

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION – Chaplain Joe Creek

ROLL CALL

APPROVAL OF OCTOBER 10, 2011 MINUTES

VOTE ON ZONING RESOLUTIONS

CZ-9-2011: Application of Wayne Darnell (Urban Farms) from R-1 to M-2

CZ-14-2011: Application of Linda Sue Ferrell from R-1 to C-5

VOTE ON OTHER RESOLUTIONS

- 11-11-1:** Resolution of the Montgomery County Board of Commissioners Authorizing the Acceptance of Grant Funds from the Tennessee Department of Transportation, Division of Governor's Highway Safety Office
- 11-11-2:** Resolution of the Montgomery County Board of Commissioners Approving Amendments to the 2011-12 School Budget
- 11-11-3:** Resolution Approving a Memorandum of Understanding Between the State of Tennessee, the City of Clarksville, and Montgomery County, Tennessee Relative to the Clarksville Montgomery County Veterans Community Living Center
- 11-11-4:** Resolution to Establish Archives and Records Management Fees for Documents Filed in Certain Offices of Montgomery County, Tennessee
- 11-11-5:** Resolution of the Montgomery County Board of Commissioners to Transfer Reserve Fund Monies for the Animal Control Department
- 11-11-6:** Resolution Amending the Budget of the Montgomery County Animal Control and Adoption Service

11-11-7: Resolution Adopting Debt Management Policies for Montgomery County, Tennessee

11-11-8: Resolution to Amend the Budgets of Various Funds for Fiscal Year 2012 in Certain Areas of Revenues and Expenditures

UNFINISHED BUSINESS

REPORTS

1. County Clerk's Report – **(requires approval by Commission)**

REPORTS FILED

1. Court Safety Program: Adult Driver Improvement Program; Juvenile Court Defensive Driving Course; Safety Belt Class; Anti-Theft Class; Rider Education Program & Alive at 25 Defensive Driving Course Revenue and Attendees for July - September, 2011
2. October 2011 Adequate Facilities Tax Report and Permit Revenue Report
3. Highway Department – Quarterly Report (July, August & September, 2011)
4. **Capital Projects Report**
5. **Accounts and Budgets - Monthly Report**
6. **Trustee's Report**

COUNTY MAYOR NOMINATIONS – Mayor Bowers

ANNOUNCEMENTS

1. The Christmas Parade/Christmas at the Courthouse will be held on Saturday, December 3 with the parade beginning at 5:00 p.m. We will once again have a float in the parade, so please let Debbie Gentry know if you would like to ride!!
2. Mark your calendars for the Mayor's Christmas Breakfast to be held on Wednesday, December 7 from 7:00 a.m. to 9:00 a.m. at the Civic Hall.
3. You are urged to attend the Legislative Reception which will be held on Wednesday, December 14, at 5:00 p.m. in the large conference room of the Historic Courthouse. (The Legislative Liaison Committee is scheduled to meet on Monday, November 14 at 4:00; Thursday, November 17 at 4:30; and Monday, November 21 at 4:30).

ADJOURN

**RESOLUTION OF THE MONTGOMERY COUNTY BOARD OF
COMMISSIONERS
AMENDING THE ZONE CLASSIFICATION OF THE PROPERTY OF
WAYNE DARNELL (URBAN FARMS)**

WHEREAS, an application for a zone change from R-1 Single-Family Residential District to M-2 General Industrial District has been submitted by Wayne Darnell (Urban Farms) and

WHEREAS, said property is identified as County Tax Map 054, parcel 011.00 (portion), containing 55+/- acres, situated in Civil District 13, located on the north bank of the Cumberland River 750+/- feet. 1550+/- feet west of the terminus of Rusty Lane. North line follows TVA easement; and

WHEREAS, said property is described as follows:

Beginning at a point in the southern easement line of the TVA line which crosses the Urban Farms Inc Property (Map 54, Parcel 11.0); said point being at the intersection of the South margin of a TVA Easement Line and Donelson Creek; thence with said south easement line in a Northeast direction an approximate distance of 2300' to the intersection of the South margin of the TVA easement line and the Montgomery County and City of Clarksville line; thence with said line and in a southerly direction approximately 1520' to the northern edge of the Cumberland River; thence with the Cumberland River and in a Southwest direction approximately 750'; thence leaving the Cumberland River and with the Winn Materials, LLC Lease line which is also the current AG Zone Line in a westerly direction approximately 1450' to a point in Donelson Creek; thence continuing with said Winn Lease line and with said Creek in a northwest direction approximately 350' to the point of beginning containing approximately 55+/- acres (Tax Map 54 Parcel 11.00 p/o)

WHEREAS, the Planning Commission staff recommends APPROVAL and the Regional Planning Commission recommends APPROVAL of said application.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of County Commissioners assembled in regular session on this 14th day of November, 2011, that the zone classification of the property of Wayne Darnell (Urban Farms) from R-1 to M-2 is hereby approved.

Duly passed and approved this 14th day of November, 2011.

Sponsor David Roggus
Commissioner _____
Approved _____

Attested: _____
County Clerk

County Mayor

**RESOLUTION OF THE MONTGOMERY COUNTY BOARD OF
COMMISSIONERS
AMENDING THE ZONE CLASSIFICATION OF THE PROPERTY OF
LINDA SUE FERRELL**

WHEREAS, an application for a zone change from R-1 Single-Family Residential District to C-5 Highway & Arterial Commercial District has been submitted by Linda Sue Ferrell and

WHEREAS, said property is identified as County Tax Map 053, parcel 061.00, containing 0.683 acres, situated in Civil District 13, fronting 145+/- feet on the north side of Dover Rd. 250 +/- feet west of the Butts Dr. & Dover Rd. intersection; and

WHEREAS, said property is described as follows:

Beginning at a point in the North R.O.W of Highway 79 / Dover Road 86+/- feet northeast from the Centerline of the intersection of Woodlawn Rd and Hwy. 79 / Dover Rd. The said point being the southwest corner of the subject tract and the southeast corner of the Papa Rock Holdings LLC property thence continuing with the east property line of the Papa Rock Holdings LLC property 290 +/- feet to a point said point being the northwest corner of the subject tract thence in an easterly direction with the Papa Rock Holdings LLC property line and the north property line of the subject tract 108 +/- feet to a point, said point being the northeast corner of the subject tract and within the west property line of the Rachel Shepherd property, thence in a southerly direction 212.5 +/- feet with the Rachel Shepherd Property to a point said point being the northwest corner of the Erle Butts property, thence with the Erle Butts Property in a southerly direction 116.5 +/- feet to a point said point being the southeast corner of the subject tract and the southwest corner of the Erle Butts property, thence in a northwesterly direction with the northern R.O.W. of Hwy 79 / Dover Rd. 260 +/- feet to he point of beginning. Said tract containing 0.68 +/- acres (R-1 to C-5)

WHEREAS, the Planning Commission staff recommends APPROVAL and the Regional Planning Commission recommends APPROVAL of said application.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of County Commissioners assembled in regular session on this 14th day of November, 2011, that the zone classification of the property of Linda Sue Ferrell from R-1 to C-5 is hereby approved.

Duly passed and approved this 14th day of November, 2011.

Sponsor David Higgins
Commissioner _____
Approved _____

Attested: _____
County Clerk

County Mayor

**RESOLUTION OF THE MONTGOMERY COUNTY BOARD OF COMMISSIONERS
AUTHORIZING THE ACCEPTANCE OF GRANT FUNDS FROM THE TENNESSEE
DEPARTMENT OF TRANSPORTATION, DIVISION OF GOVERNOR’S HIGHWAY
SAFETY OFFICE**

WHEREAS, Montgomery County previously entered into a Selective Traffic Enforcement Contract with the Tennessee Department of Transportation and Governor’s Highway Safety Office; and

WHEREAS, the Tennessee Department of Transportation has advised the County Mayor that funding allocations for the Click It or Ticket 7 for Fiscal Year 2012 (October 1, 2011 through September 30, 2012) have been made with Montgomery County receiving an allocation of grant monies in the amount of \$74,988.08; said program is one hundred per cent grant funded, requiring no local matching funds, with no requirements for continuation upon expiration of the grant; and

WHEREAS, the Tennessee Department of Transportation has approved the use of this funding to supplement personnel, promotional publications and equipment in order to mitigate aggressive driving, impaired driving, speeding and factors of vehicle accidents, injuries and fatalities in Montgomery County.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners assembled in regular business session on this 14th day of November, 2011, that Montgomery County accept this Selective Traffic Enforcement Program Grant as detailed below:

Other State Grants	101-54110-00000-54-46980-12030	\$74,988.08
Personnel	101-54110-00000-54-51870-12030	\$59,428.08
Printing, Publications	101-54110-00000-54-53490-12030	\$ 500.00
Law Enforcement Supplies	101-54110-00000-54-54310-12030	\$15,060.00

BE IT FURTHER RESOLVED that upon final execution of contracts from the Tennessee Department of Transportation, that the County Mayor is authorized to execute contracts or other necessary documents which may be required to signify acceptance of the Click It or Ticket 7 Grant by Montgomery County and the Director of Accounts and Budgets shall establish the necessary fund accounts providing for related revenues and expenditures stated in the contract, this resolution intended to have the effect of appropriation to that purpose accordingly.

Duly passed and approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____
County Mayor

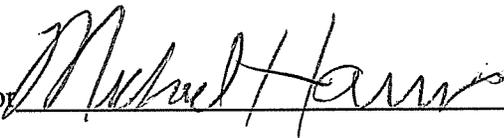
Attest _____
County Clerk

RESOLUTION OF THE MONTGOMERY COUNTY
BOARD OF COMMISSIONERS APPROVING
AMENDMENTS TO THE 2011-12
SCHOOL BUDGET

WHEREAS, the proposed amendments to the General Purpose School Fund, Federal Projects Fund, and Transportation Fund Budgets reflect the most recent estimates of revenues and expenditures, and,

WHEREAS, the Clarksville-Montgomery County Board of Education has studied the attached amendments and approved them on October 4, 2011, for recommendation to the Montgomery County Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of County Commissioners assembled in Regular Business Session on this 14th day of November, 2011, that the 2011-12 School Budget be amended as per the attached schedules.

Sponsor 

Commissioner _____

Approved _____
County Mayor

Attested _____
County Clerk

**Clarksville-Montgomery County School System
Federal Projects Fund Budget**

09/23/2011

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
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Estimated Revenues

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
State Revenues					
46590 Adult Ed., LEAP, Safe Schools, School Health	309,809	309,809	262,991	572,800	Based on actual Federal allocations
46981 Safe Schools Act	-	-	15,761	15,761	Based on actual Federal allocations
Total State Revenues	309,809	309,809	278,752	588,561	

Federal Revenues

47120 Adult Basic Education	177,028	177,028	58,171	235,199	Based on actual Federal allocations
47131 Career Technical Education	450,040	450,040	(39,987)	410,053	Based on actual Federal allocations
47141 Title I	5,128,404	5,128,404	1,807,506	6,935,910	Based on actual Federal allocations
47143 Individuals w/ Disabilities Educ. Act (IDEA)	5,320,625	5,320,625	1,713,650	7,034,275	Based on actual Federal allocations
47145 Preschool (IDEA)	44,981	44,981	247,179	292,160	Based on actual Federal allocations
47146 English Language Acquisition (Title III)	103,967	103,967	16,880	120,847	Based on actual Federal allocations
47147 Safe & Drug-Free Schools (Title IV, CCLC)	250,000	250,000	477,500	727,500	Based on actual Federal allocations
47189 Title II-A	984,446	984,446	53,367	1,037,813	Based on actual Federal allocations
47311 Race To The Top	1,247,710	1,247,710	187,526	1,435,236	Based on actual Federal allocations
47590 Title II-D, Education Jobs Program	3,104,874	3,104,874	(154,860)	2,950,014	Based on actual Federal allocations
47990 Other Direct Federal	2,166,665	2,166,665	296,919	2,463,584	Based on actual Federal allocations
Total Federal Revenues	18,978,740	18,978,740	4,663,853	23,642,593	

Non-Revenue Sources

49800 Operating Transfers	1,250,000	1,250,000	-	1,250,000	
Total Non-Revenue Sources	1,250,000	1,250,000	-	1,250,000	

Total Revenues	20,538,549	20,538,549	4,942,608	25,481,154	
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Beginning Fund Balance	113,550	133,550	1,980,580	2,114,130	Actual fund balance carried forward
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Total Available Funds	20,672,099	20,672,099	6,923,185	27,595,284	
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Clarksville-Montgomery County School System Federal Projects Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
Expenditures (Appropriations)					
71100 - Regular Instruction					
Salaries	6,187,646	6,187,646	1,343,644	7,531,290	Based on degree/experience/positions used
Employee Benefits	1,657,492	1,657,492	250,521	1,908,013	Based on year-to-date expenditures
Contracted Services	288,734	288,734	241,541	530,275	Reflects program requirements
Supplies and Materials	466,037	466,037	382,709	848,746	Reflects program requirements
Other Charges	-	-	223,121	223,121	Reflects program requirements
Equipment	289,677	289,677	(46,894)	242,783	Reflects program requirements
Total 71100 - Regular Instruction	8,889,586	8,889,586	2,394,643	11,284,229	
71150 - Alternative School					
Salaries	25,345	25,345	-	25,345	
Employee Benefits	4,233	4,233	-	4,233	
Total 71150 - Alternative School	29,578	29,578	-	29,578	
71200 - Special Education					
Salaries	2,316,396	2,316,396	413,426	2,729,822	Based on degree/experience/positions used
Employee Benefits	831,697	831,697	166,212	997,909	Based on year-to-date expenditures
Contracted Services	5,000	5,000	181,081	186,081	Reflects program requirements
Supplies and Materials	50,000	50,000	959,832	1,009,832	Reflects program requirements
Other Charges	20,000	20,000	82,638	102,638	Reflects program requirements
Equipment	-	-	33,041	33,041	Reflects program requirements
Total 71200 - Special Education	3,223,093	3,223,093	1,836,230	5,059,323	
71300 - Vocational Education					
Salaries	151,075	151,075	3,836	154,911	Based on degree/experience/positions used
Employee Benefits	32,592	32,592	(738)	31,854	Based on year-to-date expenditures
Supplies and Materials	37,861	37,861	(5,801)	32,060	Reflects program requirements
Other Charges	2,500	2,500	3,500	6,000	Reflects program requirements
Equipment	206,240	206,240	(17,132)	189,108	Reflects program requirements
Total 71300 - Vocational Education	430,268	430,268	(16,335)	413,933	

