RESOLUTION No2019-04-01

To the HONORABLE MICHAEL HERRELL, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 22nd day of April, 2019.

RESOLUTION IN REF: APPOINTMENT OF PATRICK LUND TO FILL THE VACATED SEAT OF TONY BURCHFIELD ON THE HAWKINS COUNTY INDUSTRIAL BOARD WITH TERM ENDING DECEMBER 31, 2024

WHEREAS, on Resolution #2018-12-01, Tony Burchfield was re-appointed for a six (6) year term beginning January 1, 2019 and ending December 31, 2024; and

WHEREAS, due to a work opportunity, Mr. Burchfield has given a letter of resignation to the Hawkins County Industrial Board dated February 28, 2019; and

WHEREAS, at the March 28, 2019 meeting of the Hawkins County Industrial Board, the board voted to appoint Patrick Lund to complete the term on the Industrial Board.

THEREFORE, BE IT RESOLVED THAT Patrick Lund be appointed to the Hawkins County Industrial Board to complete the term of Mr. Tony Burchfield, ending December 31, 2024,

Introduced By Esq. Nancy Barker

Seconded By Esq.__________

Date Submitted 4-8-2019

Nancy L. Davis

County Clerk

By: __________

Chairman__________

Mayor__________
Jim Lee, County Mayor

ACTION:	AYE	NAY	PASSED
Roll Call			
Voice Vote			
Absent			

COMMITTEE ACTION

Mayor's Action: Approved______ **Veto**______

RESOLUTION

No2019/ 04 / 02

To the HONORABLE MICHAEL HERRELL, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 22nd day of April, 2019.

RESOLUTION IN REF: **APPOINTMENT TO THE HAWKINS COUNTY PLANNING COMMISSION IN THE 4th & 5th DISTRICT**

WHEREAS, the Hawkins County Planning Commission District 4 & 5 seat term has expire; and

WHEREAS, each district is to have a representative, therefore the person(s) and term being recommended for appointment is as follows:

District 4	Lynn Norris	November 30, 2021
District 5	Bill Phillips	November 30, 2021

Other Planning Commission members are:

District 1	Garret White	November 30, 2019
District 2	John Eidson	November 30, 2020
District 3	Thomas Hicks	November 30, 2020
District 6	Charlie Brooks	November 30, 2019
District 7	Mike Lacey	November 30, 2019
At Large Member	Gaye Murrell	November 30, 2019

Road Superintendent – Lowell Bean - term to correspond with respective term in office

Non-Voting Members -

County Mayor- Jim Lee - term to correspond with their respective terms in office.
Hawkins Co. Industrial Board – Larry Elkins, Board Chairman

THEREFORE, BE IT RESOLVED THAT the above reference person be appointed to the Hawkins County Planning commission with terms ending as stated.

Introduced By Esq. **Glenda Davis**

Seconded By Esq.__________

Date Submitted 4-8-2019

Nancy H Davis

County Clerk

By: __________

Chairman__________

Mayor__________

Jim Lee, Mayor

ACTION:	**AYE**	**NAY**	**PASSED**
Roll Call			
Voice Vote			
Absent			

COMMITTEE ACTION

____

____

Mayor's Action: **Approved**______ **Veto**______

RESOLUTION

No. 2019/04/03

To the HONORABLE MICHAEL HERRELL, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 22nd day of April, 2019.

RESOLUTION IN REF: PROVISION OF HEALTH INSURANCE TO THE SURVIVING SPOUSES AND CHILDREN OF FIRST RESPONDERS KILLED IN THE LINE OF DUTY

WHEREAS, several Hawkins County Deputies and First Responders have previously been killed in the line of duty, and

WHEREAS, the Hawkins County Commission is deeply appreciative of the risk taken by those in the line of duty, and

WHEREAS, Tennessee Code Annotated § 8-27-404 allows counties to offer health insurance benefits to first responders employed full-time by the county, with such counties having the option to continue to provide health insurance benefits to the surviving spouse and children, including any unborn child, of a first responder killed in the line of duty for a period not to exceed two years (24 months) after the death of the first responder, and

WHEREAS, if such county offers or provides health insurance benefits in accordance with this TCA section, the county shall notify the state commissioner of finance and administration and the state shall reimburse the county in an amount equal to that portion of health insurance premiums and benefits for which the county is responsible under the health insurance policy, and

WHEREAS, the Hawkins County Board of Commissioners wishes to honor the families of first responders killed in the line of duty and provide such benefits, and

WHEREAS, upon the death of any participant in the county's health insurance plan the surviving spouse or children of the participant would be entitled to continue the existing coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits for 36 months following such death, now

THEREFORE, BE IT RESOLVED, that the insurance in effect at the time of the first responder's death shall be continued for up to 24 months through COBRA and paid for fully by the county, and if necessary, for an additional 12 months with the surviving spouse and children being responsible for the cost, and

BE IT FURTHER RESOLVED, that notification will be given to the state commissioner of finance and administration that such coverage has been put in place and state reimbursement for 70% of such coverage will be requested.

Introduced By Esq. Jefff Barrett and Mark Dewitt, Chrmn Ins. Comm

Seconded By Esq._

Date Submitted 4-8-2019

Nancy S Davis

County Clerk

By: ______________________

Chairman______________________

Mayor______________________
Jim Lee, County Mayor

ACTION:	**AYE**	**NAY**	**PASSED**
Roll Call			
Voice Vote			
Absent			

COMMITTEE ACTION

____

____

Mayor's Action: Approved__________ **Veto**__________

RESOLUTION No. 2019 / 04 / 04

To the Honorable Michael J. Herrell, Chairman, and Members of the Hawkins County Board of Commissioners in Regular Session, met this 22nd day of April, 2019.

RESOLUTION IN REF: **ADOPTING AN AMENDED AND RESTATED DEBT MANAGEMENT POLICY FOR HAWKINS COUNTY, TENNESSEE**

WHEREAS, Hawkins County adopted a debt management policy on November 3, 2011 to promote and implement improved financial decisions; and,

WHEREAS, to further the goals and objectives of the original debt management policy, the County now desires to amend and restate the policy by adopting the attached.

Introduced By Esq. **John Metz, Chairman – Budget Comm.**

Seconded By Esq.__________

Date Submitted 4-8-2019

____
County Clerk

By: __________

Chairman__________

Mayor__________
Jim Lee, Mayor

ACTION:	**AYE**	**NAY**	**PASSED**
Roll Call			
Voice Vote			
Absent			

COMMITTEE ACTION

____

____

Mayor's Action: Approved__________ **Veto**__________

A RESOLUTION ADOPTING AN AMENDED AND RESTATED DEBT MANAGEMENT POLICY FOR HAWKINS COUNTY, TENNESSEE

WHEREAS, the Hawkins County, Tennessee (the "County"), has heretofore adopted a debt management policy on November 3, 2011 (the "Original Policy"), to promote and implement improved financial decisions, provide clear objectives, demonstrate strong financial practices and distinguish policy decisions;

WHEREAS, the goal of the Original Policy was to assist decision-makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired;

WHEREAS, the Original Policy was to generate greater stability over the long-term by using consistent guidelines in issuing debt; and

WHEREAS, to further the foregoing goals and objectives of the Original Policy, the County now desires to amend and restate the Original Policy by adopting an amended and restated debt management policy (the "New Policy") to supplement and clarify its debt management practices.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hawkins County, Tennessee, that the New Policy, as attached to this resolution, shall be adopted by Hawkins County, Tennessee, in its entirety, and that the Original Policy is hereby repealed.

THAT THIS RESOLUTION SHALL TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

Passed this 22nd day of April, 2019.

____
Mayor

ATTEST:

____
County Clerk

<u>EXHIBIT</u>

Amended and Restated Debt Management Policy

26367826.1

HAWKINS COUNTY
TENNESSEE

Debt Management Policy

Originally Adopted: November 03, 2011
Amended and Formally Adopted: April 22, 2019

TABLE OF CONTENTS

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 Hawkins 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 updated policy amends the previously adopted Debt Policy on November 03, 2011.

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.

Hawkins 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
- Regularly review this Debt Policy and perform a risk assessment on debt management process and related internal controls

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
- To issue debt with a level or declining payment structure to create future debt capacity and financial flexibility
- To manage and mitigate the impact of past balloon indebtedness on the County's revenues

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.

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 Finance Director in conjunction with any Financial Professionals that the County may choose 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

It is in the best interest of the County's citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity.

The County shall plan 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. The County shall aspire to an overall declining debt payment structure, whenever possible, to permit future debt capacity within the projected debt service payment revenue stream. 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 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) Balloon Debt

It is in the best interest of the citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity. Balloon indebtedness does not generally meet these objectives. The County Commission will make sure to additionally comply with T.C.A. § 9-21-134 and its Balloon Debt Management Plan, as attached as Exhibit A. This will include the requirements for balloon indebtedness found in the Tennessee State Funding Board's guidance on debt management policies and balloon indebtedness.

5) 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 Finance Director and/or Financial Professionals, if any, with respect to the value of the call option.

6) Original Issuance Discount/Premium

Debt with original issuance discount/premium will be permitted.

7) Deep Discount Bonds

Deep discount debt may provide a lower cost of borrowing in certain capital markets. The Mayor and Finance 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 Finance Director and/or Financial Professionals, if any, determine that such an instrument is economically feasible.

2) <u>Duration</u>

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. Additionally, the County will strive to issue the long-term Debt with a level or declining payment structure.

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) <u>Interest Rate Modes</u>

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 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 35% 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 Finance 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 Finance 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 currently has outstanding its Series VII-A-1 Loan Agreement that is swapped to a synthetic fixed interest rate. The County will not enter into any additional 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.

VIII. REFINANCING OUTSTANDING DEBT

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

1) <u>Debt Service Savings</u>

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 Chief Executive.

2) <u>Balloon Debt</u>

It is in the best interest of the citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity. Balloon indebtedness does not generally meet these objectives. The County Commission will make sure to additionally comply with T.C.A. § 9-21-134 and its Balloon Debt Management Plan, as attached as Exhibit A. This will include the requirements for balloon indebtedness found in the Tennessee State Funding Board's guidance on debt management policies and balloon indebtedness.

3) <u>Restructuring for economic purposes</u>

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. The County will strive to issue refunding debt with a level or declining debt payment structure and whenever possible mitigate previously issued balloon indebtedness structures.

4) <u>Term of Refunding Issues</u>

Normally, the County will refund Debt equal to or within its existing term. However, the Mayor and Finance 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 Finance 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.

5) 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 Finance 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.

6) 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 Finance Director may consult with a Financial Professional regarding the method of sale of Debt. Subject to approval by the Legislative Body, the Mayor and Finance 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.

In a competitive sale, a financial advisor may not bid on an issue for which they are providing advisory services.

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 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) <u>Private Placement</u>

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) <u>Financial Professionals</u>

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) <u>Miscellaneous</u>

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.

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.

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. INTERNAL CONTROLS

In accordance with the requirements of T.C.A. § 9-18-102, the County Commission using its audit committee and appropriate County personnel shall perform a risk assessment of the debt management process to put into place effective internal controls to implement the Debt Policy.

XIII. 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 Commission 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.

