

REGULAR MEETING
BOARD OF MAYOR AND ALDERMEN
JANUARY 14, 2014

REFERENCE VIDEO DATED JANUARY 14, 2014

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in open, public session at the regular meeting place of said Board in the Municipal Building of said City at 5:00 p.m. on January 14, 2014. Mayor John Ed Underwood, Jr. was present and presiding. The following named Aldermen were present:

Danny Bryant, Marty Pepper, Gwen Shelton, Dorothy Small, Michael Whisenant and Tom Young

Also, present were Scott Collins, City Administrator and Johnny D. Hill, Jr., City Attorney

The prayer was lead by Alderman Pepper and the pledge was lead by Alderman Shelton

Approval of Minutes:

Motion was made by Danny Bryant, seconded by Michael Whisenant, to approve the minutes of the December 2013 Meeting. Upon roll call, the following voted:

Aye

Danny Bryant, Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton and Marty Pepper

Nay

None

Mayor Underwood declared the Minutes approved.

Reports:

Industrial Development Board (IDB):

Will Thomas, the IDB Board Chairman, reported that the spec building is near completion with lighting to be finished in February. Mr. Thomas discussed the various expansion projects of local industries including: Frito-Lay, Inc., C & S Plastics, Franke Inc., and Goodman Co, as well as the building of a new restaurant Bennigian's.

Fayetteville Public Utilities (FPU):

Britt Dye, the CEO/General Manager, reported that with the below normal cold weather the electrical system has remained strong with the extra usage by the members. Mr. Dye discussed a booster station being installed on Lewisburg Highway, so that the water tank on Dave Water Road in Howell can be replaced. Mr. Dye stated that the Mullins Lift Station, on Liberty Road, has been replaced. Mr. Dye explained that FPU is purchasing one hundred sixty-eight (168) customers, from Athens Utility, which are located on the Tennessee side of the Ardmore area.

Fire Report:

Fire Chief Danny Travis reported that the Fire Department had 68 calls for service, with 45 medical calls and 4 accidents with injuries.

Police Report:

Police Chief Richard Howell reported that there were 179 incidents with 50 arrests, 37 crashes and 57 citations for a total of 1,687 events.

Recreation Report:

Ricky Honey, Recreation Director, stated the channel at Stone Bridge Park will be restocked with trout in February. Mr. Honey reported that Baseball and Softball sign-ups will be Saturday, January 18th and 25th from 9:00 a.m. to 2:00 p.m. Mr. Honey announced that the Recreation Department has completed Tier I, with Tier II to be completed within the next five (5) years.

Public Works:

Eddie Plunkett, Public Works Director, reported that for the month of December 240 tons of trash were picked up, along with 144 tons of brush and 123 tons of leaves.

Planning and Codes Report:

Jeff Siefert, Building Inspector, reported for the month of December there were seven (7) building permits issued for approximately One Hundred Forty-Seven Thousand, Seven Hundred Dollars (\$147,700.00) in work to be done, with the fees being One Thousand, Fifty-Two Dollars (\$1,052.00).

Administrator's Report:

Mr. Collins reported that the Tennessee Department of Transportation (TDOT) will allow the City to combine the 2013 STP Funds with the 2014 STP Funds, which will allow the City to pave Washington Street from Main Avenue to First Avenue. Mr. Collins stated that the loops at the intersection of Maple Street and Main Avenue have been fixed; in addition the timing issue at the Walgreens intersection has been corrected.

Financing Amphitheatre:

Motion was made by Gwen Shelton, seconded by Michael Whisenant, to approve the underwriting of funding "up to" Seven Thousand, Five Hundred Dollars (\$7,500.00) for the Fayetteville Lions Club to build an amphitheatre stage at the Stone Bridge Park. Upon roll call, the following voted:

Aye

Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton, Marty Pepper and Danny Bryant,

Nay

None

Mayor Underwood declared the motion approved.

Naming of the Amphitheatre Stage:

Motion was made by Dorothy Small, seconded by Marty Pepper, to name the Amphitheatre Stage the "Fayetteville Lions Club – Joseph Childress Abernathy Stage. Upon roll call, the following voted:

Aye

Dorothy Small, Michael Whisenant, Gwen Shelton, Marty Pepper, Danny Bryant and Tom Young

Nay

None

Mayor Underwood declared the motion approved.

