



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE & LOCAL FINANCE  
SUITE 1600 JAMES K. POLK BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872 FAX (615) 741-5986**

August 18, 2015

Honorable Stan Joyner, Mayor  
Members of the Board of Aldermen  
City of Collierville  
500 Poplar View Parkway  
Collierville, TN 38017

Dear Mayor Joyner and Aldermen:

Please provide a copy of this report to each member of the Board of Aldermen at the public meeting during which the report is reviewed and the proposed refunding bond resolution is presented. Additionally, this letter, report, and plan of refunding (the "Plan"), are to be posted on the City of Collierville's (the "City's") website, if the City has a website.

This letter acknowledges receipt on August 10, 2015, of the City's request to review its Plan for the issuance of a maximum \$7,930,000 General Obligation Refunding Bonds, Series 2015C (the "Refunding Bonds") to current refund \$1,095,000 of its General Obligation Improvement Refunding Bonds, Series 2005C and advance refund \$7,310,000 of its General Obligation Improvement Bonds, Series 2008 (collectively, the "Refunded Bonds") by competitive sale.

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

#### **CITY'S PROPOSED REFUNDING OBJECTIVE**

The City's stated objective is to achieve net present value savings on their debt.

#### **BALLOON INDEBTEDNESS**

Because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better, the balloon indebtedness statute is not applicable to this debt issuance.

#### **COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY**

The City provided a copy of its debt management policy, and within forty-five (45) days of issuance of the debt approved in this letter, is required to submit a Report on Debt Obligation that indicates that this debt complies with its debt policy. If the City amends its policy, please submit the amended policy to this office.

## FINANCIAL PROFESSIONALS

The City has indicated that Public Financial Management, Inc. (“PFM”) is its financial advisor. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City’s best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of their financial advisor.

### MSRB Rule G-17

MSRB Rule G-17 requires underwriters and municipal advisors to deal fairly with the City in the conduct of its municipal securities or municipal advisory activities. MSRB Notice 2012-25 on the duties of underwriters to issuers of municipal securities was approved by the Securities and Exchange Commission on May 4, 2012. On August 2, 2012, this interpretive notice to MSRB Rule G-17 on fair dealing became part of federal securities law and underwriters are required to comply with its provisions.

These duties fall into three areas:

- statements and representations to issuers;
- disclosures to issuers; and
- financial aspects of underwriting transactions.

To learn more about the obligations of the City’s underwriter (if applicable) and municipal advisor, please read the information posted on the MSRB website: [www.msrb.org](http://www.msrb.org).

## REPORT OF THE REVIEW OF A PLAN OF REFUNDING

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

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

*We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local*

*government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.*

## **MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) VOLUNTARY DISCLOSURE OF BANK LOANS**

The Municipal Securities Rule Making Board (MSRB) released regulatory notices: MSRB Notice 2011-52, providing guidance on the use of “bank loans” that could be a private placement of municipal securities subject to specific regulatory requirements including disclosure; and MSRB Notice 2012-18, encouraging the voluntary disclosure of bank loan financings through the MSRB’s Electronic Municipal Market Access (EMMA®) website ([emma.msrb.org](http://emma.msrb.org)). For more information see the preceding notices on the MSRB’s website ([msrb.org](http://msrb.org)). To learn how to submit disclosure see the link at the bottom of the EMMA website labeled Submit Documents or the Education Center of the MSRB’s website.

## **REPORT ON DEBT OBLIGATION**

We are enclosing State Form CT-0253, Report on Debt Obligation. Pursuant to T.C.A. § 9-21-151, this form is to be completed and filed with the governing body of the City no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by email to [StateandLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateandLocalFinance.PublicDebtForm@cot.tn.gov) or by mail to the address on this letterhead. No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation. A fillable PDF of Form CT-0253 can be found at <http://www.comptroller.tn.gov/sl/pubdebt.asp>.

If you should have any questions regarding this information, or we may be of further assistance, please feel free to call.

Sincerely,



Sandra Thompson  
Director of the Office of State & Local Finance

Cc: Jim Arnette, Director of Local Government Audit, COT  
Jane Beville, Finance Director, City of Collierville  
Lauren Lowe, Public Financial Management, Inc.  
Cindy Barnett, Adams and Reese, LLP

Enclosures: Report of the Director of the Office of State & Local Finance  
Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE  
CONCERNING THE PROPOSED ISSUANCE  
BY THE CITY OF COLLIERVILLE, TENNESSEE OF  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015**

The City of Collierville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum \$7,930,000 General Obligation Refunding Bonds, Series 2015C, (the "Refunding Bonds") to current refund \$1,095,000 General Obligation Improvement Refunding Bonds, Series 2005C and advance refund \$7,310,000 of its General Obligation Improvement Bonds, Series 2008 (collectively, the "Refunded Bonds") by competitive sale.