The County Commission shall regularly review this Debt Management Policy and perform a risk assessment on the related internal control procedures and debt management process. Further, the Debt Policy will be reviewed from time to time as circumstances, such as prior to the planning of new debt issuances, rules and regulations warrant. Any amended Debt Policy will be filed with the Office of State and Local Finance in accordance with the State Funding Board requirements.

2) Designated Official

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

EXHIBIT A

HAWKINS COUNTY
TENNESSEE

Balloon Debt Management Plan

TABLE OF CONTENTS

Hawkins County, Tennessee
Balloon Debt Management Plan

I. INTRODUCTION

This Balloon Debt Management Plan (the "Debt Plan") is a written guideline to manage, reduce, and mitigate the effect of existing balloon indebtedness on the County's financial condition and to issue future debt structured with level principal payments or a level debt amortization. The County has previously issued balloon indebtedness as defined by Public Chapter 766, Acts of 2014 ("Balloon Debt"). This outstanding Balloon Debt has reduced the County's future capacity to issue debt and its financial flexibility to meet future needs. The purpose of this Debt Plan is to improve the quality of management and legislative decisions for the County regarding the structure of its current and future debt issuances consistent with the County's Debt Management Policy's ("DMP") goals and to do what is in the best interest of the County and its taxpayers.

> ***Policy Statement***: It is in the best interest of the County's citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid, the real cost of debt, and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity. Balloon indebtedness does not generally meet these objectives.

This Debt Plan formally establishes parameters for structuring debt and managing a debt portfolio that considers:

- specific current capital improvement needs,
- future capital improvement needs,
- ability to repay financial obligations,
- impact on future debt capacity and revenues available for operations, and
- existing legal, economic, and financial market conditions.

Specifically, the intent of the plan outlined in this document is to assist in the following:

- To guide the County Commission in debt issuance decisions
- To establish a County Commission policy to issue new money debt that is not balloon indebtedness as defined by T.C.A. § 9-21-134
- To manage and mitigate the County's currently outstanding Balloon Debt
- To create future debt capacity
- To promote sound financial management
- To protect the County's credit rating

The Debt Plan will be focused on the County's General Debt Service Fund.

The County Commission will regularly review this Debt Plan and its DMP and make revisions and updates, if warranted. The County Commission will utilize this Debt Plan with its DMP when planning future debt issues. If the County Commission plans to issue Balloon Debt in the future, it will review this Debt Plan and ensure it follows the Debt Plan guidance.

II. GOALS AND OBJECTIVES

The County's goal is to issue debt structured in a manner that:

- minimizes the real cost of debt: interest payments;
- creates future debt capacity within its projected future revenue stream to meet the County's capital needs; and
- provides financial flexibility by reducing future calls on the County's revenues for annual debt service.

Objective 1: Create future debt capacity within the projected debt service revenue stream with an overall declining structure for the County's debt portfolio and the flexibility to use that debt service revenue stream for future operations or other needs of the County.

Objective 2: Issue new debt with a level or declining debt payment structure.

Objective 3: Manage the County's currently outstanding Balloon Debt in a manner that mitigates its effects on the County's future revenues, if possible, by:

- restructuring;
- early repayment;
- in extreme conditions and fiscal distress, delaying of capital projects until capacity is available to issue debt structured with level or declining payment;
- or such action available within its financial capacity to manage debt.

Objective 4: Understand any proposed transaction and reasonable alternatives before taking action

Objective 5: Explain to the County's citizens any proposed transaction including the cost and risks.

Objective 6: Protect and improve the County's credit rating by managing the County's current Balloon Debt and by issuing future debt with a level or declining payment structure.

Objective 7: Use the Debt Plan as a guide to determine when it is in the citizens' best interest to incur additional interest and other costs and risks incurred with the issuance of debt with a balloon structure.

III. HISTORY – Education Debt Service Fund

1. The Education Debt Service Fund is the fund that has issued debt for projects that would be defined as "Balloon Debt".
2. In 2004, the County created a master school funding plan to finance $16,000,000 of projects:
    a. The County issued what is now the Series VII-A-1 Loan Agreement as what is now defined as "Balloon Debt". This debt was issued to maximize the amount of funds available and minimize the tax increase necessary to fund the school building program.
3. In 2007, the County issued $9,700,000 of fixed rate "level" bonds with an average rate of 3.90% for schools
4. In 2008, the County created another master school funding plan that provided approximately $36,000,000 of funds for school improvements. The County increased revenues to pay for the master school building plan but also issued the debt over multiple years to fund the construction.
    a. The County considered all of its school capital needs in the master plan and had a goal of having overall relatively level debt service, taking into account all debt being issued.
    b. In 2009, the County issued $17,700,000 General Obligation School Bonds, Series 2009 (Federally Taxable Build America Bonds). The Series 2009 Bonds were issued as fixed rate "wrap" debt and had a final maturity 2038. The Series 2009 Bonds has a True Interest Cost (TIC) of 4.02% after the effects of the federal subsidy payment. The Series 2009 Bonds were issued to maximize the amount of funds available and minimize the tax increase necessary to fund the school building program.
    c. In 2010, the County interested into the fixed rate $27,745,000 Series B-15-A Loan Agreement. $10,850,000 of the Series B-15-A Loan was utilized for the school building program. The B-15-A Loan school portion was issued as fixed rate "wrap" debt to had a final maturity 2036. The B-15-A Loan Agreement had a True Interest Cost of 4.68%. The B-15-A Loan Agreement was issued to maximize the amount of funds available and minimize the tax increase necessary to fund the school building program.
        a. The B-15-A Loan Agreement associated with the schools was refinanced in 2015 to a 3.22% True Interest Cost.
    d. In 2011, the County issued the last portion of the bonds for the master school building program started in 2008. The $7,790,000 General Obligation Bonds, Series 2011 were issued as fixed rate "level" debt with a final payment in 2021. The County will have retired all but $260,000 of the Series 2011 Bonds as of May 1, 2019.

5. In 2016, the County issued the $9,730,000 General Obligation Refunding and Improvement Bonds, Series 2016. The Series 2016 Bonds allocated to the Education Debt Service Fund were issued as "level" fixed rate debt.

COUNTY'S EDUCATION DEBT SERVICE FUND DEBT

In the past, the County issued Balloon Debt as described by T.C.A. § 9-21-134.

a. As described above, the County has issued debt in the Education Debt Service Fund as Balloon Debt.

Impact of Outstanding Balloon Debt

- The County has placed a stronger emphasis on funding the Capital Project Fund to fund smaller projects and equipment purchase since a large portion of the revenues of the General Debt Service Fund and Education Debt Service Fund are utilized until 2036 and 2038, respectively.

At the time of the writing of this policy, under the current revenue stream, the County does not have sufficient debt capacity to issue any new debt for substantial capital needs. As a result, the County will not be able to issue future debt for new projects as level debt utilizing the existing revenue stream, as described by T.C.A. § 9-21-134. See attached County Debt Charts. However, the County currently does not have any major capital needs and realizes that future capital projects will take a new revenue sources to fund the debt service payments.

IV. PROCEDURE

The County Commission seeks to issue future debt for new large capital projects as level debt. The County Commission seeks to fund certain smaller capital projects using the monies appropriated and accumulated in the Capital Project Fund. The County Commission, within its available financial resources, seeks to take action to mitigate the effects of its currently outstanding Balloon Debt on the County's future revenues. The intent is to create sufficient future debt capacity to issue debt for capital projects without restructuring outstanding debt into Balloon Debt or issuing new money debt as Balloon Debt.

If it is determined that is in the public interest to issue New Debt, as defined under the "New Debt" heading below, or Outstanding Balloon Debt, as defined under the "Outstanding Balloon Debt" heading below, that results in an extension of the original final maturity, as defined below, as Balloon Debt, the County Mayor will present a Plan of Balloon Indebtedness as prepared by the County's staff and/or its supporting financial professionals, to the appropriate County Committee.

The Plan of Balloon Indebtedness will detail the transaction and explain why it is in the public's interest. The Plan of Balloon Indebtedness will include the requisite information as outlined in the sections below entitled New Debt and Outstanding Balloon Indebtedness, as applicable. A majority of the appropriate County Committee shall determine if the structure of the transaction described in the Plan of Balloon Indebtedness is in the public's interest and if it is to be submitted to the Office of State and Local Finance for approval. The Plan of Balloon Indebtedness will be submitted to the Office of State and Local Finance for approval in accordance with T.C.A. § 9-21-134 prior to the adoption of any authorizing resolution for debt structured as Balloon Debt.

If it is determined by the County Mayor as the Chief Executive Officer that is in the public interest to issue Outstanding Balloon Indebtedness that is a current refunding or an advance refunding that generates at least a 3.0% net present value savings, as a maturity to maturity refunding that results in Balloon Debt, the County Mayor may submit the maturity to maturity refunding Plan of Balloon Indebtedness as prepared by the County's staff and/or its supporting financial professionals, directly to Office of State and Local Finance for approval in accordance with T.C.A. § 9-21-134 prior to the adoption of any authorizing resolution for debt structured as Balloon Debt.

The Plan of Balloon Indebtedness will include the requisite information as outlined in the sections below entitled New Debt and Outstanding Balloon Indebtedness, as applicable, and why it is in the public's interest to issue Balloon Indebtedness.

A debt authorization resolution that structures the debt as Balloon Debt will not be adopted until approval of the Plan of Balloon Indebtedness is received from the Office of State and Local Finance. If the County Commission determines it will issue debt structured as Balloon Debt, it will provide the Plan of Balloon Indebtedness and the approval from the Office of State and Local Finance to the public.

New Debt

It is the desire of the County Commission to issue all new debt with a level debt structure. Balloon Debt structures can oftentimes increase the interest cost for a capital project, reduce future available debt capacity, and decrease the financial flexibility of the County Commission to use its revenue streams for other purposes. Such payment structures can sometimes be an indicator of financial stress. To comply with T.C.A. § 9-21-134 all new debt should be issued with a level debt or faster principal payment structure.

If the County Commission considers issuance of debt structured as Balloon Debt (as described by T.C.A. § 9-21-134) for future new projects, it will determine if it is in the public's best interest to utilize Balloon Debt. The County will ensure that any projected revenues used to secure debt will:

- be sufficient to pay for the debt being considered,

- be sufficient to pay all of its other existing outstanding debt service secured by the same projected revenues, and
- not hinder the County's ability to fund future capital needs or to fund future debt service in a level payment structure.

The County Commission shall also consider:

- the possible reduction of the County's future debt capacity within the current projected revenue stream; and
- the flexibility to use future revenues for other purposes.

The County Commission will evaluate the specific justification for issuing debt structured as Balloon Debt. At the time the County Commission considers whether a proposed debt issue with a Balloon Debt structure is in the public's best interest, it will disclose to the public an analysis which will include the following:

- the proposed debt structure, including the principal and interest payments, and terms and life of the debt issue;
- a schedule or graph showing the County's total debt service for the fund in which the proposed debt is being issued, both pre and post issuance, showing the revenue required to service the debt for each fiscal year debt remains outstanding.
- a schedule or graph showing the percentage of debt retired every five years on both the proposed debt and overall debt;
- a schedule(s) or graph(s) showing whether the proposed structure, when compared to a level debt structure:
    - increases the interest cost for a capital project,
    - reduces future available debt capacity, or
    - decreases the financial flexibility of the County Commission to use its revenue streams for other purposes compared to a level debt structure.

