



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
APRIL 26, 2022
AGENDA

1. Call meeting to order
2. Approval of minutes from the TLDA meeting of March 28, 2022
3. Consider for approval the following Drinking Water Loans:

	SRF Base Loan	Principal Forgiveness	Total Request	Interest Rate	Term
Cookeville, DWF 2022-244	\$ 17,500,000	\$ -	\$ 17,500,000	1.07%	20
Smyrna, DWF 2022-246	\$ 2,500,000	\$ -	\$ 2,500,000	1.60%	20

4. Adjourn

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
March 28, 2022

The Tennessee Local Development Authority (the “TLDA”) met on Monday, March 28, 2022, at 2:20 p.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

The Honorable Jason E. Mumpower, Comptroller of the Treasury
The Honorable David H. Lillard, Jr., State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Mayor Paige Brown, House Appointee

The following member participated telephonically as authorized by Tennessee Code Annotated Section 8-44-108 and included in the meeting notice:

Mayor Gary Cordell, Senate Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a quorum present, Mr. Hargett called the meeting to order, and asked Ms. Sandra Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance (DSGF) to conduct a roll-call:

Mayor Cordell—Present
Mayor Brown - Present
Mr. Eley—Present
Mr. Lillard—Present
Mr. Mumpower—Present
Mr. Hargett—Present

Mr. Hargett stated that the first item on the agenda was approval of the minutes from the February 23, 2022, TLDA meeting. Mr. Lillard made a motion to approve the minutes, and Mr. Mumpower seconded the motion. Mr. Hargett asked Ms. Thompson to conduct a roll-call vote:

Mayor Cordell—Aye
Mayor Brown - Aye
Mr. Eley—Aye
Mr. Lillard—Aye
Mr. Mumpower—Aye
Mr. Hargett—Aye

The minutes were unanimously approved.

Mr. Hargett stated that the next item on the agenda was consideration and approval of a Drinking Water State Revolving Fund (DWSRF) loan request. He recognized Mr. Adeniyi Bakare, SRF Program Manager for the Tennessee Department of Environment and Conservation (TDEC), to present the loan request. Mr. Bakare first presented the Report on Funds Available for Loan Obligation for the DWSRF Loan Program. He stated the unobligated fund balance was \$109,484,612 as of February 23, 2022. He stated since that time, the unobligated balance had increased by \$1,555, with the return of previous (unused) funding from the City of Cleveland. Upon approval of the loan request to be presented totaling \$500,000, the remaining funds available for loan obligations would be \$108,986,167. He then presented the DWSRF loan request.

- **LaFollette (DW8 2022-248)** Requesting \$500,000 (\$250,000 (50%) loan; \$250,000 (50%) principal forgiveness) for waterline extension planning and design project (Installation of waterlines to provide water to the unserved areas in the unincorporated communities of Cedar Creek, Alder Springs, and Flat Hollow in Campbell County; recommended interest rate of 0.12% based on the Ability to Pay Index (ATPI); Priority ranking 9 of 72 (FY2021); Term: 5 years

Mr. Hargett inquired if there was any discussion. Mr. Mumpower answered affirmatively and asked if anyone from the City of LaFollette was present. He stated that he was going to ask about using ARP dollars, but the City's staff was not in attendance. Mr. Hargett inquired if there were any other questions or discussion. Hearing none, he made a motion to approve the loan, and Mr. Lillard seconded the motion. Mr. Hargett asked Ms. Thompson to conduct a roll-call vote:

Mayor Cordell—Aye
Mayor Brown - Aye
Mr. Eley—Aye
Mr. Lillard—Aye
Mr. Mumpower—Aye
Mr. Hargett—Aye

The loan was unanimously approved.