This report must be presented to the governing body prior to the adoption of a refunding bond resolution. An evaluation of the preparation, support, and underlying assumptions of the Plan has not been performed by this Office. This letter and report provide no assurances of the reasonableness of the underlying assumptions. The Refunding Bonds may be issued with a structure different to that of the Plan. The City provided a copy of its debt management policy.

**BALLOON INDEBTEDNESS**

Because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better, the balloon indebtedness statute is not applicable to this debt issuance.

**CITY'S PROPOSED REFUNDING OBJECTIVE**

The City's stated objective is to achieve net present value savings on their debt service.

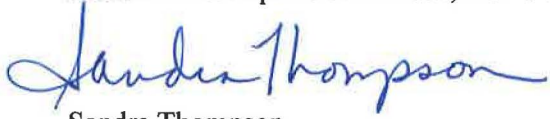
**REFUNDING ANALYSIS**

- The results of the refunding are based on the assumption that \$7,930,000 Refunding Bonds will be sold by competitive sale at a premium. (See Attachment A, Table 1 for Sources and Uses.)
- The net present value savings are projected to be \$609,132, or 7.29% of the refunded principal.
- The proposed average interest rate on the Refunding Bonds is 5.00%, a premium of \$1,535,533. The interest rate on the Refunded Bonds is 4.82%.
- Estimated cost of issuance of the Refunding Bonds is \$64,668 or \$8.15 per \$1,000 of the par amount. See Table 2 for individual costs of issuance.

The City has indicated that Public Financial Management, Inc. ("PFM") is its financial advisor. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of their financial advisor.

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

If all of the Refunded Bonds are not refunded as a part of the Refunding Bonds, and the City wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this Office for review.



Sandra Thompson  
Director of the Office of State and Local Finance  
Date: August 18, 2015

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**Attachment A**

**Table 1  
Sources and Uses**

**City of Collierville, Tennessee**

**General Obligation Refunding Bonds, Series 2015C**

<i>Sources:</i>	
<b>Bond Proceeds</b>	
Par Amount	\$ 7,930,000.00
Premium	1,535,533.05
	<u>\$ 9,465,533.05</u>
<i>Uses:</i>	
<b>Refunding Escrow Deposits</b>	
Cash Deposit	\$ 1.27
SLGS Purchases	9,397,092.00
	<u>\$ 9,397,093.27</u>
<b>Delivery Date Expenses</b>	
Cost of Issuance	\$ 25,017.83
Underwriter's Discount	39,650.00
	<u>\$ 64,667.83</u>
<b>Other Uses of Funds</b>	
Additional Proceeds	\$ 3,771.95
	<u>\$ 9,465,533.05</u>

**Table 2  
Costs of Issuance of the Refunding Bonds**

**General Obligation Refunding Bonds, Series 2015C**

	<b>Amount</b>	<b>\$1,000 Bond</b>
Underwriter's Discount	\$ 39,650	\$ 5.00
Bond Counsel - Estimated	9,072	1.14
Financial Advisor - Estimated	9,072	1.14
Rating Agency	2,791	0.35
Other Costs	4,083	0.51
Total Cost of Issuance	<u>\$ 64,668</u>	<u>\$ 8.15</u>



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This letter acknowledges receipt on August 10, 2015, of the City's request to review its Plan for the issuance of a maximum \$5,705,000 Water and Sewer System Revenue and Tax Refunding Bonds, Series 2015D (the "Refunding Bonds") to current refund \$965,000 of its Water & Sewer Revenue & Tax Refunding Bonds, Series 2005D and advance refund \$5,095,000 of its Water & Sewer System Revenue & Tax Bonds, Series 2006 (collectively, the "Refunded Bonds") by competitive sale.

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

#### **CITY'S PROPOSED REFUNDING OBJECTIVE**

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#### **COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY**

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*We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local*



*government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.*

## **MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) VOLUNTARY DISCLOSURE OF BANK LOANS**

The Municipal Securities Rule Making Board (MSRB) released regulatory notices: MSRB Notice 2011-52, providing guidance on the use of “bank loans” that could be a private placement of municipal securities subject to specific regulatory requirements including disclosure; and MSRB Notice 2012-18, encouraging the voluntary disclosure of bank loan financings through the MSRB’s Electronic Municipal Market Access (EMMA®) website ([emma.msrb.org](http://emma.msrb.org)). For more information see the preceding notices on the MSRB’s website ([msrb.org](http://msrb.org)). To learn how to submit disclosure see the link at the bottom of the EMMA website labeled Submit Documents or the Education Center of the MSRB’s website.