Clarksville-Montgomery County School System Federal Projects Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
71600 - Adult Education					
Salaries	79,464	79,464	12,907	92,371	Based on degree/experience/positions used
Employee Benefits	13,270	13,270	2,155	15,425	Based on year-to-date expenditures
Contracted Services	-	-	3,475	3,475	Reflects program requirements
Supplies and Materials	4,249	4,249	55,264	59,513	Reflects program requirements
Total 71600 - Adult Education	96,983	96,983	73,800	170,783	
72110 - Student Services					
Salaries	19,951	19,951	-	19,951	
Employee Benefits	3,332	3,332	-	3,332	
Total 72110 - Student Services	23,283	23,283	-	23,283	
72130 - Other Student Support					
Salaries	247,600	247,600	18,227	265,827	Based on degree/experience/positions used
Employee Benefits	71,794	71,794	4,160	75,954	Based on year-to-date expenditures
Contracted Services	191,626	191,626	(110,236)	81,390	Reflects program requirements
Supplies and Materials	13,600	13,600	33,250	46,850	Reflects program requirements
Other Charges	65,682	65,682	29,568	95,250	Reflects program requirements
Total 72130 - Other Student Support	590,302	590,302	(25,031)	565,271	
72210 - Regular Instruction Support					
Salaries	1,417,569	1,417,569	578,723	1,996,292	Based on degree/experience/positions used
Employee Benefits	442,161	442,161	120,891	563,052	Based on year-to-date expenditures
Contracted Services	208,956	208,956	36,151	245,107	Reflects program requirements
Supplies and Materials	39,988	39,988	3,000	42,988	Reflects program requirements
Other Charges	146,333	146,333	1,598,740	1,745,073	Reflects program requirements
Equipment	20,500	20,500	(17,500)	3,000	Reflects program requirements
Total 72210 - Regular Instruction Support	2,275,507	2,275,507	2,320,006	4,595,513	

Clarksville-Montgomery County School System Federal Projects Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
72220 - Special Education Support					
Salaries	753,652	753,652	(31,563)	722,089	Based on degree/experience/positions used
Employee Benefits	212,966	212,966	42,850	255,816	Based on year-to-date expenditures
Contracted Services	-	-	13,000	13,000	Reflects program requirements
Supplies and Materials	-	-	63,619	63,619	Reflects program requirements
Other Charges	212,044	212,044	(112,011)	100,033	Reflects program requirements
Total 72220 - Special Education Support	1,178,662	1,178,662	(24,105)	1,154,557	
Contracted Services	3,000	3,000	(2,000)	1,000	Reflects program requirements
Other Charges	4,000	4,000	(1,000)	3,000	Reflects program requirements
Total 72230 - Vocational Education Support	7,000	7,000	(3,000)	4,000	
72260 - Adult Education Support					
Salaries	94,372	94,372	55	94,427	Based on degree/experience/positions used
Employee Benefits	40,434	40,434	443	40,877	Based on year-to-date expenditures
Supplies and Materials	-	-	2,011	2,011	Reflects program requirements
Other Charges	4,248	4,248	7,753	12,001	Reflects program requirements
Total 72260 - Adult Education Support	139,054	139,054	10,262	149,316	
72320 - Printing and Communications					
Supplies and Materials	13,784	13,784	(13,784)	-	Reflects program requirements
Total 72320 - Printing and Communications	13,784	13,784	(13,784)	-	
72410 - Office of the Principal					
Salaries	133,059	133,059	5,273	138,332	Based on degree/experience/positions used
Employee Benefits	29,469	29,469	614	30,083	Based on year-to-date expenditures
Total 72410 - Office of the Principal	162,528	162,528	5,886	168,414	
72520 - Human Resources					
Employee Benefits	9,384	9,384	-	9,384	
Total 72520 - Human Resources	9,384	9,384	-	9,384	

Clarksville-Montgomery County School System Federal Projects Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
72610 - Operation of Plant					
Contracted Services	15,000	15,000	200	15,200	Reflects program requirements
Equipment	130,800	130,800	5,161	135,961	Reflects program requirements
Total 72610 - Operation of Plant	145,800	145,800	5,361	151,161	
72710 - Transportation					
Salaries	1,249,555	1,249,555	3,624	1,253,179	Based on degree/experience/positions used
Employee Benefits	141,076	141,076	21,992	163,068	Based on year-to-date expenditures
Contracted Services	-	-	23,025	23,025	Reflects program requirements
Supplies and Materials	21,308	21,308	15,823	37,131	Reflects program requirements
Equipment	15,000	15,000	115,000	130,000	Reflects program requirements
Total 72710 - Transportation	1,426,939	1,426,939	179,465	1,606,404	
72810 - Information Technology					
Salaries	109,566	109,566	-	109,566	
Employee Benefits	44,444	44,444	-	44,444	
Total 72810 - Information Technology	154,010	154,010	-	154,010	
73400 - Early Childhood Education					
Salaries	33,063	33,063	-	33,063	
Employee Benefits	5,521	5,521	-	5,521	
Total 73400 - Early Childhood Education	38,584	38,584	-	38,584	
Indirect Cost	454,204	454,204	174,140	628,344	Increased assessment for indirect costs
Transfers To Other Funds	1,250,000	1,250,000	-	1,250,000	
Total 99100 - Interfund Transfers	1,704,204	1,704,204	174,140	1,878,344	

**Clarksville-Montgomery County School System
Federal Projects Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
Total Expenditures	20,538,549	20,538,549	6,917,539	27,456,087
Ending Fund Balance	133,550	133,550	5,647	139,197
				Projected fund balance as of 6/30/12
Total Expenditures and Fund Balance	20,672,099	20,672,099	6,923,185	27,595,284

**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

09/21/2011

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
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Estimated Revenues

Local Revenues				
40110 Current Property Tax	27,644,853	27,644,853	-	27,644,853
40120 Trustees Collection - Prior Years	805,000	805,000	-	805,000
40140 Interest & Penalties	199,000	199,000	-	199,000
40162 Payments In Lieu of Taxes (Utility)	667,000	667,000	-	667,000
40210 Local Option Sales Tax	35,935,800	35,935,800	-	35,935,800
40240 Wheel Tax	3,947,300	3,947,300	-	3,947,300
40270 Business Tax	450,000	450,000	-	450,000
40320 Bank Excise Tax	45,300	45,300	-	45,300
40350 Interstate Telecommunications Tax	10,000	10,000	-	10,000
43365 Archives & Records Management Fee	6,300	6,300	-	6,300
43511 Tuition - Regular Day Students	15,000	15,000	-	15,000
43583 Criminal Background Fee	22,000	22,000	-	22,000
44110 Interest Earned	1,000	1,000	-	1,000
44120 Lease/Rentals	105,000	105,000	45,000	150,000
44130 Sale of Materials & Supplies	12,000	12,000	-	12,000
44145 Sale of Recycled Materials	1,000	1,000	-	1,000
44146 E-Rate Funding	167,710	167,710	-	167,710
44170 Misc. Refund - Other	3,500	3,500	-	3,500
44530 Sale of Equipment	25,000	25,000	-	25,000
44560 Damages from Individuals	500	500	-	500
44570 Contributions & Gifts	90,000	90,000	-	90,000
Total Local Revenues	70,153,263	70,153,263	45,000	70,198,263

From easement at St. Bethlehem Elem.

State Revenues				
46190 Other General Government Grants	-	-	3,950	3,950
46390 Transition School To Work	71,628	71,628	-	71,628
46511 Basic Education Program	113,707,850	113,707,850	-	113,707,850
46515 Early Childhood Education	1,829,270	1,829,270	-	1,829,270
46590 Other State Education Funds	116,491	116,491	-	116,491
46610 Career Ladder Program	737,000	737,000	-	737,000
46615 Extended Contract - Stimulus	234,800	234,800	-	234,800
46820 Income Tax	186,428	186,428	-	186,428
46850 Mixed Drink Tax	296,000	296,000	-	296,000
Total State Revenues	117,179,467	117,179,467	3,950	117,183,417

State grant

Clarksville-Montgomery County School System General Purpose School Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
Federal Revenues				
47590 Other Federal Funds	2,980,308	2,980,308	-	2,980,308
47630 Public Law 874 (Impact Aid)	4,400,000	4,400,000	-	4,400,000
47640 JROTC	460,000	460,000	-	460,000
48140 Adult Literacy	25,000	25,000	-	25,000
Total Federal Revenues	7,865,308	7,865,308	-	7,865,308
Non-Revenue Sources				
49700 Insurance Recovery	25,000	25,000	-	25,000
49800 Operating Transfers	446,642	446,642	-	446,642
Total Non-Revenue Sources	471,642	471,642	-	471,642
Total Revenues	195,669,680	195,669,680	48,950	195,718,630
Beginning Reserves and Fund Balance				
Reserve for On-The-Job Injury	1,375,218	1,375,218	-	1,375,218
Reserve for Property & Liability Insurance	1,475,000	1,475,000	-	1,475,000
Reserve for Extended Contract	675	675	-	675
Reserve for Career Ladder	27,135.00	27,135	(21,581)	5,554
Total Reserves	2,878,028	2,878,028	(21,581)	2,856,447
Beginning Fund Balance	15,542,777	15,542,777	4,273,812	19,816,589
Total Reserves and Fund Balance	18,420,805	18,420,805	4,252,231	22,673,036
Total Available Funds	214,090,485	214,090,485	4,301,161	218,391,666

Actual reserve balance carried forward

Actual fund balance carried forward

**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
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Expenditures (Appropriations)

71100 - Regular Instruction

Salaries	72,639,190	72,639,190	(107,233)	72,531,957	Based on degree/experience/positions used
Employee Benefits	24,964,964	24,964,964	(31,401)	24,933,563	Based on year-to-date expenditures
Contracted Services	1,984,967	1,984,967	-	1,984,967	
Supplies and Materials	3,348,233	3,348,233	-	3,348,233	
Other Charges	385,000	385,000	-	385,000	
Equipment	24,000	24,000	-	24,000	

Total 71100 - Regular Instruction

	103,346,354	103,346,354	(138,634)	103,207,720
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71150 - Alternative School

Salaries	666,638	666,638	57,685	724,323	Based on degree/experience/positions used
Employee Benefits	189,391	189,391	23,125	212,516	Based on year-to-date expenditures
Contracted Services	29,000	29,000	-	29,000	
Supplies and Materials	3,000	3,000	-	3,000	

Total 71150 - Alternative School

	888,029	888,029	80,810	968,839
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71200 - Special Education

Salaries	14,027,646	14,027,646	-	14,027,646	
Employee Benefits	5,029,644	5,029,644	-	5,029,644	
Contracted Services	1,224,679	1,224,679	-	1,224,679	
Supplies and Materials	80,210	80,210	-	80,210	
Equipment	10,000	10,000	-	10,000	

Total 71200 - Special Education

	20,372,179	20,372,179	-	20,372,179
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71300 - Vocational Education

Salaries	3,472,862	3,472,862	24,250	3,497,112	CTSO supplements
Employee Benefits	1,233,909	1,233,909	4,051	1,237,960	Based on year-to-date expenditures
Contracted Services	67,500	67,500	-	67,500	
Supplies and Materials	319,450	319,450	(3,210)	316,240	Reallocation to salaries and benefits
Equipment	10,000	10,000	-	10,000	

Total 71300 - Vocational Education

	5,103,721	5,103,721	25,091	5,128,812
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**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
72110 - Student Services					
Salaries	597,997	597,997	-	597,997	
Employee Benefits	195,624	195,624	-	195,624	
Contracted Services	7,350	7,350	-	7,350	
Supplies and Materials	3,860	3,860	-	3,860	
Other Charges	5,000	5,000	-	5,000	
Total 72110 - Student Services	809,831	809,831	-	809,831	
72120 - Health Services					
Salaries	816,855	816,855	-	816,855	
Employee Benefits	364,684	364,684	-	364,684	
Contracted Services	700	700	-	700	
Supplies and Materials	17,345	17,345	-	17,345	
Equipment	13,000	13,000	-	13,000	
Total 72120 - Health Services	1,212,584	1,212,584	-	1,212,584	
72130 - Other Student Support					
Salaries	5,531,891	5,531,891	-	5,531,891	
Employee Benefits	1,709,236	1,709,236	-	1,709,236	
Contracted Services	152,549	152,549	(61)	152,488	Based on year-to-date expenditures
Supplies and Materials	1,800	1,800	-	1,800	
Total 72130 - Other Student Support	7,395,476	7,395,476	(61)	7,395,415	
72210 - Regular Instruction Support					
Salaries	5,343,724	5,343,724	21,087	5,364,811	Based on degree/experience/positions used
Employee Benefits	1,786,604	1,786,604	5,479	1,792,083	Based year-to-date expenditures
Contracted Services	60,192	60,192	8,500	68,692	Based on year-to-date expenditures
Supplies and Materials	662,306	662,306	(15,000)	647,306	Reallocation to other accounts
Other Charges	235,368	235,368	(2,836)	232,532	Based on year-to-date expenditures
Total 72210 - Regular Instruction Support	8,088,194	8,088,194	17,230	8,105,424	

