irrevocably pledged.

Section 5. Approval of Bond and Bond Purchase Agreement. For the purpose of providing funds to make the loan to the City evidenced by the Loan Agreement, as provided herein and in the Loan Agreement, and to pay legal, fiscal, and administrative costs incident thereto, including costs incident to the issuance and sale of the Bond related to the Loan Agreement, the issuance and sale of the Bond by the Authority in connection with the Loan Agreement is hereby approved. The City further approves the execution and delivery of the Bond Purchase Agreement by the Authority in connection with the issuance of the Bond.

Section 6. Disposition of Proceeds. The proceeds from the sale of the Bond shall be paid, from time to time, to the official of the Municipality designated by law as the custodian of the funds, upon submission of a requisition for such funds by the Municipality to the Purchaser, in accordance with the terms of the Loan Agreement. Such proceeds shall be disbursed from time to time solely to finance the costs of the Project and to pay costs of issuance incurred in connection with the issuance of the Bond and the loan of the proceeds thereof to the Municipality. Any monies remaining in the Project Fund after completion of the Project shall be used to pay debt service on the Bond.

Section 7. Consent to Assignment. The City hereby consents to the assignment of all of the Authority's right, title, and interest in and to the Loan Agreement as security for the Bond to which such Loan Agreement relates, except for certain reserved rights of the Authority, to the Purchaser.

Section 8. Arbitrage Certification. The City recognizes that the Purchaser of the Bond will have accepted it on, and paid therefor a price, that reflects the understanding that interest thereon is

excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bond. In this connection, the City agrees that it shall take no action which may cause the interest on the Bond to be included in gross income for federal income taxation. It is the reasonable expectation of the Board of the City that the proceeds of the Bond will not be used in a manner which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and to this end the proceeds of the Bond and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Board further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bond to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bond from becoming taxable. The Mayor and City Recorder, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bond as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

Section 9. Miscellaneous Acts. The Mayor, the City Recorder, the City Attorney, and all other appropriate officials of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in connection with the execution of the Loan Agreement and the issuance of the Bond by the Authority, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution or any of the documents herein authorized and approved.

Section 10. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 11. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 12. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 13. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the City requiring it.

Adopted and approved this 10th day of August, 2023.

Mayor

Attest:

City Recorder

**STATE OF TENNESSEE)
COUNTY OF TIPTON)**

I, Sherry Yelvington, hereby certify that I am the duly qualified and acting City Recorder of the City of Munford, Tennessee (the "City"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board"), of said City held on August 10, 2023; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the borrowing of funds and the incurring of indebtedness in the amount of not to exceed \$2,500,000 by said City; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said City this 10th of August, 2023.

City Recorder

(SEAL)