

**PLAN OF REFUNDING
CITY OF MUNFORD, TENNESSEE**

DATED DECEMBER 13, 2016

Pursuant to those certain guidelines, dated March 7, 2011, below is the required information in connection with a proposed fixed rate PBA loan to be entered into by the City of Munford (the "City"):

Entity Information:

Board of Mayor and Aldermen
City of Munford, Tennessee
1397 Munford Avenue
Munford, Tennessee 38058

Peter Colin, City Manager
Email: pcolin@munford.com

Sherry Yelvington, City Recorder
Email: syelvington@munford.com

We have been assisted by The Tennessee Municipal Bond Fund in obtaining interest rates on the proposed refunding note issue. The contact information is below:

Tennessee Municipal Bond Fund
Linda Mooningham, Legal Coordinator
226 Capitol Boulevard, Suite 502
Nashville, Tennessee 37219

Phone: 615-255-1561
Email: lmooningham@tmbf.net

Timing:

The Board of Mayor and Aldermen would like to consider the necessary resolution authorizing the City to enter into a fixed rate loan with The Public Building Authority of the City of Clarksville, Tennessee (the "Authority"), at its regular scheduled meeting to be held on December 27, 2016.

Specific Request:

The City is proposing to enter into a Loan Agreement with the Authority, pursuant to the provisions of Title 12, Chapter 10, Tennessee Code Annotated, as amended, including specifically TCA 12-10-116, which requires a plan of refunding be filed if the loan agreement is being entered into for the purpose of refunding debt of a municipal corporation.

Therefore, the City is requesting a report of review on the plan of refunding submitted pursuant to Section 9-21-903, Tennessee Code Annotated, as amended.

Purpose of Refunding:

The City wishes to refund a portion of an outstanding variable rate loan with the Authority by means of a fixed rate loan with the Authority for the purpose of reducing the City's exposure to variable rate debt.

Statement of Compliance with City Debt Policy:

The City's Debt Policy provides for refinancing outstanding debt for various purposes, including when it is in the best financial interest of the City to do so. We have reviewed a refunding proposal after analyzing the variable rate loan as a refunding opportunity. The City has determined that it is in the best interest of the City to prepay a portion of the outstanding variable rate loan in order to obtain a fixed rate thereby reducing the City's exposure to variable rate debt. The City will also comply with the other provisions of the Debt Policy in connection with the refunding issue.

Debt to be Refunded:

The City has heretofore incurred indebtedness by the execution of that certain Loan Agreement, dated May 12, 2016, in the original principal amount of \$2,000,000, by and among the Authority, the City, and First Tennessee Bank National Association, maturing May 25, 2017 through May 25, 2036 (the "2016 Loan"), with a portion of the proceeds having been used to by the City to finance the gas system improvements and to pay costs incident to incurring the indebtedness.

The 2011 Loan is currently outstanding in the principal amount of \$1,074,841.34 and matures May 25, 2017 through May 25, 2036. The City will draw an additional \$170,158.66 in December of 2016 for costs of the project to make the outstanding loan amount \$1,245,000.

The City desires to leave the remaining \$755,000 principal amount available to be drawn for the gas system project at this time. When the City prepays the \$1,245,000 principal amount of the 2016 Loan, that amount will come off the end of the amortization schedule, thereby shortening the term of the 2016 Loan.

The City now desires to refund \$1,245,000 principal portion of the 2016 Loan by means of a fixed rate loan through the Authority (the "Loan").

The City has received an indicative interest rate quote of 3.04% for the fixed rate loan for a term of 20 years with the rate being locked in for seven (7) years.

The City wishes to currently refund a portion of the 2016 Loan in order to convert it to a fixed rate of interest in order to reduce the City's exposure to variable rate date.

The fixed rate loan will mature May 1, 2018 through May 1, 2036, based on level debt service.

The fixed rate loan will be a general obligation debt of the City but will also be payable from funds of the gas system of the City.