**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
72215 - Alternative School Support				
Salaries	19,571	19,571	-	19,571
Employee Benefits	18,277	18,277	-	18,277
Total 72215 - Alternative School Support	37,848	37,848	-	37,848
72220 - Special Education Support				
Salaries	1,431,145	1,431,145	-	1,431,145
Employee Benefits	439,060	439,060	-	439,060
Contracted Services	31,000	31,000	-	31,000
Supplies and Materials	62,700	62,700	-	62,700
Other Charges	17,400	17,400	-	17,400
Equipment	800	800	-	800
Total 72220 - Special Education Support	1,982,105	1,982,105	-	1,982,105
72230 - Vocational Education Support				
Salaries	78,841	78,841	-	78,841
Employee Benefits	25,707	25,707	-	25,707
Contracted Services	900	900	-	900
Supplies and Materials	1,300	1,300	-	1,300
Other Charges	1,500	1,500	-	1,500
Total 72230 - Vocational Education Support	108,248	108,248	-	108,248
72260 - Adult Education Support				
Salaries	67,283	67,283	49,548	116,831
Employee Benefits	11,438	11,438	8,276	19,714
Total 72260 - Adult Education Support	78,721	78,721	57,824	136,545
72310 - Board of Education				
Salaries	60,567	60,567	-	60,567
Employee Benefits	14,200	14,200	-	14,200
Contracted Services	121,000	121,000	-	121,000
Other Charges	25,000	25,000	-	25,000
Total 72310 - Board of Education	220,767	220,767	-	220,767

Based on degree/experience/positions used
Based on year-to-date expenditures

Clarksville-Montgomery County School System General Purpose School Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
72320 - Director of Schools					
Salaries	259,155	259,155	(33,654)	225,501	Moved ISO position to HR
Employee Benefits	76,698	76,698	(7,537)	69,161	Moved ISO position to HR
Contracted Services	91,800	91,800	(15,000)	76,800	Reallocated to 72520 for ISO
Supplies and Materials	5,500	5,500	-	5,500	
Other Charges	15,000	15,000	-	15,000	
Total 72320 - Director of Schools	448,153	448,153	(56,191)	391,962	
72320 - Printing and Communications					
Salaries	335,416	335,416	-	335,416	
Employee Benefits	129,482	129,482	-	129,482	
Contracted Services	44,400	44,400	-	44,400	
Supplies and Materials	54,366	54,366	-	54,366	
Other Charges	8,000	8,000	-	8,000	
Equipment	6,000	6,000	-	6,000	
Total 72320 - Printing and Communication	577,664	577,664	-	577,664	
72410 - Office of the Principal					
Salaries	10,862,607	10,862,607	46,730	10,909,337	Opening of Carmel Elem.
Employee Benefits	3,982,563	3,982,563	14,025	3,996,588	Opening of Carmel Elem.
Contracted Services	31,859	31,859	-	31,859	
Other Charges	35,000	35,000	-	35,000	
Equipment	77,000	77,000	-	77,000	
Total 72410 - Office of the Principal	14,989,029	14,989,029	60,755	15,049,784	
72510 - Business Affairs					
Salaries	1,326,207	1,326,207	42,162	1,368,369	Temporary staffing for accounting
Employee Benefits	501,334	501,334	3,225	504,559	Temporary staffing for accounting
Contracted Services	136,460	136,460	-	136,460	
Supplies and Materials	38,200	38,200	-	38,200	
Other Charges	279,200	279,200	4,800	284,000	Staff development requirements
Insurance Premiums	1,493	1,493	-	1,493	
Trustee's Commission	1,182,525	1,182,525	-	1,182,525	
Total 72510 - Business Affairs	3,465,419	3,465,419	50,187	3,515,606	

Clarkville-Montgomery County School System General Purpose School Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget	
72520 - Human Resources					
Salaries	1,080,028	1,080,028	45,011	1,125,039	ISO position moved from 72320
Employee Benefits	1,515,719	1,515,719	10,087	1,525,806	ISO position moved from 72320
Contracted Services	80,955	80,955	15,000	95,955	Reallocation from 72320 for ISO
Supplies and Materials	37,000	37,000	-	37,000	Staff development requirements
Other Charges	60,000	60,000	6,000	66,000	
Equipment	900	900	-	900	
Insurance Premiums	200,000	200,000	-	200,000	
Total 72520 - Human Resources	2,974,602	2,974,602	76,098	3,050,700	
72610 - Operation of Plant					
Salaries	4,530,920	4,530,920	-	4,530,920	
Employee Benefits	2,519,155	2,519,155	-	2,519,155	
Contracted Services	511,740	511,740	-	511,740	
Supplies and Materials	425,837	425,837	-	425,837	
Other Charges	7,000	7,000	-	7,000	
Equipment	87,900	87,900	-	87,900	
Utilities	7,536,700	7,536,700	-	7,536,700	
Insurance Premiums	671,238	671,238	26,456	697,694	Based on actual premiums
Total 72610 - Operation of Plant	16,290,490	16,290,490	26,456	16,316,946	
72620 - Maintenance of Plant					
Salaries	2,277,603	2,277,603	-	2,277,603	
Employee Benefits	1,054,133	1,054,133	-	1,054,133	
Contracted Services	500,770	500,770	3,950	504,720	TN Agricultural Enhancement Grant
Supplies and Materials	1,126,946	1,126,946	-	1,126,946	
Other Charges	5,900	5,900	-	5,900	
Equipment	58,400	58,400	-	58,400	
Insurance Premiums	14,946	14,946	4,408	19,354	Based on actual premiums
Total 72620 - Maintenance of Plant	5,038,698	5,038,698	8,358	5,047,056	

**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
72810 - Information Technology				
Salaries	2,298,971	2,298,971	-	2,298,971
Employee Benefits	813,458	813,458	-	813,458
Contracted Services	2,453,821	2,453,821	-	2,453,821
Supplies and Materials	881,658	881,658	-	881,658
Other Charges	35,904	35,904	16,000	51,904
Equipment	3,111,793	3,111,793	-	3,111,793
				Staff development requirements
Total 72810 - Information Technology	9,595,605	9,595,605	16,000	9,611,605
73400 - Early Childhood Education				
Salaries	1,359,852	1,359,852	-	1,359,852
Employee Benefits	565,920	565,920	-	565,920
Contracted Services	35,000	35,000	-	35,000
Supplies and Materials	10,000	10,000	-	10,000
Other Charges	20,000	20,000	-	20,000
Total 73400 - Early Childhood Education	1,990,772	1,990,772	-	1,990,772
82230 - Debt Service				
Interest Payments	35,000	35,000	-	35,000
Total 82230 - Debt Service	35,000	35,000	-	35,000

**Clarksville-Montgomery County School System
General Purpose School Fund Budget**

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
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Total Expenditures	205,049,489	205,049,489	223,923	205,273,412
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Ending Reserves and Fund Balance

Fund Balance	6,183,776	6,183,776	4,078,031	10,261,807	Projected fund balance as of 6/30/12
On-The-Job Injury Reserve	1,375,218	1,375,218	-	1,375,218	
Property & Liability Insurance Reserve	1,475,000	1,475,000	-	1,475,000	Projected reserve as of 6/30/12
Extended Contract Reserve	675	675	-	675	Projected reserve as of 6/30/12
Career Ladder Reserve	6,327	6,327	(773)	5,554	Projected reserve as of 6/30/12

Total Reserves and Fund Balance	9,040,996	9,040,996	4,077,258	13,118,254
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Total Expenditures, Reserves and Fund Balance	214,090,485	214,090,485	4,301,181	218,391,666
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Clarkville-Montgomery County School System Transportation Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
Estimated Revenues				
Local Revenues				
40110 Current Property Tax	1,677,930	1,677,930	-	1,677,930
40120 Trustees Collection - Prior Years	50,000	50,000	-	50,000
40140 Interest & Penalties	14,000	14,000	-	14,000
40162 Payments In Lieu of Taxes (Utility)	44,511	44,511	-	44,511
40320 Bank Excise Tax	3,000	3,000	-	3,000
44130 Sale of Materials & Supplies	2,000	2,000	-	2,000
44145 Sale of Recycled Materials	1,000	1,000	-	1,000
44170 Misc. Refund - Other	11,200	11,200	-	11,200
44530 Sale of Equipment	40,500	40,500	-	40,500
44560 Damages from Individuals	1,000	1,000	-	1,000
Total Local Revenues	1,845,141	1,845,141	-	1,845,141
State Revenues - BEP				
46511 Basic Education Program	8,940,150	8,940,150	-	8,940,150
Total State Revenues - BEP	8,940,150	8,940,150	-	8,940,150
Federal Revenues				
47143 Educ. of the Handicapped Act	1,282,915	1,282,915	-	1,282,915
47311 Race To The Top	15,000	15,000	-	15,000
Total Federal Revenues	1,297,915	1,297,915	-	1,297,915
Total Revenues	12,083,206	12,083,206	-	12,083,206
Beginning Fund Balance	546,713	546,713	704,107	1,250,820
Total Available Funds	12,629,919	12,629,919	704,107	13,334,026

Clarkville-Montgomery County School System Transportation Fund Budget

	2011-12 Original Budget	Current Amended Budget	Proposed Increase (Decrease)	Proposed Amended Budget
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Expenditures (Appropriations)

72510 - Fiscal Services				
Trustee's Commission	40,000	40,000	-	40,000
Total 72510 - Fiscal Services	40,000	40,000	-	40,000
72710 - Transportation				
Salaries	6,505,049	6,505,049	-	6,505,049
Employee Benefits	3,096,543	3,096,543	-	3,096,543
Contracted Services	254,225	254,225	34,675	288,900
Supplies and Materials	2,041,000	2,041,000	-	2,041,000
Other Charges	20,000	20,000	-	20,000
Equipment	142,500	142,500	-	142,500
Insurance Premiums	51,684	51,684	1,744	53,428
				Based on actual premium
Total 72710 - Transportation	12,111,001	12,111,001	36,419	12,147,420
Total Expenditures	12,151,001	12,151,001	36,419	12,187,420
Ending Fund Balance	478,918	478,918	667,688	1,146,606
				Projected fund balance as of 6/30/12
Total Expenditures and Fund Balance	12,629,919	12,629,919	704,107	13,334,026

**RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING
BETWEEN THE STATE OF TENNESSEE, THE CITY OF CLARKSVILLE,
AND MONTGOMERY COUNTY, TENNESSEE RELATIVE TO THE
CLARKSVILLE-MONTGOMERY COUNTY VETERANS
COMMUNITY LIVING CENTER**

WHEREAS, on August 8, 2005, the Montgomery County Board of Commissioners approved a resolution of intent to appropriate \$750,000 for the construction of a Veteran’s Nursing Home; and

WHEREAS, the Clarksville City Council met on October 6, 2011, and approved the Memorandum of Understanding attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners meeting in regular session on this 14th day of November, 2011, that the execution of the Memorandum of Understanding between the State of Tennessee, the City of Clarksville, and Montgomery County is hereby approved.

BE IT FURTHER RESOLVED that a copy of said Memorandum of Understanding referred to hereinabove shall be attached and made a part of this resolution as though it were fully copied herein.

Duly passed and approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into as of the day of _____, 2011, by and between the **CITY OF CLARKSVILLE** (“City”); **THE COUNTY OF MONTGOMERY** (“County”) and the **STATE OF TENNESSEE, DEPARTMENT OF GENERAL SERVICES** (“State”).

WITNESSETH:

WHEREAS, the State is currently exploring the opportunity to construct a project called the Clarksville -Montgomery County Veterans Community Living Center on property in Montgomery County, Tennessee;

WHEREAS, the City and County are interested in supporting a Veterans Community Living Center project in Montgomery County and assisting the State in the funding, planning, and construction of such a facility;

NOW, THEREFORE, the parties agree as follows:

1. The City and the County will perform certain preliminary work in connection with the sites being considered for the project. This work will be completed in a timely manner in order to provide a Designer of Record (DOR) enough time to complete design documents as required by the Department of Veterans Affairs Checklist of Major Requirements for State Home Construction/Acquisition Grants, VA Form 10-0388-14, [hereinafter “VA Checklist”].
 - a. Perform site selection activities.
 - b. Perform a Phase One Environmental Study, site plan/map, site survey, and soil investigation as set forth in Section B, Requirement 2B of the VA Checklist.
 - c. Perform a Phase II Environmental Assessment (if determined to be necessary) as set forth in Section B, Requirement 2C of the VA Checklist.
 - d. Obtain a letter from the state historical preservation officer and subsequent clearance from the Veterans Administration historical preservation officer as set forth in Section B, Requirement 2D of the VA Checklist.
 - e. Obtain an appraisal of the property.
2. The City and the County will provide all necessary infrastructure up to the Clarksville - Montgomery County Community Living Center site.
 - a. Utilities (adequate utilities and easements located at Property Line to be coordinated with the DOR for the Project) including:
 - i. Water
 1. Potable
 2. Fire Protection
 - ii. Sewer
 - iii. Electrical
 - iv. Gas
 - v. Fiber Optic
 - vi. Phone

b. Transportation

- i. Traffic Impact Study and related traffic improvements as may be deemed necessary.
3. The State of Tennessee shall be responsible for authorized project costs for paving and storm water system, when required, between the Clarksville - Montgomery County Veterans Community Living Center property line and street, avenue, state route, or other adjacent roadway.
4. The City and County agree that should a DOR contract with the State for design services and be given a Notice to Proceed, the fees associated with these design services shall be considered part of the respective \$750,000 funding commitments of both the City and County. These fees shall be included in the lump sum billing the State will require at completion of the construction documents phase (CDP) of the project. The City and County agree that they shall have no right to recover these fees (or any other costs relating to these fees) from the State if the site is determined to be unsuitable for construction of the project for any reason.
5. Costs of the work identified in item 1 and 2 above will be considered part of the respective \$750,000 funding commitments of both the City and County. If a viable site is located and the project moves forward, and upon review of supporting documentation, these costs will be discounted from the lump sum billing the State will require at completion of the construction documents phase (CDP) of the project. Cost for land purchase shall not be reimbursable and shall not be considered part of the respective \$750,000 funding commitments of both the City and County
6. The City and County agree not to seek reimbursement from the State of Tennessee for costs of work as set forth above. Subject to State Building Commission policies and the availability of funding, the State of Tennessee shall be responsible for authorized costs only within the approved property lines of the proposed site and as stated in item 3 above. Furthermore, the City and County agree that they will not seek reimbursement from the State, and will hold the State harmless for any reimbursement requests for services related to the site, should the site not be selected for a Veterans Home project.
7. The City and the County acknowledge that the State will perform its own investigations related to this project and has not committed to acquire property or pursue a Clarksville - Montgomery County Veterans Community Living Center construction project.

