TENNESSEE
COMPTROLLER
OF THE TREASURY

JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

RECEIVED
NOV 06 2019

October 30, 2019

REVISED

Honorable James S. Mayberry, Mayor
and Honorable City Council
City of Crossville
392 North Main Street
Crossville, TN 38555-4232

Dear Mayor Mayberry and Members of the Council:

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

We acknowledge receipt of a request from the City to review its Plan for the issuance of refunding bonds: (1) Not to exceed $4,300,000 General Obligation Refunding Bonds, Series 2019A (Tax-Exempt) (the "Series 2019A Refunding Bonds"); (2) not to exceed $2,550,000 General Obligation Refunding Bonds, Series 2019B (Federally Taxable) (the "Series 2019B Taxable Refunding Bonds"); and (3) not to exceed $21,250,000 Water and Sewer Tax and Revenue Refunding Bonds Series 2019C (Tax-Exempt) (the "Series 2019C Refunding Bonds").

The aforementioned bonds will hereinafter collectively be referred to as the "Refunding Bonds."

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

Financial Professionals

The Plan was prepared by the City with the assistance of its municipal advisor, Kidwell & Company. Municipal advisors have a fiduciary responsibility to the City; however, underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests.

Compliance with the City's Debt Management Policy

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

Private Negotiated Sale Approval

The approval of this office is required when a city desires to sell refunding revenue and tax bonds through a negotiated sale process. The City has requested approval to sell the Refunding Bonds through negotiated sale. This letter constitutes approval to negotiate the sale of the Refunding Bonds, conditioned upon the requirement that the bonds are sold with the debt service payment schedule having the same principal repayment schedule as presented in the Plan or the principal repayment schedule is accelerated.

Report of the Review of a Plan of Refunding

The enclosed report must be presented to the City's governing body for review prior to the adoption of a refunding bond authorizing resolution.

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

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

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

Required Notification

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

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

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

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

Municipal Securities Rulemaking Board (MSRB) Rule G-17

MSRB Rule G-17 requires underwriters and municipal advisors to deal fairly with the City in the conduct of its municipal securities or municipal advisory activities. The Securities and Exchange Commission approved MSRB Notice 2012-25 on the duties of underwriters to issuers of municipal securities on May 4, 2012. On August 2, 2012, this interpretive notice to MSRB Rule G-17 on fair dealing became part of federal securities law and underwriters are required to comply with its provisions.

These duties fall into three areas:

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

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

Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

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

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and

- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

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

Report on Debt Obligation

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

If you should have questions or need assistance, please feel free to contact your financial analyst, Lori Barnard, at 615.747.5347 or Lori.Barnard@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst at the Office of State and Local Finance.

Sincerely,

Sandra Thompson
Director of the Office of State and Local Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Fred Houston, Finance Director, City of Crossville
Mr. Larry Kidwell, Kidwell & Company
Mr. Ben Regen, White & Regen, PLC

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019A, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B AND WATER AND SEWER TAX AND REVENUE REFUNDING BONDS, SERIES 2019C CITY OF CROSSVILLE, TENNESSEE

The City of Crossville (the "City") submitted a plan of refunding (the "Plan"), as required by TCA § 9-21-903 regarding the issuance of:

(1) Not to exceed $4,300,000 General Obligation Refunding Bonds, Series 2019A (Tax-Exempt) (the "Series 2019A Refunding Bonds");

(2) Not to exceed $2,550,000 General Obligation Refunding Bonds, Series 2019B (Federally Taxable) (the "Series 2019B Taxable Refunding Bonds"); and

(3) Not to exceed $21,250,000 Water and Sewer Tax and Revenue Refunding Bonds Series 2019C (Tax-Exempt) (the "Series 2019C Refunding Bonds").

The aforementioned bonds will hereinafter collectively be referred to as the "Refunding Bonds." The Authority has requested approval from the Tennessee Local Development Authority ("TLDA") to issue the Refunding Bonds on parity of lien with its outstanding State Revolving Fund loan agreements. The TLDA approved the parity lien position of each series of Refunding Bonds contingent upon the Comptroller's approval of the issuance of balloon indebtedness.

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

Balloon Indebtedness

The City determined the structures of the Series 2019A Refunding Bonds and the Series 2019C Refunding Bonds as presented in the Plan are balloon indebtedness and therefore, submitted a separate request for approval of a plan of balloon indebtedness. Approval of the Director of the Office of State and Local Finance is required prior to the District adopting the resolution authorizing the issuance of balloon indebtedness. The balloon indebtedness is approved in a separate letter dated October 30, 2019.

City's Proposed Refunding Objectives

The Refunding Bonds are being issued to provide overall debt service savings.