Resolution R-14-02:

Resolution R-14-02, a resolution entitled, "Resolution Of The City Of Fayetteville, Tennessee Authorizing The Issuance Of Interest Bearing Sanitation Department Capital Outlay Notes, Series 2014, In An Amount Not To Exceed \$180,000.00, And Providing For The Payment Of Said Notes", was considered. Said Resolution is as follows:

RESOLUTION NO R-14-02

RESOLUTION OF THE CITY OF FAYETTEVILLE, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING SANITATION DEPARTMENT CAPITAL OUTLAY NOTES, SERIES 2014, IN AN AMOUNT NOT TO EXCEED \$180,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

WHEREAS, the Board of Mayor and Aldermen (the "Board"), of the City of Fayetteville, Tennessee (the "Municipality"), has determined that it is necessary and desirable to authorize, issue, sell, and provide for the payment of its interest bearing capital outlay notes to finance certain public works projects, consisting of the acquisition of a garbage truck for the Sanitation Department of the City, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs, incident thereto (collectively, the "Project"), and costs incident to the financing thereof;

WHEREAS, the Municipality estimates that the life of the equipment and vehicles has an economic life of greater than three years;

WHEREAS, the Municipality finds and determines that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose;

WHEREAS, in order to proceed as expeditiously as possible with such an essential Project, it is necessary that interest bearing capital outlay notes be issued for the purpose of providing funds to finance the Project; and,

WHEREAS, the Municipality is authorized by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue such notes for said purposes upon the approval of the Director of State and Local Finance of the State of Tennessee (the "Director of State and Local Finance");

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, as follows:

Section 1. Authority. The Notes herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Authorization. For the purpose of providing funds to finance the costs of the Project there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing capital outlay notes of the Municipality, in the aggregate principal amount of not to exceed \$180,000, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor"), at the time of sale (collectively, the "Notes", individually, the "Note"). The term of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby certified to be at least the term of the Notes.

Section 3. Terms of the Notes. The Notes shall be designated "Sanitation Department Capital Outlay Notes, Series 2014". The Notes shall be issued in registered form, without coupons, in minimum denominations of \$5,000. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate or rates not to exceed 2.50% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than semiannually each year commencing six months from the dated date or such date as shall be designated by the Mayor (the "Interest Payment Date"). The Notes shall mature not later than the end of the third fiscal year following the fiscal year in which the Notes are issued with principal

payable annually; provided, however, that each year the Notes are outstanding no less than one-ninth (1/9) of the original principal amount of the Notes shall mature without renewal, but subject to prior redemption. The Notes shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Notes.

Interest on the Notes shall be payable by wire transfer, electronic means, or by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owners of such Notes, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. The principal of all Notes shall be payable upon presentation and surrender of such Notes at the principal office of the Note Registrar. All payments of the principal of and interest on the Notes shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 4. Redemption. The Notes shall have such redemption provisions as may be determined at the time of the sale of the Notes by the Mayor and the purchaser of the Notes; provided, however, that no redemption premium shall be great than 1%.

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor; shall be countersigned by the City Recorder of the Municipality (the "City Recorder"), with his or her manual signature; and, shall have printed or impressed thereon the official seal of the Municipality. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books"), for recording the registration, conversion, and payment of the Notes, and shall also perform such other duties as may be required in connection with any of the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or as he or she may designate, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein.

(b) The Municipality may from time to time at its discretion remove the Note Registrar and appoint a successor Note Registrar to whom all records, documents, and instruments relating to its duties as Note Registrar shall be delivered. Any successor Note Registrar shall be appointed by resolution of the Municipality, and shall be a trust company or bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Ten Million Dollars (\$10,000,000), and be willing and able to accept the office of Note Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

(c) In the event that any amount payable on any Note as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Note as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 7. Transfer of Notes. Each Note shall be transferable only on the registration books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note duly executed by the owner thereof or his, her or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee or transferees shall take such new Note or Notes subject to all of the conditions herein contained.

Section 8. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the Municipality nor the Note Registrar shall be obligated to transfer any Note during the fifteen (15) calendar days next preceding the maturity date of the Notes or any call for redemption.