CITY OF CLARKSVILLE

STATE OF TENNESSEE

By: _____
Kim McMillan
Mayor

By: _____
Assistant Commissioner
Real Property Administration
Department of General Services

COUNTY OF MONTGOMERY:

By: _____
Carolyn P. Bowers
Mayor

**RESOLUTION TO ESTABLISH ARCHIVES AND RECORDS MANAGEMENT
FEES FOR DOCUMENTS FILED IN CERTAIN OFFICES OF
MONTGOMERY COUNTY GOVERNMENT**

WHEREAS, Tennessee Code Annotated, Section 10-7-408, authorizes county legislative bodies to establish and collect an Archives and Records Management Fee not to exceed five dollars (\$5.00) per document filed in certain county offices, with the funds collected through this fee to be designated exclusively for duplicating, storing, and maintaining any records required by law to be permanently kept; and

WHEREAS, the Montgomery County Legislative Body, having established a County Public Records Commission as required by law, has determined that it is in the best interest of Montgomery County that such an Archives and Records Management Fee be established and collected in offices in Montgomery County.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners, assembled in regular business session this the 14th day of November, 2011, that:

SECTION 1. An Archives and Records Management Fee is hereby established in the amount of five dollars (\$5.00) on documents filed in offices of Montgomery County. This fee will apply for certain documents in the following offices: **Highway Department; Building and Codes; County Clerk; Clerk & Master; Circuit Court Clerk; Juvenile and General Sessions; and Court Safety.**

SECTION 2. The Archives and Records Management Fee shall be collected by the above mentioned offices beginning March 1, 2012.

SECTION 3. The funds collected through this fee shall be remitted to the County General Fund to be appropriated exclusively for use by Montgomery County for duplicating, storing and maintaining records required by law to be permanently kept.

SECTION 4. This resolution shall be effective upon its passage and approval, the public welfare requiring it.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the funds collected and expended in the current fiscal year from March 1, 2012 through June 30, 2012 be detailed as listed below:

101-00000-00000-00-43365 Archives and Records Management Fee	\$ 121,939.00
101-52600-00000-00-53990 Other Contracted Services	5,000.00
101-52600-00000-00-57090 Other Data Processing Equipment	12,500.00
Total Increase to FY12 Fund Balance	\$ 104,439.00

The Director of Accounts and Budgets shall establish the necessary accounts providing for the related revenues and expenditures listed herein, this resolution intended to have the effect of appropriation to that purpose accordingly.

Duly passed and approved this the 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk

Archives and Records Management Fee for Documents Filed in Certain Offices
Estimated Revenue

	<u>FY11-12 Mar-June</u>	<u>FY12-13</u>
Highway Department	\$616	\$1,850
Building & Codes	\$3,688	\$11,065
County Clerk	\$86,000	\$260,000
(initial start-up)	(\$17,500)	(\$65,500) (additional start-up and ongoing P/T)
Clerk & Master	\$1,833	\$5,500
Circuit Court Clerk	\$28,677	\$86,000
		(\$80,000) (initial start-up cost)
		(\$45,000) (ongoing F/T + benefits)
Juvenile & General Sessions	\$525	\$1,575
Court Safety	\$600	\$1,800
Estimated Revenue	\$121,939	\$367,790
Initial Start-up Costs	(\$17,500)	(\$190,500)

**RESOLUTION OF THE MONTGOMERY COUNTY BOARD OF COMMISSIONERS
TO TRANSFER RESERVE FUND MONIES FOR THE
ANIMAL CONTROL DEPARTMENT**

WHEREAS, a monetary donation of One Hundred Thousand Dollars (\$100,000) was given anonymously to the Animal Control Department; and

WHEREAS, the Montgomery County Board of Commissioners approved in Resolution 08-11-1 to place said funds in the department’s reserve fund, 101-55120-00000-55, object code 34530; and

WHEREAS, the Animal Control Department requests \$12,701.00 of the reserve funds be transferred to the department’s operational funds to be utilized as followed:

Stainless Steel Cages (11)	\$4,546.00
Floor Weighing Scale for Drug Dosage Dispensing	895.00
Automatic Floor Scrubber/Sanitizer	2,500.00
Total transfer to Other Capital Outlay 101-55120-57900	\$7,941.00

Cat Traps (10)	\$ 240.00
Total transfer to 101-55120-54990	\$ 240.00

Drugs/Medical Supplies	\$4,520.00
Total transfer to 101-55120-54130	\$4,520.00

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners assembled in Regular Session on this 14th day of November, 2011, that \$12,701.00 be transferred from Animal Control Department Reserve Fund and placed in the Animal Control Department operational budget and be available for the department’s use through procedures established by the 1957 Purchasing Act.

Duly passed and approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____
County Clerk

**RESOLUTION AMENDING THE BUDGET OF THE
MONTGOMERY COUNTY ANIMAL CONTROL
AND ADOPTION SERVICE**

WHEREAS, Montgomery County is one of the fastest growing communities in Tennessee and the Montgomery County Animal Control and Adoption Service and the County Commission wish to continue to efficiently and effectively meet the needs of the citizens of Montgomery County; and

WHEREAS, the Montgomery County Animal Control and Adoption Service has incurred additional expenses due to this growth and office transition; and

WHEREAS, Tennessee Code Annotated §5-9-407 provides a procedure for amending the budget, specifically providing that, "the budget, including line items and major categories, may be amended by passage of an amendment by a majority of the members of the county legislative body;" and

WHEREAS, the Montgomery County Animal Control and Adoption Service has identified a need for additional personnel in order to meet the immediate needs of the public.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of Commissioners assembled in regular session on this 14th day of November, 2011, that the Montgomery County Animal Control and Adoption Service's Fiscal Year 2011-2012 operating budget is hereby amended as follows:

Temporary Part-Time Kennel Workers:

101-55120-00000-55-51680	Temporary Personnel	\$13,843.20
101-55120-00000-55-52010	Social Security	858.28
101-55120-00000-55-52120	Medicare	200.73
	Total	\$14,902.21

Reclassify Dispatcher to Animal Control Coordinator:

101-55120-00000-55-51620	Clerical Personnel	\$ 4,428.90
101-55120-00000-55-52010	Social Security	274.59
101-55120-00000-55-52120	Medicare	64.22
101-55120-00000-55-52040	State Retirement	647.95
	Total	\$ 5,415.66

New Dispatcher:

101-55120-00000-55-51890	Other Salaries & Wages	\$ 14,809.60
101-55120-00000-55-52010	Social Security	918.20
101-55120-00000-55-52120	Medicare	214.74
101-55120-00000-55-52040	State Retirement	2,166.64
101-55120-00000-55-52070	Medical Insurance	8,615.00
	Total	\$ 26,724.18

Total Increase to Budget: \$ 47,042.05

Duly approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____
County Mayor

Attested _____
County Clerk

RESOLUTION ADOPTING DEBT MANAGEMENT POLICIES FOR MONTGOMERY COUNTY, TENNESSEE

WHEREAS, the Tennessee State Funding Board (the “Funding Board”) requires that each local government in the State of Tennessee adopt a debt management policy consistent with the Funding Board requirements; and

WHEREAS, the Governing Body has determined that debt management policy tailored to the needs of the Board of County Commissioners (the “Governing Body”) of Montgomery County, Tennessee (the “County”) can improve the quality of decisions, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the public interest of the County.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Montgomery County, Tennessee, assembled in regular session this 14th day of November, 2011, that the Debt Management Policy attached hereto as Exhibit A is hereby approved.

BE IT FURTHER RESOLVED that this Resolution and the Debt Management Policy hereby approved shall take effect immediately from and after the adoption of this resolution, the welfare of Montgomery County, Tennessee, requiring it.

Duly passed and approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk



Debt Management Policy

Montgomery County Government
Clarksville-Montgomery County Schools
Bi County Solid Waste
Montgomery County E911
Montgomery County Rail Authority
Clarksville/Montgomery County Airport Authority
Montgomery County Port Authority

Effective _____, 2011

Exhibit A

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Debt Management Policy

Introduction

Debt management policies provide written guidance about the amount and type of debt issued by a state or local government, the issuance process, and the management of the debt portfolio. A debt management policy tailored to the needs of the Board of County Commissioners (the “Governing Body”) of Montgomery County, Tennessee (the “County”) can improve the quality of decisions, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the public interest of the County. Adherence to a debt management policy may signal to rating agencies and the capital markets that a government is well-managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

The debt program for the County includes (1) general obligation debt issued by the County for general county purposes and for which the County has pledged its full faith and credit for the payment of both principal and interest; (2) school bonds issued by the County for County -school purposes grades K-12 and for which the County has pledged its full faith and credit for the payment of both principal and interest; and

This Debt Management Policy is intended to comply with the debt management policy requirements promulgated by the Tennessee State Funding Board in December 2010.

This policy is supported by certain technical terms that are included with definitions in Exhibit A located at the end of the debt management policy.

This policy includes the following entities:

- The Montgomery County Government.
- The Clarksville Montgomery County School System – a component unit of the county government.
- The Bi County Solid Waste System – a component unit of the county government. Bi County has a board of director that is appointed by the County Mayor and confirmed by the County Commission.
- The Montgomery County Emergency Communication District – The District has its own board of directors and the recordkeeping responsibilities reside with the Director of Accounts and Budgets.

- The Montgomery County Rail Service Authority – the Authority has a board of directors that are jointly appointed by the City of Clarksville and Montgomery County. The recordkeeping responsibility resides with the Accounts and Budgets Department.
- The Clarksville Montgomery County Airport Authority – the Authority has a board of directors that are jointly appointed by the City of Clarksville and Montgomery County. The recordkeeping responsibility resides with the Accounts and Budgets Department.
- The Montgomery County Port Authority.

Goals and Objectives

The Governing Body is establishing a debt policy as a tool to ensure that financings undertaken by the Governing Body satisfy certain clear objective standards designed to protect the County's financial resources and to meet its long-term capital needs.

A. The goals and objectives of this policy are:

1. To document responsibility for the oversight and management of debt related transactions;
2. To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
3. To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Governing Body's debt issuance authority;
4. To define the types and appropriate use of debt approved for use within the constraints established by Tennessee law;
5. To provide guidance for evaluating refunding candidates or alternative debt structures;
6. To provide support for the maintenance of a strong credit rating;
7. To enhance risk management practices; and
8. To increase transparency, reduce conflicts, and promote cooperation in the debt management process.

Debt Management Strategies

To achieve the goals and objectives above, the Governing Body adopts the following debt management strategies and procedures.

A. Funding Strategies

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of Tennessee (the "State") (including Title 9, Chapter 21, Tennessee Code Annotated (the "General Bond Act") and Title 49, Chapter 3, Part 10, Tennessee Code Annotated for the issuance of county school bonds (the "School Bond Act"))

and various bond authorizations enacted by the General Assembly of the State), and pursuant to resolutions adopted by the Governing Body.

1. Debt may only be used to finance or refinance:
 - a. the capital costs of “public works projects” (as defined in and permitted by the General Bond Act) and such other costs related thereto as may be permitted by the General Bond Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body; and
 - b. the capital costs of County school projects (as permitted by the School Bond Act) and such other costs related thereto as may be permitted by the School Bond Act (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Governing Body.
2. Prior to the issuance of bonds, bond anticipation notes or capital outlay notes may be issued for the payment of capital costs of projects as authorized by a resolution of the Governing Body. The bond anticipation notes or capital outlay notes may be paid from the proceeds of bonds to be issued in the future.
3. Debt shall be secured by and payable from the following sources of funds:
 - a. In the case of debt issued to finance public works projects under the authority of the General Bond Act, the full faith and credit of the County; provided that in cases where debt is issued to finance capital improvements to a revenue-generating public works project, the debt may be additionally payable from and secured by a pledge of the revenues of such public works project;
 - b. In the case of debt issued to finance County school projects for grades K-12 under the authority of the School Bond Act, the full faith and credit of the County; and
4. Prior to the adoption of a resolution authorizing debt, the Director of Accounts and Budgets (the “Director”) shall estimate the impact of the contemplated financing and identify the projected source of repayment.
5. Prior to the issuance of debt, the Director of Accounts and Budget shall estimate the effect of additional debt on the percent of annual requirements for debt service versus fund balance in the debt service fund. The County’s objective is to maintain the ratio of approximately fifty percent (50%) of fund balance to the annual debt service requirements.

B. Federal Tax Status

1. **Tax-Exempt Debt** — Based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints; the County shall use its best efforts to maximize the amount debt sold under this policy as tax-exempt. Tax exempt from federal income tax and from State of Tennessee Hall Income Tax if it is an obligation of some public entity in Tennessee.
2. **Taxable Debt** — The County shall sell taxable debt when necessary to finance projects with a private use or uncontrolled purpose. The Governing Body encourages the financing team to blend the financing of taxable projects with the financing of tax-exempt projects whenever possible and economically advantageous.

C. Legal Limitations on the Use of Debt

1. No debt obligation, except for tax anticipation notes, shall be issued to fund the current operation of the County or any department thereof. Tax anticipation notes shall not be issued except upon approval of the Governing Body and strict compliance with the applicable provisions of the General Bond Act, including without limitation the provisions requiring that such notes mature no later than the end of the fiscal year in which they are issued.
2. The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized by the Governing Body.
3. In accordance with State law, bonds may be issued under the General Bond Act to finance public works projects if:
 - the Governing Body has adopted and published an initial resolution authorizing the financing;
 - the initial resolution is published with a notice giving voters a 20-day right to protest the financing; and
 - if a protest is filed by 10% of voters, a referendum is held and the financing is approved by the voters; or
 - if the Governing Body decides to change the amount, purpose of the issue, or other changes or action in accordance with state law.

In accordance with State Law, Bonds issued under the School Bond Act, and Notes issued under the General Bond Act are not subject to such requirements.

4. The County shall not issue any notes under the General Bond Act without first seeking the approval of the Comptroller of the State, or his or her designee.

Types of Debt

Pursuant to the General Bond Act and the School Bond Act, the County is authorized from time to time to issue its negotiable bonds and notes. Each issuance of debt is authorized by a Resolution adopted by the Governing Body.