Refunding Analysis

Series 2019A Refunding Bonds

- The results of the refunding assume that the City intends to sell $4,025,000 Series 2019A Refunding Bonds by competitive sale and priced at an estimated premium of $124,445.

- The Series 2019A Refunding Bonds will current refund $4,015,000 outstanding General Obligation Refunding and Improvement Bonds, Series 2012A (Tax Exempt) ("Series 2012A Bonds"), maturing June 1, 2020 through June 1, 2037.

- The estimated net present value debt service savings is $196,535, or 4.90% of the amount of the outstanding Series 2012A Bonds. Savings will be achieved by lowering the average coupon from 3.08% on the Series 2012A Bonds to 2.76% on the Series 2019A Refunding Bonds.

- The Series 2019A Refunding Bonds are structured as balloon indebtedness due to the underlying structure of the Series 2012A Bonds being refunded. Approval to issue the bonds will be addressed separately from this report.

- The estimated cost of issuance of the Series 2019A Refunding Bonds is $88,658 or $22.03 per $1,000. See Table 1 for detailed costs of issuance.

Table 1
Costs of Issuance
Series 2019A Refunding Bonds

	Amount	Price per $1,000 Bond
Estimated Underwriter's Discount (TBD)	$ 32,200.00	$ 8.00
Municipal Advisor (Kidwell & Company)	40,250.00	10.00
Bond & Disclosure Counsel	12,075.00	3.00
Rating Agency	3,826.77	0.95
Miscellaneous	306.14	0.08
Total Cost of Issuance	$ 88,657.91	$ 22.03

Series 2019B Taxable Refunding Bonds

- The results of the refunding assume that the City intends to sell $2,390,000 Series 2019B Taxable Refunding Bonds by competitive sale and priced at an estimated premium of $4,779.

- The Series 2019B Taxable Refunding Bonds will current refund $2,315,000 outstanding General Obligation Refunding and Improvement Bonds, Series 2012B (Federally Taxable) ("Series 2012B Bonds"), maturing June 1, 2020 through June 1, 2028.

- The estimated net present value debt service savings is $48,998, or 2.12% of the amount of the outstanding Series 2012B Bonds. Savings will be achieved by lowering the average coupon from 2.97% on the Series 2012B Bonds to 2.08% on the Series 2019B Taxable Refunding Bonds.

- The Series 2012B Bonds were issued as federally taxable bonds because the project they financed was not eligible to be financed with tax-exempt debt. Therefore, subsequent refundings must be issued as federally taxable debt.

- The estimated cost of issuance of the Series 2019B Taxable Refunding Bonds is $52,644 or $22.03 per $1,000. See Table 2 for detailed costs of issuance.

Table 2
Costs of Issuance
Series 2019B Taxable Refunding Bonds

	Amount	Price per $1,000 Bond
Estimated Underwriter's Discount (TBD)	$ 19,120.00	$ 8.00
Municipal Advisor (Kidwell & Company)	23,900.00	10.00
Bond & Disclosure Counsel	7,170.00	3.00
Rating Agency	2,272.30	0.95
Miscellaneous	181.78	0.08
Total Cost of Issuance	$ 52,644.08	$ 22.03

Series 2019C Refunding Bonds

- The results of the refunding assume that the City intends to sell $19,880,000 Series 2019C Refunding Bonds by competitive sale and priced at an estimated premium of $1,013,232.

- The Series 2019C Refunding Bonds will current refund the callable maturities of the outstanding bonds described below:

Amount Outstanding	Issue Name	Maturities
$8,125,000	Water & Sewer Rev & Tax Refunding & Improvement Bonds, Series 2012C	June 1, 2020 through June 1, 2032
$1,422,809	SRF Drinking Water Loan #00-020	June 1, 2020 through June 1, 2024
$1,376,613	SRF Clean Water Loan #2009-087	June 1, 2020 through June 1, 2028
$1,537,929	SRF Drinking Water Loan #2009-225	June 1, 2020 through June 1, 2028
$5,169,000	Loan Agreement with PBA of Clarksville, dated October 1, 2014	June 1, 2020 through June 1, 2034
$2,645,000	Loan Agreement with PBA of Clarksville, dated July 31, 2014	June 1, 2020 through June 1, 2028
$20,276,351	Total Refunded Bonds	

- The estimated net present value debt service savings is $606,221, or 2.99% of the amount of the outstanding bonds being refunded by the Series 2019C Refunding Bonds. Savings will be achieved by lowering the average coupon from 2.81% on the aforementioned bonds to 2.77% on the Series 2019C Refunding Bonds.

- The estimated cost of issuance of the Series 2019C Refunding Bonds is $437,893 or $22.03 per $1,000. See Table 3 for detailed costs of issuance.