Section 9. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owners of the Notes as the absolute owners thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 10. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note

shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 11. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged.

Section 12. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such Notes shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in a the general fund or debt service fund and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 13. Approval of Director of State and Local Finance. Anything herein contained to the contrary notwithstanding, no Notes authorized under this Resolution shall be issued, sold, or delivered, unless and until such Notes shall first have been duly approved by the Director of State and Local Finance of the State of Tennessee as provided by Section 9-21-601 et. seq., Tennessee Code Annotated, as amended. The Mayor, City Recorder, City Attorney, Finance Director, and Bond Counsel are hereby authorized to take or cause to be taken such steps as are necessary to obtain such approval. After the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Municipality shall submit its annual budget to the State Director of State and Local Finance for approval immediately upon the Municipality's adoption of the budget.

Section 14. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor by private negotiated sale at a price of not less than par and accrued interest.

Section 15. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "Sanitation Department Capital Outlay Notes, Series 2014 Project Fund" (the "Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality. The monies in the Project Fund shall be disbursed solely to finance the Project and to pay the costs of issuance of the Notes. Monies in the Project Fund may be invested and shall be secured in the manner prescribed by applicable statutes relative to the investment and securing of public or trust funds. Any monies remaining in the Project Fund after completion of the Project shall be transferred to the Note Fund.

Section 16. Non-Arbitrage Certification. The Municipality certifies and covenants with the owners of the Notes that so long as the principal of any Note remains unpaid, monies on deposit in any fund or account in connection with the Notes, whether or not such monies were derived from the proceeds of the sale of the Notes or from any other source, will not be used in a manner which will cause the Notes to be

"arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Notes subject to inclusion in gross income of the owners thereof for federal income tax purposes.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom and it represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as defined in the regulations promulgated under the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming subject to inclusion in federal gross income of the owners of the Notes for purposes of federal income taxation.

Section 17. Designation of Notes as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Notes as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as on issuer under such Section 265(b)(3)) during the 2014 calendar year will be designated as "qualified tax-exempt obligations".

Section 18. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owners of the Notes, and after the issuance of the Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owners of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owners of the Notes

Section 19. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owners from time to time of such Notes. The Municipality further covenants that it will not take any action that will cause the interest on the Notes to be subject to inclusion in gross income of the owners thereof for purposes of federal income taxation.

Section 20. Miscellaneous Acts. The Mayor, the City Recorder, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, specifically including but not limited to, making arbitrage certifications and executing a note purchase agreement in connection with the purchase of the Notes, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved; or for the authorization, issuance, and delivery of the Notes.

Section 21. Failure to Present Notes. Subject to the provisions of Section 3 hereof, in the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 22. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then the payment of the interest on, or the principal of, such Note need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity; and no interest shall accrue for the period after such date.

Section 23. No Recourse Under Resolution or on Notes. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or under this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Notes.

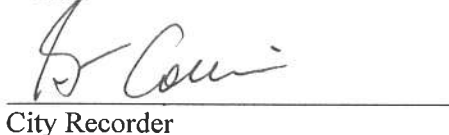
Section 24. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 25. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed, and this Resolution shall be in effect as of the date of its adoption the welfare of the Municipality requiring it.

Approved and adopted this 14th day of January, 2014.


Mayor

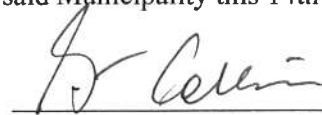
Attest:


City Recorder

STATE OF TENNESSEE)
COUNTY OF LINCOLN)

I, Gregory Scott Collins, hereby certify that I am the duly qualified and acting City Recorder of the City of Fayetteville, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board"), of said Municipality held on January 14, 2014; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$175,000 Sanitation Department Capital Outlay Notes, Series 2014, by said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 14th day of January, 2014.