A. Long Term Bonds

The County may issue long term bonds under the General Bond Act or the School Bond Act to finance capital projects or refinance outstanding debt. These bonds may be structured as:

1. **Fixed Rate Bonds** — Bonds that have an interest rate that remains constant throughout the life of the bond.
 - Serial Bonds
 - Term Bonds
 - Capital Appreciation Bonds
2. **Variable Rate Demand Obligation (VRDO)**— VRDOs are issued through a public building authority or an industrial development board bear a variable (adjustable) interest rate through the term thereof. Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution. Variable rate demand obligations debt shall be subject to the following limitations:
 - a. The County shall limit its exposure to long-term variable rate debt to the lesser of the following:
 - i. 25% of the total principal amount of its outstanding long term debt; or
 - ii. 75% of the County's a three year average cash balance of all cash funds in the County, excluding capital projects funds or accounts funded with bond proceeds or grants, measured as of the end of the fiscal year preceding the issuance of the variable rate debt; and
 - b. The County shall annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.
 - c. The Director of Accounts and Budgets shall be responsible for monitoring the performance of the remarketing agent, if any, the name and

ratings of any letter-of-credit banks or liquidity facility providers, the expiration date of any letter-of-credit or liquidity facility, and the amount of any on-going fees associated with the variable rate debt.

B. Short Term Debt

The County may issue short term debt by resolution of the Governing Body. Debt issued in a short-term mode shall be of one of the following types:

1. **Bond Anticipation Notes (BANs)** — BANs are short term obligations authorized to be issued under the General Bond Act and the School Bond Act that shall be repaid by proceeds of a subsequent long-term bond issue. BANs shall not be issued unless and until all steps prerequisite to the issuance of the anticipated long term bonds have been taken.
2. **Capital Outlay Notes (CONs)** - CONs are short term notes either Three-Year Notes with two, 3 year renewals or Twelve-Year Notes with maturities of at least 4 years to a maximum of 12 years, authorized by the General Bond Act, secured by a pledge of the County's full faith and credit. CONs may be issued when the County wishes to finance capital projects over a relatively short period or a short period of time to be taken out by a longer term bond issue.
3. **Grant Anticipation Notes (GANs)** - GANs are short term notes, authorized by the General Bond Act, secured as to interest by a pledge of the County's full faith and credit and as to principal by a pledge of the proceeds of an anticipated grant from a state or federal agency. GANs may be issued when the County wishes to finance capital projects in anticipation of a grant from a state or federal agency. The principal amount of the GANs shall not exceed the amount of the anticipated grant.
4. **Tax Anticipation Notes (TANs)** - TANs are short term notes, authorized by the General Bond Act, secured by a pledge of taxes and other general fund revenues in the then current fiscal year of the County. TANs, if issued, shall constitute direct obligations of the County backed by the full faith and credit of the County. All TANs shall be paid in the same fiscal year in which they are issued but not later than June 30th of the current fiscal year..
5. **Capital Leases** – Capital leases are fixed term, usually non-cancellable, contractual arrangements for the use of an asset on an installment basis. Capital leases typically are a more expensive means of financing since the financing does not represent a direct purchase by the County. However, if the Governing Body chooses to enter into a capital lease, then the cost of the assets and the true cost of the lease, as well as, the impact of using the asset through the end of its useful life should be fully evaluated.

6. **Interfund Borrowings.** -- The County may undertake interfund borrowings, in which amounts on deposit in one County fund are lent to another fund, in the form of any of the notes listed above. All such interfund borrowings shall be approved by the Governing Body and shall be preceded by receipt of the approval of the State Comptroller, as required for the issuance of notes under the General Bond Act.

Short-term debt may be structured as fixed rate or variable rate instruments. Unless the County expects that the interest on the short-term debt is to be paid from long-term bond proceeds (e.g. bond anticipation notes), the County shall annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. Given its short-term nature, there is no limitation on the amount of short-term debt that may be issued at variable rates.

C. Loans from Public Building Authorities

The County shall not enter into loan agreements with public building authorities in lieu of issuing its own debt, unless the Governing Body determines that the County cannot reasonably accomplish its financing objectives through the direct issuance of its own debt. If the County determines that it is not able to issue its debt directly, the County may enter into loan agreements with one or more public building authorities, pursuant to Sections 12-10-101 et seq., Tennessee Code Annotated, in lieu of issuing bonds or notes under the General Bond Act or the School Bond Act. The policies set forth herein for bonds issued under the General Bond Act or the School Bond Act shall be equally applicable to loan agreements entered into with a public building authority except that all loan agreements may be entered into pursuant to a negotiated sale. All one-time and ongoing fees, compensation, charges, costs, rebate from interest charges, retainer fees, consultant or referral fees, or any payments to a third party associated with a transaction issued through a public building authority shall be disclosed, in written form, to the County's Governing Body, for public review, prior to the approval and signing of any documents or contracts.

Any structured products, also referred to as swap agreements or derivatives, issued through a public building authority shall not be considered unless (1) a policy defining the use and costs of such products is approved by the County before the transaction is considered, and (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law.

Debt Management Practices

A. Structure

The Governing Body shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected life of the assets financed by such debt. In addition, the final maturity of any bond debt should not be longer than the expected life of the longest lived asset financed thereby, and in no event more than 30 years from issuance.

2. Principal Amortization

Each bond issue shall be structured so that either (a) 20% of the principal of such issue shall be amortized by the end of the tenth fiscal year following the fiscal year in which the bonds were issued, or (b) following the issuance of such bonds, 40% of the principal of all outstanding County bonds shall be amortized by the end of the tenth fiscal year following the fiscal year in which the bonds were issued.

3. Capitalized Interest

Interest on a debt issue may be financed (capitalized) through a period permitted by federal law and the authorizing resolution of the Governing Body if it is determined that doing so is consistent with the financial objectives of the County.

4. Debt Service Structure

Debt issuance shall be planned to achieve, in conjunction with other outstanding County debt service, a debt service schedule that – over the long term – is approximately level or declining.

5. Call Provisions

The County shall strive to issue all of its debt with a call feature occurring no later than the end of the tenth fiscal year after delivery of the bonds. In any event, call features should be structured to provide the maximum flexibility relative to cost. The County shall avoid the sale of long-term

non-callable bonds absent careful evaluation by the Governing Body with respect to the value of the call option.

B. Refinancing Outstanding Debt

1. Purposes

Bonds shall be considered for refunding when the refunding generates results in aggregate net present value savings to the County. In determining whether a refunding is advisable, the Governing Body shall take into account, among other factors, the level of savings, the call date and final maturity date of the refunded bonds, and projected interest rates relative to historical interest rate levels. The County Mayor and the Director of Accounts and Budget in conjunction with the County's financial advisor shall have the responsibility to periodically analyze outstanding bond issues to determine whether bonds can be refunded for debt service savings.

The County may also consider refunding bonds if necessary due to a change in private/public use of a project that would cause a need to change the tax status of the bonds.

The County may also consider refunding bonds to restructure outstanding debt service; provided that the costs of such restructuring shall be presented to the Governing Body and the Governing Body must expressly determine by resolution that the restructuring is in the County's best interest.

The County should also consider compliance with applicable IRS code before the commencement of a refunding debt issue. The IRS code section 149 details rules and regulations related to debt refunding.

2. Term of Refunding Issues

The Governing Body shall refund bonds within the term of the originally issued debt, unless otherwise expressly approved by resolution of the Governing Body and does not exceed the original life of the capital assets being funded.

3. Escrow Structuring

The County shall utilize the least costly securities available in structuring refunding escrows; provided that the County may purchase U.S. Treasuries – State and Local Government Series if it is determined that the costs and risks attendant to the solicitation of open market securities outweigh any attendant benefits. With respect to purchases of open market

securities, the County shall take competitive bids on a selected portfolio of securities and shall award to the lowest cost provider. The provider must guarantee the delivery of securities. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.

C. **Methods of Sale**

It shall be the policy of the County to sell all bonds issued for the purpose of financing public works projects or school construction projects through a competitive bid process. In accordance with General Bond Act and the County School Bond Act, notes and refunding bonds may be sold through either a competitive bid process or through a negotiated sale.

1. **Competitive** — In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres in all material respects to the requirements set forth in the official notice of sale.
2. **Negotiated** — Although the Governing Body prefers the use of a competitive process, the Governing Body recognizes some bonds are best sold through negotiation. In a negotiated sale, the underwriter(s) shall be chosen prior to the sale and the interest rate and underwriter's fees shall be negotiated prior to the sale. The factors to be considered for a negotiated sale include the following:
 - Volatility of market conditions
 - Size and complexity of the bond sale
 - Credit strength
 - In the case of a refunding, timing and interest rate sensitivity
 - Whether the bonds are structured in a manner that is not conducive to competitive sale (eg. variable rate bonds)

D. **Private Placement**

From time to time the Governing Body may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.

E. Underwriter Selection (Negotiated Transaction)

1. **Selection Criteria** — The County shall select, or provide for the selection of, the underwriter(s) for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:
 - Ability and experience in managing similar transactions;
 - Prior knowledge and experience with the County;
 - Capital adequacy;
 - Quality and experience of personnel assigned to the County's engagement;
 - Financing ideas presented; and
 - Underwriting fees.
2. **Underwriter's Discount** — the County shall evaluate the proposed underwriter's discount (usually a maximum of 2%) in comparison to other issues in the market. All fees shall be determined prior to the sale date; a cap on expenses and underwriter's counsel, if any, shall be established and communicated to all parties by the County.
3. **Evaluation of Underwriter Performance** — The Director of Accounts and Budgets shall evaluate each bond sale after completion to assess the following: costs of issuance including the underwriter's compensation, and the pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis.

F. Credit Quality

The County's debt management activities shall be conducted to maintain the highest credit ratings possible, consistent with County's financing and public policy objectives. The County Mayor and Director of Accounts and Budgets shall be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the County's debt. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The County Mayor and the Director of Accounts and Budgets shall prepare and make presentations to the rating agencies, as needed, to assist credit analysts in making an informed decision.

G. Credit Enhancements

The County shall consider the use of credit enhancements on a case-by-case basis, evaluating economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The County may

consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. **Bond 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. For competitive sales, the County may either purchase bond insurance or make the issue eligible for bond insurance and allow the purchaser of the bonds to determine whether bond insurance shall be used, and to pay for such bond insurance.

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 shall prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the County.

3. **Liquidity**

For variable rate debt requiring liquidity facilities to protect against remarketing risk, the County shall evaluate:

- Alternative forms of liquidity, including direct pay letters of credit, standby letters of credit, and line of credit, in order to balance the protection offered against the economic costs associated with each alternative;
- Diversification among liquidity providers, thereby limiting exposure to any individual liquidity provider;
- All cost components attendant to the liquidity facility, including commitment fees, standby fees, draw fees, and interest rates charged against liquidity draws; and
- A comparative analysis and evaluation of the cost of external liquidity providers compared to the requirements for self liquidity.

H. **Use of Structured Products**

No interest rate agreements or forward purchase agreements, also referred to as swaps and derivatives shall be considered unless (1) a policy defining the use of such products is approved by the Governing Body before the transaction is considered, and (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law.

Contracts, documents, forms, or certificates related to structured products shall be delivered to the County prior to any approval or authorization by the County officials or Governing Body. Any costs, rebates, consultant fees, referral fees, or other charges for the structured products shall be disclosed before any approval of the transaction.

Any evaluation of structured products does not mitigate the ongoing business, financial, market or operating risks nor does it mitigate in any way the County's responsibility to seek an independent review of the transaction and regular monitoring to fully understand the risks associated with the transaction.

I. **Risk Assessment**

The County shall evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The County shall evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. Considering the following list of risks, but not limited to this list, shall be fully described, not just a list, by the financial products provider and reviewed by bond counsel and financial advisor before any action is taken by the Governing Body. The following risks should be assessed before issuing debt:

1. **Change in Public/Private Use** — The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.
2. **Default Risk** — The risk that debt service payments cannot be made by the due date.
3. **Liquidity Risk** — The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing.
4. **Interest Rate Risk** — The risk that interest rates shall rise, on a sustained basis, above levels that would have been set if the issued had been fixed.

5. **Rollover Risk** — The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.
6. **Credit Risk** — The risk that an issuer of debt securities or a borrower may default on his obligations by failing to repay principal and interest in a timely manner.
7. **Fee Risk** — The risk that on-going fees may increase beyond what is initially expected.
8. **Other Risks** --- It being the intention of the County to promote transparency and understanding of any bond transactions, other risks shall be fully described and disclosed.

J. Continuing Disclosure

To the extent that any of the County's debt issues are subject to disclosure agreements required by U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the Director of Accounts and Budgets shall ensure that the County remains in compliance with such agreements. Specifically, the Director of Accounts and Budgets shall provide certain financial information and operating data by specified dates, and shall provide notice of certain enumerated events with respect to the bonds, all as described in Rule 15c2-12.

K. Transparency

The County shall comply with the Tennessee Open Meetings Act *Tennessee Code Annotated* 8-44-101 *et seq.*, providing adequate public notice of meetings and specifying on the agenda when matters related to debt issuance shall be considered. Additionally, in the interest of transparency, all costs (including interest, issuance, continuing, recurring, ongoing, one-time payments, rebates, retainers, administration fees, and any other costs associated with the transaction) shall be disclosed to the Governing Body prior to any approval or signing of any contracts or documents, and the citizens in a timely manner. In order to comply with the requirements of the preceding sentence, an estimate of the costs described above shall be presented to the Governing Body prior to consideration and approval any resolution authorizing the debt. If the transaction creates monthly or other recurring costs for administrative fees, remarketing fees, liquidity fees, letter of credit fees, trustee fees, rebate from interest charges, retainer fees, consultant fees, referral fees, and any other costs shall be disclosed in writing before any action is taken.

Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the office of the Director of

Accounts and Budgets for review by members of the Governing Body and the public.