Outstanding Balloon Debt

The County Commission will manage currently outstanding Balloon Debt in a manner that mitigates its effects on the County's future revenues, if possible, by:

- restructuring;
- early repayment;
- in extreme conditions and fiscal distress, delaying of capital projects until capacity is available to issue debt structured with level or declining payment; or
- such action available within its financial capacity to manage debt.

Whenever possible, the County Commission seeks either to restructure such Balloon Debt into a more level debt payment structure or to repay at a faster rate than the original structure. This may be achieved by refunding debt on a maturity to maturity basis or more level structure when interest rate savings can be achieved or by prepaying debt early with cash.

If for savings, the County Commission considers issuing refunding debt structured as Balloon Debt (as described by T.C.A. § 9-21-134) to refund outstanding debt with a Balloon Debt structure, it will determine if it is in the public's best interest. In making its determination, the County Commission will consider whether the benefits of a Balloon Debt structure outweigh:

- the possible reduction of the County's future debt capacity within the current projected revenue stream; and
- the flexibility to use future revenues for other purposes.

The County Commission will be provided with an analysis that will allow it to determine that any projected revenues used to secure debt will:

- be sufficient to pay for the debt being considered,
- be sufficient to pay all of its other existing outstanding debt service secured by the same projected revenues, and
- not hinder the County's ability to fund future capital needs or to fund future debt service in a level payment structure.

For maturity to maturity refundings, the County Commission will evaluate the specific justification for issuing debt structured as Balloon Debt. At the time the County Commission considers whether a proposed debt issue with a Balloon Debt structure is in the public's best interest, it will disclose to the public an analysis which will include the following:

- the proposed debt structure, including the principal and interest payments, and terms and life of the debt issue, exhibiting that the proposed refunding debt's structure is more level or declining than the refunded debt's structure;
- a schedule or graph showing the County's total debt service for the fund in which the proposed debt is being issued, both pre and post issuance, showing the revenue required to service the debt for each fiscal year debt remains outstanding.
- a schedule or graph showing the percentage of debt retired every five years on both the proposed debt and overall debt;

Additionally, in addition to the above, if the County intends to extend the proposed debt for a term longer than the original debt as Balloon Debt and/or in a structure other than maturity to maturity the analysis will include:

- a schedule(s) or graph(s) showing whether the proposed structure, when compared to a level debt structure:
  - increases the interest cost for a capital project,
  - reduces future available debt capacity, or
  - decreases the financial flexibility of the County Commission to use its revenue streams for other purposes compared to a level debt structure.

V. DEBT PLAN REVIEW

1) General Guidance

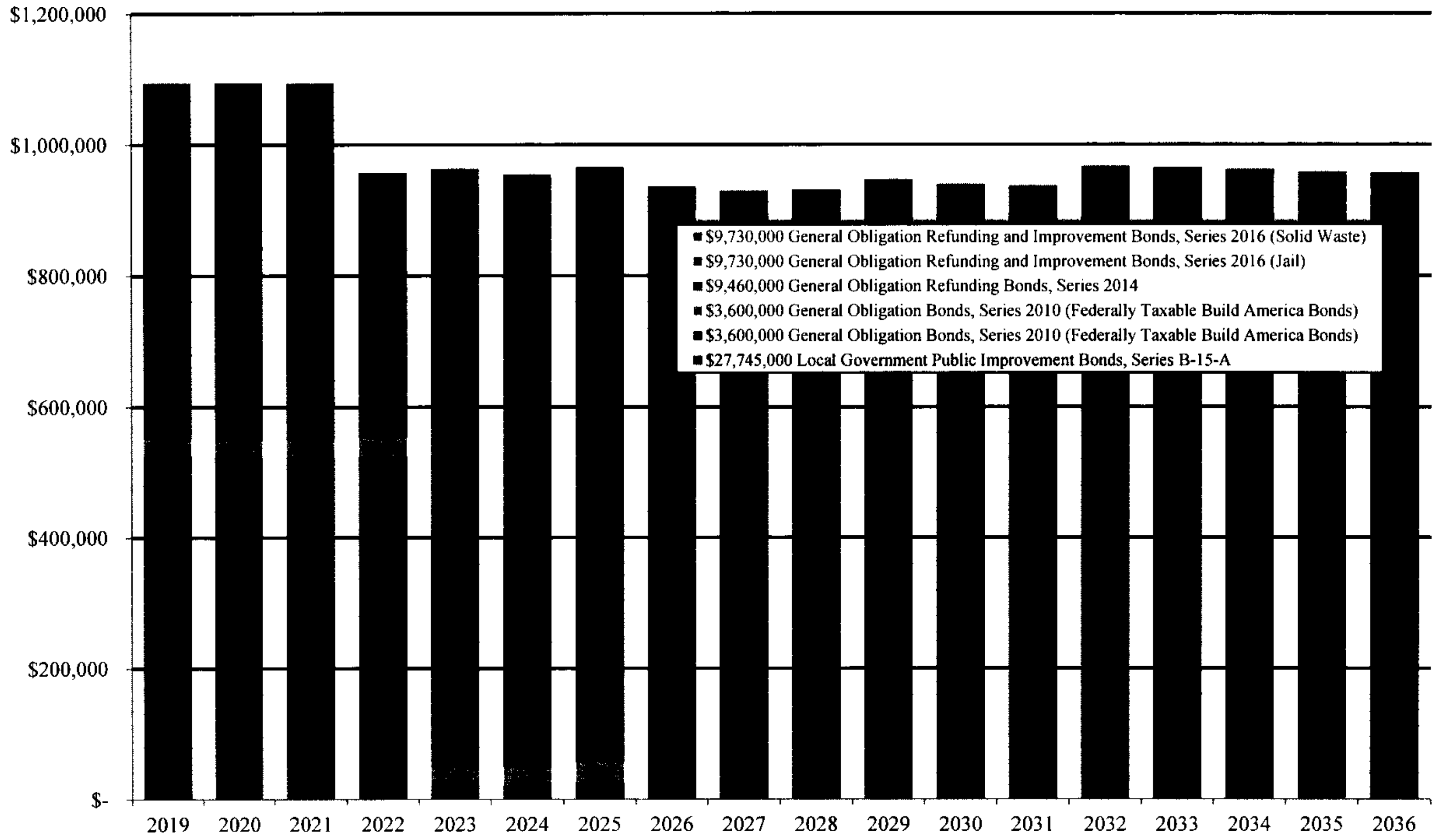
The guidelines outlined herein are only intended to provide general direction regarding the future issuance of Debt. The County Commission maintains the right to modify this Debt Plan and may make exceptions to any of its guidelines at any time to the extent that the execution of such Debt achieves the 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 Plan should be reviewed regularly with the DMP by the County Commission and from time to time as circumstances, such as during the planning of new debt issuances, rules and regulations warrant.

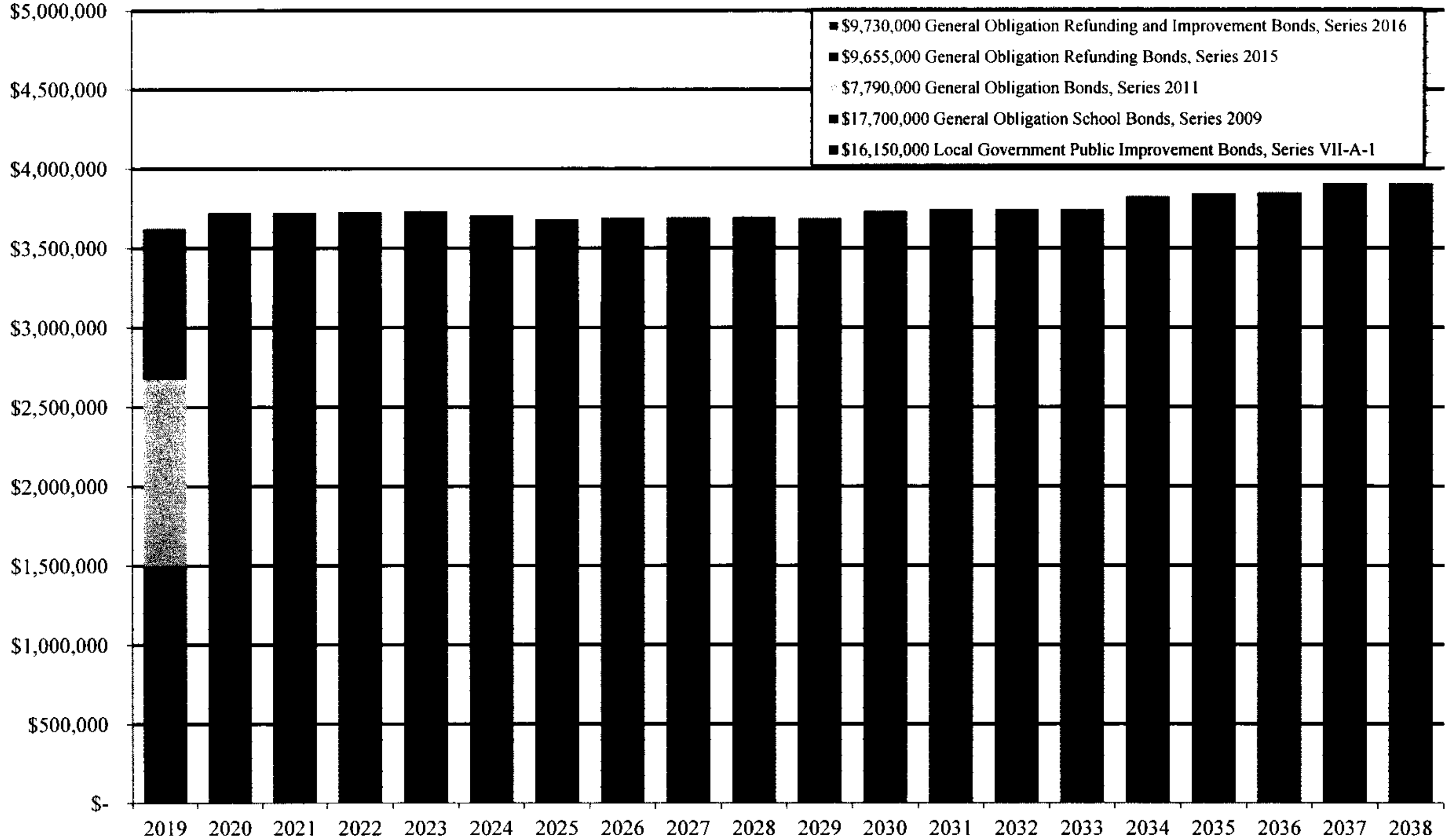
2) Designated Official

The County Mayor and Finance Director are responsible for ensuring substantial compliance with this Debt Plan.

