

AGENDA

GREENE COUNTY LEGISLATIVE BODY

Monday, December 19, 2011

10:00 A.M.

The Greene County Commission will meet at the Greene County Courthouse on Monday, Dec. 19, 2011 beginning at 10:00 a.m. in the Criminal Courtroom (Top Floor) in the Courthouse. Caucus meetings will begin at 9:00 a.m. in the Courthouse.

Call to Order

- *Pledge to Flag
- *Invocation
- *Roll Call

Approval of Prior Minutes

Public Hearing

- Junior Belcher - CTAS Study for Rock Quarry
- A Proclamation sponsored by Jimmy Sams

Reports

Reports from Solid Waste Dept.
Committee Minutes

Old Business

- A. A resolution to amend the 2012 fiscal year General Fund's budget to budget for mental health evaluation and treatment services ordered by judges (tabled from Nov. meeting;

Election of Notaries

Resolutions

- B. A resolution to revise the Debt Management Policy for Greene County;
- C. A resolution to adopt policies and procedures for Federal Tax Compliance for Greene County;
- D. A resolution authorizing the purchase and installation of computer systems and software for the Emergency Medical Services Office and for each ambulance that is compatible with the Medicare billing system;
- E. A resolution authorizing expenditure of funds from the General Capital Project Fund for the Emergency repairs of the sewer line and grease trap at the Detention Center;
- F. A resolution to amend the General Fund 2011-2012 fiscal year budget for revenues from the sale of surplus equipment and to increase appropriations to allow for the expenditure of the funds received;
- G. A resolution to amend the Drug Control Fund 2011-2012 fiscal year budget for revenues from the sale of surplus equipment and to increase appropriations to allow for the expenditure of the funds received;

Other Business

- A. Confirmation of two members to the Library Board.

Adjournment

ELECTION OF NOTARIES
December 19, 2011

Dawn Allen	Renewal
Dorothy Bradley	Renewal
Kathy Brooke	New
Teresa Gammons	Renewal
Harold Hartman	Renewal
Peggy Helms	Renewal
Kenneth Hood	Renewal
Kandie Jennings	New
Jennifer Keller	New
Francis Santore Jr.	New
Sharon Susong	Renewal

**A RESOLUTION TO AMEND THE 2012 FISCAL YEAR
GENERAL FUND'S BUDGET TO BUDGET FOR MENTAL HEALTH
EVALUATION AND TREATMENT SERVICES ORDERED BY JUDGES**

WHEREAS, *Tennessee Code Annotated*, Section 33-7-304(a) makes counties responsible for the cost of outpatient and inpatient mental health evaluations and treatment court ordered for defendants charged only with misdemeanors if such defendants are unable to pay for these services; and

WHEREAS, the Greene County General Sessions Judge has ordered two defendants to undergo these mental health evaluations and treatment; and

WHEREAS, during the budget process it was unanticipated that the cost of treatment would exceed previous expenditures as the budget was based on historical costs;

THEREFORE, let the General Fund budget be amended as follows:

INCREASE BEGINNING BUDGETED GENERAL FUND BALANCE

39000	Unsigned Fund	\$ 12,500
Total adjustment to beginning budgeted fund balance:		<u>\$ 12,500</u>

INCREASE APPROPRIATIONS

53300	GENERAL SESSIONS COURT	
399	Other Contracted Services	\$ 12,500
Total Increase In Appropriations		<u>\$ 12,500</u>

NOW, THEREFORE; be it resolved by the Greene County Legislative Body meeting in regular session this 19th day of December, 2011, a quorum being present and a majority voting in the affirmative, that the General Fund Budget be amended as above.

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney

**A RESOLUTION TO REVISE THE DEBT
MANAGEMENT POLICY FOR GREENE COUNTY**

WHEREAS, *Tennessee Code Annotated*, Section 9-21-151(b)(1), authorizes the State Funding Board to develop model financial transaction policies for local governments and local government instrumentalities;

WHEREAS, the State Funding Board has adopted a statement on debt management and directed local governments and government entities that borrow money to draft their own debt management policies with certain mandatory provisions; and

WHEREAS, the Greene County Legislative Body has prepared a debt management policy that includes the mandatory provisions relative to transparency, professionals and conflicts.

WHEREAS, new information has been released by the State Funding Board as to specific mandatory provisions relating to required language of the county debt policy.

WHEREAS, the Greene County Legislative Body adopted a debt management policy on November 21, 2011 which now must be revised to meet state requirements.

NOW, THEREFORE BE IT RESOLVED by the Greene County Legislative Body meeting in regular session this 19th day of December 2011, a quorum being present and a majority voting in the affirmative, that:

SECTION 1. The revised debt management policy attached as Exhibit A to this resolution, incorporated herein by reference, is hereby adopted.