L. **Professional Services**

Contracts for professional services related to debt shall be awarded on the basis of recognized competence and integrity, as required by Section 12-4-106, Tennessee Code Annotated. All professionals engaged to assist in the process of issuing debt shall be required to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by the County. This includes "soft" costs or compensations in lieu of direct payments. If the transaction creates monthly or other recurring costs for administrative fees, remarketing fees, liquidity fees, letter of credit fees, trustee fees, rebate from interest charges, retainer fees, consultant fees, referral fees, and any other costs shall be disclosed in writing before any action is taken.

1. **Counsel** — 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 serves as counsel to the County regarding County matters generally.
2. **Bond Counsel** — Bond counsel for each debt transaction is contracted by the County Mayor and serves to assist the County in such debt issue.
3. **Financial Advisor** — If the County chooses to engage a financial advisor for a debt transaction, the County shall enter into a written contract with the financial advisor on terms and conditions approved by the County Mayor. The financial advisor shall not be permitted to bid on or underwrite an issue for which they are or have been providing advisory services.
4. **Underwriter** – If there is an underwriter for a debt issue, the underwriter must clearly identify itself to the County in writing (e.g., in a response to a request for proposals or in promotional materials provided to the County) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the County with respect to that 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 County Mayor and the Director of Accounts and Budgets in advance of the pricing of the debt.

M. Potential Conflicts of Interest

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

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.

Debt Administration

A. Planning for Sale

1. Prior to submitting a bond resolution for approval by the Governing Body, it shall first be considered by the Budget Committee of the Governing Body. The County Mayor shall present to the members of the Budget Committee and the members of the Governing Body the purpose of the financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team, and an estimate of all the costs associated with the financing, and
2. In the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the Director of Accounts and Budgets shall present the rationale for using the proposed debt structure, an estimate of the expected savings associated with the transaction (if applicable) and a discussion of the potential risks associated with the proposed structure, and the identified method of repayment.
3. If required by Rule 15c2-12, the Director of Accounts and Budgets, the bond counsel, financial advisor, if any, along with other members of the financing team shall prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Post Sale

1. The Director of Accounts and Budgets shall maintain for review by members of the Governing Body and the public a report, such as State

Form CT-0253, describing the transaction and setting forth all the estimated costs associated with the transaction.

2. The Director of Accounts and Budgets shall obtain a closing memorandum with written instructions on transfer and flow of funds.
3. The Director of Accounts and Budgets shall establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds reporting to the IRS all arbitrage earnings associated with the financing and any tax liability that may be owed.
4. The County Mayor, the Director of Accounts and Budgets, the bond counsel, financial advisor, if any, along with other members of the financing team shall prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.
5. After the sale of the bonds but before the closing documents are signed there should be a draft copy of the state form CT-0253 prepared. Also a complete listing of the fees associated with the sale should be disclosed to the County Mayor and the Director of Accounts and Budgets before the closing document is signed.

C. Arbitrage

Compliance with arbitrage requirements on invested tax-exempt bond funds shall be maintained. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by IRS Code section 148. The County shall comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earning on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The County currently contracts with an arbitrage consultant to prepare these calculations, when needed. The County shall also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

D. Private Activity

Compliance with private activity requirements with respect to tax exempt debt-financed facilities shall be maintained. The Director of Accounts and Budgets shall maintain a record of the allocation of debt proceeds to expenditures, and monitor the use of tax exempt debt-financed facilities to ensure that no impermissible private use occurs. This policy allows that approximately 5% of debt issues may be used for private activity.

E. Investment of Proceeds

Any proceeds or other funds available for investment by the County must be invested pursuant to applicable State law.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. A violation of the Governing Body’s debt policy shall in no way be interpreted as a violation of law and shall have no bearing on -the validity of debt issued by the Governing Body. The Governing Body maintains the right to modify these guidelines (except to the extent these guidelines are mandated by applicable state law or regulation) and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the Governing Body's goals. Any exceptions to these policies shall be expressly acknowledged in the resolution authorizing the pertinent debt issue. In the event of a conflict between the terms of a debt resolution and this policy, the terms of the debt resolution shall control.

This policy shall be periodically reviewed by the Budget Committee. The Director of Accounts and Budgets may at any time present recommendations for any amendments, deletions, additions, improvements or clarifications.

Adoption of the Policy

The Governing Body adopted this Policy on _____, effective _____.

Exhibit A

Glossary of Municipal Debt Terminology

Accrued interest. Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery. Since interest on municipal bonds is payable semi-annually, every six months, when you buy a bond in mid-term you are only entitled to the interest the bond earns after you buy it. The interest earned previously, the accrued interest, belongs to the seller. Some first-time bond buyers think this payment is a hidden charge or fee, not realizing that they will get it back in full at the next interest payment date as tax-free interest.

Ad Valorem Tax. (It actually means "according to its value.") A state or local government tax based on the value of real property as determined by the public entity's tax assessor.

Advanced Refunded Bonds. A municipality may sell a second bond issue at a lower interest rate cost, placing the proceeds of the issue in an escrow account from which the first issue's principal and interest will be repaid when due.

Amortization of Debt. The annual reduction of principal through the use of serial bonds or term bonds with a sinking fund.

Arbitrage. The interest rate differential that exists when proceeds from a municipal bond - which is tax-free and carries a lower yield - are invested in taxable securities with a yield that is higher. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions..

Assessed Valuation. A municipality's worth in dollars based on real estate and/or other property for the purpose of taxation, sometimes expressed as a percent of the full market value of the community.

Authority or Agency. A state or local unit of government created to perform a single activity or a limited group of functions and authorized by the state legislature to issue bonded debt.

Authorizing Resolution. A resolution that when enacted allows the unit of government to sell a specific bond issue or finance a specific project.

Average life. The average length of time an issue of serial bonds and/or term bonds with mandatory sinking funds and/or estimated prepayments is expected to be outstanding. It also can be the average maturity of a bond portfolio.

Balloon Maturity. An inordinately large amount of bond principal maturing in any single year. Also called a Term Bond.

B.A.N. (Bond Anticipation Note). A short-term security, one year or less, used for interim financing to be repaid from the proceeds of a planned long-term bond issue.

Basis Point. One one-hundredth of one percent (1/100 % or 0.01 percent). Thus 25 basis points equal one-quarter of one percent, 100 basis points equal one percent. This is typical in-group, professional bond talk.

Bid. An offer to buy at a fixed price or yield. As opposed to Ask, which is an offering to sell.

Bond or note. A security whereby an issuer borrows money from an investor and agrees and promises, by written contract, to pay a fixed principal sum on a specified date (maturity date) and at a specified rate of interest.

Exhibit A

Bond Counsel or Bond Approving Attorney. A lawyer who writes an opinion on the bond or note as to its tax exempt status and the authenticity of its issuance.

Bond Insurance. Insurance issued by a private insurance company for either an entire issue or specific maturities that guarantees to pay principal and interest when due. This may result in a lower borrowing cost for the issuer.

Bond Premium. The amount at which a bond or note is bought or sold above its par value or face value without including accrued interest.

Bonded debt. The portion of an issuer's debt structure represented by outstanding bonds.

Book Entry. A system of security ownership in which the ownership is held as a computer entry on the records of a central company for its owner. The bond owner gets a computer printout as proof of ownership.

Broker. Technically a broker is a bond trader in the secondary market buying from and selling to bond dealers. Its most common usage is as a description of a bond salesperson.

Callable bond. A bond or note that is subject to redemption at the option of the issuer prior to its stated maturity. The call date and call premium, if any, is stated in the offering statement.

Conduit Bonds. Bonds whose repayment is the responsibility of the business or developer who benefits from the financing, rather than the issuer who only collects the taxes, fees or revenues and passes them on to the bondholder.

Coupon. The detachable part of a bond that evidences the rate of interest due and the interest payment date. In the days of bearer bonds, coupons were detached from the bonds and presented to the paying agent for payment just as one might cash a government check.

Coupon rate. The specified annual interest rate payable to the bond or note holder as printed on the bond.

Covenant. A legally binding commitment by the issuer of municipal bonds to the bondholder. An impairment of a covenant can lead to a Technical Default.

Coverage. This is the margin of safety for payment of debt service on a revenue bond that reflects the number of times the actual and/or estimated project earnings or income for a 12-month period of time exceeds debt service that is payable.

Current Yield. The ratio of the coupon rate on a bond to the dollar purchase price expressed as a percentage. Thus if you pay par or 100 cents on the dollar for your bond and the coupon rate is 6%, the current yield is 6%; however, if you paid 97 for your 6% discount bond the current yield is 6.186%. (.06 divided by 97). If you paid 102 for a 6% bond the current yield is 5.88% (.06 divided by 102).

Cushion Bonds. Bonds selling at a premium are called "cushion" bonds because they cushion the price volatility in an up and down market. By definition, a premium bond has a higher-than-market coupon interest rate. The dollar price movement of a high interest rate bond is less than that of a lower interest rate bond of the same maturity when general interest rates move up or down a few basis points.

Dated Date. (dtd.) The date carried on the face of a bond or note from which interest normally begins to accrue.

Exhibit A

Dealer. A corporation or partnership that buys and sells and maintains an ongoing position in bonds and/or notes. They are also authorized to underwrite new issues. Some large commercial banks are licensed to act as bond dealers.

Debt Limited. The maximum statutory or constitutional amount of debt that the general obligation bond issuer can either issue or have outstanding at any time.

Debt Ratio. The ratio of the issuer's general obligation debt to a measure of value, such as real property valuations, personal income, general fund resources, or population.

Debt Service. Required payments for principal and interest.

Debt Service Reserve Fund. A bank trustee account established by the trust indenture and used as a backup security for an issuer's bonds. It usually amounts to one year's debt service, and can be drawn on by the Trustee in the event of an impairment of the Trust indenture.

Default. Failure to pay in a timely manner principal and/or interest when due, or a Technical Default, the occurrence of an event as stipulated in the Indenture of Trust resulting in an abrogation of that agreement.

Defeased bonds. Refunded bonds for which the payment of principal and interest has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the refunded, outstanding bonds. When a bond issue is defeased, the claim on the revenues of the issuer is usually eliminated.

Delinquent Taxes. Property taxes that have been levied but remain unpaid on and after the due date. In California, December 10 and April 10. Special taxes and assessments are often due on these dates as well. When tax delinquencies exceed 5% the Bond Advisor places the issue on its internal Bond Watch.

Delivery. For new issues, the time when payment is made to, and the executed bonds and notes are received from, the issuer.

Denomination. The face or par amount - nominally \$1000 or \$5000 but can be \$100,000 or more in the case of a note - that the issuer promises to pay at a specific bond or note maturity.

Direct debt. In general obligation bond analysis, the amount of debt that a particular local unit of government has incurred in its own name or assumed through annexation.

Discount. The amount of dollars by which market value of a bond is less than par value or face value.

Discount Bonds. Bonds which sell at a dollar price below par in which case the yield would exceed the coupon rate. The difference between the discount price and the maturity price is subject to federal capital gains tax except in the case of Original Issue Discount Bonds, which see.

Discount note. Non-interest-bearing note sold at a discount and maturing at par. A U.S. Treasury Bill is a discount note.

Double-barreled Bond. A bond with two distinct pledged sources of revenue, such as earmarked monies from a specific enterprise or aid payment, as well as the general obligation taxing powers of the issuer.

Escrow Fund. A fund that contains monies that only can be used to pay debt service.

Exhibit A

Escrowed to Maturity. An Advanced Refunded bond. When interest rates fall, an issuer may choose to sell a new issue called a refunding issue and use the proceeds of the second issue to pay off the original issue, much the same as a home owner refinancing a mortgage in an effort to save interest costs. The proceeds of the refunding issue are used to structure a portfolio of U.S. government securities, the principal and interest payments of which exactly match the principal and interest payments of the refunded bonds. The portfolio is placed in escrow at the paying agent and the bond issue is said to be fully defeased and escrowed to maturity. In actual practice the bonds are usually called on the first call date. Because of the U.S. Treasury backing, ETM bonds are considered the safest municipal bonds available and trade on the market with a rating that matches the United States Government.

Feasibility Study. A financial study provide by the issuer of a revenue bond that estimates service needs, construction schedules, and most importantly, future project revenues and expenses used to determine the financial feasibility and creditworthiness of the project to be financed.

Financial Advisor. A firm that advises the issuer on all financial matters pertaining to a proposed issue and is not part of the underwriting syndicate. Financial advisors are usually licensed by the Municipal Securities Rulemaking Board (MSRB) and the Securities Exchange Commission to serve the Issuer in a fiduciary role.

Fiscal Year. A 12-month time horizon by which state and local governments annually budget their respective revenues and expenditures. Usually not the calendar year, January to December, but often July to June.

Flow of Funds. The annual legal sequence by which a public entity's revenues are paid out for operating and maintenance costs, debt service, sinking fund payments, and so on.

Full Faith and Credit. The pledge of "the full faith and credit and taxing power without limitation as to rate or amount." A phrase used primarily in conjunction with General Obligation bonds to convey the pledge of utilizing all taxing powers and resources, if necessary, to pay the bond holders.

General Obligation Bond. (G.O.) A bond secured by a pledge of the issuer's taxing powers (limited or unlimited). More commonly the general obligation bonds of local governments are paid from ad valorem property taxes and other general revenues. Considered the most secure of all municipal debt.

General Property Tax. A tax levied on real estate and personal property.

Gross Debt. The sum total of a state's or local government's debt obligations.

Gross Revenues. Generally, all annual receipts of a revenue bond issuer prior to the payment of all expenses. Normally only Net Revenues are pledged to the repayment of bonds.

Indenture of Trust. A legal document describing in specific detail the terms and conditions of a bond offering, the rights of the bondholder, and the obligations of the issuer to the bondholder; such document is alternatively referred to as a bond resolution.

Industrial Development Bonds. (IDBs) also called Industrial Revenue Bonds (IRBs). Used to finance facilities for private enterprises, water and air pollution control, ports, airports, resource-recovery plants, and housing, among others. The bonds are backed by the credit of the private corporation borrower rather than by the credit of the issuer. Also known as Conduit Bonds.

Interim Borrowing. (1) Short-term loans to be repaid from general revenues or tax collections during the current fiscal year (TRANS or RANs); (2) short-term loans in anticipation of bond issuance or grant receipts (BANs).