Mr. Hargett stated that the next item on the agenda was the report on SRF borrowers that had not submitted a request for project expense reimbursement. He called upon Mr. Bakare to present the report. Mr. Bakare said that the City of Athens was first on the list with its CW loan in the amount of \$2,000,000. He stated Athens was required to resubmit documents from its original submission (November 2020), and that it anticipated it would advertise and bid the project this month (within the next few days). Athen's first request for reimbursement should be in late May or early June. Next, he stated that the City of Cleveland had a \$10,000,000 CW loan on the list and that it would use all funding from its companion loan, which was 99% completed, before submitting its initial request for reimbursement. Mr. Bakare reported that the City of Dayton had two CW projects on the list. The first one was in the amount of \$2,500,000. He stated that the project's bid (March 15, 2022) had come in over budget, and that Dayton was reevaluating its options. He noted that Dayton planned to submit its first request for reimbursement on this loan by August 2022. The second Dayton project on the list in the amount of \$18,114,550 was a companion loan to the first, and any requests for reimbursement would be submitted after the first loan was completed. Mr. Bakare said that the City of Memphis was next with its CW loan in the amount of \$15,000,000. He stated that plans and specifications had been approved. He further stated that once the Memphis's Authority to Award (ATA) package was approved, its contracts would be finalized, and work would begin. Memphis's request for reimbursement would follow. Next, he stated that the City of Westmoreland had a project on the list in the amount of \$3,987,000. He noted that it was a companion loan. He stated that the current loan was only 34% complete, and once it had been completed, reimbursement requests for this loan would begin. Mr. Bakare stated that the City of White House had a project on the list in the amount of \$8,000,000. This was also a companion loan. He stated that the current loan for White House was only 17% complete, and once it had been completed, requests for reimbursement would begin for this loan. Next, he stated that Etowah Utilities had a DW loan on the list in the amount of \$1,000,000 and explained it had experienced delays due to Covid 19, a ransomware attack, and a chip shortage which caused meters to be unavailable. He stated that the supplier would make meters available for shipment soon. He stated that the Town of Huntland's CW loan in the amount of \$2,925,000 was last on the list and that Huntland would draw down funds from its companion loan completely before using its SRF funds. He noted that Huntland anticipated a reimbursement request by this summer. ⁱ

Mr. Mumpower inquired if there were any questions about the report. Hearing none, and with no other business, he asked for a motion to adjourn the meeting. Mr. Lillard made a motion to adjourn, and Mayor Brown seconded the motion. Mr. Mumpower asked all those in favor of adjournment to say aye. The meeting was adjourned.

ⁱ Mr. Hargett left the meeting at 2:28 pm

Approved on this _____ day of _____, 2022.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

Drinking Water State Revolving Fund (DWSRF) Loan Program
Funds Available for Loan Obligation
April 26, 2022

Unobligated Balance as of March 28, 2022			\$ 108,986,167
<u>Increases:</u>	<u>Loan Number</u>	<u>Amount</u>	
			\$ -
Unobligated Balance as of April 26, 2022			\$ 108,986,167
<u>Decreases:</u>	<u>Loan Number</u>	<u>Loan Amount</u>	
City of Cookeville	DWF 2022-244	\$ 17,500,000	
Town of Smyrna	DWF 2022-246	\$ 2,500,000	
			\$ (20,000,000)
Remaining Funds Available for Loan Obligations as of April 26, 2022			\$ 88,986,167

FACT SHEET
APRIL 26, 2022

Borrower: City of Cookeville
Project Number: DWF 2022-244
Requested SRF Funding: \$17,500,000
Term: 20 years
Rate: 1.07% = 1.34% x 80% (Tier 3)

Project:

WTP Expansion (Expansion of the existing WTP's capacity from 15 MGD to 22.5 MGD).

Total Project Cost:	\$17,500,000
Project Funding:	
SRF Loan Principal	\$17,500,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Putnam County
Consulting Engineer:	CTI Engineers
Priority Ranking List:	FY 2021
Priority Ranking:	18 of 72 ¹
Public Meeting:	09/15/2021

Financial Information:

Operating Revenues:	\$19,705,895
Current Rate:	\$25.35
Financial Review Rate:	\$25.35
Effective Rates, if applicable:	\$27.05 (Effective date: 05/01/2022) \$28.20 (Effective date: 05/01/2023)
Residential User Charge:	5,000 gal/month
Customer Base:	15,201
Audit Report Filed:	01/25/2022 (Late) ²
Initial Financial Sufficiency Review:	08/02/2021
Updated Financial Sufficiency Review:	02/15/2022

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

¹ The project ranked #18 of 72 on the Fiscal Year 2021 Priority Ranking List (PRL).

² City submitted a late audit report justification letter.

FACT SHEET
APRIL 26, 2022

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$4,999,907

MADS:	Prior Obligations:	\$ 132,168
	Proposed loan(s):	
	DWF 2022-244	<u>\$ 972,350</u>
	Totals	<u>\$1,104,518</u>

MADS as a percentage of SSTs: 22.09%



JASON E. MUMPOWER
Comptroller

April 20, 2022

Ms. Brenda Imel
Finance Director
City of Cookeville
45 East Broad Street
Cookeville, TN 38501

Dear Ms. Imel:

During the review of the City of Cookeville's (the "City") State Revolving Fund (SRF) loan application, the Tennessee Department of Environment and Conservation (TDEC) observed that the City had not filed its fiscal year 2021 audit report within six months after fiscal year end. The City provided a letter dated March 25, 2022, to TDEC that explained the reasons for the late filing.