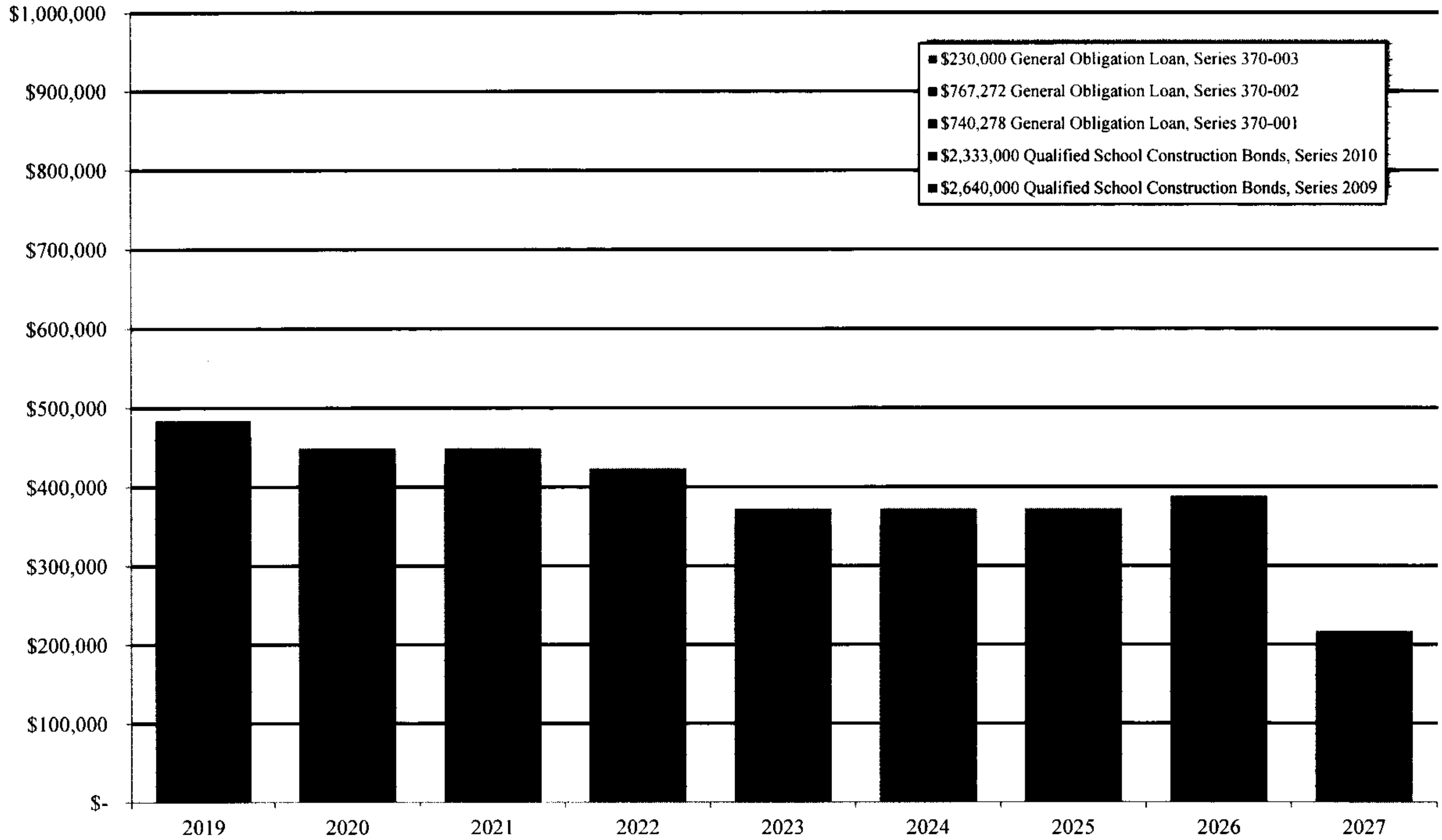
Hawkins County, Tennessee
Total Combined Outstanding Debt Service
General Fund



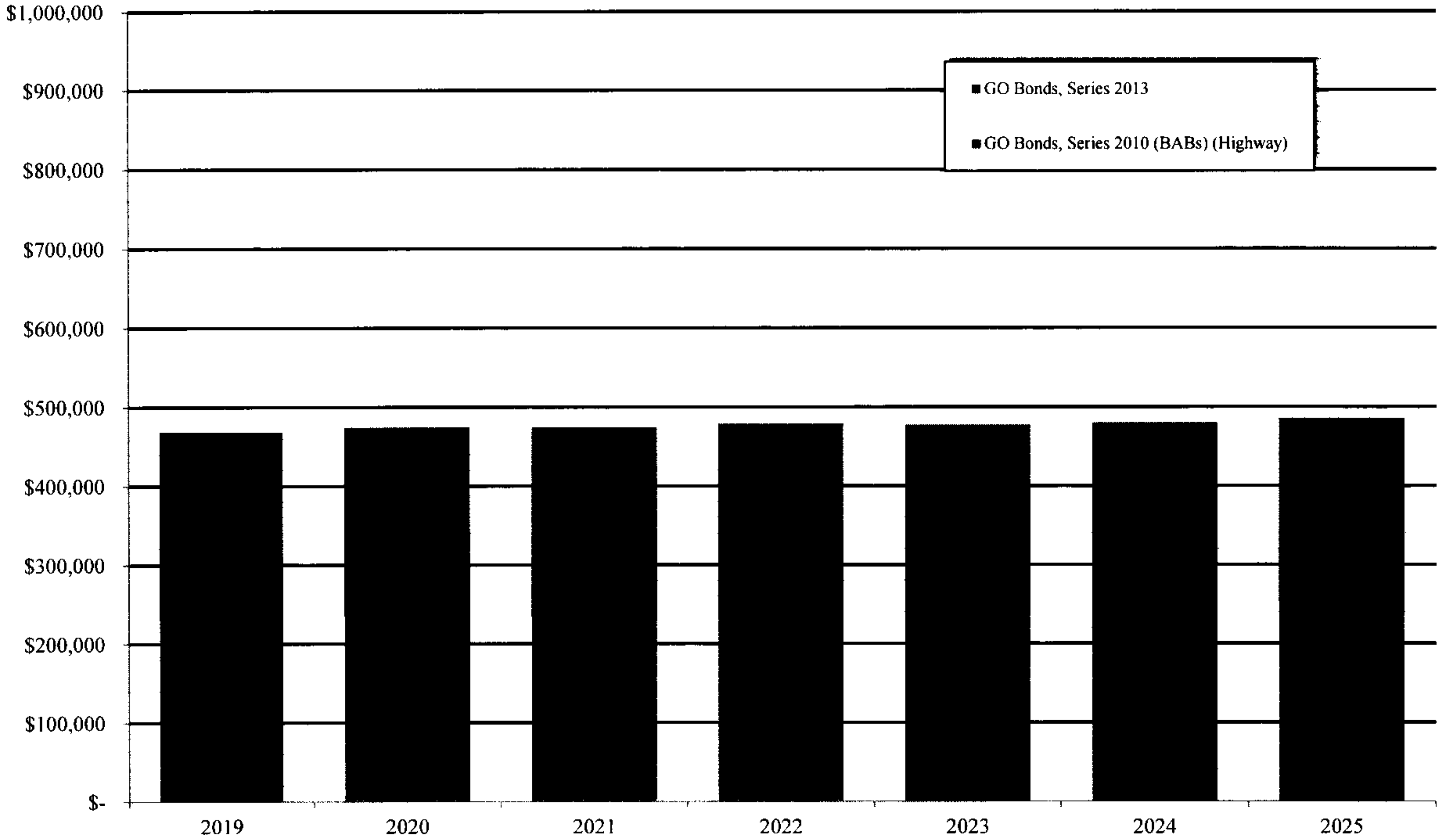
Hawkins County, Tennessee
Total Combined Outstanding Debt Service
Education Debt Service Fund



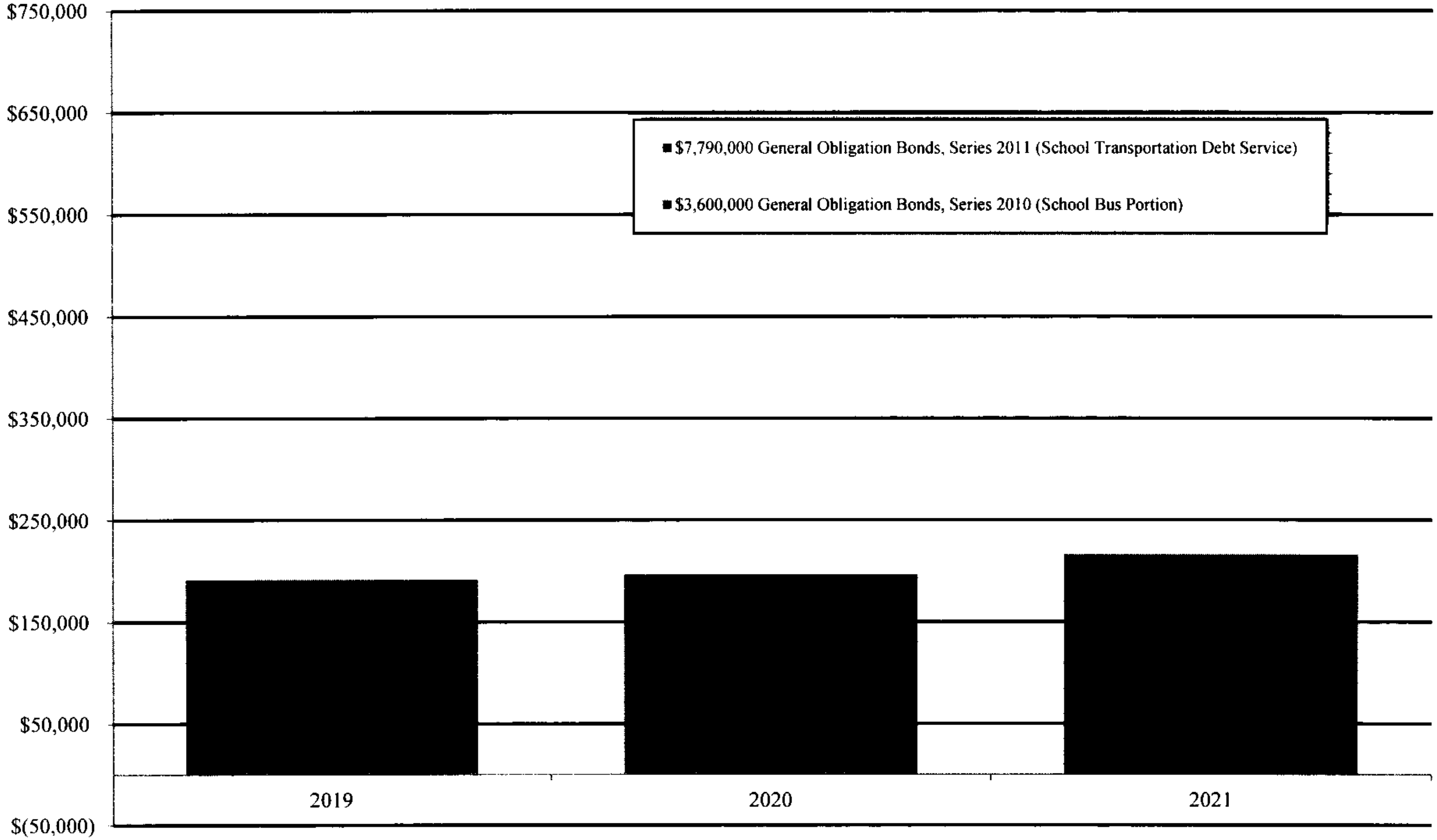
Hawkins County, Tennessee
Total Combined Outstanding Debt Service
General Purpose School Debt



Hawkins County, Tennessee
Total Combined Outstanding Debt Service
Road Department



Hawkins County, Tennessee
Total Combined Outstanding Debt Service
School Transportation



RESOLUTION No. 2019/04/05

To the Honorable Michael J. Herrell, Chairman, and Members of the Hawkins County Board of Commissioners

in Regular Session, met this 22nd day of April, 2019

.