SECTION 2. This resolution shall take effect upon passage, the public welfare requiring it.

See Exhibit A

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney

B

EXHIBIT A

GREENE COUNTY TENNESSEE

Debt Management Policy



Formally Revised: December 19, 2011

TABLE OF CONTENTS

Introduction.....	i
Introductory Statement	1
Goals and Objectives	1
Procedures for the Issuance of Debt	2
Credit Quality and Credit Enhancement	3
Affordability	3
Debt Structure	3
Debt Types	5
Refinancing Outstanding Debt.	8
Methods of Issuance	10
Professionals	11
Compliance	13
Debt Policy Review	13

INTRODUCTION

This Debt Management Policy (the “Debt Policy”) is a written guideline with parameters that affect the amount and type of debt that can be issued by Greene County, Tennessee (the “County”), the issuance process and the management of the County’s debt. The purpose of this Debt Policy is to improve the quality of management and legislative decisions and to provide justification for the structure of debt issuances consistent with the Debt Policy’s goals while demonstrating a commitment to long-term capital planning. It is also the intent of the County that this Debt Policy will signal to credit rating agencies, investors and the capital markets that the County is well managed and will always be prepared to meet its obligations in a timely manner. This Debt Policy fulfills the requirements of the State of Tennessee regarding the adoption of a formal debt management policy on or before January 1, 2012.

This Debt Policy provides guidelines for the County to manage its debt and related annual costs within both current and projected available resources while promoting understanding and transparency for our citizens, taxpayers, rate payers, businesses, investors and other interested parties.

The County may, from time to time, review this Debt Policy and make revisions and updates, if warranted.

GREENE COUNTY, TENNESSEE DEBT MANAGEMENT POLICY

I. INTRODUCTORY STATEMENT

In managing its Debt (defined herein as tax-exempt or taxable bonds, capital outlay notes, other notes, capital leases, interfund loans or notes and loan agreements); it is the County's policy to:

- Achieve the lowest cost of capital within acceptable risk parameters
- Maintain or improve credit ratings
- Assure reasonable cost access to the capital markets
- Preserve financial and management flexibility
- Manage interest rate risk exposure within acceptable risk parameters

II. GOALS AND OBJECTIVES

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the County's long-term capital planning objectives. In addition, the Debt management policy (the "Debt Policy") helps to ensure that financings undertaken by the County have certain clear, objective standards which allow the County to protect its financial resources in order to meet its long-term capital needs.

The Debt Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the County's specific capital improvement needs; ability to repay financial obligations; and, existing legal, economic, and financial market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the County in policy and debt issuance decisions
- To maintain appropriate capital assets for present and future needs
- To promote sound financial management
- To protect the County's credit rating
- To ensure the County's debt is issued legally under applicable state and federal laws
- To promote cooperation and coordination with other parties in the financing

- To evaluate debt issuance options

III. PROCEDURES FOR ISSUANCE OF DEBT

1) Authority

- a) The County will only issue Debt by utilizing the statutory authorities provided by *Tennessee Code Annotated* as supplemented and revised (“TCA”) and the Internal Revenue Code (the “Code”).
- b) The County will adhere to any lawfully promulgated rules and regulations of the State and those promulgated under the Code.
- c) All Debt must be formally authorized by resolution of the County’s Legislative Body.

2) Transparency

- a) It is recognized that the issuance of Debt must have various approvals and on occasion, written reports provided by the State of Tennessee Comptroller’s office either prior to adoption of resolutions authorizing such Debt, prior to issuance and/or following issuance. The County, in conjunction with any professionals (including, but not limited to, financial advisors, underwriters, bond counsel, etc. which may individually or collectively be referred to herein as “Financial Professionals”) will ensure compliance with TCA, the Code and all federal and State rules and regulations. Such State compliance will include, but not be limited to, compliance with all legal requirements regarding adequate public notice of all meetings of the County related to consideration and approval of Debt. Additionally, the County shall provide the Tennessee Comptroller’s office sufficient information on the Debt to not only allow for transparency regarding the issuance, but also assuring that the Comptroller’s office has sufficient information to adequately report or approve any formal action related to the sale and issuance of Debt. The County will also make this information available to its legislative body, citizens and other interested parties.
- b) The County will file its Audited Financial Statements and any Continuing Disclosure document prepared by the County or its Dissemination Agent. To promote transparency and understanding, these documents should be furnished to members of the Legislative Body and made available electronically or by other usual and customary means to its citizens, taxpayers, rate payers, businesses, investors and other interested parties by posting such information on-line or in other prominent places.

- c) All costs (including interest, issuance, continuing, and one-time) related to Debt shall be disclosed to the Legislative Body and citizens in a timely manner. In order to comply with the requirements of the preceding sentence, an estimate of the costs described above will be presented to the Legislative Body along with any resolution authorizing debt. Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the office of the Budget and Accounts Director for review by members of the Legislative Body and the public.