The City cited that the primary reason for the late submission resulted from issues with the previous audit firm which lead to the engagement of new auditors that needed to complete the fiscal year 2020 audit before beginning the fiscal year 2021 audit. Please be aware that the SRF loan agreement and state law require local governments to file an annual audit report within six months after fiscal year end, and the Comptroller's Division of Local Government Audit (LGA) does not permit the extension of contracted filing deadlines. Failure to timely file reports may delay, or result in disapproval of, SRF loan approvals and funding requests. The City's loan request will be presented for consideration for approval at the TLDA's April 26, 2022, meeting with the expectation that the City will work with its auditors to timely file future reports. If you need guidance or clarification on the audit contract requirements, please contact LGA.

Information on the SRF program's audit filing requirement is contained in the TLDA's SRF Policy and Guidance for Borrowers which is available online:

<https://www.comptroller.tn.gov/boards/tennessee-local-development-authority/tlda-information/policies.html>.

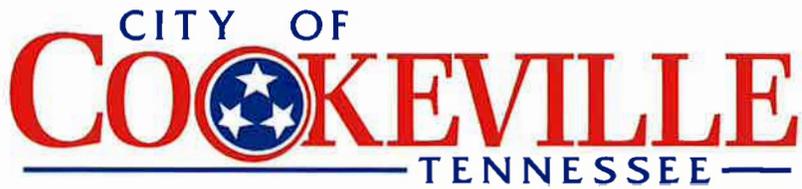
Please let me know if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink that reads "Sandra W. Thompson".

Sandra W. Thompson
Director
Comptroller of the Treasury
Division of State Government Finance
Assistant Secretary to the TLDA

cc: Adeniyi R. Bakare, SRF Program Manager
Jerry Durham, Assistant Director, LGA
Jean K. Suh, Contract Audit Review Manager, LGA



March 25, 2022

State of Tennessee

Attn: Sushuma Pedireddi

RE: City of Cookeville Audit Filings with the Comptroller's Office

FYE 6/30/19 The City of Cookeville's audit includes a component unit, Cookeville Regional Medical Center (CRMC) which is audited by other auditors, PYA, Certified Public Accountants. Those auditors were not able to complete their audit by the deadline due to an unresolved debt issue which resulted in the City's audit also being extended. Once the CRMC audit was issued in March 2020, the auditors for the City, Duncan, Wheeler and Wilkerson were able to finalize and issue the City's audit. An extension was submitted to the Comptroller's office.

FYE 6/30/20 Long-time auditors for the city, Duncan, Wheeler, and Wilkerson merged with Carr, Riggs & Ingram (CRI) and CRI agreed to perform the 6/30/2020 audit. The City of Cookeville's audit was again extended beyond the December 31st deadline because the CRMC auditors, Kraft CPAs did not issue their report until late January 2021. CRMC was waiting on reporting guidance from the US Treasury on COVID-19 funds. The city report was further extended when unexpectedly and before the audit was issued, CRI notified us in February 2021 that they were no longer going to continue as the city's auditors. We promptly started the process to engage a new auditor. Blankenship CPAs was selected through the RFP process and was engaged to complete the FY 2020 audit and perform the FY 2021 audit. They were able to complete the FY 2020 audit and issue the report by the end of June 2021. The Comptroller's office was aware of the situation.

FYE 6/30/21 The new auditors, Blankenship CPAs requested an extension of the deadline for the FYE 6/30/21 report due to the following factors: 1. Completion of the 2020 audit assumed from CRI was more involved than they had estimated. 2. Health delays were far more significant than they had anticipated (covid) and 3. Component unit financial statements were not available to them until December 22nd and 24th. They

did complete and issue the report in January 2022. The report was filed with the Comptroller's office on 1/25/22 and can be found on their website.

The audit reports for the City of Cookeville for FYE 6/30/19, FYE 6/30/20 and FYE 6/30/21 were filed with the Tennessee Comptroller's Office after the December 31st deadline. The circumstances for each were unusual and very much out of our control. The audit reports for all 3 years were issued with unmodified opinions (clean report) and had with no findings. If you have any questions concerning the explanations provided, please let me know.

Sincerely,



Brenda Imel
Finance Director

cc: Ronnie Kelly, Director of Water Quality Control Department

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF COOKEVILLE
DWF 2022-244**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, charges, and ad valorem taxes as necessary to meet its obligations under a SRF Loan Agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. § 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$4,999,907.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	CWA 2009-235	\$2,074,887	\$1,383,258	\$132,168

* If applicable, the original approved amount is adjusted for decreases and approved increases
**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$132,168.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB				
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$132,168.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Water	DWF 2022-244	1.07%	\$17,500,000	\$0	\$972,350

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$972,350.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$3,895,389.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 18th day of March, 2022.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:



Mayor, Ricky Shelton

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF COOKEVILLE
DWF 2022-244

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

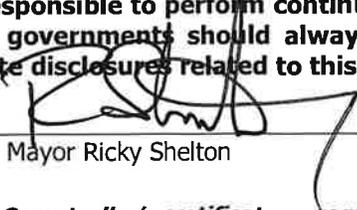
Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, City of Cookeville, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.