RESOLUTION IN REF: **AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF HAWKINS COUNTY, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $22,800,000 IN ONE OR MORE SERIES**

It is estimated that there would be interest savings to the County by refunding the following bond and loan issues as per the attached resolution:

Series 2009 Federally Taxable Build America Bonds dated August 28, 2009
Series 2010 Federally Taxable Build America Bonds dated June 22, 2010
Series 2011 General Obligation Bonds dated April 7, 2011
Series 2013 General Obligation Bonds dated July 10, 2013
A portion of the B-15-A Loan Agreement dated May 15, 2008

These bonds and loan were issued for retiring debt for school construction and renovations; school buses; road and/or bridge construction; Justice Center and Courthouse construction and renovations; Solid Waste Equipment.

No new taxes or other funding will be needed.

Introduced By Esq. **John C. Metz, Chairman – Budget Comm.**

Seconded By Esq.__________

Date Submitted 4-8-2019

Nena J. Davis
County Clerk

By: __________

Chairman__________

Mayor__________
Jim Lee, Mayor

ACTION:	**AYE**	**NAY**	**PASSED**
Roll Call			
Voice Vote			
Absent			

COMMITTEE ACTION

____

____

Mayor's Action: Approved__________ **Veto**__________

Resolution # ________

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF HAWKINS COUNTY, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $22,800,000 IN ONE OR MORE SERIES; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS

WHEREAS, 9-21-101, et seq., inclusive, Tennessee Code Annotated, as amended, authorizes Hawkins County, Tennessee (the "County"), by resolution of the Board of County Commissioners, to issue and sell bonds to refund and refinance outstanding bonds of the County; and

WHEREAS, the County has previously issued and has outstanding its General Obligation Refunding Bonds, Series 2009 (Federally Taxable Build America Bonds), dated August 28, 2009, maturing June 1, 2030 and thereafter; its General Obligation Bonds, Series 2010 (Federally Taxable Build America Bonds), dated June 22, 2010, maturing June 1, 2020 and thereafter; its General Obligation Bonds, Series 2011, dated April 7, 2011, maturing June 1, 2020 and June 1, 2021; and its General Obligation Bonds, Series 2013, dated July 10, 2013, maturing June 1, 2020 and thereafter (the "Outstanding Bonds"); and

WHEREAS, the County also has outstanding debt incurred pursuant to a Loan Agreement dated as of May 15, 2008 (the "Outstanding Loan Agreement"), with The Public Building Authority of Blount County, Tennessee (the "Authority"), pursuant to which the County borrowed the proceeds of the Local Government Public Improvement Bonds, Series B-15-A, dated May 15, 2008, maturing on June 1, 2021 through June 1, 2022, issued by the Authority the "Authority Bonds"); and

WHEREAS, the Outstanding Bonds and Outstanding Loan Agreement are collectively referred to herein as the "Outstanding Debt"; and

WHEREAS, all or a portion of the Outstanding Debt can now be refunded for the purpose of reducing the debt service requirements of the County; and

WHEREAS, the Board of County Commissioners hereby determines that it is advisable to issue general obligation refunding bonds, in one or more series, for the purpose of refunding all or a portion of the Outstanding Debt; and

WHEREAS, a plan of refunding for the Outstanding Debt has been filed with the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and the State Director has submitted to the County a report thereon, a copy of which has been made available to the members of the Board of County Commissioners; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing not to exceed $22,800,000 in aggregate principal amount of bonds for the above-described purposes, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hawkins County, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. In addition to the terms defined in the preamble above, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bonds" means the not to exceed $22,800,000 General Obligation Refunding Bonds of the County, to be dated their date of issuance, and having such series designation or such other dated date as shall be determined by the County Mayor pursuant to Section 8 hereof.

(b) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

(c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

(d) "County Mayor" shall mean the County Mayor of the County.

(e) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

(f) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

(g) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

(h) "Financial Advisor" for the Bonds authorized herein means Cumberland Securities Company, Inc., Knoxville, Tennessee.

(i) "Governing Body" means the Board of County Commissioners.

(j) "Refunded Debt" means the maturities or portions of the maturities of the Outstanding Debt designated for refunding by the County Mayor pursuant to the terms hereof.

(k) "Registration Agent" means the registration and paying agent appointed by the County Mayor pursuant to the terms hereof, or any successor designated by the Governing Body.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the County has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the County's Debt Management Policy.

(b) The estimated interest expense and costs of issuance of the Bonds have been made available to the Governing Body.

(c) The refunding of the Refunded Debt authorized herein through the issuance of the Bonds will result in the reduction of the debt service payable by the County over the term of the Refunded Debt, thereby effecting a cost savings to the public.

(d) The refunding report of the State Director (the "Refunding Report") has been presented to the members of the Governing Body in connection with their consideration of this resolution and is attached hereto as Exhibit A, together with the approval of the State Director of the issuance of the Bonds as balloon indebtedness (the "Balloon Debt Approval") and is attached hereto as Exhibit B.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to finance, in whole or in part, the refunding of the Refunded Debt; and payment of costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued bonds, in one or more series, of the County in the aggregate principal amount of not to exceed $22,800,000. The Bonds shall be issued in one or more series, in fully registered, book-entry form (except as otherwise set forth herein), without coupons, and subject to the adjustments permitted hereunder, shall be known as "General Obligation Refunding Bonds", shall be dated their date of issuance, and shall have such series designation or such other dated date as shall be determined by the County Mayor pursuant to the terms hereof. The Bonds shall bear interest at a rate or rates not to exceed five percent per annum (5.00%), or any series thereof, payable (subject to the adjustments permitted hereunder) semi-annually on June 1 and December 1 in each year, commencing December 1, 2019. The Bonds shall be issued initially in $5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted pursuant to the terms hereof, the Bonds shall mature serially or be subject to mandatory redemption and shall be payable on June 1 of each year, subject to prior optional redemption as hereinafter provided, in the years 2020 through 2038, inclusive; provided, however, such amortization may be adjusted in accordance with the terms hereof.

(b) Subject to the adjustments permitted under Section 8 hereof, the Bonds maturing on June 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the County on June 1, 2028 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the

Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to the terms hereof, the County Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Mayor. In the event any or all the Bonds are sold as Term Bonds, the County shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to the terms hereof for each redemption date, as such maturity amounts may be adjusted pursuant to the terms hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected as follows:

If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of any call for redemption shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(d) The Governing Body hereby authorizes and directs the County Mayor to appoint the Registration Agent for the Bonds and hereby authorizes the Registration Agent so appointed or the Registration Agent for the Bonds to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds cancelled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Mayor is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(e) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(f) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered Owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(g) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(h) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the County with the signature of the County Mayor and the attestation of the County Clerk.

(i) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the Bonds from the County and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The County and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds, or (2) to the extent permitted by the rules of DTC, the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, then the County shall discontinue the Book-Entry System with DTC or, upon request of such original purchaser, deliver the Bonds to the original purchaser in the form of fully-registered Bonds, as the case may be. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. If the purchaser(s) certifies that it intends to hold the Bonds for its own account, then the County may issue certificated Bonds without the utilization of DTC and the Book-Entry System.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL

OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(j) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section.

(k) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(l) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Registration Agent, upon written direction from the County, shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be able to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the County and the Registration Agent of the destruction, theft or loss of such Bond, and indemnify satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

<u>Section 5.</u> <u>Source of Payment</u>. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

<u>Section 6.</u> <u>Form of Bonds</u>. The Bonds shall be in substantially the following form, the omissions to be appropriate completed when the Bonds are prepared and delivered:

(Form of Bond)

REGISTERED Number ____	REGISTERED $__________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF HAWKINS
GENERAL OBLIGATION REFUNDING BOND, SERIES 2019

Interest Rate:	Maturity Date:	Date of Bond:	CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, Hawkins County, Tennessee (the "County") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on December 1, 2019, and semi-annually thereafter on the first day of June and December in each year until this Bond matures or is redeemed. The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of ____________________, ____________, ______________, as registration and agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Registration Agent shall treat Cede & Co. as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC

Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) to the extent permitted by the rules of DTC, the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy or any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners; (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of the issue of which this Bond is one maturing on June 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the County on June 1, 2028 and thereafter, as a whole or in part at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the County shall redeem Bonds maturing ______________ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45^{th}) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45^{th}) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of any call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and it notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the [Depository or the] affected Bondholders that the redemption did not occur and that the Bond called for redemption and not so paid remain outstanding.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the County to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating $_________ and issued by the County to finance (i) the refunding of the County's outstanding General Obligation Refunding Bonds, Series 2009 (Federally Taxable Build America Bonds), dated August 28, 2009, maturing June 1, 2030 and thereafter; General Obligation Bonds, Series 2010 (Federally Taxable Build America Bonds), dated June 22, 2010, maturing June 1, 2020 and thereafter; General Obligation Bonds, Series 2011, dated April 7, 2011, maturing June 1, 2020 and June 1, 2021; General Obligation Bonds, Series 2013, dated July 10, 2013, maturing June 1, 2020 and thereafter; (ii) the refinancing of the County's indebtedness outstanding under that certain Loan Agreement, dated as of May 15, 2008, between the County and The Public Building Authority of Blount County, Tennessee; and (iii) the issuance costs of the Bonds, pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution adopted by the Board of County Commissioners of the County on April 22, 2019 (the "Resolution").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its County Mayor and attested by its County Clerk as of the date hereinabove set forth.

HAWKINS COUNTY, TENNESSEE

By:____________________________________
County Mayor

ATTESTED:

____
County Clerk

Transferable and payable at the
principal corporate trust office of: ______________________

__________, __________

Date of Registration: ______________________

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

____
Registration Agent

By:____________________________________
Authorized Trust Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____________________________, whose address is ________________________________ (Please insert Federal Identification or Social Security Number of Assignee _____________), the within Bond of Hawkins County, Tennessee, and does hereby irrevocably constitute and appoint __________________, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated:__________________

____
<u>NOTICE</u>: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

____
<u>NOTICE</u>: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent

Section 7. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to the levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any direct appropriations from other funds, taxes and revenues of the County to the payment of debt service on the Bonds.

Section 8. Sale of Bonds.

(a) The Bonds shall be sold, in the discretion of the County Mayor, at competitive public sale or at negotiated sale to an underwriter selected by the County Mayor, in one or more series, as required by law at a price of not less than ninety-eighty percent (98.0%) of par, exclusive of original issue discount, and accrued interest, if any, as a whole or in part, from time to time, as shall be determined by the County Mayor. The County Mayor is authorized to sell the Bonds at competitive public sale or if at a negotiated sale, to the underwriter selected by the County Mayor pursuant to a bond purchase agreement in a form satisfactory to the County Mayor, in consultation with the Financial Advisor and the County's bond counsel, and the County Mayor and County Clerk are authorized to execute and attest such bond purchase agreement upon a negotiated sale. The sale of the Bonds by the County Mayor shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. No Bonds shall be sold at negotiable sale unless such negotiated sale has been approved by the State Director.