Exhibit A

Investment Banker. A firm engaged in raising capital for an issuer. Participates as the middleman in purchasing securities from the issuer and in selling the same securities to investors.

Issuer. A state or local unit of government that borrows money through the sale of bonds and/or notes.

Investment Grade. Bond issues that the three major bond rating agencies, Moody's, Standard & Poor's, and Fitch rate BBB or Baa or better. Many fiduciaries, trustees, some mutual fund managers can only invest in securities with an investment grade rating.

Junk Bonds. Most non-rated bonds and bonds rated below investment grade.

Legal Opinion. A written opinion from bond counsel that an issue of bonds was duly authorized and issued. The opinion usually includes the statement, "interest received thereon is exempt from federal taxes and, in certain circumstances, from state and local taxes."

Letter of Credit. A form of supplement or, in some cases, direct security for a municipal bond under which a commercial bank or private corporation guarantees payment on the bond under certain specified conditions. Used most often in variable rate transactions.

Level Debt Service. Principal and interest payments that, together, represent more or less equal annual payments over the life of the loan. Principal may be serial maturities or sinking fund installments.

Maximum Annual Debt Service. The maximum amount of principal and interest due by a revenue bond issuer on its outstanding bonds in any future fiscal year. This is sometimes the amount to be maintained in the Debt Service Reserve Fund.

Municipal Bond. Bonds issued by any of the 50 states, the territories and their subdivisions, counties, cities, towns, villages and school districts, agencies, such as authorities and special districts created by the states, and certain federally sponsored agencies such as local housing authorities. Historically, the interest paid on these bonds has been exempt from federal income taxes and is generally exempt from state and local taxes in the state of issuance.

Municipal Notes. Short-term municipal obligations, generally maturing in one year or less. The most common types are (1) bond anticipation notes (BANs), (2) revenue anticipation notes (RANs), (3) tax anticipation notes (TANs), (4) grant anticipation notes, (5) project notes, and (6) construction loan notes. Also see TRANS.

Municipal Securities Rulemaking Board (MSRB). An independent self-regulatory organization established by Congress in 1975 which is charged with primary rulemaking authority - under the SEC - over dealers, dealer banks, and brokers in municipal securities.

Net Bonded Debt. Gross general obligation debt less self-supporting general obligation debt, housing bonds, water revenue bonds, etc..

Net Interest Cost (NIC). Generally speaking, issuers award competitive bond sales to the underwriter bidding the lowest NIC. It represents the average coupon rate weighted to reflect the time until repayment of principal and adjusted for the premium or discount.

Official Statement (OS) or Offering Circular (OC). A document (prospectus) circulated for an issuer prior to a bond sale with salient facts regarding the proposed financing. There are two OSs, the first known as the preliminary, or "red herring" - so named not because it smells but because some of the type on its cover is printed in red - and it is supposed to be available to the investor before the sale. The final OS must be sent to the purchaser before delivery of the bonds.

Exhibit A

Original Issue Discount. Some maturities of a new bond issue that have an offering price substantially below par; the appreciation from the original price to par over the life of the bonds is treated as tax-exempt income and is not subject to capital gains tax. See also Zero Coupon Bond.

Overlapping Debt. The proportionate share of the general obligation bonds of local governments located wholly or in part within the limits of the reporting unit of government that must be borne by property owners within the unit.

Par Value. The face value or principal amount of a bond, usually \$5,000 due the holder at maturity. It has no relation to the market value. For pricing purposes it is considered 100.

Parity Bonds. Revenue bonds that have an equal lien on the revenues of the issuer.

Paying Agent. Also Fiscal Agent. Generally a bank that performs the function of paying interest and principal for the issuing body.

Premium. The amount, if any, by which the price exceeds the principal amount (par value) of a bond. Its current yield will be less than its coupon rate.

Price to Call. The yield of a bond priced to the first call date rather than maturity.

Primary Market. The new issue market

Principal. The face value of a bond or note, exclusive of interest.

Put Bond. A bond that can be redeemed on a date or dates prior to the stated maturity date by the bondholder. Also known as an option tender bond.

Qualified Legal Opinion. Conditional affirmation of the legal basis for the bond or note issue. The average investor should avoid any but the strongest opinion by the most recognized bond approving attorneys.

RANs. Revenue anticipation notes.

Rate Covenant. A legal commitment by a revenue bond issuer to maintain rates at levels to generate a specified debt-service coverage.

Ratings. Various alphabetical and numerical designations used by institutional investors, underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Investors Service Inc. use the same system, starting with their highest rating of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Services uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use + or - or +1 to indicate half steps in between. The top four grades are considered Investment Grade Ratings.

Red Herring. A preliminary offering statement, subject to final change and update upon completion of sale of bonds. The name comes from the red type along the side on the cover.

Redemption. Process of retiring existing bonds prior to maturity from excess earnings or proceeds of refunding bonds. It also refers to redeeming shares in a mutual fund by selling the shares back to the sponsor.

Exhibit A

Refunding Bond. The issuance of a new bond for the purpose of retiring an already outstanding bond issue.

Registered Bond. A non-negotiable instrument in the name of the holder either registered as to principal or as to principal and interest.

Revenue Bond. A municipal bond whose debt service is payable solely from the revenues derived from operating the facilities acquired or constructed with the proceeds of the bonds.

Secondary Market. The trading market for outstanding bonds and notes. This is an O.T.C. market, a free form negotiated method of buying and selling, usually conducted by telephone or computer. Traders buy and sell for their own inventory. As many as \$2 billion of issues trade each day.

Security. The legally available revenues and assets that are used to pay the bond holders. The key component that supports debt service.

Self-Supporting Bonds. Bonds payable from the earnings of a municipal utility enterprise.

Serial Bond. A bond of an issue that features maturities every year, annually or semiannually over a period of years, as opposed to a Term Bond, which is a large block of bonds maturing in a single year.

Short term. Bonds or notes sold on an interim basis with tax-exempt securities for a period of from one to five years.

Sinking Fund. Money set aside on a periodic basis to retire term bonds at or prior to maturity.

Sinking Fund Schedule. A schedule of payments required under the original revenue bond resolutions to be placed each year into a special fund, called the sinking fund, and to be used for retiring a specified portion of a term bond issue prior to maturity.

Swap. The exchange of one bond for another. Generally, the act of selling a bond to establish an income tax loss and replacing the bond with a new item of comparable value.

TAN. Tax Anticipation Note.

Tax Base. The total resource of the community that is legally available for taxation.

Taxable Equivalent Yield. The yield an investor would have to obtain on a taxable corporate or U.S. government bond to match the same after-tax yield on a municipal bond. This emuni.com site has a taxable equivalent yield table for California residents.

Tax Allocation Bond. Bonds issued in conjunction with a redevelopment project. The taxes pledged to their repayment come from the increase of assessed value over and above a pre-established base. The redevelopment creates this added value, known as the tax increment.

Tax-exempt Bond. Bonds exempt from federal income, state income, or state tax and local personal property taxes. This tax exemption results from the theory of reciprocal immunity: States do not tax instruments of the federal government and the federal government does not tax interest of securities of state and local governments.

Exhibit A

Technical Default. Failure by the issuer to meet the requirements of a bond covenant. These defaults do not necessarily result in losses to the bond holder. The default may be cured by simple changes of policy or actions by the issuer.

Term Bond. A large block of bonds of long maturity. They may be part of a serial Bond issue; there may be more than one term bond in an issue or a single maturity. Some are subject to a sinking fund redemption.

TRAN. Tax and Revenue Anticipation Note.

Trustee. A bank designated as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the trust indenture and represents bondholders to enforce their contract with the issuer.

Underlying Debt. The general obligation bonds of smaller units of local government within a given issuer's jurisdiction.

Underwriter. An agreement to purchase an issuer's unsold securities at a set price, thereby guaranteeing the issuer proceeds and a fixed borrowing cost.

Variable Rate Bond. A bond whose yield is not fixed but is adjusted periodically according to a prescribed formula.

Yield Curve. Graph depicting the relationship between yields and current maturity for securities with identical default risk.

Yield-to-call. From an investor's perspective, the Return available to call date taking into consideration the current value of the call premium, if any.

Yield-to-maturity. (YTM) From an investor's perspective, the Return available taking into account the interest rate, length of time to maturity, and price paid. It is assumed that the coupon reinvestment rate for the life of the bonds will be the same as the yield-to-maturity.

Zero-coupon Bonds. A deep discount municipal bond on which no current interest is paid. Instead, at bond maturity, the investor receives compounded interest at a specified rate. The difference between the discount price at purchase and the accreted value at maturity is not taxed as a capital gain but is considered tax-exempt interest.

Exhibit B



Summary of Debt Requirements by Fiscal Year

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	21,201,385	14,966,037	36,167,422
2013	20,515,305	14,945,815	35,461,121
2014	21,579,302	14,139,368	35,718,671
2015	22,580,379	13,343,991	35,924,371
2016	22,691,382	12,519,832	35,211,214
2017	23,799,054	11,623,107	35,422,161
2018	25,226,054	10,640,069	35,866,123
2019	26,419,054	9,606,454	36,025,508
2020	27,598,054	8,503,071	36,101,126
2021	28,443,054	7,287,059	35,730,113
2022	23,759,969	5,983,378	29,743,346
2023	23,272,969	5,027,900	28,300,869
2024	23,001,969	4,014,225	27,016,194
2025	20,496,969	3,060,195	23,557,164
2026	18,686,816	2,166,790	20,853,606
2027	9,422,647	1,175,620	10,598,267
2028	9,375,000	693,770	10,068,770
2029	4,546,000	233,170	4,779,170
2030	725,000	40,600	765,600
	<u>373,340,364</u>	<u>139,970,450</u>	<u>513,310,814</u>

**RESOLUTION TO AMEND THE BUDGETS
OF VARIOUS FUNDS FOR FISCAL YEAR 2012
IN CERTAIN AREAS OF REVENUES AND EXPENDITURES**

WHEREAS, the director of Accounts and Budgets has performed continuing reviews of the status of funding needs and the receipts of revenues anticipated in support of the various budgets; and

WHEREAS, contracts for various State grants were not received in time to be included in the annual budget appropriation process and are therefore included for appropriation in this resolution and detailed in the attached schedule.

NOW THEREFORE BE IT RESOLVED, by the Montgomery County Board of Commissioners, assembled in regular business session this 14th day of November 2011, that the budgets for various funds for FY12 be amended as to revenues and expenditures, according to the attached Account Schedule 1.

Duly passed and approved this 14th day of November, 2011.

Sponsor _____

Commissioner _____

Approved _____

County Mayor

Attested _____

County Clerk

**Montgomery County Government
General Fund Budget**

<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>
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ESTIMATED REVENUES

Local Taxes

40110 CURRENT PROPERTY TAX	27,528,000	-	27,528,000
40120 TRUSTEE'S COLLECTIONS - PYR	865,000	-	865,000
40140 INTEREST & PENALTY	200,000	-	200,000
40161 PMTS IN LIEU OF TAXES - T.V.A.	2,500	-	2,500
40162 PMTS IN LIEU OF TAXES -UTILITY	915,850	-	915,850
40163 PMTS IN LIEU OF TAXES - OTHER	363,603	-	363,603
40220 HOTEL/MOTEL TAX	1,497,849		1,497,849
40250 LITIGATION TAX - GENERAL	462,500	-	462,500
40260 LITIGATION TAX-SPECIAL PURPOSE	95,000	-	95,000
40270 BUSINESS TAX	900,000	-	900,000
40320 BANK EXCISE TAX	115,000	-	115,000
40330 WHOLESALE BEER TAX	385,000	-	385,000
40350 INTERSTATE TELECOMMUNICATIONS	2,900	-	2,900
Total Local Taxes	33,333,202	-	33,333,202

Licenses and Permits

41120 ANIMAL REGISTRATION	22,800	-	22,800
41130 ANIMAL VACCINATION	4,000	-	4,000
41140 CABLE TV FRANCHISE	190,500	-	190,500
41520 BUILDING PERMITS	500,000	-	500,000
41540 PLUMBING PERMITS	6,000	-	6,000
41590 OTHER PERMITS	169,340	-	169,340
Total Licenses and Permits	892,640	-	892,640

Fines, Forfeitures and Penalties

42110 FINES	11,000	-	11,000
42120 OFFICERS COSTS	26,000	-	26,000
42141 DRUG COURT FEES	4,000	-	4,000
42150 JAIL FEES CIRCUIT COURT	34,345	-	34,345
42190 DATA ENTRY FEES -CIRCUIT COURT	12,100	-	12,100
42191 COURTROOM SECURITY - CIRCUIT	6,500	-	6,500
42192 CIRCUIT COURT VICTIMS ASSESS	30,500	-	30,500
42310 FINES	416,343	-	416,343
42311 FINES - LITTERING	1,332	-	1,332
42320 OFFICERS COSTS	183,846	-	183,846
42330 GAME & FISH FINES	1,000	-	1,000
42341 DRUG COURT FEES	15,000	-	15,000
42350 JAIL FEES GENERAL SESSIONS	219,234	-	219,234
42380 DUI TREATMENT FINES	30,000	-	30,000
42390 DATA ENTRY FEE-GENERAL SESS	59,000	-	59,000
42392 GEN SESSIONS VICTIM ASSESSMNT	63,000	-	63,000
42410 FINES	1,528	-	1,528
42450 JAIL FEES	117,323	-	117,323
42490 DATA ENTRY FEE-JUVENILE COURT	6,780	-	6,780
42520 OFFICERS COSTS	24,000	-	24,000
42530 DATA ENTRY FEE -CHANCERY COURT	2,000	-	2,000
42610 FINES	2,500	-	2,500
42641 DRUG COURT FEES	20,000	-	20,000
42660 DISTRICT ATTORNEY GENERAL FEES	23,500	-	23,500
42900 OTHER FINES/FORFEITURE/PENALTY	600	-	600
42990 OTHER FINES/FORFEITS/PENALTIES	18,230	-	18,230
Total Fines, Forfeitures and Penalties	1,329,661	-	1,329,661