City Recorder

(SEAL)



EXHIBIT A
FORM OF NOTE

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF FAYETTEVILLE
SANITATION DEPARTMENT CAPITAL OUTLAY NOTE,
SERIES 2014

Interest Rate:

Maturity Date:

Dated Date:

Registered Owner:

Principal Amount:

THE CITY OF FAYETTEVILLE, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the office of the City Recorder, Municipal Building, Fayetteville, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), the Principal Amount identified above, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, to the Maturity Date, semi-annually on _____ and _____ of each year, commencing _____, 2014, at the Interest Rate per annum set forth above, by check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the Note Registrar on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

Section 9-21-117, Tennessee Code Annotated, as amended, provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is one of a series of notes known as "Sanitation Department Capital Outlay Notes, Series 2014" (the "Notes"), issued by the Municipality in the aggregate principal amount of \$175,000. The Notes which are issued for the purpose of financing certain public works projects, consisting of the acquisition of a garbage truck for the Sanitation Department of the City, are authorized by an appropriate resolution of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen

adopted on January 14, 2014, as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution, as so amended or supplemented, being herein called, the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of the Resolution are on file at the office of the City Recorder of the Municipality, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Notes are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This note and interest hereon is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property in the Municipality without limitation as to time, rate, or amount. For the prompt payment of this note, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are hereby irrevocably pledged.

The Municipality has designated the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This note is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this note. Upon any such transfer, the Municipality shall execute, and the Note Registrar shall authenticate and deliver in exchange for this note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this note, of the same maturity and bearing interest at the same rate. For every transfer of notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such transfer, all of which taxes, fees, or other governmental charges shall be paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

The Municipality and the Note Registrar may deem and treat the person or entity in whose name this note is registered as the absolute owner hereof, whether such note shall be overdue or not, for the purpose of making payment of the principal of and interest on this note and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this note to the extent of the sum or sums so paid, and neither the Municipality nor the Note Registrar shall be affected by any notice to the contrary.

The Notes are issuable only as fully registered Notes, without coupons, in minimum denominations of \$5,000. At the office of the Note Registrar, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, fully registered Notes may be exchanged for an equal aggregate principal amount of fully registered Notes of the same maturity, of authorized denominations, and bearing interest at the same rate.

Redemption Provisions – To Be Supplied

This note shall have all the qualities and incidents of, and shall be, a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such note. This note is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to the issuance of, this note in order to make this note a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee; and that this note and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FAYETTEVILLE, TENNESSEE, has caused this note to be signed by the manual signatures of the Mayor and the City Recorder and its official seal to be impressed or imprinted hereon, all as of _____, 2014.

City of Fayetteville

John Ed Underwood, Jr., Mayor
Gwen Shelton, Vice Mayor
Scott Collins, City Administrator
Phone (931) 433-6154
Fax (931) 433-2557



Alderman:
Danny Bryant
Marty Pepper
Dorothy Small
Thomas A. Young, Sr.
Michael Whisenant

"Where Tradition Meets Tomorrow"

110 Elk Avenue South Fayetteville, TN 37334 www.fayettevilletn.com

January 15, 2014

Ms. Sandra Thompson
Director, Office of State and Local Finance
James K. Polk Building
505 Deaderick Street, Suite 1600
Nashville, Tennessee 37243

Hand Delivered

Re: Not to exceed \$180,000 Sanitation Department Capital Outlay Note, Series 2014, of the City of Fayetteville, Tennessee

Dear Ms. Thompson:

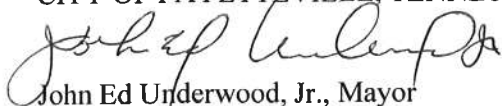
Pursuant to Title 9, Chapter 21, Part 6, Tennessee Code Annotated, the City of Fayetteville, Tennessee (the "City"), requests approval for the issuance of a not to exceed \$180,000 Sanitation Department Capital Outlay Note, Series 2014 (the "Note"). The proceeds of the Note will be used for the purpose of financing the acquisition of a garbage truck for the Sanitation Department of the City. The Note will be sold at a rate of interest not to exceed 2.50% per annum and will mature not later than the end of the third fiscal year from the date of issuance of the Note and have such other terms as set forth in the resolution authorizing the issuance of the Note, an executed copy of which is enclosed herewith.

The Note issue complies with the City's Debt Policy since it fits within the types of debt set forth in such Policy. The issue complies with the short term debt provisions set forth in the Policy. The City is obtaining the necessary approval from your office as specified in such Policy. The City complied with the transparency provisions set forth in the Policy. The Note will have a repayment schedule with level debt service.