(b) If the Bonds are sold in more than one series, the County Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown in Section 4 hereof for each series, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein.

(c) The County Mayor is further authorized with respect to each series of Bonds to:

(1) change the dated date of the Bonds, or any series thereof, to a date other than the date of issuance of the Bonds;

(2) change the designation of the Bonds, or any series thereof, to a designation other than "General Obligation Refunding Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) change the first interest payment date on the Bonds, or any series thereof, to a date other than December 1, 2019, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) establish and adjust the principal and interest payment dates and the maturity amounts of the Bonds, or any series thereof, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein; (B) the final maturity date of each series shall not exceed the final maturity described in Section 4 hereof; and (C) the debt service schedule for each series of the Bonds shall not be materially different than what was presented to the State Director in connection with the Refunding Report.

(5) adjust or remove the County's optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(6) refund less than all of the Outstanding Debt;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Mayor, as he shall deem most advantageous to the County;

(8) cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Bonds, or any series thereof; and

(9) if the series of Bonds are sold pursuant to negotiated sale as authorized above, select the underwriter to purchase such series of Bonds.

The form of the Bond set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(d) The County Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The County Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as the County Mayor shall deem to be advantageous to the County and in doing so, the County Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Refunding Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(e) The County Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on the Bonds does not exceed the maximum rate prescribed by Section 4 hereof. The award of the Bonds by the County Mayor to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required.

(f) The County Mayor and County Clerk are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The County Mayor is hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds and to enter into an engagement letter with Bass, Berry & Sims PLC in substantially the form attached hereto as Exhibit C, with such changes as are approved by the County Mayor, to serve as bond counsel in connection with the Bonds, and all actions heretofore taken by the officers of the County in that regard are hereby ratified and approved.

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount sufficient, together with such other County funds as may be identified by the County Mayor and, if applicable, investment earnings on the foregoing, to refund the Refunded Debt shall be applied to the refunding thereof by depositing such funds with an escrow agent designated by the County Mayor, which agent would hold and invest such funds under an escrow agreement until the Refunded Debt can be redeemed, and/or paying such funds directly to the holders (or paying agents or trustees for the holders) of the Refunded Debt. The County Mayor and County Clerk are authorized to enter into an escrow agreement in order to accomplish the purposes of this paragraph.

(b) The remainder of the proceeds of the sale of the Bonds shall be used to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Financial Advisor to be used to pay costs of issuance of the Bonds.

Section 10. Official Statement. The officers of the County, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the officers of the County, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The officers of the County, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven (7) business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The officers of the County, or any of them, are authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

Notwithstanding the foregoing, no Official Statement is required to be prepared if the Bonds, or any series thereof, are purchased by a purchaser that certifies that such purchaser intends to hold the Bonds, or any series thereof, for its own account and has no present intention to reoffer the Bonds, or any series thereof.

Section 11. Discharge and Satisfaction of Bonds. If the County shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which gent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Defeasance Obligations shall direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

<u>Section 12.</u> <u>Federal Tax Matters Related to the Bonds</u>.

(a) The Bonds are expected to be issued as federally tax-exempt bonds. If so issued, the County hereby covenants that it will not use, or permit the use of, any proceeds of the Bonds in a manner that would cause the Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond." To that end, the County shall comply with applicable regulations adopted under said Section 148. The County further covenants with the registered owners from time to time of the Bonds that it will, throughout the term of the Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

(b) The Governing Body hereby delegates to the County Mayor the authority to designate, and determine whether to designate, the Bonds as "qualified tax-exempt obligations," as defined in Section 265 of the Code, to the extent the Bonds are not deemed designated as such and may be designated as such.

(c) The appropriate officers of the County are authorized and directed, on behalf of the County, to execute and deliver all such certificates and documents that may be required of the County in order to comply with the provisions of this Section related to the issuance of the Bonds.

Section 13. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The County Mayor is authorized to execute at the closing of the sale of the Bonds an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. The County Mayor is authorized to adopt administrative policies to facilitate compliance by the County with continuing disclosure requirements of Rule 15c2-12. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 14. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 15. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Duly adopted and approved on April 22, 2019.

____
County Mayor

Attested:

____
County Clerk

STATE OF TENNESSEE)

COUNTY OF HAWKINS)

I, Nancy Davis, certify that I am the duly qualified and acting County Clerk of Hawkins County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the governing body of the County held on April 22, 2019; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the County's General Obligation Refunding Bonds.

WITNESS my official signature on April __, 2019.

____
County Clerk

EXHIBIT A

REPORT OF DIRECTOR OF STATE AND LOCAL FINANCE

EXHIBIT B

BALLOON DEBT APPROVAL

EXHIBIT C

ENGAGEMENT LETTER

April 4, 2019

Jim Lee, County Mayor
Hawkins County, Tennessee
150 E. Washington Street, Suite 2
Rogersville, Tennessee 37857

Re: Issuance of Not to Exceed $22,800,000 General Obligation Refunding Bonds (the "Bonds")

Dear County Mayor Lee:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Hawkins County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of providing funds to refinance the following, its General Obligation Bonds, Series 2009 (Federally Taxable Build America Bonds), dated August 28, 2009, maturing June 1, 2030 and thereafter; its General Obligation Bonds, Series 2010 (Federally Taxable Build America Bonds), dated June 22, 2010, maturing June 1, 2020 and thereafter; its General Obligation Bonds, Series 2011, dated April 7, 2011, maturing June 1, 2020 and June 1, 2021; and its General Obligation Bonds, Series 2013, dated July 10, 2013, maturing June 1, 2020 and thereafter; and the Issuer's debt outstanding under that certain Loan Agreement of the Issuer relating to funds borrowed from The Public Building Authority of Blount County, Tennessee (the "PBA"), from the proceeds of the PBA's Local Government Public Improvement Bonds, Series B-15-A, dated May 15, 2008, maturing on June 1, 2021 through June 1, 2022 to the extent not already refunded, and to pay costs incident to the issuance and sale of the Bonds. We further understand that the Bonds will be sold at a competitive public sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the Bond Opinion) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.

2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.

3. Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any required blue-sky filings.

4 Review legal issues relating to the structure of the Bond issues.

5. Prepare election proceedings or pursue validation proceedings, if any.

6. Draft those sections of the official statement disseminated in connection with the sale of the Bonds, describing the Bond Opinion, the terms of and security for the Bonds, and the treatment of the Bonds and interest thereon under state and federal tax law.

7. Assist the Issuer in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds.

Our Bond Opinion will be addressed to the Issuer and will be delivered by us on the date the Bonds are exchanged for their purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

a. Except as described in paragraph (6) above,

  1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or

  2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or

  3) Rendering advice that the official statement or other disclosure documents

    a) Do not contain any untrue statement of a material fact or

    b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

c. Preparing blue sky or investment surveys with respect to the Bonds.

d. Drafting state constitutional or legislative amendments.

e. Pursuing test cases or other litigation, (such as contested validation proceedings) except as set forth above.

f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.

g. Assisting in the preparation of, or opining on, any continuing disclosure undertaking pertaining to the Bonds or any other outstanding debt of the County, or, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

h. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.

i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).

j. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion. Please note that, in our representation of the Issuer, we will not act as a "municipal advisor", as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Forms 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. We are currently representing

Mallinckrodt PLC and Mallinckrodt LLC (collectively, "Mallinckrodt") in unrelated litigation matters that are adverse to the County. Execution of this letter will signify the Issuer's consent to our representation of Mallinckrodt and others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds in an aggregate principal amount of not to exceed $22,800,000; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, our fee is estimated to be $26,000. The fees quoted above include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Bonds as described in the paragraph above is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will the amount we are paid exceed $26,000.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this Contract are deemed to be Issuer's property. Our own files, including lawyer work product, pertaining to the transaction will be retained by us for a period of three (3) years and be subject to inspection by Issuer upon reasonable notice.

OTHER MATTERS

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this Engagement Letter must be in writing, executed by us and contain the signatures of the Issuer. The validity, construction and effect of this Engagement Letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. Any action between the parties arising from this Engagement Letter shall be maintained in the state or federal courts of Knox County, Tennessee to the extent permitted by applicable law.

CONCLUSION

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

HAWKINS COUNTY, TENNESSEE

By:______________________________

Jim Lee, County Mayor

BASS, BERRY & SIMS PLC:

By:______________________________

G. Mark Mamantov, Member

26363836.2

RESOLUTION NO. 20191 04106

TO THE HONORABLE MIKE HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22ND DAY OF APRIL, 2019.

RESOLUTION IN REFERENCE: BUDGET AMENDMENT - GENERAL FUND

The following budget amendments are being requested as listed below:

Account Number	Description				
	CHANCERY COURT, EMPLOYEE BENEFITS & RESERVE	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
53400-189	Other Salaries & Wages	0.00	2,264.00		2,264.00
53400-201	Social Security	13,688.00	300.00		13,988.00
53400-207	Medical Insurance	30,253.00	5,200.00		35,453.00
53400-719	Office Equipment	500.00	1,250.00		1,750.00
	Decrease Reserve			**Decrease**	
34710	Assigned for General Government	126,697.00		(2,264.00)	124,433.00
	Decrease Expenditure			**Decrease**	
53400-204	State Retirement	16,790.00		(300.00)	16,490.00
58600-207	Medical Insurance	75,000.00		(5,200.00)	69,800.00
53400-332	Legal Notices	2,000.00		(500.00)	1,500.00
53400-337	Maintenance and Repair Services - Office	500.00		(250.00)	250.00
53400-435	Office Supplies	5,500.00		(500.00)	5,000.00
	Sub-total Reserve	**126,697.00**	**0.00**	**(2,264.00)**	**124,433.00**
	Sub-total Expenditures	**$ 144,231.00**	**$ 9,014.00**	**$ (6,750.00)**	**$ 146,495.00**

The above increase in Other Salaries & Wages is to cover the expense of paying two retiring employees their annual leave due. This is funded by a transfer of a reserve for this purpose. The increase in Office Equipment is needed to purchase shelving to accommodate the filing needs of the court. Funding will come from a transfer within the budget. The increase in Social Security is needed due to paying out annual leave and is transferred from within Chancery Budget. The increase in Medical Insurance is needed due to a new employee taking the family plan where the employee they replaced was not on County insurance. Funding will come fram a transfer from Employee Benefits budget.

	PROPERTY ASSESSOR'S OFFICE				
	Increase Expenditures		**Increase**		
52300-351	Rentals	2,250.00	275.00		2,525.00
	Decrease Expenditure			**Decrease**	
52300-337	Maint. and Repair Services - Office Equip	550.00		(275.00)	275.00
	Sub-total Expenditures	**$ 2,800.00**	**275.00**	**(275.00)**	**2,800.00**

The above increase in Rentals is to cover the expense of a rental car needed for one of the Deputy Assessors while vehicle was out of use. This will be funded from a transfer within the budget.