Table 3
Costs of Issuance
Series 2019C Refunding Bonds

	Amount	Price per $1,000 Bond
Estimated Underwriter's Discount (TBD)	$ 159,040.00	$ 8.00
Municipal Advisor (Kidwell & Company)	198,800.00	10.00
Bond & Disclosure Counsel	59,640.00	3.00
Rating Agency	18,900.93	0.95
Miscellaneous	1,512.08	0.08
Total Cost of Issuance	$ 437,893.01	$ 22.03

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

If the City does not refund all the bonds they plan to refund and the City wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this office for review.

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

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

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019A, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B AND WATER AND SEWER TAX AND REVENUE REFUNDING BONDS, SERIES 2019C CITY OF CROSSVILLE, TENNESSEE

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(3) Not to exceed $21,250,000 Water and Sewer Tax and Revenue Refunding Bonds Series 2019C (Tax-Exempt) (the "Series 2019C Refunding Bonds").

The aforementioned bonds will hereinafter collectively be referred to as the "Refunding Bonds." The Authority has requested approval from the Tennessee Local Development Authority ("TLDA") to issue the Refunding Bonds on parity of lien with its outstanding State Revolving Fund loan agreements. The lien position of each series of Refunding Bonds is dependent upon the TLDA's approval as well as the Comptroller's approval of the issuance of balloon indebtedness.

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

Balloon Indebtedness

The City determined the structures of the Series 2019A Refunding Bonds and the Series 2019C Refunding Bonds as presented in the Plan are balloon indebtedness and therefore, submitted a separate request for approval of a plan of balloon indebtedness. Approval of the Director of the Office of State and Local Finance is required prior to the District adopting the resolution authorizing the issuance of balloon indebtedness. The balloon indebtedness is approved in a separate letter dated October 30, 2019.

City's Proposed Refunding Objectives

The Refunding Bonds are being issued to provide overall debt service savings.

Refunding Analysis

Series 2019A Refunding Bonds

- The results of the refunding assume that the City intends to sell $4,025,000 Series 2019A Refunding Bonds by competitive sale and priced at an estimated premium of $124,445.

- The Series 2019A Refunding Bonds will current refund $4,015,000 outstanding General Obligation Refunding and Improvement Bonds, Series 2012A (Tax Exempt) ("Series 2012A Bonds"), maturing June 1, 2020 through June 1, 2037.

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- The Series 2019A Refunding Bonds are structured as balloon indebtedness due to the underlying structure of the Series 2012A Bonds being refunded. Approval to issue the bonds will be addressed separately from this report.

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Bond & Disclosure Counsel	3.00	12,075.00
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Miscellaneous	0.08	306.14
Total Cost of Issuance	$ 22.03	$ 88,657.91

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- The results of the refunding assume that the City intends to sell $2,390,000 Series 2019B Taxable Refunding Bonds by competitive sale and priced at an estimated premium of $4,779.

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- The estimated net present value debt service savings is $48,998, or 2.12% of the amount of the outstanding Series 2012B Bonds. Savings will be achieved by lowering the average coupon from 2.97% on the Series 2012B Bonds to 2.08% on the Series 2019B Taxable Refunding Bonds.

- The Series 2012B Bonds were issued as federally taxable bonds because the project they financed was not eligible to be financed with tax-exempt debt. Therefore, subsequent refundings must be issued as federally taxable debt.

- The estimated cost of issuance of the Series 2019B Taxable Refunding Bonds is $52,644 or $22.03 per $1,000. See Table 2 for detailed costs of issuance.

Table 2
Costs of Issuance
Series 2019B Taxable Refunding Bonds

	Amount	Price per $1,000 Bond
Estimated Underwriter's Discount (TBD)	$ 8.00	$ 19,120.00
Municipal Advisor (Kidwell & Company)	10.00	23,900.00
Bond & Disclosure Counsel	3.00	7,170.00
Rating Agency	0.95	2,272.30
Miscellaneous	0.08	181.78
Total Cost of Issuance	$ 22.03	$ 52,644.08

Series 2019C Refunding Bonds

- The results of the refunding assume that the City intends to sell $19,880,000 Series 2019C Refunding Bonds by competitive sale and priced at an estimated premium of $1,013,232.

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$20,276,351	Total Refunded Bonds	

- The estimated net present value debt service savings is $606,221, or 2.99% of the amount of the outstanding bonds being refunded by the Series 2019C Refunding Bonds. Savings will be achieved by lowering the average coupon from 2.81% on the aforementioned bonds to 2.77% on the Series 2019C Refunding Bonds.

- The estimated cost of issuance of the Series 2019C Refunding Bonds is $437,893 or $22.03 per $1,000. See Table 3 for detailed costs of issuance.