IV. CREDIT QUALITY AND CREDIT ENHANCEMENT

The County's Debt management activities will be conducted in order to maintain or receive the highest possible credit ratings. The Mayor and Budget and Accounts Director in conjunction with any Financial Professionals that the County may chose to engage will be responsible for maintaining relationships and communicating with one or more rating agencies.

The County will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The County will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1) Insurance

The County may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

2) Letters of Credit

The County may enter into a letter-of-credit ("LOC") agreement when such an agreement is deemed prudent and advantageous. The County or its Financial Professionals, if any, may seek proposals from qualified banks or other qualified financial institutions pursuant to terms and conditions that are acceptable to the County.

V. AFFORDABILITY

The County shall consider the ability to repay Debt as it relates to the total budget resources, the wealth and income of the community and its property tax base and other revenues available to service the Debt. The County may consider debt ratios

and other benchmarks compared to its peers when analyzing its Debt including materials published by the nationally recognized credit rating agencies.

VI. DEBT STRUCTURE

The County shall establish all terms and conditions relating to the issuance of Debt and will invest all bond proceeds pursuant to the terms of its investment policy, if any. Unless otherwise authorized by the County, the following shall serve as the Debt Policy for determining structure:

1) Term

All capital improvements financed through the issuance of Debt will be financed for a period not to exceed the useful economic life of the improvements and in consideration of the ability of the County to absorb such additional debt service expense. The term of Debt shall be determined by, but not limited to, the economic life of the assets financed, conditions in the capital markets, the availability of adequate revenue streams to service the Debt and the existing pattern of Debt payable from such identifiable fund or enterprise activity, but in no event will the term of such Debt exceed forty (40) years, as outlined in TCA.

2) Capitalized Interest

From time to time, certain financings may require the use of capitalized interest from the date of issuance until the County is able to realize beneficial use and/or occupancy of the financed project. Interest may be capitalized through a period permitted by federal law and TCA if it is determined that doing so is beneficial to the financing by the Legislative Body and is appropriately memorialized in the legislative action authorizing the sale and issuance of the Debt.

3) Debt Service Structure

General Obligation debt issuance shall be planned to achieve relatively net level debt service or level principal amortization considering the County's outstanding debt obligations, while matching debt service to the useful economic life of facilities. Absent events or circumstances determined by its Legislative Body, the County shall avoid the use of bullet or balloon maturities (with the exception of sinking fund requirements required by term bonds) except in those instances where such maturities serve to make existing overall debt service level or match specific income streams. Debt which is supported by project revenues and is intended to be self-supporting should be structured to achieve level proportional coverage to expected available revenues.

4) Call Provisions

In general, the County's Debt should include a call feature no later than ten (10) years from the date of delivery of the bonds. The County will avoid the sale of long-term debt which carries longer redemption features unless a careful evaluation has been conducted by the Mayor and Budget and Accounts Director and/or Financial Professionals, if any, with respect to the value of the call option.

5) Original Issuance Discount/Premium

Debt with original issuance discount/premium will be permitted.

6) Deep Discount Bonds

Deep discount debt may provide a lower cost of borrowing in certain capital markets. The Mayor and Budget and Accounts Director and/or Financial Professionals, if any, should carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.

VII. DEBT TYPES

When the County determines that Debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1) Security Structure

a) General Obligation Bonds

The County may issue Debt supported by its full faith, credit and unlimited ad valorem taxing power ("General Obligation Debt"). General Obligation Debt shall be used to finance capital projects that do not have significant independent creditworthiness or significant on-going revenue streams or as additional credit support for revenue-supported Debt, if such support improves the economics of the Debt and is used in accordance with these guidelines.

b) Revenue Debt

The County may issue Debt supported exclusively with revenues generated by a project or enterprise fund ("Revenue Debt"), where repayment of the debt service obligations on such Revenue Debt will be made through revenues generated from specifically designated sources. Typically, Revenue Debt will be issued for capital projects which can be supported from project or enterprise-related revenues.

c) Capital Leases

The County may use capital leases to finance projects assuming the Mayor and Budget and Accounts Director and/or Financial Professionals, if any, determine that such an instrument is economically feasible.

2) Duration

a) Long-Term Debt

The County may issue long-term Debt when it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term Debt will not be used to finance current operations or normal maintenance. Long-term Debt will be structured such that financial obligations do not exceed the expected useful economic life of the project(s) financed.