The Municipality is requesting your approval for the issuance of the Note. The Note shall be sold by private negotiated sale. The closing costs in connection with the sale of the Note are \$500 for bond and tax counsel.

Yours truly,

CITY OF FAYETTEVILLE, TENNESSEE


John Ed Underwood, Jr., Mayor

Enclosures

xc: Linda Mooringham
Tennessee Municipal Bond Fund

Motion was made by Dorothy Small, seconded by Tom Young, to approve Resolution R-14-02. Upon roll call, the following voted:

Aye

Michael Whisenant, Tom Young, Dorothy Small and Mayor Underwood (to break tie).

Nay

Gwen Shelton, Marty Pepper and Danny Bryant

Mayor Underwood declared the Resolution adopted.

Resolution R-13-12:

Resolution R-13-12, a resolution entitled, "A Resolution To Locally Approve Request For Passage Of General Law By The 109th General Assembly", was considered. Said Resolution is as follows:

**CITY OF FAYETTEVILLE
RESOLUTION NO. R-13-12**

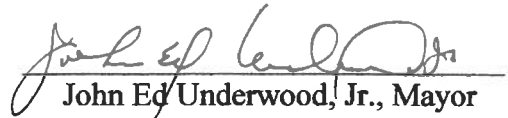
**A RESOLUTION TO LOCALLY APPROVE REQUEST FOR PASSAGE OF
GENERAL LAW BY THE 109th GENERAL ASSEMBLY.**

WHEREAS, the City of Fayetteville periodically petitions the General Assembly for changes to portions of law for the welfare of our citizenry; and

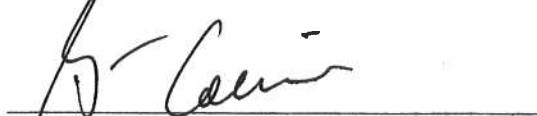
WHEREAS, the City of Fayetteville recognizes the need for additional revenue to fund the current retention and the future development of tourism and economic development.

NOW THEREFORE, BE IT RESOLVED, by the Board Of Mayor and Aldermen for the City of Fayetteville that a request be made of Senator Jim Tracy and of Representative Pat Marsh to sponsor legislation before the 109th General Assembly that authorizes the City of Fayetteville to enact a Hospitality Tax; and furthermore, to authorize Mayor John Ed Underwood, Jr., to execute all necessary action to obtain approval to enact a 5% or less Hospitality tax for the use of funding tourism and economic development for the City of Fayetteville.

Passed and so ordered this 10 day of December, 2013, by unanimous vote of the entire Board of Mayor and Aldermen.


John Ed Underwood, Jr., Mayor

ATTEST:



Scott Collins, City Administrator

Motion was made by Marty Pepper, seconded by Danny Bryant, to rescind Resolution R-13-12. Upon roll call, the following voted:

Aye

Gwen Shelton, Marty Pepper, Danny Bryant, Tom Young, Dorothy Small and Michael Whisenant

Nay

None

Mayor Underwood declared the motion approved.

Resolution R-14-01:

Resolution R-14-01, a resolution entitled, "A Resolution To Locally Approve Request For Passage Of General Law By The 109th General Assembly", was considered. Said Resolution is as follows:

**CITY OF FAYETTEVILLE
RESOLUTION NO. R-14-01**

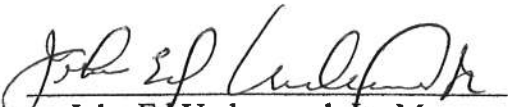
**A RESOLUTION TO LOCALLY APPROVE REQUEST FOR PASSAGE OF
GENERAL LAW BY THE 109th GENERAL ASSEMBLY.**

WHEREAS, the City of Fayetteville periodically petitions the General Assembly for changes to portions of law for the welfare of our citizenry; and

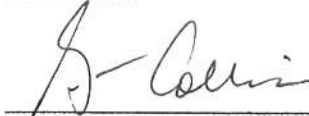
WHEREAS, the City of Fayetteville recognizes the need for additional revenue to fund the current retention and the future development of tourism and economic development.