Table 3
Costs of Issuance
Series 2019C Refunding Bonds

	Amount	Price per $1,000 Bond
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Bond & Disclosure Counsel	3.00	59,640.00
Rating Agency	0.95	18,900.93
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Total Cost of Issuance	$ 22.03	$ 437,893.01

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

If the City does not refund all the bonds they plan to refund and the City wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this office for review.

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

Sandra Thompson

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

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

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

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

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

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

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1. **Public Entity**

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

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

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

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

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

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

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

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

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

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

State Form No. CT-0253
Revised Effective 7/1/19

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 _____

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 _____, and presented at public meeting held on _____

Copy to Director to OSLF: on _____ either by:

☐ Mail to:
Cordell Hull Building
425 Fifth Avenue North, 4th Floor
Nashville, TN 37243-3400

OR

☐ Email to:
SLF.PublicDebtForm@cot.tn.gov

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name		
Title		
Firm		
Email		
Date		

TENNESSEE
COMPTROLLER
OF THE TREASURY

JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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October 30, 2019

Honorable James S. Mayberry, Mayor
and Honorable City Council
City of Crossville
392 North Main Street
Crossville, TN 38555-4232

Dear Mayor Mayberry and Members of the Council:

The City of Crossville (the "City") submitted a request to our office for the approval of a plan of balloon indebtedness (the "Plan"), to issue (1) not to exceed $4,300,000 General Obligation Refunding Bonds, Series 2019A (Tax-Exempt) (the "Series 2019A Refunding Bonds"); (2) not to exceed $2,550,000 General Obligation Refunding Bonds, Series 2019B (Federally Taxable) (the "Series 2019B Taxable Refunding Bonds"); and (3) not to exceed $21,250,000 Water and Sewer Tax and Revenue Refunding Bonds Series 2019C (Tax-Exempt) (the "Series 2019C Refunding Bonds").

- The Series 2019A Refunding Bonds will current refund $4,015,000 outstanding General Obligation Refunding and Improvement Bonds, Series 2012A (Tax Exempt) ("Series 2012A Bonds"), maturing June 1, 2020 through June 1, 2037.
- The Series 2019C Refunding Bonds will current refund the callable maturities of the outstanding bonds described below:

Amount Outstanding	Issue Name	Maturities
$8,125,000	Water & Sewer Rev & Tax Refunding & Improvement Bonds, Series 2012C	June 1, 2020 through June 1, 2032
$1,422,809	SRF Drinking Water Loan #00-020	June 1, 2020 through June 1, 2024
$1,376,613	SRF Clean Water Loan #2009-087	June 1, 2020 through June 1, 2028
$1,537,929	SRF Drinking Water Loan #2009-225	June 1, 2020 through June 1, 2028
$5,169,000	Loan Agreement with PBA of Clarksville, dated October 1, 2014	June 1, 2020 through June 1, 2034
$2,645,000	Loan Agreement with PBA of Clarksville, dated July 31, 2014	June 1, 2020 through June 1, 2028
$20,276,351	Total Refunded Bonds	

Balloon Indebtedness

The proposed Series 2019A and Series 2019C refunding bonds are structured to be issued as balloon debt. The Series 2012A Bonds being refunded by the Series 2019A Refunding Bonds were issued as tax-exempt debt to provide for reductions to the City's annual debt service requirements that allowed for the City to conduct its operations with stable tax and user rates. A portion of the proceeds of the Series 2012A Bonds financed new capital projects. Series 2012B bonds were issued simultaneously with the Series 2012A Bonds as federally taxable debt to reimburse the City

funds it had already expended on the projects because the project resolution did not authorize such reimbursement which resulted in the Series 2012A Bonds having a balloon debt structure as defined by statute.

The structure of the Series 2019C Bonds is defined as balloon indebtedness under T.C.A. § 9-21-134 because some maturities are more than 50% greater than the lowest prior maturity.

The City stated in its Plan that issuing this debt as balloon indebtedness will generate debt service savings for the City which is in the public's interest.

Approval

The comptroller of the treasury or the comptroller's designee shall evaluate each plan of balloon indebtedness based on the plan's particular circumstances and shall approve the plan only if a determination is made that the repayment structure is in the public's interest. Based on the review of the Plan in accordance with statute, the Plan is approved.

If you should have questions or need assistance, please feel free to contact your financial analyst, Lori Barnard, at 615.747.5347 or Lori.Barnard@cot.tn.gov. You may also contact our office by mail at the address located at the bottom of this page. Please send it to the attention of your analyst at the Office of State and Local Finance.

Sincerely,

Sandra Thompson
Director of State & Local Finance

cc: Ms. Jean Suh, Audit Review Manager, Division of Local Government Audit, COT
Mr. Fred Houston, Finance Director, City of Crossville
Mr. Larry Kidwell, Kidwell & Company
Mr. Ben Regen, White & Regen, PLC