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If you should have any questions regarding this information, or we may be of further assistance, please feel free to call.

Sincerely,



Sandra Thompson  
Director of the Office of State & Local Finance

Cc: Jim Arnette, Director of Local Government Audit, COT  
Jane Beville, Finance Director, City of Collierville  
Lauren Lowe, Public Financial Management, Inc.  
Cindy Barnett, Adams and Reese, LLP

Enclosures: Report of the Director of the Office of State & Local Finance  
Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE  
CONCERNING THE PROPOSED ISSUANCE  
BY THE CITY OF COLLIERVILLE, TENNESSEE OF  
WATER AND SEWER SYSTEM REVENUE AND TAX REFUNDING BONDS, SERIES 2015D**

The City of Collierville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum \$5,705,000 Water and Sewer System Revenue and Tax Refunding Bonds, Series 2015D (the "Refunding Bonds") to current refund \$965,000 of its Water & Sewer Revenue & Tax Refunding Bonds, Series 2005D and advance refund \$5,095,000 of its Water & Sewer System Revenue & Tax Bonds, Series 2006 (collectively, the "Refunded Bonds") by competitive sale.

This report must be presented to the governing body prior to the adoption of a refunding bond resolution. An evaluation of the preparation, support, and underlying assumptions of the Plan has not been performed by this Office. This letter and report provide no assurances of the reasonableness of the underlying assumptions. The Refunding Bonds may be issued with a structure different to that of the Plan. The City provided a copy of its debt management policy.

**BALLOON INDEBTEDNESS**

Because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better, the balloon indebtedness statute is not applicable to this debt issuance.

**CITY'S PROPOSED REFUNDING OBJECTIVE**

The City's stated objective is to achieve net present value savings on their debt service.

**REFUNDING ANALYSIS**

- The results of the refunding are based on the assumption that \$5,705,000 Refunding Bonds will be sold at a premium of \$636,067 by competitive sale. (See Attachment A, Table 1 for Sources and Uses.)
- The net present value savings are projected to be \$636,419, or 10.50% of the refunded principal.
- The proposed average interest rate on the Refunding Bonds is 3.91%. The average interest rate on the Refunded Bonds is 4.32%.
- Estimated cost of issuance of the Refunding Bonds is \$46,523 or \$8.15 per \$1,000 of the par amount. See Table 2 for individual costs of issuance.

The City has indicated that Public Financial Management, Inc. ("PFM") is its financial advisor. Financial advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of their financial advisor.

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

If all of the Refunded Bonds are not refunded as a part of the Refunding Bonds, and the City wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this Office for review.

A handwritten signature in blue ink that reads "Sandra Thompson". The signature is written in a cursive style with a large initial 'S'.

Sandra Thompson  
Director of the Office of State and Local Finance  
Date: August 18, 2015

**Attachment A**

**Table 1**

**Sources and Uses**

**City of Collierville, Tennessee**

**Water and Sewer System  
Revenue and Tax Refunding Bonds, Series 2015D**

<i>Sources:</i>	
<b>Bond Proceeds</b>	
Par Amount	\$ 5,705,000.00
Premium	636,067.15
	<b>\$ 6,341,067.15</b>
<i>Uses:</i>	
<b>Refunding Escrow Deposits</b>	
Cash Deposit	\$ 1.15
SLGS Purchases	<u>6,294,410.00</u>
	\$ 6,294,411.15
<b>Delivery Date Expenses</b>	
Cost of Issuance	\$ 17,998.35
Underwriter's Discount	<u>28,525.00</u>
	\$ 46,523.35
<b>Other Uses of Funds</b>	
Additional Proceeds	\$ 132.65
	<b>\$ 6,341,067.15</b>

**Table 2**

**Costs of Issuance of the Refunding Bonds**

**Water and Sewer System  
Revenue and Tax Refunding Bonds, Series 2015D**

	<b>Amount</b>	<b>\$1,000 Bond</b>
Underwriter's Discount	\$ 28,525	\$ 5.00
Bond Counsel - Estimated	6,527	1.14
Financial Advisor - Estimated	6,527	1.14
Rating Agency	2,008	0.35
Escrow Optimization - Estimated	2,008	0.35
Other Costs	929	0.16
<b>Total Cost of Issuance</b>	<b>\$ 46,524</b>	<b>\$ 8.15</b>