- i. *Serial and Term Debt.* Serial and Term Debt may be issued in either fixed or variable rate modes to finance capital infrastructure projects;
- ii. *Capital Outlay Notes ("CONs").* CONs may be issued to finance capital infrastructure projects with an expected life up to twelve years; or
- iii. *Capitalized Leases.* Capitalized Leases may be issued to finance infrastructure projects or equipment with an expected life not greater than its expected useful life.

b) Short-Term Debt

Short-term borrowing may be utilized for:

- i. Financing short economic life assets;
- ii. The construction period of long-term projects;
- iii. For interim financing; or
- iv. For the temporary funding of operational cash flow deficits or anticipated revenues subject to the following policies:
 1. *Bond Anticipation Notes ("BANs").* BANs, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal

and state law. BANs shall mature within 6 months after substantial completion of the financed facility.

2. *Revenue Anticipation Notes ("RANs") and Tax Anticipation Notes ("TANs")*. RANs and TANS shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to federal IRS and state requirements and limitations.
3. *Lines of Credit*. Lines of Credit shall be considered as an alternative to other short-term borrowing options. A line of credit shall only be structured to federal and state requirements.
4. *Interfund Loans*. Interfund Loans shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such interfund loans shall be approved by the State Comptroller's office and shall only be issued in compliance with state regulations and limitations.
5. *Other Short-Term Debt*. Other Short-Term Debt including commercial paper notes, BANs, Capitalized Leases and CONs may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed or variable rate mode. The County will determine and utilize the most advantageous method for short-term borrowing. The County may issue short-term Debt when there is a defined repayment source or amortization of principal.

3) **Interest Rate Modes**

a) **Fixed Rate Debt**

To maintain a predictable debt service schedule, the County may give preference to debt that carries a fixed interest rate.

b) **Variable Rate Debt**

The targeted percentage of net variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved General and/or Debt Service Fund Balance) shall not exceed [25%] of the County's total outstanding debt and will take into consideration the amount and investment strategy of the County's operating cash.

The following circumstances may result in the consideration of issuing variable rate debt:

- i. *Asset-Liability Matching;*
- ii. *Construction Period Funding;*
- iii. *High Fixed Interest Rates.* Interest rates are above historic averages;
- iv. *Diversification of Debt Portfolio;*
- v. *Variable Revenue Stream.* The revenue stream for repayment is variable and is anticipated to move in the same direction as market-generated variable interest rates or the dedication of revenues allows capacity for variability; and
- vi. *Adequate Safeguard Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts such structures could include, but are not limited to, interest rate caps and short-term cash investments in the County's General Fund.

An analysis by the Mayor and Budget and Accounts Director and/or Financial Professionals, if any, shall be conducted to evaluate and quantify the risks and returns associated with the variable rate Debt including, but not limited to, a recommendation regarding the use of variable rate debt.

4) Zero Coupon Debt

Zero Coupon Debt may be used if an analysis has been conducted by the Mayor and Budget and Accounts Director and/or Financial Professionals, if any, and the risks and returns associated with the Zero Coupon Debt have been made. The analysis shall include, but not be limited to a recommendation regarding the use of Zero Coupon Debt as the most feasible instrument considering available revenues streams, the need for the project and other factors determined by the Legislative Body.

5) Synthetic Debt

The County will not enter into any new interest rate swaps or other derivative instruments unless it adopts a Debt Derivative Policy consistent with the requirements of TCA and only after approval of the State Comptroller's office and affirmative action of the Legislative Body. To the extent the County has any current existing interest rate swaps or other derivative instruments, the County will monitor these agreements and any amendments consistent with the compliance report issued by the State Comptroller's Office at the time the agreements were previously authorized.

VIII. REFINANCING OUTSTANDING DEBT

The Mayor and Budget and Accounts Director, in conjunction with Financial Professionals, if any, shall have the responsibility to analyze outstanding Debt for refunding opportunities. The Mayor and Budget and Accounts Director will consider the following issues when analyzing possible refunding opportunities:

1) Debt Service Savings

Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing Debt documents, the County has established a minimum net present value savings threshold of at least 3.0 percent of the advance refunded Debt principal amount. Current refunding opportunities may be considered by the County using any savings threshold if the refunding generates positive net present value savings. The decision to take less than 3.0 percent net present value savings for an advance refunding or to take the savings in any manner other than a traditional year-to-year level savings pattern must be approved by the Legislative Body or delegated to the County's Mayor.

2) Restructuring for economic purposes

The County may also refund Debt when it is in its best financial interest to do so. Such a refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants or any other reason approved by the Legislative Body in its discretion.

3) Term of Refunding Issues

Normally, the County will refund Debt equal to or within its existing term. However, the Mayor and Budget and Accounts Director may consider maturity extension, when necessary to achieve desired outcomes, provided that such extension is legally permissible and it is approved by the Legislative Body. The Mayor and Budget and Accounts Director may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful economic life of the financed facility and the concept of inter-generational equity should guide these decisions.