		Current Budget	**Increase**	**Decrease**	**Amended Budget**
	Page Totals- Reserve	**$ 126,697.00**	**$ 0.00**	**$ (2,264.00)**	**$ 124,433.00**
	Page Totals- Expenditures	**$ 147,031.00**	**$ 9,289.00**	**$ (7,025.00)**	**$ 149,295.00**

INTRODUCED BY: John Metz

ESTIMATED COST

SECONDED BY:

PAID FROM GENERAL FUND

ACTION: AYE NAY

DATE SUBMITTED 4-8-2019

ROLL CALL

COUNTY CLERK: NANCY A. DAVIS

VOICE VOTE

BY: Nancy A. Davis

ABSENT

COMMITTEE ACTION:

APPROVED DISAPPROVED

CHAIRMAN:

Mayor

Jim Lee

Mayor's Action: Approved Veto

Budget Amendment: General Fund
County Commission Meeting
Date: April 22, 2019

Account Number	Description				
	COUNTY COMMISSION & EMPLOYEE BENEFITS	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
51100-207	Medical Insurance	49,906.00	7,878.00		57,784.00
	Decrease Expenditure			**Decrease**	
58600-207	Medical Insurance	69,800.00		(7,878.00)	61,922.00
	Sub-total Expenditures	**$ 119,706.00**	**$ 7,878.00**	**$ (7,878.00)**	**$ 119,706.00**
	The above increase is to cover additional County Commissioners adding the County's medical insurance. Funding will come from a transfer from Employee Benefits budget.				
	CIRCUIT COURT & EMPLOYEE BENEFITS	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
53120-207	Medical Insurance	47,782.00	6,958.00		54,740.00
	Decrease Expenditure			**Decrease**	
58600-207	Medical Insurance	61,922.00		(6,958.00)	54,964.00
	Sub-total Expenditures	**$ 109,704.00**	**$ 6,958.00**	**$ (6,958.00)**	**$ 109,704.00**
	The above increase is to cover a new employee taking the County's Medical Insurance where the employee they replaced did not. Funding will come from a transfer from Employee Benefits budget.				
	COUNTY CLERK'S OFFICE	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
52500-169	Part-Time Personnel	7,678.00	3,000.00		10,678.00
52500-719	Office Equipment	9,000.00	2,000.00		11,000.00
52500-399	Other Contracted Services	11,000.00	1,200.00		12,200.00
	Decrease Expenditure			**Decrease**	
52500-106	Deputies	386,534.00		(3,000.00)	383,534.00
52500-435	Office Supplies	9,000.00		(3,200.00)	5,800.00
	Sub-total Expenditures	**$ 423,212.00**	**$ 6,200.00**	**$ (6,200.00)**	**$ 423,212.00**
	The above increase in Part-Time Personnel is to cover the cost of vacation and sick days of full-time employees from now thru the end of the fiscal year. The increase in Office Equipment is to purchase additional computers for the office. The increase in Other Contracted Services is to cover the costs associated with the relocation of the driver license office. Funding for these increases will come from within the County Clerk's budget.				
		Current Budget	**Increase**	**Decrease**	**Amended Budget**
	Page Totals- Expenditures	**$ 652,622.00**	**$ 21,036.00**	**$ (21,036.00)**	**$ 652,622.00**

Budget Amendment: General Fund
County Commission Meeting
Date: April 22, 2019

Account Number	Description				
	INDUSTIAL BOARD	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
58120-717	Maintenance Equipment	1,500.00	4,100.00		5,600.00
58120-336	Maint. and Repair Services- Equipment	5,000.00	600.00		5,600.00
	Decrease Expenditure			**Decrease**	
58120-301	Accounting Services	5,000.00		(1,000.00)	4,000.00
58120-499	Other Supplies & Materials	3,000.00		(2,100.00)	900.00
58120-332	Legal Notices, Recording and Court Costs	5,000.00		(1,000.00)	4,000.00
58120-425	Gasoline	1,500.00		(600.00)	900.00
	Sub-total Expenditures	**$ 21,000.00**	**$ 4,700.00**	**$ (4,700.00)**	**$ 21,000.00**
	The above increase in Maintence Equipment is for the purchase of a lawn mower to mow the right of way on the roads in Phipps Bend Industrial Park. The increase in Maintence & Repair Services- Equipment is to repair the tractor that is used in the Phipps Bend Industrial Park. Funding will come from transfers within the Industrial Development budget thus no new monies are requiered.				
	SENIOR CITIZENS	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
56300-355	Travel	3,200.00	300.00		3,500.00
	Decrease Expenditure			**Decrease**	
56300-425	Gasoline	1,000.00		(300.00)	700.00
	Sub-total Expenditures	**$ 4,200.00**	**$ 300.00**	**$ (300.00)**	**$ 4,200.00**
	The above increase in Travel is to cover the registration and travel expense for an upcoming conference members of the Senior Citizens Center staff will be attending. Funding will come from a transfer within the Senior Citizens budget.				
	PARKS AND FAIR BOARDS & EMPLOYEE BENEFITS	**Current Budget**			**Amended Budget**
	Increase Expenditure		**Increase**		
56700-207	Medical Insurance	5,489.00	3,147.00		8,636.00
56700-399	Other Contracted Services	950.00	1,100.00		2,050.00
56700-409	Crushed Stone	1,000.00	600.00		1,600.00
	Decrease Expenditure			**Decrease**	
58600-207	Medical Insurance	54,964.00		(3,147.00)	51,817.00
56700-799	Other Capital Outlay	96,008.00		(1,700.00)	94,308.00
	Sub-total Expenditures	**$ 158,411.00**	**$ 4,847.00**	**$ (4,847.00)**	**$ 158,411.00**
	The above increase in Medical Insurance is due to turn over at Laurel Run Park. It is funded from a transfer from Employee Benefits budget. The increase in Other Contracted Services and Crushed Stone is to repair damages to Laurel Run Park due to the high volume of rain. The funding for those accounts will come from a transfer from within the Parks and Fair Boards budget.				
		Current Budget	**Increase**	**Decrease**	**Amended Budget**
	Page Totals- Expenditures	**$ 183,611.00**	**$ 9,847.00**	**$ (9,847.00)**	**$ 183,611.00**

RESOLUTION NO. 2019 04 07

TO THE HONORABLE MIKE HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22th DAY OF APRIL, 2019.

RESOLUTION IN REFERENCE: BUDGET AMENDMENT - HIGHWAY FUND

The following budget amendments are being requested as listed below:

Account Number	Description				
	HIGHWAY AND BRIDGE MAINTENANCE	**Current Budget**			**Amended Budget**
	Increase Expenditures		**Increase**		
62000-409	Crushed Stone	450,000.00	176,591.00		626,591.00
	Increase Revenue		**Increase**		
48140	Contracted Services	0.00	176,591.00		176,591.00
	Sub-total Expenditures	**$ 450,000.00**	**$ 176,591.00**	**$ 0.00**	**$ 626,591.00**
	Sub-total Revenue	**$ 0.00**	**$ 176,591.00**	**$ 0.00**	**$ 176,591.00**
	The above increase in Crushed Stone is needed for road repairs due to the excessive rain. This is offset by				
Federal funds which increased revenue in Contracted Services paid through the Hawkins Co. Soil Conservation Office.					
	OPERATION AND MAINTENANCE OF EQUIPMENT	**Current Budget**			**Amended Budget**
	Increase Expenditures		**Increase**		
63100-338	Maint. And Repair Services-Vehicles	12,000.00	18,000.00		30,000.00
	Decrease Expenditures			**Decrease**	
63100-141	Foreman	35,000.00		(3,000.00)	32,000.00
63100-336	Maint. and Reparis Services-Equipment	20,000.00		(15,000.00)	5,000.00
	Sub-total Expenditures	**$ 67,000.00**	**$ 18,000.00**	**$ (18,000.00)**	**$ 67,000.00**
	The above increase in Maint. and Repair Services-Vehicles is needed due to that line being underestimated.				
Funding will come from a transfer from within Operation and Maintenance of Equipment budget.					
		Current Budget	**Increase**	**Decrease**	**Amended Budget**
	Page Totals- Expenditures	**$ 517,000.00**	**$ 194,591.00**	**$ (18,000.00)**	**$ 693,591.00**
	Page Totals- Revenue	**$ 0.00**	**$ 176,591.00**	**$ 0.00**	**$ 176,591.00**

INTRODUCED BY: John Metz

ESTIMATED COST

SECONDED BY:

PAID FROM HIGHWAY FUND

ACTION: AYE NAY

DATE SUBMITTED 4-8-2019

ROLL CALL

COUNTY CLERK: NANCY A. DAVIS

VOICE VOTE

BY: Nancy A. Davis

ABSENT

COMMITTEE ACTION:

APPROVED DISAPPROVED

CHAIRMAN:

Mayor

Jim Lee

Mayor's Action: Approved Veto

RESOLUTION NO. 2019/04/08

TO THE HONORABLE MIKE HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22ND DAY OF APRIL, 2019.

RESOLUTION IN REFERENCE: AMENDMENT OF JUNE 30, 2018 ESTIMATED FUND BALANCES AND RESERVES ON APPROVED 2018-19 FY BUDGETS

WHEREAS, it is recommended that the estimated fund balances and reserves presented to County Commission should reasonably reflect the actual June 30 fund balances and reserves for each fund, and

WHEREAS, the June 30, 2018 audit was released in March 2019, and

WHEREAS, some closing entries and/or adjustments were not included in the approved 2018 - 2019 FY Budget, and

WHEREAS, it has been recommended that County Commission be informed of the actual June 30 fund balance of each fund and that the budget document be amended with such.

Fund	Estimated 6/30/18 Fund Balances and Reserves on the 2018-19 FY Budget Document	Actual 6/30/18 Fund Balances and Reserves after Closing Accounting Records for the 2017-2018 FY	Difference
General	$ 5,179,185	$ 5,241,587	$ 62,402
Solid Waste	1,140,990	1,150,103	$ 9,113
Drug Control	246,726	248,999	$ 2,273
Highway	4,366,528	4,369,832	$ 3,304
General Debt Service	3,619,256	3,623,089	$ 3,833
Special Debt Service	1,065,438	1,065,438	$ -
Education Debt Service	8,763,021	8,775,917	$ 12,896
General Capital Projects	0	25,529	$ 25,529

NOW THEREFORE BE IT RESOLVED THAT the above actual June 30, 2018 fund balances and reserves be recognized and amended for the approved 2018 - 19 FY budgets for the purpose of meeting audit requirements. No general ledger entries for any fund will be required from this resolution.

INTRODUCED BY: John Metz
Budget Committee

SECONDED BY:

DATE SUBMITTED 4-8-2019

COUNTY CLERK: NANCY A. DAVIS

BY: Nancy A. Davis

ACTION:	AYE	NAY
ROLL CALL		
VOICE VOTE		
ABSENT		

COMMITTEE ACTION:

APPROVED DISAPPROVED

CHAIRMAN:

Mayor ____________________
Jim Lee

Mayor's Action: Approved_______ Veto_________

RESOLUTION NO. 2019 / 04 / 09

TO THE HONORABLE MICHAEL J. HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22ND DAY OF APRIL, 2019

RESOLUTION IN REFERENCE: AMENDMENT OF JUNE 30, 2018 ESTIMATED FUND BALANCES AND RESERVES ON APPROVED 2018-19FY BUDGETS

WHEREAS, it is recommended that the estimated fund balances and reserves presented to County Commission should reasonably reflect the actual June 30 fund balances and reserves for each fund, and

WHEREAS, the June 30, 2018 audit was released in March 2019, and

WHEREAS, some closing entries and/or adjustments were not included in the approved 2018 - 2019FY Budget, and

WHEREAS, it has been recommended that County Commission be informed of the actual June 30 fund balance of each fund and that the budget document be amended with such.