The loan evidenced by the Loan Agreement is subject to prepayment at the option of the City at any time at the price of par plus accrued interest and fees to the date of redemption.

Series 2016 loan to be refunded:

Loan Agreement by and among the City, PBA City of Clarksville, and First Tennessee Bank
Dated: May 12, 2016
Tax-exempt
Authorizing resolutions adopted by Board of Mayor and Aldermen February 22, 2016
Proceeds used as described above – maturity is not being extended
Attached is a copy of the CT-0253 which was filed in connection with the loan
Original Principal Amount \$4,500,000
Principal Currently Outstanding \$1,245,000*
Principal to be Refunded \$1,245,000
Current Interest Rate: VR

*Amount as of 12/31/2016

Refunding Debt – Fixed Rate Loan in the amount of not to exceed \$1,252,470

The Authority will issue a bond which will be sold to a bank as a private placement. The City will enter into a loan agreement with the Authority, and will use the proceeds of the Loan to, among other things, prepay a portion of the 2016 Loan.

Uses:

Redeem a portion of outstanding 2016 Loan on 02/15/2017	\$1,245,000
Costs of issuance of	\$7,470

Interest Rate:

The rate of interest on the Loan will be a fixed rate for a term of 20 years with the rate locked in for a term of 7 years and subject to adjustment at the end of 7 years.

Costs of Issuance:

The all-inclusive costs of issuance are \$7,470

Bond and Tax Counsel	\$ 1,252
PBA Counsel	\$ 1,000
TMBF	\$ 5,218

The costs of issuance are added to the fixed rate loan

Balloon Indebtedness

The City is aware that the loan is considered balloon indebtedness pursuant to T.C.A. Section 9-21-134(d) which would otherwise require approval of a plan of balloon indebtedness. However, the City intends to meet the requirements of the State Funding Board's Blanket Exemption under the Anti-Kicking the Can Act of 2014, which was approved at its December 16, 2014 meeting (the "Blanket Exemption"), which exempts the Loan from the statutory requirement for approval of a plan of balloon indebtedness. Section 1(c) of the enclosed Loan Resolution contains the language necessary to meet the requirements of the Blanket Exemption. The City will meet all of the other requirements of the Blanket Exemption, as well, in connection with the loan.

Sources and Uses of Funds:

The sources and uses of funds are set forth on the attached exhibit

SOURCES AND USES

Source of Funds

Fixed Rate Loan Proceeds	\$1,252.470
Total	\$1,252,470

Uses of Funds

Deposit to Current Refunding Account	\$ 1,245,000
Costs of Issuance	\$ 7,470
Total	\$ 1,252,470

**CURRENT DEBT SERVICE SCHEDULE FOR
2016 LOAN**

BOND DEBT SERVICE

CITY OF MUNFORD, TENNESSEE
\$2,000,000 VR LOAN - 20 YEARS

TENNESSEE MUNICIPAL BOND FUND
VARIABLE RATE LOAN PROGRAM

*** BUDGETING RATE OF 3% ***

*****FINAL*****

ASSUMES ALL PROCEEDS DRAWN AT CLOSING
PRINCIPAL PAYABLE ANNUALLY
INTEREST AND FEES PAYABLE MONTHLY

Dated and delivery date: May 12, 2016

LOAN FROM PBA CLARKSVILLE VARIABLE RATE LOCAL GOVERNMENT
LOAN PROGRAM BOND, SERIES 2016 (CITY OF MUNFORD GAS SYSTEM LOAN)