Charges for Current Services

43120 PATIENT CHARGES	4,800,000	-	4,800,000
43140 ZONING STUDIES	2,000	-	2,000

**Montgomery County Government
General Fund Budget**

2011-2012 Budget as of 10/1/11	Proposed Increase (Decrease)	2011-2012 Amended Budget
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43190 OTHER GENERAL SERVICE CHARGES	45,000	-	45,000
43340 RECREATION FEES	12,000	-	12,000
43350 COPY FEES	6,136	-	6,136
43370 TELEPHONE COMMISSIONS	120,000	-	120,000
43380 VENDING MACHINE COLLECTIONS	42,000	-	42,000
43392 DATA PROCESSING FEES -REGISTER	75,000	-	75,000
43393 PROBATION FEES	23,625	-	23,625
43394 DATA PROCESSING FEES - SHERIFF	29,488	-	29,488
43395 SEXUAL OFFENDER FEE - SHERIFF	14,000	-	14,000
43396 DATA PROCESSING FEE-COUNTY CLK	10,000	-	10,000
43990 OTHER CHARGES FOR SERVICES	86	-	86
Total Charges for Current Services	5,179,335	-	5,179,335

Other Local Revenues

44110 INTEREST EARNED	1,750,000	-	1,750,000
44120 LEASE/RENTALS	603,964	-	603,964
44140 SALE OF MAPS	1,000	-	1,000
44170 MISCELLANEOUS REFUNDS	173,398	-	173,398
44560 DAMAGES RECOVERED -INDIVIDUALS	-	-	-
44570 CONTRIBUTIONS & GIFTS	9,688	-	9,688
44990 OTHER LOCAL REVENUES	686,405	-	686,405
Total Other Local Revenues	3,224,455	-	3,224,455

Fees Received from County Officials

45510 COUNTY CLERK	1,258,000	-	1,258,000
45520 CIRCUIT COURT CLERK	775,000	-	775,000
45540 GENERAL SESSIONS COURT CLERK	1,410,000	-	1,410,000
45550 CLERK & MASTER	320,000	-	320,000
45580 REGISTER	1,000,000	-	1,000,000
45590 SHERIFF	24,655	-	24,655
45610 TRUSTEE	2,850,000	-	2,850,000
Fees Received from County Officials	7,637,655	-	7,637,655

State of Tennessee

46110 JUVENILE SERVICES PROGRAM	155,929	-	155,929
101-53900-46110-05233	-	422,082	422,082 Day Treatment Grant
46210 LAW ENFORCEMENT TRAINING PROG	48,000	-	48,000
46430 LITTER PROGRAM	59,309	-	59,309
46810 FLOOD CONTROL	330	-	330
46830 BEER TAX	19,500	-	19,500
46840 ALCOHOLIC BEVERAGE TAX	166,000	-	166,000
46851 STATE REVENUE SHARING - T.V.A.	1,250,000	-	1,250,000
46880 BOARD OF JURORS	10,000	-	10,000
46890 PRISONER TRANSPORTATION	13,729	-	13,729
46915 CONTRACTED PRISONER BOARDING	706,000	-	706,000
46960 REGISTRAR'S SALARY SUPPLEMENTS	16,380	-	16,380
46980 OTHER STATE GRANTS	2,738,789	(9,194)	2,729,595 CITI 6 Grant year-end carry forward
46990 OTHER STATE REVENUES	16,500	-	16,500
Total State of Tennessee	5,200,466	412,888	5,613,354

Federal Revenue

47220 CIVIL DEFENSE REIMBURSEMENT	68,000	-	68,000
47235 HOMELAND SECURITY GRANTS	1,257,732	-	1,257,732
47250 LAW ENFORCEMENT GRANTS	3,374	-	3,374
47303 UDDOJ -MDT-ARRA	-	6,713	6,713 A.R.R.A. Grant year-end carry forward
47590 OTHER FEDERAL THROUGH STATE	-	11,050	11,050 Juvenile Block Grant
47990 OTHER DIRECT FEDERAL REVENUE	102,466	8,246	110,712 Safe Neighborhoods Grant / JAG Block Grant year-end carry forward
Total Federal Revenue	1,431,572	26,009	1,457,581

**Montgomery County Government
General Fund Budget**

<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>
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Federal Revenue

48110 PRISONER BOARD	-	-	-
48130 CONTRIBUTIONS	223,337	-	223,337
48610 DONATIONS	36,170	-	36,170
Total Federal Revenue	259,507	-	259,507

Non-Revenue Sources

49700 INSURANCE RECOVERY	-	4,111	4,111	Insurance Recovery
49800 OPERATING TRANSFERS	564,524	-	564,524	
101-51760-49800	-	4,675	4,675	GIS Reserves-PO carry forward from FY11 for Arceditor Upgrade
101-51810-49800	-	5,213	5,213	Funded by Circuit Court Automation Funds-Audio Video Equipment
101-53600-49800	-	9,000	9,000	Drug Task Force transfer to fund prosecuting attorney
Total Non-Revenue Sources	564,524	22,999	587,523	

TOTAL REVENUES

59,053,017	461,896	59,514,913
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**Montgomery County Government
General Fund Budget**

	<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>	
51100 COUNTY COMMISSION	220,593	-	220,593	
51210 BOARD OF EQUALIZATION	2,688	-	2,688	
51220 BEER BOARD	3,076	-	3,076	
51240 OTHER BOARDS & COMMITTEES	3,121	-	3,121	
51300 COUNTY MAYOR	426,953	-	426,953	
51310 HUMAN RESOURCES	336,024	-	336,024	
51400 COUNTY ATTORNEY	24,000	-	24,000	
51500 ELECTION COMMISSION	585,798	-	585,798	
51600 REGISTER OF DEEDS	433,448	-	433,448	
51720 PLANNING	332,227	-	332,227	
51730 BUILDING	152,064	-	152,064	
101-51730-51890	32,460	(32,460)	-	Relocate grant writer position
101-51730-52010	10,563	(2,013)	8,550	Relocate grant writer position
101-51730-52040	24,925	(4,749)	20,176	Relocate grant writer position
101-51730-52060	116	(39)	77	Relocate grant writer position
101-51730-52070	19,820	(5,921)	13,899	Relocate grant writer position
101-51730-52120	2,471	(471)	2,000	Relocate grant writer position
51750 CODES COMPLIANCE	618,395	-	618,395	
51760 GEOGRAPHICAL INFO SYSTEMS	-	-	-	
101-51760-53090	185,735	4,675	190,410	PO carry forward from FY11-Funded by GIS reserves
51800 COUNTY BUILDINGS	1,552,835	-	1,552,835	
51810 COURTS COMPLEX	1,195,247	-	1,195,247	
101-51810-57900	34,851	5,213	40,064	Audio video equipment-Funded by Circuit Court Automation Funds
51900 OTHER GENERAL ADMINISTRATION	638,391	-	638,391	
101-51900-51890-P0005	-	32,460	32,460	Grant writer relocated from 51730
101-51900-52010-P0005	-	2,013	2,013	Grant writer relocated from 51730
101-51900-52040-P0005	-	4,749	4,749	Grant writer relocated from 51730
101-51900-52060-P0005	-	39	39	Grant writer relocated from 51730
101-51900-52070-P0005	-	5,921	5,921	Grant writer relocated from 51730
101-51900-52120-P0005	-	471	471	Grant writer relocated from 51730
51910 ARCHIVES	180,425	-	180,425	
101-51910-53990-11070	-	70	70	Preservation Assessment Grant year-end carry forward
52100 ACCOUNTS & BUDGETS	538,989	-	538,989	
52200 PURCHASING	284,195	-	284,195	
52300 PROPERTY ASSESSOR'S OFFICE	1,094,638	-	1,094,638	
52400 COUNTY TRUSTEES OFFICE	523,089	-	523,089	
52500 COUNTY CLERK'S OFFICE	1,770,546	-	1,770,546	
52600 INFORMATION SYSTEMS	1,362,376	-	1,362,376	
52900 OTHER FINANCE	50,550	-	50,550	
53100 CIRCUIT COURT	2,007,090	-	2,007,090	
53300 GENERAL SESSIONS COURT	1,941,250	-	1,941,250	
101-53300-51680	-	11,050	11,050	Juvenile Block Grant
53330 DRUG COURT	50,000	-	50,000	
53400 CHANCERY COURT	490,654	-	490,654	
53600 DISTRICT ATTORNEY GENERAL	75,650	-	75,650	
101-53600-51030	48,224	(10,724)	37,500	Adjust budget carry forward from Victim Assistance Assessment Res 10-11-4
101-53600-51890	-	8,350	8,350	Transfer from Drug Task Force to fund prosecuting attorney
101-53600-52010	-	2,920	2,920	Adjust budget carry forward/DTF transfer
101-53600-52120	-	686	686	Adjust budget carry forward/DTF transfer
101-53600-51890-10040	-	4,741	4,741	Safe Neighborhoods Grant year-end carry forward
101-53600-52990-10040	-	3,429	3,429	Safe Neighborhoods Grant year-end carry forward
53610 OFFICE OF PUBLIC DEFENDER	8,588	-	8,588	

**Montgomery County Government
General Fund Budget**

	<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>	
53700 JUDICIAL COMMISSIONERS	265,253	-	265,253	
53900 OTHER ADMINISTRATION/ JUSTICE	96,273	-	96,273	
101-53900-53120-05233	-	422,082	422,082	Day Treatment Grant
53910 ADULT PROBATION SERVICES	862,868	-	862,868	
54110 SHERIFF'S DEPARTMENT	7,420,320	-	7,420,320	
101-54110-51870-11030	22,461	(9,194)	13,267	Adjust year-end budget carry forward - CITI 6
101-54110-57090-10020	-	76	76	JAG Block Grant year-end carry forward
54120 SPECIAL PATROLS	1,636,491	-	1,636,491	
54160 SEXUAL OFFENDER REGISTRY	14,000	-	14,000	
54210 JAIL	11,743,912	-	11,743,912	
54220 WORKHOUSE	1,674,784	-	1,674,784	
54230 COMMUNITY CORRECTIONS	468,789	-	468,789	
54240 JUVENILE SERVICES	207,241	-	207,241	
54310 FIRE PREVENTION & CONTROL	229,877	-	229,877	
54410 EMERGENCY MANAGEMENT	404,599	-	404,599	
54490 OTHER EMERGENCY MANAGEMENT	1,245,731	-	1,245,731	
54610 COUNTY CORONER / MED EXAMINER	213,300	-	213,300	
55110 HEALTH DEPARTMENT	319,759	-	319,759	
55120 RABIES & ANIMAL CONTROL	506,000	-	506,000	
55130 AMBULANCE SERVICE	8,290,682	-	8,290,682	
55190 OTHER LOCAL HLTH SRVCS (WIC)	1,019,805	-	1,019,805	
101-55190-51310-05225	661,264	12,100	673,364	WIC Grant amended by state
101-55190-52070-05225	453,231	(12,100)	441,131	WIC Grant amended by state
55310 REGIONAL MENTAL HEALTH CENTER	10,000	-	10,000	
55390 APPROPRIATION TO STATE	164,922	-	164,922	
55590 OTHER LOCAL WELFARE SERVICES	28,000	-	28,000	
55900 OTHER PUBLIC HEALTH & WELFARE	85,275	-	85,275	
56500 LIBRARIES	1,630,891	-	1,630,891	
56700 PARKS & FAIR BOARDS	376,562	-	376,562	
101-56700-54990	10,000	4,111	14,111	Insurance Recovery
56900 OTHER SOCIAL, CULTURAL & REC	9,688	-	9,688	
57100 AGRICULTURAL EXTENSION SERVICE	338,044	-	338,044	
57300 FOREST SERVICE	2,000	-	2,000	
57500 SOIL CONSERVATION	70,796	-	70,796	
58110 TOURISM	1,198,279	-	1,198,279	
58120 INDUSTRIAL DEVELOPMENT	624,616	-	624,616	
58220 AIRPORT	200,919	-	200,919	
58300 VETERAN'S SERVICES	357,929	-	357,929	
58400 OTHER CHARGES	1,246,178	-	1,246,178	
58500 CONTRIBUTION TO OTHER AGENCIES	145,000	-	145,000	
58600 EMPLOYEE BENEFITS	385,300	-	385,300	
58803 ARRA- MDT	-	-	-	
101-58803-57090	-	6,713	6,713	A.R.R.A. Grant year-end carry forward
58805 ARRA -EECBG	40,494	-	40,494	
58900 MISC-CONT RESERVE	70,525	-	70,525	
64000 LITTER & TRASH COLLECTION	130,622	-	130,622	
Total General Fund	62,144,745	454,198	62,598,943	

Increase (Decrease) in Budgeted Fund Balance

7,698

Montgomery County Government Debt Service Fund Budget
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	<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>
82110 - Principal General Government	8,564,243		8,564,243
82130 - Principal Education	12,887,143		12,887,143
82210 - Interest General Government	4,395,962		4,395,962
82230 - Interest Education	8,952,675		8,952,675
82310 - Other Debt Service General	178,500		178,500
151-82310-56990	2,500	47,369	49,869
82330 - Other Debt Service Education	464,500		464,500
151-82330-56990	2,500	205,627	208,127
Total Debt Service Fund	35,443,023	252,996	35,696,019

Arbitrage payment. Have \$500,000 reserved.

Increase (Decrease) in Budgeted Fund Balance (252,996)

**Montgomery County Government
Highway Fund Budget**

	<i>2011-2012 Budget as of 10/1/11</i>	<i>Proposed Increase (Decrease)</i>	<i>2011-2012 Amended Budget</i>
61000 - Administration	408,936		408,936
62000 - Highway & Bridge Maintenance	4,494,570		4,494,570
131-62000-54090	125,000	7,000	132,000
63100 - Operation & Maint of Equipment	1,095,407		1,095,407
63600 - Traffic Control	426,419		426,419
65000 - Other Charges	400,127		400,127
66000 - Employee Benefits	54,388		54,388
68000 - Capital Outlay	2,077,512		2,077,512
82220 - Highway & Streets	7,000		7,000
Total Highway Fund	9,089,359	7,000	9,096,359

Road paving

Increase (Decrease) in Budgeted Fund Balance

(7,000.00)