4) Escrow Structuring

The County shall utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process, that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable

within Federal guidelines. In cases where taxable Debt is involved, the Mayor and Budget and Accounts Director, with the approval of bond counsel, may make a direct purchase as long as such purchase is the most efficient and least costly. Under no circumstances shall an underwriter, agent or any Financial Professionals sell escrow securities involving tax-exempt Debt to the County from its own account.

5) Arbitrage

The County shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

IX. METHODS OF ISSUANCE

The Mayor and Budget and Accounts Director may consult with a Financial Professional regarding the method of sale of Debt. Subject to approval by the Legislative Body, the Mayor and Budget and Accounts Director will determine the method of issuance of Debt on a case-by-case basis consistent with the options provided by prevailing State law.

1) Competitive Sale

In a competitive sale, the County's Debt will be offered in a public sale to any and all eligible bidders. Unless bids are rejected, the Debt shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

2) Negotiated Sale

The County recognizes that some securities are best sold through a negotiated sale with an underwriter or group of underwriters. The County shall assess the following circumstances in determining whether a negotiated sale is the best method of sale:

- a) State requirements on negotiated sales;
- b) Debt structure which may require a strong pre-marketing effort such as those associated with a complex transaction generally referred to as a "story" bond;
- c) Size or structure of the issue which may limit the number of potential bidders;

- d) Market conditions including volatility wherein the County would be better served by the flexibility afforded by careful timing and marketing such as is the case for Debt issued to refinance or refund existing Debt;
- e) Whether the Debt is to be issued as variable rate obligations or perhaps as Zero Coupon Debt;
- f) Whether an idea or financing structure is a proprietary product of a single firm;
- g) In a publicly offered or privately placed, negotiated sale, a financial advisor, if any, shall not be permitted to resign as the financial advisor in order to underwrite or privately place an issue for which they are or have been providing advisory services;
- h) The underwriter shall clearly identify itself in writing (e.g., in a response to a request for proposals or in promotional materials provided to the County) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the County with respect to the negotiated issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's length commercial transaction and that it has financial and other interests that differ from those of the County. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Legislative Body (or its designated official) in advance of the pricing of the debt.

3) **Private Placement**

From time to time, the County may elect to privately place its Debt. Such placement shall only be considered if this method is demonstrated to be advantageous to the County.

X. **PROFESSIONALS**

1) **Financial Professionals**

As needed, the County may select Financial Professionals to assist in its Debt issuance and administration processes. In selecting Financial Professionals, consideration should be given with respect to:

- a) relevant experience with municipal government issuers and the public sector;
- b) indication that the firm has a broadly based background and is therefore capable of balancing the County's overall needs for continuity and innovation in capital planning and Debt financing;

- c) experience and demonstrated success as indicated by its experience;
- d) the firm's professional reputation;
- e) professional qualifications and experience of principal employees; and
- f) the estimated costs, but price should not be the sole determining factor.

2) **Miscellaneous**

a) **Written Agreements**

- i. Any Financial Professionals engaged by the County shall enter into written agreements including, but not limited to, a description of services provided and fees and expenses to be charged for the engagement. Finance Professionals must clearly disclose all compensation and consideration received related to services provided in the Debt issuance process by the County, the lender and the conduit issuer, if any, including “soft” costs or compensation in lieu of direct payment.
- ii. The County shall enter into an engagement letter agreement with each lawyer or law firm representing the County in a debt transaction. No engagement letter is required for any lawyer who is an employee of the County or lawyer or law firm which is under a general appointment or contract to serve as counsel to the County. The County does not need an engagement letter with counsel not representing the County, such as underwriters’ counsel.
- iii. The County shall require all Financial Professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the County and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.
- iv. If the County chooses to engage a financial advisor for a debt transaction, the County shall enter into a written contract with the financial advisor. Whether in a competitive or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services.

b) **Conflict of Interest**

- i. Financial Professionals involved in a debt transaction hired or compensated by the County shall be required to disclose to the County existing client and business relationships between and among the professionals to a transaction (including but not limited to financial

advisors, swap advisors, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the County to appreciate the significance of the relationships.

- ii. Financial Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

XI. COMPLIANCE

1) Continuing Annual Disclosure

Normally at the time Debt is delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the publicly traded Debt to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years, (the "Annual Report and provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the MSRB through the operation of the Electronic Municipal Market Access system ("EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and any SID by the date required, notice of each failure will be sent to the MSRB and any SID on or before such date. The notices of certain enumerated events will be filed by the County with the MSRB through EMMA and any SID. The specific nature of the information to be contained in the Annual Report or the notices of significant events is provided in each Continuing Disclosure Certificate. These covenants are made in order to assist underwriters in complying with SEC Rule 15c2-12(b) (the "Rule").