PURCHASER: FIRST TENNESSEE BANK NATIONAL ASSOCIATION
NASHVILLE, TENNESSEE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/12/2016					
05/25/2017	84,000	3.000%	62,166.67	146,166.67	146,166.67
05/25/2018	85,000	3.000%	57,480.00	142,480.00	142,480.00
05/25/2019	87,000	3.000%	54,930.00	141,930.00	141,930.00
05/25/2020	88,000	3.000%	52,320.00	140,320.00	140,320.00
05/25/2021	90,000	3.000%	49,680.00	139,680.00	139,680.00
05/25/2022	92,000	3.000%	46,980.00	138,980.00	138,980.00
05/25/2023	93,000	3.000%	44,220.00	137,220.00	137,220.00
05/25/2024	95,000	3.000%	41,430.00	136,430.00	136,430.00
05/25/2025	97,000	3.000%	38,580.00	135,580.00	135,580.00
05/25/2026	99,000	3.000%	35,670.00	134,670.00	134,670.00
05/25/2027	100,000	3.000%	32,700.00	132,700.00	132,700.00
05/25/2028	102,000	3.000%	29,700.00	131,700.00	131,700.00
05/25/2029	104,000	3.000%	26,640.00	130,640.00	130,640.00
05/25/2030	106,000	3.000%	23,520.00	129,520.00	129,520.00
05/25/2031	108,000	3.000%	20,340.00	128,340.00	128,340.00
05/25/2032	110,000	3.000%	17,100.00	127,100.00	127,100.00
05/25/2033	112,000	3.000%	13,800.00	125,800.00	125,800.00
05/25/2034	114,000	3.000%	10,440.00	124,440.00	124,440.00
05/25/2035	116,000	3.000%	7,020.00	123,020.00	123,020.00
05/25/2036	118,000	3.000%	3,540.00	121,540.00	121,540.00
	2,000,000		668,256.67	2,668,256.67	2,668,256.67

**PROPOSED DEBT SERVICE SCHEDULE FOR
FIXED RATE PBA LOAN
BASED ON INDICATIVE RATE**

BOND DEBT SERVICE

CITY OF MUNFORD, TENNESSEE
\$1,252,470 FR LOAN - 20 YEARS

TENNESSEE MUNICIPAL BOND FUND
FIXED RATE LOAN PROGRAM

***BASED ON INDICATIVE RATE FOR 20 YEAR TERM WITH
7 YEAR RATE ADJUSTMENT***

PRINCIPAL PAYABLE ANNUALLY; INTEREST PAYABLE SEMIANNUALLY

Dated at: February 1, 2017

REFUNDING OF \$1,245,000 PRINCIPAL AMOUNT OF A VARIABLE RATE
LOAN, DATED MAY 12, 2016, IN THE ORIGINAL PRINCIPAL AMOUNT
OF \$2,000,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2017					
05/01/2017			9,518.77	9,518.77	9,518.77
11/01/2017			19,037.54	19,037.54	
05/01/2018	49,470	3.040%	19,037.54	68,507.54	87,545.08
11/01/2018			18,285.60	18,285.60	
05/01/2019	51,000	3.040%	18,285.60	69,285.60	87,571.20
11/01/2019			17,510.40	17,510.40	
05/01/2020	53,000	3.040%	17,510.40	70,510.40	88,020.80
11/01/2020			16,704.80	16,704.80	
05/01/2021	54,000	3.040%	16,704.80	70,704.80	87,409.60
11/01/2021			15,884.00	15,884.00	
05/01/2022	56,000	3.040%	15,884.00	71,884.00	87,768.00
11/01/2022			15,032.80	15,032.80	
05/01/2023	58,000	3.040%	15,032.80	73,032.80	88,065.60
11/01/2023			14,151.20	14,151.20	
05/01/2024	60,000	3.040%	14,151.20	74,151.20	88,302.40
11/01/2024			13,239.20	13,239.20	
05/01/2025	61,000	3.040%	13,239.20	74,239.20	87,478.40
11/01/2025			12,312.00	12,312.00	
05/01/2026	63,000	3.040%	12,312.00	75,312.00	87,624.00
11/01/2026			11,354.40	11,354.40	
05/01/2027	65,000	3.040%	11,354.40	76,354.40	87,708.80
11/01/2027			10,366.40	10,366.40	
05/01/2028	67,000	3.040%	10,366.40	77,366.40	87,732.80
11/01/2028			9,348.00	9,348.00	
05/01/2029	69,000	3.040%	9,348.00	78,348.00	87,696.00
11/01/2029			8,299.20	8,299.20	
05/01/2030	71,000	3.040%	8,299.20	79,299.20	87,598.40
11/01/2030			7,220.00	7,220.00	
05/01/2031	73,000	3.040%	7,220.00	80,220.00	87,440.00
11/01/2031			6,110.40	6,110.40	
05/01/2032	76,000	3.040%	6,110.40	82,110.40	88,220.80
11/01/2032			4,955.20	4,955.20	
05/01/2033	78,000	3.040%	4,955.20	82,955.20	87,910.40
11/01/2033			3,769.60	3,769.60	
05/01/2034	80,000	3.040%	3,769.60	83,769.60	87,539.20

