



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
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August 12, 2013

Honorable A. Keith McDonald, Mayor
City of Bartlett
P.O. Box 341148
Bartlett, TN 38134

Dear Mayor McDonald:

This letter acknowledges receipt on August 8, 2013, of a request to review a plan of refunding (the "Plan") for the issuance of approximately \$2,355,000 General Obligation Refunding and Improvement Bonds, Series 2013A (refunding portion) (the "2013A Refunding Bonds"), to current refund by competitive sale, an estimated \$2,510,000 General Obligation and Refunding Bonds, Series 2005C (the "Refunded Bonds"). The 2013A Bonds are expected to price at a premium.

Pursuant to Tennessee Code Annotated, Title 9, Chapter 21, a plan must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government. The information presented in the Plan includes the assertions of the City and may not reflect either current market conditions or market conditions at the time of sale.

CITY'S PROPOSED REFUNDING OBJECTIVE

The City indicated in its Plan that the purpose of the refunding is for debt service savings.

COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY

The City provided a copy of its debt management policy. A specific description of how the debt complies with the City's debt policy should be included on the form CT-0253 to be submitted within 45 days of issuance of the debt referenced in this letter. If the City amends its policy please send a copy of the amended policy.

REPORT OF THE REVIEW OF A PLAN OF REFUNDING

This letter, report, and the Plan are to be placed on the City's website. The same report is to be provided to each member of the governing body and reviewed at the Public Meeting at which the proposed refunding bond resolution will be presented as required by Tenn. Code Ann. § 9-21-903.

The enclosed report does not constitute approval or disapproval for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This letter and enclosed report do not address compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel or tax attorney.

This report is effective for a period of one hundred twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office, at that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no further refunding report will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

REPORT ON DEBT OBLIGATION

We are enclosing a revised State Form CT-0253, Report on Debt Obligation. Pursuant to Tenn. Code Ann. § 9-21-151, this form is to be completed and filed with the governing body of the public entity issuing the debt no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the

address on this letterhead or by email to stateandlocalfinance.publicdebtform@cot.tn.gov. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,

A handwritten signature in black ink that reads "Sandra Thompson". The signature is written in a cursive, flowing style.

Sandra Thompson
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Mr. Mark Brown, City Of Bartlett
Mr. Dick Phebus, City of Bartlett
Ms. Lauren Lowe, Public Financial Management, Inc.
Ms. Karen Neal, Bass, Berry, & Sims
Ms. Lillian Blackshear, Bass, Berry, & Sims

Enclosures (2): Report of the Director of the Office of State & Local Finance
State Form CT-0253, Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE
CONCERNING THE PROPOSED ISSUANCE OF
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013A
CITY OF BARTLETT, TENNESSEE**

The City of Bartlett (the "City") submitted a plan of refunding (the "Plan"), as required by Tennessee Code Annotated Section 9-21-903 regarding the issuance of approximately \$2,355,000 General Obligation Refunding and Improvement Bonds, Series 2013A (refunding portion) (the "2013A Refunding Bonds"), to current refund by competitive sale, an estimated \$2,510,000 General Obligation and Refunding Bonds, Series 2005C (the "Refunded Bonds"). The 2013A Bonds are expected to price at a premium.

The Plan was developed with the assistance of the City's municipal advisor, Public Financial Management, Inc.

Refunding Analysis

The City indicated in its Plan that the purpose of the refunding is for debt service savings.

- The results for the refunding are based on the assumption that the estimated \$2,355,000 Series 2013A Refunding Bonds will be sold through competitive sale and priced at a premium of \$249,076.
- Estimated net present value savings for the refunding is \$89,346, or 3.56% of the refunded principal.
- Estimated savings are generated by reducing the average coupon of the Refunded Bonds from 3.68% to a true interest cost on the 2013A Refunding Bonds of 1.49%.
- The 2013A Refunding Bonds do not extend the maturity of the Refunded Bonds.
- Estimated costs of issuance are \$43,255 or \$18.37 per \$1,000 of par amount for the 2013A Refunding Bonds. See Table 1 for individual costs of issuance.

Table 1
Costs of Issuance of 2013A Refunding Bonds

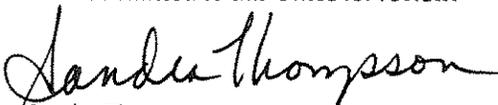
	Amount	Price per \$1,000 bond
Underwriter's Discount	\$ 16,485.00	\$ 7.00 *
Financial Advisor (Public Financial Management, Inc.)	8,216.23	3.49
Bond Counsel (Bass, Berry, & Sims)	7,164.20	3.04
Other Costs	11,389.23	4.84
 Total Cost of Issuance	 \$ 43,254.66	 \$ 18.37

* Subject to competitive bid

The City has identified Public Financial Management, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

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

This report does not provide broad approval to refund the Refunded Bonds in a bond issue other than the proposed 2013A Refunding Bonds. If all of the Refunded Bonds are not refunded as a part of the 2013A Refunding Bonds, then a new plan will have to be submitted to this Office for review.



Sandra Thompson
Director of the Office of State and Local Finance
Date: August 12, 2013