2) Arbitrage Rebate

The County will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the Internal Revenue Code (the "Code").

3) Records

The County will also maintain records required by the Code including, but not limited to, all records related to the issuance of the debt including detailed

receipts and expenditures for a period up to 6 years following the final maturity date of the Debt or as required by the Code.

XII. DEBT POLICY REVIEW

1) General Guidance

The guidelines outlined herein are only intended to provide general direction regarding the future issuance of Debt. The County maintains the right to modify this Debt Policy and may make exceptions to any of its guidelines at any time to the extent that the execution of such Debt achieves the goals of the County as long as such exceptions or changes are consistent with TCA and any rules and regulations promulgated by the State.

This Debt Policy should be reviewed from time to time as circumstances, rules and regulations warrant.

2) Designated Official

The Mayor and Budget and Accounts Director are responsible for ensuring substantial compliance with this Debt Policy.

**A RESOLUTION TO ADOPT POLICIES AND PROCEDURES
FOR FEDERAL TAX COMPLIANCE FOR GREENE COUNTY**

WHEREAS, Greene County must comply with federal tax rules contained in IRS Code of 1986, Sections 141-150 regarding the expenditures of proceeds, use of financed property, investment of proceeds, in compliance with arbitrage rules, retention of records and filings with the Internal Revenue Service to assure that debt obligations of the County are tax-exempt,

WHEREAS, consultation with our bond counsel has determined that the bond market requests that all entities issuing tax-exempt debt adopt and implement formal federal tax compliance policies and procedures.

NOW, THEREFORE BE IT RESOLVED by the Greene County Legislative Body meeting in regular session this 19th day of December 2011, a quorum being present and a majority voting in the affirmative, that:

SECTION 1. The Federal Tax Compliance Policies and Procedures attached as Exhibit B to this resolution, incorporated herein by reference, is hereby adopted.

SECTION 2. This resolution shall take effect upon passage, the public welfare requiring it.

See Exhibit B

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney

C

EXHIBIT B

GREENE COUNTY TENNESSEE

Federal Tax Compliance Policies and Procedures



Formally Adopted: December 19, 2011

TABLE OF CONTENTS

Purpose	1
Expenditure of Proceeds	1
Use of Property Financed with Tax-Exempt Obligations	2
Investment of Proceeds	2
Records	3
Miscellaneous Post-Issuance Changes	3
Overall Responsibility	4

GREENE COUNTY, TENNESSEE
Federal Tax Compliance Policies and Procedures

Purpose

In order to issue tax-exempt debt obligations ("Tax-Exempt Obligations"), the interest on which is excluded from gross income of the holders of such debt obligations, Greene County, Tennessee (the "County") must comply with federal tax rules regarding expenditure of proceeds, use of financed property, investment of proceeds in compliance with arbitrage rules, retention of records and filings with the Internal Revenue Service pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). This Tax Compliance Policy sets forth the County's policies for compliance with Sections 141-150 of the Code and related rules and regulations.

I. Expenditure of Proceeds

Expenditure of proceeds as set forth below will be reviewed and managed by the Mayor and the Director of Accounts and Budgets (the "Director") as needed to ensure compliance with the requirements with each tax certificate executed in connection with Tax-Exempt Obligations. In connection with such review and management, the Mayor and the Director will undertake the following with respect to the expenditure of proceeds of Tax-Exempt Obligations:

- Establish forms and procedures for documenting expenditures of the proceeds, including for new money issues a description of the property financed with each expenditure and for refunding issues a description of the refunded obligations and the property financed with the refunded obligations.
- Only permit proceeds to be expended for capital expenditures, working capital if accompanied by an opinion of nationally recognized bond counsel, refunding of Tax-Exempt Obligations and other debt obligations used for the foregoing purposes, and costs of issuance of Tax-Exempt Obligations.
- Not permit amounts to be expended to pay capitalized interest on Tax-Exempt Obligations except during the actual construction period of financed property unless accompanied by an opinion of nationally recognized bond counsel.
- Restrict reimbursement of costs that were paid prior to the issuance of the Tax-Exempt Obligations to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the County or as is otherwise approved by bond counsel.
- Prepare a "final allocation" of proceeds to uses, which will be made and retained with the records of the Tax-Exempt Obligations, not later than 18 months after the placed-in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the issue).

- Monitor the expenditure of proceeds of new-money Tax-Exempt Obligations against the tax certificate expectation to (i) spend or commit 5% of net sale proceeds within 6 months, (ii) spend 85% of net sale proceeds within 3 years, and (iii) proceed with due diligence to complete the project and fully spend the net sale proceeds.
- Monitor the expenditure of proceeds of the Tax-Exempt Obligations against the schedule for any arbitrage rebate exception or exceptions identified in the tax certificate related to such issue of Tax-Exempt Obligations.