BOND DEBT SERVICE

CITY OF MUNFORD, TENNESSEE
\$1,252,470 FR LOAN - 20 YEARS

TENNESSEE MUNICIPAL BOND FUND
FIXED RATE LOAN PROGRAM

***BASED ON INDICATIVE RATE FOR 20 YEAR TERM WITH
7 YEAR RATE ADJUSTMENT***

PRINCIPAL PAYABLE ANNUALLY; INTEREST PAYABLE SEMIANNUALLY

Dated at: February 1, 2017

REFUNDING OF \$1,245,000 PRINCIPAL AMOUNT OF A VARIABLE RATE
LOAN, DATED MAY 12, 2016, IN THE ORIGINAL PRINCIPAL AMOUNT
OF \$2,000,000

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2034			2,553.60	2,553.60	
05/01/2035	83,000	3.040%	2,553.60	85,553.60	88,107.20
11/01/2035			1,292.00	1,292.00	
05/01/2036	85,000	3.040%	1,292.00	86,292.00	87,584.00
	1,252,470		424,371.45	1,676,841.45	1,676,841.45

FORM 8038 STATISTICS REPORT

CITY OF MUNFORD, TENNESSEE
\$1,252,470 FR LOAN - 20 YEARS

TENNESSEE MUNICIPAL BOND FUND
FIXED RATE LOAN PROGRAM

***BASED ON INDICATIVE RATE FOR 20 YEAR TERM WITH
7 YEAR RATE ADJUSTMENT***

PRINCIPAL PAYABLE ANNUALLY; INTEREST PAYABLE SEMIANNUALLY

Dated at: February 1, 2017

REFUNDING OF \$1,245,000 PRINCIPAL AMOUNT OF A VARIABLE RATE
LOAN, DATED MAY 12, 2016, IN THE ORIGINAL PRINCIPAL AMOUNT
OF \$2,000,000

Dated Date 02/01/2017
Delivery Date 02/01/2017

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
LEVEL:						
	05/01/2018	49,470.00	3.040%	100.000	49,470.00	49,470.00
	05/01/2019	51,000.00	3.040%	100.000	51,000.00	51,000.00
	05/01/2020	53,000.00	3.040%	100.000	53,000.00	53,000.00
	05/01/2021	54,000.00	3.040%	100.000	54,000.00	54,000.00
	05/01/2022	56,000.00	3.040%	100.000	56,000.00	56,000.00
	05/01/2023	58,000.00	3.040%	100.000	58,000.00	58,000.00
	05/01/2024	60,000.00	3.040%	100.000	60,000.00	60,000.00
	05/01/2025	61,000.00	3.040%	100.000	61,000.00	61,000.00
	05/01/2026	63,000.00	3.040%	100.000	63,000.00	63,000.00
	05/01/2027	65,000.00	3.040%	100.000	65,000.00	65,000.00
	05/01/2028	67,000.00	3.040%	100.000	67,000.00	67,000.00
	05/01/2029	69,000.00	3.040%	100.000	69,000.00	69,000.00
	05/01/2030	71,000.00	3.040%	100.000	71,000.00	71,000.00
	05/01/2031	73,000.00	3.040%	100.000	73,000.00	73,000.00
	05/01/2032	76,000.00	3.040%	100.000	76,000.00	76,000.00
	05/01/2033	78,000.00	3.040%	100.000	78,000.00	78,000.00
	05/01/2034	80,000.00	3.040%	100.000	80,000.00	80,000.00
	05/01/2035	83,000.00	3.040%	100.000	83,000.00	83,000.00
	05/01/2036	85,000.00	3.040%	100.000	85,000.00	85,000.00
		1,252,470.00			1,252,470.00	1,252,470.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2036	3.040%	85,000.00	85,000.00			
Entire Issue			1,252,470.00	1,252,470.00	11.146	3.0403%	3.0400%