Mayor Ricky Shelton

March 18, 2022
Date

This is the Comptroller's certificate as required by TCA 4-31-108.

FACT SHEET
APRIL 26, 2022

Borrower: Town of Smyrna
Project Number: DWF 2022-246
Requested SRF Funding: \$2,500,000
Term: 20 years
Rate: 1.60% = 1.60% x 100% (Tier 4)

Project:

Waterline Replacement (Replacing approximately 7,800 LF of 8-inch thru 24-inch diameter waterlines by methods of open cut and pipe bursting).

Total Project Cost:	\$2,500,000
Project Funding:	
SRF Loan Principal	\$2,500,000
Local Funds	\$ -0-
Other Funds	\$ -0-

County:	Rutherford County
Consulting Engineer:	LDA Engineering, LLC
Priority Ranking List:	FY 2021
Priority Ranking:	27 of 72 ¹
Public Meeting:	11/09/2021

Financial Information:

Operating Revenues:	\$22,920,501
Current Rate:	\$23.22
Financial Review Rate:	\$23.22
Effective Rates, if applicable:	N/A
Residential User Charge:	5,000 gal/month
Customer Base:	15,421
Audit Report Filed:	12/16/2021 (Timely)
Initial Financial Sufficiency Review:	10/06/2021
Updated Financial Sufficiency Review:	02/10/2022

The financial sufficiency review indicates that revenues and rates are sufficient to repay its SRF loan(s).

¹ The project ranked #27 of 72 on the Fiscal Year 2021 Priority Ranking List (PRL).

FACT SHEET
APRIL 26, 2022

Additional Security

The borrower pledges its unobligated state-shared taxes (SSTs) in an amount equal to the maximum annual debt service (MADS) requirements under the loan agreement.

The SSTs received by the borrower from the state in the prior fiscal year: \$7,044,268

MADS:	Prior Obligations:	\$1,900,133
	Proposed loan(s):	
	DWF 2022-246	<u>\$ 146,147</u>
	Totals	<u>\$2,046,280</u>

MADS as a percentage of SSTs: 29.05%

**REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
TOWN OF SMYRNA
DWF 2022-246**

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, charges, and ad valorem taxes as necessary to meet its obligations under a SRF Loan Agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. State-Shared Taxes

The total amount of SSTs, as identified pursuant to Tenn. Code Ann. § 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is \$7,044,268.

2. Prior Obligations

(a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SRF/Sewer	CGA 2009-234	\$3,450,000	\$2,300,000	\$212,191
SRF/Sewer	CG0 2010-258	\$344,426	\$86,106	\$20,796
SRF/Sewer	CW4 2014-343	\$190,683	\$14,352	\$7,620
SRF/Water	DW4 2015-154	\$83,376	\$27,792	\$4,602
SRF/Sewer	CG7 2019-423	\$2,700,000	\$300,000	\$115,116
SRF/Sewer	SRF 2020-438	\$18,000,000	\$0	\$724,908
SRF/Water	DG9 2021-231	\$3,000,000	\$0	\$160,474
SRF/Sewer	SRF 2020-438-01	\$17,200,000	\$0	\$654,426

* If applicable, the original approved amount is adjusted for decreases and approved increases

**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is \$1,900,133.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB				
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is \$0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is \$1,900,133.

3. Loan Requests

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Water	DWF 2022-246	1.60%	\$2,500,000	\$0	\$146,147

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is \$146,147.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is \$4,997,988.

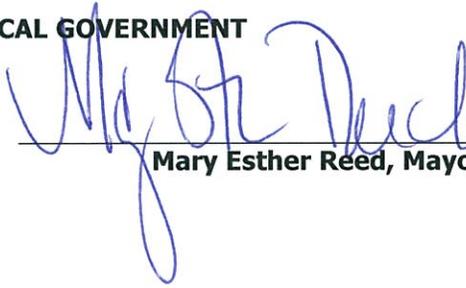
The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 8th day of March, 2022.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY:



Mary Esther Reed, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
TOWN OF SMYRNA
DWF 2022-246

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, Town of Smyrna, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.


Mary Esther Reed, Mayor

3-8-2022
Date

This is the Comptroller's certificate as required by TCA 4-31-108.