II. Use of Property Financed with Tax-Exempt Obligations

Use of property financed with Tax-Exempt Obligations, when completed and placed in service, will be reviewed by the Mayor and the Director on at least an annual basis.

The County will not do any of the following with respect to the financed property without prior discussion with bond counsel regarding potential effect of such action on the tax exemption of the Tax-Exempt Obligations that financed or refinanced such property:

- Enter into a management, service or incentive payment contract with any non-governmental person or entity (including the federal government) (a “Non-Governmental Person”).
- Enter into a lease with any Non-Governmental Person.
- Sell or otherwise transfer such property to any Non-Governmental Person.
- Grant special legal entitlements with respect to such property to any Non-Governmental Person.

III. Investment of Proceeds

Investment of proceeds of Tax-Exempt Obligations in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Greene County Trustee and the Director.

All proceeds of each Tax-Exempt Obligation will be deposited and maintained in a separate account or accounts. The investment of the proceeds of Tax-Exempt Obligations shall comply with the following:

- Investments will be purchased only in market transactions at fair market value.
- Calculations of rebate liability will be performed periodically as set forth in the tax certificate by outside consultants unless the County is eligible for an exception to rebate liability with respect to the Tax-Exempt Obligations.

- Rebate payments, if required, will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the Tax-Exempt Obligations. Compliance with rebate requirements will be reported to the bond trustee, if any, and the issuer.
- The County will identify the date for first rebate payment at the time of issuance if rebate payments are expected.

IV. Records

Management and retention of records related to Tax-Exempt Obligations will be supervised by the Director.

- Records will be retained for the life of the Tax-Exempt Obligations plus any refunding bonds plus six years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.
- Retainable records pertaining to issuance of Tax-Exempt Obligations include the transcript of documents executed in connection with the issuance of the Tax-Exempt Obligations and any amendments, and copies of rebate calculations and records of payments including Form 8038-T.
- Retainable records pertaining to expenditures of proceeds of Tax-Exempt Obligations include requisitions, trustee statements (if any) and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use and any reviewed documents relating to unrelated business activity.
- Retainable records pertaining to investments include GIC and hedge documents under the Treasury regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

V. Miscellaneous Post-Issuance Changes

The Mayor and the Director will consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions (e.g., letter of credit or bond insurance) or hedging transactions (e.g., interest rate swaps)

The Mayor and the Director will consult with bond counsel prior to the making of any significant modifications to the bond documents that might cause a “reissuance” of the Tax-Exempt Obligations as described in Section 1.1001-3 of the Treasury regulations such as (i) changes in

the yield of a Tax-Exempt Obligation, (ii) changes in the timing of payments on a Tax-Exempt Obligation or (iii) changes in the obligor of or security for a Tax-Exempt Obligation.

VI. Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Director. The Director shall be responsible for identifying any violations of federal tax requirements relating to any Tax-Exempt Obligations and shall consult with bond counsel as to best method for the timely correction of any identified violations either through available remedial actions or through the IRS's Voluntary Closing Agreement Program. The Director shall be responsible for obtaining and providing for the training and education necessary to administer these policies and procedures.

Adopted and approved the 19th day of December, 2011.

RESOLUTION AUTHORIZING THE PURCHASE AND INSTALLATION OF COMPUTER SYSTEMS AND SOFTWARE FOR THE EMERGENCY MEDICAL SERVICES OFFICE AND FOR EACH AMBULANCE THAT IS COMPATABLE WITH MEDICARE BILLING SYSTEM

WHEREAS, Medicare has adopted new billing regulations that require each provider of services for Medicare recipients to have computers with specific software that allows the provider to submit bills for services rendered to Medicare recipients that comply with Medicare regulations; and

WHEREAS, the majority of revenue received by the Greeneville/Greene County EMS is derived from reimbursements from Medicare for providing services and transportation to Medicare recipients; and

WHEREAS, in order to properly bill and receive reimbursement from Medicare for services rendered to Medicare recipients, the Greeneville/Greene County EMS must have computers and software compatible with the Medicare billing system; and

WHEREAS, Greeneville/Greene County EMS has received a quote from EMS Specialists of \$23,851.38 to purchase the needed equipment and software to equip the EMS office and EMS ambulances with the computers and software necessary to record and bill Medicare for services and transportation of Medicare recipients; and

WHEREAS, in that this is a one time capital expense and that there are funds presently available in the capital projects fund to pay for the purchase of the computers and software for the EMS, it would be appropriate for the costs to purchase and install the computers and software come from that capital projects fund.