Fund	Estimated 6/30/18 Fund Balances and Reserves on the 2018-19 FY Budget Document	Actual 6/30/18 Fund Balances and Reserves after Closing Accounting Records for the 2017-2018 FY	Difference
General Purpose School	$ 11,584,247	$ 12,257,043	$ 672,796
Federal Projects	500,395	500,206	$ (189)
Central Cafeteria	2,971,056	3,002,728	$ 31,672
Transportation	1,661,312	1,668,139	$ 6,827

NOW THEREFORE BE IT RESOLVED THAT the above actual June 30, 2018 fund balances and reserves be recognized and amended for the approved 2018 - 19 FY budgets for the purpose of meeting audit requirements. No general ledger entries for any fund will be required from this resolution.

INTRODUCED BY: John Metz, Chairman
Budget Committee

ESTIMATED COST ____

SECONDED BY: ____

PAID FROM ____ FUND

ACTION: AYE NAY

DATE SUBMITTED 4-8-2019

ROLL CALL ____ ____

COUNTY CLERK: NANCY A. DAVIS

VOICE VOTE ____ ____

BY: Nancy A. Davis

ABSENT ____ ____

COMMITTEE ACTION: ____

APPROVED ____ DISAPPROVED ____

CHAIRMAN: MICHAEL J. HERRELL

BY: ____

MAYOR: ____
JIM LEE

MAYOR'S ACTION: APPROVED ____ VETO ____

RESOLUTION NO. 2019/04/10

TO THE HONORABLE MICHAEL J. HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22ND DAY OF APRIL 2019.

RESOLUTION IN REF: GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the General Purpose School Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, April 22, 2019, go on record as passing this resolution.

Introduced by Esq. John Metz

Seconded by Esq.__________

Estimated Cost: __________

Paid From __________ Fund

Date Submitted 4-8-2019

County Clerk: Nancy A. Davis

By: Nancy A. Davis

ACTION:	Aye	Nay
Roll Call	____	____
Voice Vote	____	____
Absent	____	____

COMMITTEE ACTION:	APPROVED	DISAPPROVED
________	______	______

CHAIRMAN: Michael J. Herrell

By: __________

Mayor: __________ Mayor's Action: Approved ______ Veto ______
Jim Lee

FUND: 141 GENERAL PURPOSE SCHOOL FUND
AMENDMENT NUMBER: 7
DATE: April 22, 2019

ORIGINAL BUDGET AMOUNT	55,770,241.00
PREVIOUS AMENDMENTS	356,846.39
TOTAL	56,127,087.39
REQUESTED AMENDMENT	101,047.00
TOTAL	56,228,134.39

Desc Code	ACCOUNT NO	DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
		EXPENDITURES				
		71100 REGULAR INSTRUCTION PROGRAM				
1	71100-429	Instructional Supplies & Materials	270,705.26	750.00		271,455.26
		Subtotal	**270,705.26**	**750.00**	-	**271,455.26**
		71150 ALTERNATIVE INSTRUCTION PROGRAM				
1	71150-790	Other Equipment	9,668.00	3,030.00		12,698.00
		Subtotal	**9,668.00**	**3,030.00**	-	**12,698.00**
		71200 SPECIAL EDUCATION PROGRAM				
1	71200-429	Instructional Supplies & Materials	-	70.00		70.00
		Subtotal	**-**	**70.00**	-	**70.00**
		72110 ATTENDANCE				
1	72110-499	Other Supplies and Materials	2,750.00	801.00		3,551.00
		Subtotal	**2,750.00**	**801.00**	-	**3,551.00**
		72220 SPECIAL EDUCATION PROGRAM				
2	72220-726	Transportation Equipment	-	64,687.00	-	64,687.00
		Subtotal	**-**	**64,687.00**	-	**64,687.00**
		72620 MAINTENANCE OF PLANT-SAFE				
3	72620-701-SAFE	Administration Equipment	187,790.00	31,709.00	-	219,499.00
		Subtotal	**187,790.00**	**31,709.00**	-	**219,499.00**
		REVENUES				
1	44570	Contributions and Gifts	10,050.00	4,651.00	-	14,701.00
2	49700	Insurance Recovery	-	64,687.00	-	64,687.00
3	46590	Other State Education Funds	236,251.00	31,709.00	-	267,960.00
		Subtotal	**246,301.00**	**101,047.00**	-	**347,348.00**
		TOTAL EXPENDITURES	**470,913.26**	**101,047.00**	-	**571,960.26**
		TOTAL REVENUES	**246,301.00**	**101,047.00**	-	**347,348.00**
	This budget amendment is to budget for the following:					
1	To make appropriations for Utrust grants received for Christy Waye, Ginger Little, Katie Shaw, and Keith Kyker for the purchase					
	of technology equipment, reader pens and phonological awareness intervention supplies.					
2	To budget insurance money received for the total loss of bus #121.					
3	To make appropriations for the remainder of the Safe Schools Grants.					

RESOLUTION NO. 2019/04/11

TO THE HONORABLE MICHAEL J. HERRELL, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 22ND DAY OF APRIL 2019.

RESOLUTION IN REF: FEDERAL PROJECTS FUND BUDGET AMENDMENT

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the Federal Projects Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, April 22, 2019, go on record as passing this resolution.

Introduced by Esq. John Metz

Seconded by Esq.__________

ACTION: Aye Nay

Roll Call ____ ____

Voice Vote ____ ____

Absent ____ ____

Estimated Cost: __________

Paid From __________ Fund

Date Submitted 4-8-2019

County Clerk: Nancy A. Davis

By: Nancy A. Davis

COMMITTEE ACTION: APPROVED DISAPPROVED

__________ __________ __________

CHAIRMAN: Michael J. Herrell

By: __________

Mayor: __________ Mayor's Action: Approved ______ Veto ______

Jim Lee

FUND: 142 FEDERAL PROJECTS FUND
AMENDMENT NUMBER: 6
DATE: April 22, 2019

ORIGINAL BUDGET AMOUNT	4,448,659.47
PREVIOUS AMENDMENTS	2,129,364.45
TOTAL	6,578,023.92
REQUESTED AMENDMENT	
TOTAL	6,578,023.92

ACCOUNT NO	DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
	EXPENDITURES				
	71100 REGULAR INSTRUCTION PROGRAM				
71100-189	Other Salaries & Wages	3,948.80	172.35		4,121.15
71100-201	Social Security	244.83	10.68		255.51
71100-204	State Retirement	362.89	2.48		365.37
71100-212	Employer Medicare	57.26			57.26
71100-429	Instructional Supplies and Materials	0.00	3,374.28		3,374.28
71100-599	Other Charges	0.00	85.00		85.00
	Subtotal	**4,613.78**	**3,644.79**	**0.00**	**8,258.57**
	72130 OTHER STUDENT SUPPORT				
72130-499	Other Supplies and Materials	1,014.80	2,871.37		3,886.17
	Subtotal	**1,014.80**	**2,871.37**	**0.00**	**3,886.17**
	72210 REGULAR INSTRUCTION - SUPPORT				
72210-524	Inservice/Staff Development	5,000.00	4,224.40		9,224.40
	Subtotal	**5,000.00**	**4,224.40**	**0.00**	**9,224.40**
	72710 TRANSPORTATION - SUPPORT				
72710-313	Contracts with Parents	11,000.00		10,740.56	259.44
	Subtotal	**11,000.00**	**0.00**	**10,740.56**	**259.44**
	73300 COMMUNITY SERVCIES				
73300-105	Supervisor/Director	4,120.00			4,120.00
73300-116	Teachers	23,196.00			23,196.00
73300-163	Educational Assistants	14,605.00			14,605.00
73300-169	Part time Personnel	6,692.00			6,692.00
73300-201	Social Security	3,052.00			3,052.00
73300-204	State Retirement	5,149.00			5,149.00
73300-212	Employer Medicare	715.00			715.00
73300-429	Instructional Supplies	13,051.00		800.00	12,251.00
73300-499	Other Supplies & Materials	1,850.00			1,850.00
73300-524	In-Service/Staff Development	3,150.00			3,150.00
73300-599	Other Charges	1,920.00			1,920.00
73300-790	Other Equipment	-	800.00		800.00
	Subtotal	**77,500.00**	**800.00**	**800.00**	**77,500.00**
	TOTAL EXPENDITURES	**99,128.58**	**11,540.56**	**11,540.56**	**99,128.58**
	This budget amendment is to budget for the following:				
21st Century	To reallocate funds to purchase a storage unit for STEM materials.				
Title X McKinney Vento	To reallocate funds based on the needs of identified homeless students.				

CERTIFICATE OF ELECTION OF NOTARIES PUBLIC

Resolution No. 2019/04/12

AS CLERK OF THE COUNTY OF HAWKINS, TENNESSEE

I HEREBY CERTIFY THAT THE FOLLOWING WERE ELECTED TO THE OFFICE OF:

NOTARY PUBLIC APPROVAL DURING THE APRIL 22, 2019 MEETING OF THE GOVERNING BODY:

NAME	HOME ADDRESS	BUSINESS
1. SHERRY L. BREWER	278 OLD STAGE ROAD ROGERSVILLE, TN. 37857	STAPLETON LAW OFFICE PC ROGERSVILLE, TN. 37857
2. REBECCA J. BURCHETT	101 PAR 5 CIRCLE ROGERSVILLE, TN. 37857	STATE OF TN; HAWKINS CO DISTRICT ATTORNEY ROGERSVILLE, TN. 37857
3. ELIZABETH CARNEY	306 LAUREN DRIVE ROGERSVILLE, TN. 37857	BALLAD HAWKINS COUNTY MEMORIAL ROGERSVILLE, TN. 37857
4. AMY LOYD MARSHALL	509 DEERFIELD CIRCLE CHURCH HILL, TN. 37642	FIRST TENNESSEE BANK KINGSPORT, TN 37660
5. PATRICIA V. MCCALL	101 CEDAR KNOLL LANE ROGERSVILLE, TN. 37857	HAWKINS COUNTY BOARD OF EDUCATION ROGERSVILLE, TN. 37857
6. GINGER L. OSBORNE	583 FLEMING ROAD GATE CITY, VA. 24251	EASTMAN CREDIT UNION MOUNT CARMEL, TN 37645
7. DWAYNE B. POWELL	558 CARTERS VALLEY ROAD ROGERSVILLE, TN. 37857	WEICHERT REALTORS, SAXON-CLARK KINGSPORT, TN 37660
8. KAREN TAYLOR	107 OLD MILL RD. CHURCH HILL, TN. 37642	EASTMAN CHEMICAL COMPANY KINGSPORT, TN 37660
9. MELISSA H. TONEY	117 PERSIA ESTATES ROGERSVILLE, TN. 37857	HAWKINS COUNTY HOSPITAL ROGERSVILLE, TN. 37857
10. JESSI WEBB	429 POPLAR STREET MOUNT CARMEL, TN. 37645	STATE FARM INSURANCE KINGSPORT, TN 37660

(Seal)

Clerk of the County of Hawkins, Tennessee

Date