NOW THEREFORE, BE IT RESOLVED, by the Board Of Mayor and Aldermen for the City Of Fayetteville that a request be made of Senator Jim Tracy and of Representative Pat Marsh to sponsor legislation before the 109th General Assembly that authorizes the City of Fayetteville Board of Mayor and Aldermen to consider enacting a Hotel/Motel Tax; and furthermore, to authorize Mayor John Ed Underwood, Jr., to execute all necessary action to obtain approval to enact a 5% or less Hotel/Motel tax for the use of funding tourism and economic development for the City of Fayetteville.

Passed and so ordered this 14th day of January, 2014, by unanimous vote of the entire Board of Mayor and Aldermen.


John Ed Underwood, Jr., Mayor

ATTEST:



Scott Collins, City Administrator

THIS AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN THE CITY OF FAYETTEVILLE, STATE OF TENNESSEE, A MUNICIPAL CORPORATION, HEREINAFTER CALLED "EMPLOYER," AND GREGORY SCOTT COLLINS, HEREINAFTER CALLED "EMPLOYEE."

WITNESSETH:

WHEREAS, Employer desires to employ the services of said Gregory Scott Collins as City Administrator for the City of Fayetteville; and

WHEREAS, it is the desire of the Employer to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the Employer to (1) retain the services of Employee and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, and (3) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of Employee; and

WHEREAS, Employee desires employment as City Administrator of said City.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Employee shall perform the duties of City Administrator as set out in Article V, Section 3 of the Charter of the City of Fayetteville.
2. The term of the agreement shall be thirty-six (36) months, beginning January 14, 2014, and ending January 13, 2017.
3. The Employee shall begin at Level 10 Step 1 of the City Compensation Plan (\$81,458.00). (Step 2, \$85,540.00)
4. During said term of this agreement, Employee shall be entitled to receive cost of living increases, longevity pay and other bonuses as all other city employees with the exception

of any benefits that may be given up by Employee in contract negotiations. Longevity pay shall be based upon the requirements of any other employee requiring certification. Employee certification shall be based upon requirements set forth by the State of Tennessee to serve as City Clerk and as required under the Federal NIMS program.

5. Employee position as City Administrator shall be classified as an “exempt service” position as stated in Section I(C) of the City of Fayetteville’s personnel policies; however, Employee shall receive benefits as are allowed for all City employees under Section VI of the duly adopted personnel policy of the City.

6. The terms of this contract may be terminated by Employee only with the consent of the Employer, unless the form of government for the City of Fayetteville changes to a form no longer employing a City Administrator or City Manager. In the event the form of government changes for the City of Fayetteville, Employee may terminate the contract with a thirty (30) day written notice.

7. Employee’s services may be terminated by the Employer for “just cause,” which is more fully defined as reasons for dismissal in Section VII(K) of the Personnel Policy of the City and any other reason as determined by the Board upon four (4) affirmative votes for termination. It is understood that the term “superior officer,” as used therein, is defined as “the Board of Mayor and Aldermen.” Any changes shall be in writing and the Employee shall have the right to a hearing before the Board before final action is taken. In the event that the Employee is reprimanded, suspended, or dismissed, the Employee may have the action reviewed by submitting a written request to the Board of Mayor and Aldermen. Employee must submit the request for such an appeal within ten (10) days of receipt of the request for appeal. The action of the Board of Mayor and Aldermen shall be final and binding on all parties. Severance

pay for just cause termination shall be one (1) month's pay and benefits. Severance pay for any other reason shall be four (4) months' pay and benefits at the initiation of this contract. An additional month will be added for each year of service completed under this contract, not to exceed a total of six (6) months.

8. In the event the form of government for the City of Fayetteville changes to a form not employing a City Manager or City Administrator and the Employee is not offered a position of similar responsibility and pay classification in the new government, the salary and benefits described in this contract shall be guaranteed in monthly installments for the remainder of the term. The salary shall be frozen at the amount earned at the time that the change in form of government occurs.

9. Each member of the Board shall annually evaluate the Employee's performance of his duties based upon criteria and categories presently established for the administrator position. Any problem or inadequacy will be discussed, and a good faith effort shall be made to mutually resolve any problem. Increases in merit pay are determined by a satisfactory evaluation and approval of the budget.

10. An automobile shall be allocated to Employee based upon the City's vehicle policy established January 1, 1986. The Employee's use of the City vehicle will be subject to any change in the City's vehicle policy adopted during the term of this Agreement.

