



# City of Bartlett

A. Keith McDonald, Mayor

July 22, 2016

Ms. Sandi Thompson  
Director, State and Local Finance  
State of Tennessee  
Comptroller of the Treasury  
James K. Polk State Office Building  
505 Deaderick Street, Suite 1600  
Nashville, Tennessee 37243-0274

## City of Bartlett, Tennessee General Obligation Refunding and Improvement Bonds, Series 2016

Dear Ms. Thompson:

We are submitting a plan of refunding for your review pursuant to TCA 9-21-901 et seq.

### Plan of Refunding:

The City of Bartlett (the "City") has a potential opportunity to save debt service costs by advance refunding certain maturities of its outstanding tax-exempt General Obligation Public Improvement Bonds, Series 2009 (the "Refunded Bonds"). The Refunded Bonds have a dated date of September 09, 2009 and were authorized by the City pursuant to certain Resolutions adopted by the Board of Mayor and Aldermen on July 28, 2009. A copy of the previously submitted CT-0253 form filed with the State is attached.

The preliminary plan of finance includes refunding all or a portion of the following maturities listed below which will generate debt service savings for the City.

Resolution	Tax Status	Series	Maturities	Coupons	Callable on or after	Call Price
General Obligation	Tax-Exempt	2009	2019-2029	3.00%-4.10%	9/1/2017	100.00

The Refunded Bonds will be refunded from proceeds of the General Obligation Refunding and Improvement Bonds, Series 2016 (the "2016 Bonds" or the "Bonds"). Proceeds from the Series 2016 Bonds will also be used to finance certain capital improvements within the City. It is expected that the Bonds will be "qualified tax-exempt obligations" as defined by the

Internal Revenue Code of 1986, as amended. The selection of maturities to be refunded will be limited by an amount that would allow the City issue the 2016 Bonds as qualified tax-exempt obligations. In addition to redeeming the Refunded Bonds, the City will use proceeds of the 2016 Bonds to pay the cost of issuance of the 2016 Bonds.

The amortization of the 2016 Bonds will be structured to provide uniform savings compared to the debt service of the Refunded Bonds in each fiscal year. Neither the final maturity nor the weighted average maturity of the debt is being extended. Attached are schedules demonstrating the proposed refinancing opportunity and includes the following information:

- Weighted Average Maturity of the Bonds
- Weighted Average Maturity of the Refunded Bonds
- Estimated cost of issuance associated with the Bonds

The table below highlights our refunding assumptions which are based on the expected maturities to be refunded.

<b>Refunding Assumptions – General Obligation Refunding and Improvement Bonds, Series 2016</b>	
Dated and Delivery Date	10/3/2016
Bonds Refunded	General Obligation Public Improvement Bonds, Series 2009
Market Rates	AAA MMD + 33 <sup>(1)</sup> bps as of 7/12/2016
Cost of Issuance	\$81,750*
Underwriter’s Discount	\$7.00 per bond

The table below provides the estimated cost of issuance breakdown.

<b>Cost of Issuance Breakdown – General Obligation Refunding and Improvement Bonds, Series 2016</b>			
	<b>New Money</b>	<b>Refunding of GO Series 2009</b>	<b>Total</b>
Financial Advisor	17,184.91	2,815.09	20,000.00
Bond Counsel	21,481.14	3,518.86	25,000.00
Rating Agencies	25,777.37	4,222.63	30,000.00
Paying Agent	429.62	70.38	500.00
Ipreo	1,074.06	175.94	1,250.00
Printing / Miscellaneous	4,296.23	703.77	5,000.00
<b>Total</b>	<b>70,243.33</b>	<b>11,506.67</b>	<b>81,750.00</b>

The table below provides the estimated refunding results based on the current market conditions and the expected maturities to be refunded.

<b>Savings Summary – General Obligation Refunding and Improvement Bonds, Series 2016</b>	
Series 2016 Refunding Par Amount	\$765,000*
Refunded Bonds Par Amount	\$940,000
Net Present Value Debt Service Savings	\$136,393*
PV Savings as a % of Refunded Bonds	14.5099%*

\* Associated with the refunding portions of the Series 2016 Bonds. Preliminary – Subject to Change

The City has established a stipulation that requires any potential advance refunding candidates to have net present value savings equal to at least 5.0% savings as a percent of refunded par. A copy of the City’s Debt Management Policy is included within this plan of refunding. The net present value savings will be net of all costs related to the refinancing. The City reserves the right to suspend or terminate all or a portion of the sale of the 2016 Bonds should the sale no longer be advantageous for the City.

PFM Financial Advisors LLC, in its capacity as Financial Advisor to the City, has determined that it is in the City’s best interest to sell the Bonds on a competitive basis. The sale is anticipated to occur on September 13, 2016. The City intends to act expeditiously to take advantage of the low interest rates.

**In Summary**

Prior to adoption of the resolution authorizing the 2016 Bonds on August 09, 2016, the City seeks your refunding report on the General Obligation Refunding and Improvement Bonds, Series 2016 pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated. Additionally, the City intends to issue “Balloon Indebtedness” as defined by Section (a)(1)(A)(iv) of TCA 9-21-134 but does not require approval of the Comptroller since it is indebtedness that will have a general obligation pledge and is expected to receive a rating of AAA/Aa1, meeting the exemption provided for under Section 9-21-134 (a)(1)(B)(iii) of the Tennessee Code Annotated.

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If you have any questions or comments on the above plan of refunding or require any additional information with respect thereto, please do not hesitate to contact Dick Phebus at (901) 385-1060 or Ricardo Callender from PFM Financial Advisors LLC at (901) 682-8356.

Sincerely,



A. Keith McDonald  
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City of Bartlett, Tennessee  
Mayor

CC: Mr. Mark Brown, *Chief Accounting Officer, City of Bartlett*  
Mr. Dick Phebus, *Finance Director, City of Bartlett*  
Ms. Lauren Lowe, *PFM Financial Advisors LLC*  
Mr. Ricardo Callender, *PFM Financial Advisors LLC*  
Mr. Micah Wasserman, *PFM Financial Advisors LLC*  
Ms. Lillian Blackshear, *Bass, Berry, Sims*  
Ms. Karen Neal, *Bass, Berry, and Sims*