COPY OF CT-0253'S FILED FOR THE 2016 LOAN



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

June 17, 2016

Honorable Dwayne Cole, Mayor
City of Munford
1397 Munford Avenue
Munford, TN 38058

Dear Mayor:

This letter acknowledges receipt of the copy of the City of Munford's Report on Debt Obligation. The report was received by this Office on June 9, 2016.

Thank you for sending the City's report to this Office. Enclosed is a date stamped copy of the report for your records. Should there be any questions, please do not hesitate to call us.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Thompson".

Sandra Thompson
Director of the Office of State and Local Finance

Cc: Mrs. Linda Mooningham, Tennessee Municipal Bond Fund
Enclosures (1): Date stamped copy of State Form CT-0253, Report on Debt Obligation.

Received Date: June 9, 2016

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:
 Name: City of Munford, Tennessee
 Address: 1397 Munford Avenue
Munford, TN 38058
 Debt Issue Name: Loan Agreement between PBA City of Clarksville and City of Munford
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

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

3. Interest Cost: _____ % Tax-exempt Taxable
 TIC NIC
 Variable: Index SIFMA plus 105 basis points; or
 Variable: Remarketing Agent _____
 Other: _____

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

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

6. Purpose:

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %	<u>gas system improvements</u>
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

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

8. Type of Sale:
 Competitive Public Sale Interfund Loan
 Negotiated Sale Loan Program PBA City of Clarksville
 Informal Bid

9. Date:
 Dated Date: 05/12/2016 Issue/Closing Date: 05/12/2016

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2017	\$ 84,000.00	%	2028	\$ 102,000.00	%
2018	\$ 85,000.00	%	2029	\$ 104,000.00	%
2019	\$ 87,000.00	%	2030	\$ 106,000.00	%
2020	\$ 88,000.00	%	2031	\$ 108,000.00	%
2021	\$ 90,000.00	%	2032	\$ 110,000.00	%
2022	\$ 92,000.00	%	2033	\$ 112,000.00	%
2023	\$ 93,000.00	%	2034	\$ 114,000.00	%
2024	\$ 95,000.00	%	2035	\$ 116,000.00	%
2025	\$ 97,000.00	%	2036	\$ 118,000.00	%
2026	\$ 99,000.00	%		\$	%
2027	\$ 100,000.00	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 2,000	Bone McAllester Norton
Issuer's Counsel	\$ 1,000	Runyon and Runyon
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
10	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 400	Bank of New York Mellon
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____%		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 8,600	TMBF administration, legal fees, and expenses
TOTAL COSTS	\$ 12,000	

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs:

No Recurring Costs

	AMOUNT (Basis points/3)	FIRM NAME (If different from #11)
Remarketing Agent		
Paying Agent / Registrar		
Trustee	125	
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin	15 BP's	Tennessee Municipal Bond Fund
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 11/28/2011

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 5/23/16 and presented at public meeting held on 5/23/16

Copy to Director to OSLF: on 6/9/16 either by:

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

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

18. Signatures:

	AUTHORIZED REPRESENTATIVE	PREPARER
Name	<u>Dwayne Cole</u>	
Title	<u>Mayor</u>	<u>Administrator</u>
Firm		<u>Tennessee Municipal Bond Fund</u>
Email	<u>dcole@munford.com</u>	<u>lmooningham@tmbf.net</u>
Date	<u>5/12/16</u>	