11. Employee shall reside within the city limits of the City of Fayetteville on a full-time basis while employed as City Administrator.

12. Employee shall be employed fully and exclusively by the Employer and will accept no other employment while occupying the position of City Administrator. Employee may, however, teach or do some consulting work on his off-hours.

13. In addition to TML, NLC, TCMA, TAMCAR and IIMC, Employee may spend time in professional development and education as deemed appropriate by the Employer and the Employer shall cover the cost of such required travel and attendance at seminars, courses and other continuing educational activities as might be specified in the current annual budget.

14. Travel out of town to meetings and seminars shall be no more than two (2) per month with duration of no more than two (2) days per event, unless otherwise approved by the Board.

15. Appointment and elections to organizational offices shall be made with the prior approval of the Employer.

16. Employer shall bear the full cost of any fidelity or other bond required of Employee under any law or ordinance.

17. Employer shall at all times insure Employee under its liability, errors and omission insurance policies.

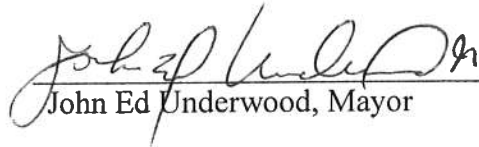
18. Employer shall provide representation to the Employee for any legal action in which the Employee is named as a party that occurs during the course of carrying out the duties of the position.

19. If Employee is permanently disabled or is otherwise unable to perform the essential function of the job because of sickness, accident, injury or mental or health incapacity for a period of four (4) successive weeks beyond any accrued sick leave, Employer shall have the option to terminate this agreement upon payment of three (3) months' salary and benefits in addition to any vacation, holiday and other accrued benefits.

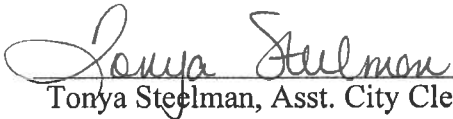
20. The Employer shall provide a one (1) week vacation to Employee on the anniversary of the Employee's original date of hire. Thereafter, Employee shall earn vacation as all other employees.


21. This agreement constitutes the entire agreement between the parties. This agreement may not be changed orally but only by an agreement in writing signed by both parties hereto. This contract merges in this agreement all statements, representations, and covenants heretofore made, and any other agreements not incorporated herein are void and of no force and effect.

CITY OF FAYETTEVILLE

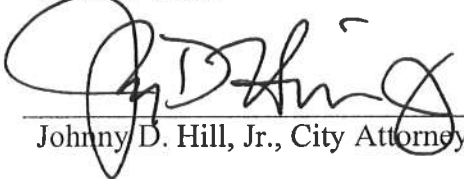

John Ed Underwood, Mayor

ATTEST


Tonya Steelman, Asst. City Clerk


Gregory Scott Collins, Employee

APPROVED:


Johnny D. Hill, Jr., City Attorney

Motion was made by Marty Pepper, seconded by Danny Bryant, to approve Resolution R-14-01. Upon roll call, the following voted:

Aye

Marty Pepper, Danny Bryant, Tom Young, Dorothy Small, Michael Whisenant and Gwen Shelton

Nay

None

Mayor Underwood declared the Resolution adopted.

City Administrator's Contract:

Motion was made by Danny Bryant, seconded by Gwen Shelton, to approve a three (3) year contract, at Level 10 Step 1 pay, with Gregory Scott Collins as the City Administrator.

Motion was made by Danny Bryant, seconded by Gwen Shelton, to amend the main motion by having the word "employer" on page 3, paragraph number 12 of the second sentence changed to "employee". Upon roll call, the following voted on the amendment:

Aye

Danny Bryant, Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton and Marty Pepper

Nay

None

Mayor Underwood declared the motion approved.

Upon roll call, the following voted on the main motion:

Aye

Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton, Marty Pepper and Danny Bryant

Nay

None

Mayor Underwood declared the motion approved.