NOW THEREFORE BE IT RESOLVED, by the Greene County Legislative Body meeting in called session on the 19th day of December, 2011, a quorum being present and a majority voting in the affirmative, that the proposal of Emergency Medical Specialists, Inc. for the computers and software for the Greeneville/Greene County EMS be accepted and the

D

Roger A. Woolsey
County Attorney
204 N. Cutler St.
Suite 120
Greeneville, TN 37745
Phone: 423/798-1779
Fax: 423/798-1781

County Mayor is authorized to enter into a contract on behalf of the Greeneville/Greene County EMS for the purchase of the computers and software from the above named vendor.

BE IT FURTHER RESOLVED that the funds to pay for purchase and installation of the computers and software for the Greeneville/Greene County EMS systems be allocated from the capital projects fund for Greene County.

Budget and Finance Committee
Sponsor

County Clerk

County Mayor



County Attorney

Roger A. Woolsey
County Attorney
204 N. Cutler St.
Suite 120
Greeneville, TN 37745
Phone: 423/798-1779
Fax: 423/798-1781

**RESOLUTION AUTHORIZING EXPENDITURE OF FUNDS
FROM THE GENERAL CAPITAL PROJECT FUND
FOR THE EMERGENCY REPAIRS OF THE SEWER LINE
AND GREASE TRAP AT THE DETENTION CENTER**

WHEREAS, the Greene County Detention Center had a blockage in a drain at the grease trap which required removal of old sewer line and installation on new sewer line; and

WHEREAS, the Greene County Detention Center Department contacted Roto-Rooter Sewer and Drain Services to make the repairs due to the emergency basis of the problem; and

WHEREAS, the Greene County Detention Center Department does not available funds to cover these expenditures

THEREFORE, let the Capital Projects budget be amended to the following:

INCREASE BUDGETED BEGINNING FUND BALANCE

34785	Assigned for Capital Projects	\$ 6,330.00
	Total adjustment to budgeted revenues	<u>\$ 6,330.00</u>

INCREASE APPROPRIATIONS

91190	Other General Government Projects	
	707 Building Improvements	\$ 6,330.00
	Total Appropriations	<u>\$ 6,330.00</u>

NOW, THEREFORE; be it resolved by the Greene County Legislative Body meeting in regular session this 19th day of December, 2011, a quorum being present and a majority voting in the affirmative, that the budget be amended as above.

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney

E

**A RESOLUTION TO AMEND THE GENERAL FUND 2011-2012
FISCAL YEAR BUDGET FOR REVENUES FROM THE SALE OF SURPLUS
EQUIPMENT AND TO INCREASE APPROPRIATIONS TO ALLOW FOR THE
EXPENDITURE OF THE FUNDS RECEIVED**

WHEREAS the Greene County Sheriff Department sold various items of General Fund equipment on November 3, 2011; and

WHEREAS the amount received from the sale was not included in the original budget for the current year; and

WHEREAS the Sheriff wishes to have the budget amended for these additional revenues and expenditures; and

THEREFORE, let the General Fund Budget be amended as follows:

INCREASE ESTIMATED REVENUE:

44530	Sale of Equipment	<u>\$ 25,645</u>
Total increase to estimated revenues		<u>\$ 25,645</u>

INCREASE IN APPROPRIATIONS:

54120	Special Patrols	
599	Other Charges	400
716	Law Enforcement Equipment	<u>25,245</u>
Total increase in appropriations		<u>\$ 25,645</u>

NOW, THEREFORE; be it resolved by the Greene County Legislative Body meeting in regular session this 19th day of December 2011, a quorum being present and a majority voting in the affirmative, that the budget be amended as above.

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney

**A RESOLUTION TO AMEND THE DRUG CONTROL FUND 2011-2012
FISCAL YEAR BUDGET FOR REVENUES FROM THE SALE OF SURPLUS
EQUIPMENT AND TO INCREASE APPROPRIATIONS TO ALLOW FOR THE
EXPENDITURE OF THE FUNDS RECEIVED**

WHEREAS the Greene County Sheriff Department sold various items of Drug Control Fund equipment on November 3, 2011; and

WHEREAS the amount received from the sale was not included in the original budget for the current year; and

WHEREAS the Sheriff wishes to have the budget amended for these additional revenues and expenditures; and

THEREFORE, let the Drug Control Fund Budget be amended as follows:

INCREASE ESTIMATED REVENUE:

44530	Sale of Equipment	\$ 700
	Total increase to estimated revenues	<u>\$ 700</u>

INCREASE IN APPROPRIATIONS:

54150	Drug Enforcement	
302	Advertising	13
716	Law Enforcement Equipment	<u>687</u>
	Total increase in appropriations	<u>\$ 700</u>

NOW, THEREFORE; be it resolved by the Greene County Legislative Body meeting in regular session this 19th day of December 2011, a quorum being present and a majority voting in the affirmative, that the budget be amended as above.

County Mayor

Budget and Finance Committee
Sponsor

County Clerk

County Attorney