Sales Tax Contract:

Motion was made by Danny Bryant, seconded by Gwen Shelton, to allow the Mayor to sign and deliver a letter to the Lincoln County Mayor, Lincoln County Commission and Lincoln County Finance Director citing the City's intent to let the Sales Tax Agreement expire as of June 30, 2014. Upon roll call, the following voted:

Aye

Dorothy Small, Michael Whisenant, Gwen Shelton, Marty Pepper, Danny Bryant and Tom Young

Nay

None

Mayor Underwood declared the motion approved.

Ordinance 2014-01:

Ordinance No. 2014-01, an ordinance entitled, “An Ordinance Amending The Annual Budget And Capital Program Of The City Of Fayetteville, Tennessee, For Fiscal Year 2014”, was considered. Said Ordinance is as follows:

ORDINANCE NO. 2014 – 01

AN ORDINANCE AMENDING THE ANNUAL BUDGET AND CAPITAL PROGRAM OF THE CITY OF FAYETTEVILLE, TENNESSEE, FOR FISCAL YEAR 2014,

WHEREAS, the Board of Mayor and Alderman has established a program to encourage efficient budget management by returning 50% of budgeted savings to departments; and

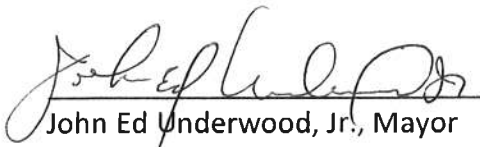
WHEREAS, Tennessee Code Annotated requires these items to be budgeted expenditures;


NOW, THEREFORE BE IT ORDAINED by the Board of Mayor and Alderman of the City of Fayetteville, Tennessee, that the following amounts be added to the budgeted amounts set forth for fiscal year 2014 in Ordinance No. 2013 – 07.

City Court	\$ 1,316
Administration	\$ 10,000
Information Technology	\$ 2,244
Purchasing	\$ 571
Police	\$ 10,000
Fire	\$ 8,780
Street	\$ 10,000
Garage	\$ 3,496
Recreation	\$ 2,495
Transfer to Capital Projects	\$ 50,451

This ordinance shall take effect upon its passages, the public welfare requiring it. All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

January 14, 2014
Date


John Ed Underwood, Jr., Mayor


Gregory Scott Collins, City Clerk

Motion was made by Dorothy Small, seconded by Marty Pepper, to approve Ordinance No. 2014-01. Upon roll call, the following voted:

Aye

Michael Whisenant, Gwen Shelton, Marty Pepper, Danny Bryant, Tom Young and Dorothy Small

Nay

None

Mayor Underwood declared the Ordinance adopted.

Study For New Police Station Building:

Motion was made by Gwen Shelton, seconded by Marty Pepper, to approve a study to look into building a new police station. Upon roll call, the following voted:

Aye

Gwen Shelton, Marty Pepper, Danny Bryant, Tom Young, Dorothy Small and Michael Whisenant

Nay

None

Mayor Underwood declared the motion approved.

Lot on the Corner of College and Franklin:

Motion was made by Danny Bryant, seconded by Michael Whisenant, to authorize the Police and Fire Committee to discuss with the owners a possible purchase price of the property located on the corner of College and Franklin, which connects to the vacant lot the City owns on the corner of Franklin and Market. Upon roll call, the following voted:

Aye

Marty Pepper, Danny Bryant, Tom Young, Dorothy Small, Michael Whisenant and Gwen Shelton

Nay

None

Mayor Underwood declared the motion approved.

Demolition Of House On Locust Street:

Motion was made by Gwen Shelton, seconded by Marty Pepper, to approve the demolition of a City/County owned house located on Locust Street, not to exceed Four Thousand Dollars (\$4,000.00) and then place a lien on the property's deed for the County to pay one-half (1/2) of the cost. Upon roll call, the following voted:

Aye

Danny Bryant, Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton and Marty Pepper

Nay
None

Mayor Underwood declared the motion approved.

Parade Permit:

Motion was made by Marty Pepper, seconded by Gwen Shelton, to approve a parade permit for People Helping People to have a Martin Luther King, Jr., march. Upon roll call, the following voted:

Aye
Tom Young, Dorothy Small, Michael Whisenant, Gwen Shelton, Marty Pepper and Danny Bryant

Nay
None

Mayor Underwood declared the motion approved.

Motion was made, seconded, and unanimously adopted to adjourn.

Mayor

City Clerk