

## **Plan of Refunding**

**A) Identification of Key Professionals (including financial advisors, bond counsel, underwriters, or lenders) who have provided advice or proposals on which the Entity relied to prepare the Plan):**

1. Financial Advisor: Cumberland Securities Company, Inc.
2. Bond Counsel: Bass, Berry & Sims
3. Underwriter: Competitive Public Sale

**B) Purpose(s) of Refunding, including parameters:**

1. **Cost Savings: include a projection of the savings and amortization schedules for both refunding and refunded debt:**
  - a. N/A
2. **Restructuring: provide a comparison of existing and proposed structures, describing why debt is being restructured:**
  - a. See attached Schedules A & B. The debt is being refinanced from an interim mode (i.e. June 1, 2018 maturity) back into a long-term amortization which more closely aligns with the original amortization schedules of the project originally financed in 2006 and better matches up with cash flows available to pay debt service.
3. **Covenant change: Clearly describe covenant to be eliminated or revised and any change in the structure:**
  - a. N/A
4. **Reduction or elimination of risk: describe risk to be reduced or eliminated:**
  - a. By permanently funding the interim maturity, the City is reducing interest rate and rollover risk by eliminating the need to refinance again.

**C) Statement that the proposed refunding complies with the Entity's adopted debt management policy and a description of how the transaction is consistent with the policy, including any savings threshold. If there is no adopted policy or the transaction is not consistent, the Entity shall provide a detailed explanation.**

1. The proposed refunding is consistent with the City's adopted debt management policy in that it is in the City's best economic interest, seeks to preserve financial and management flexibility, and is being structured so that the refunding debt does not exceed the economic life of the assets originally financed.

**D) Other Information**

1. **Amortization schedules for both (proposed) refunding and (outstanding) debt to be refunded,**
  - a. Proposed refunding debt schedule: See attached Schedule A
  - b. Outstanding debt schedule(s): See attached Schedule B

**As well as the following:**

2. **Refunding Debt:**
  - a. **Maximum size to be authorized by the governing body, identifying all outstanding debt that could be included in the refunding:**

- i. Maximum size authorized by governing body = \$46,500,000. To refund the Local Government Public Improvement Bonds, Series VII-O-1, Dated 5/29/2014.
  - b. **Anticipated Size** = \$45,720,000
  - c. **Anticipated final maturity and weighted average maturity.** If the final maturity is extended beyond the fiscal year of final maturity of debt to be refunded or the weighted average maturity is increased, list the projects as required below for refunded debt:
    - i. **Final Maturity** = 6/1/2028
    - ii. **Weighted Average Maturity** = 5.975 Years
  - d. **Breakdown of Costs of Issuance** – See Schedule D
  - e. **Sources and Uses of Funds** – See Schedule C
- 3. **Refunded Debt: Information must be provided with respect to *each debt issue to be refunded*; (if all currently outstanding debt will not be refunded, identify maturities that are candidates for refunding).**
  - a. **Name of issue, type of debt, original terms, including whether the debt is federally tax-exempt or taxable.**
    - i. Local Government Public Improvement Bonds, Series VII-O-1, Dated 5/29/2014 (the “Series VII-O-1 Bonds”). The Series VII-O-1 Bonds are tax-exempt, interim fixed-rate debt, with a G.O. Loan Agreement, with a maturity on June 1, 2018.
  - b. **Date of issue and copy of CT-0253 filed.**
    - i. Date of Issue = 5/29/2014. The CT-0253’s were filed with the Office of State and Local Finance in connection with the issue of the Series VII-O-1 Bonds.
  - c. **Date of authorization by the governing body.**
    - i. The Series VII-O-1 Bonds were authorized by the City’s governing body on May 5, 2014.
  - d. **Whether bank-qualified or under other small issuer exception.**
    - i. No.
  - e. **Projects funded with proceeds of issue and remaining average life of projects (if final maturity or weighted average maturity of debt is extended).**
    - i. The purpose of the Series VII-O-1 Bonds was to refinance, on an interim basis, the City’s outstanding Local Government Public Improvement Bonds, Series 2009, dated May 27, 2009 (the “Series 2009 Bonds”). The average life of the proposed refunding bonds will be shorter than the average life of the projects funded by the Series 2009 Bonds.
  - f. **Derivative product, if any, and copy of Report of Compliance:**
    - i. There is no derivative product associated with the refunded bonds.
- 4. **If the proposed refunded debt was a refunding of prior debt, provide the same information for each generation of debt back to the original new money debt issuance; and provide a copy of the Report of Review of the Plan of Refunding.**
  - a. The Report of Review of the Plan of Refunding for the Series VII-O-1 Bonds, which refinanced the Local Government Public Improvement Bonds, Series 2009, Dated 5/27/2009, was issued by the Office of State and Local Finance in connection with the issuance of the Series VII-O-1 Bonds:

5. **Refunded Debt - Prior Generation: Series 2009 Bonds**
- a. **Name of issue, type of debt, original terms, including whether the debt is federally tax-exempt or taxable.**
    - i. Local Government Public Improvement Bonds, Series 2009, Dated 5/27/2009 (the "Series 2009 Bonds"). The Series 2009 Bonds were tax-exempt, interim fixed-rate debt, with a G.O. Loan Agreement, with a hard maturity on June 1, 2014.
  - b. **Date of issue and copy of CT-0253 filed.**
    - i. Date of Issue = 5/27/2009. The CT-0253's were filed with the Office of State and Local Finance in connection with the issue of the Series 2009 Bonds.
  - c. **Date of authorization by the governing body.**
    - i. The Series 2009 Bonds were authorized by the City's governing body on February 13, 2009.
  - d. **Whether bank-qualified or under other small issuer exception.**
    - i. No.
  - e. **Projects funded with proceeds of issue and remaining average life of projects (if final maturity or weighted average maturity of debt is extended).**
    - i. The purpose of the Series 2009 Bonds was to refinance, on an interim basis, the City's outstanding Local Government Public Improvement Bonds, Series 2006, dated March 8, 2006 (the "Series 2006 Bonds"). The average life of the proposed refunding bonds will be shorter than the average life of the original remaining amortization on the Series 2006 Bonds.
  - f. **Derivative product, if any and copy of Report of Compliance:**
    - i. There were no derivative products associated with the Series 2009 Bonds.
6. **Refunded Debt - Prior Generation: Series 2006 Bonds**
- a. **Name of issue, type of debt, original terms, including whether the debt is federally tax-exempt or taxable.**
    - i. Local Government Public Improvement Bonds, Series 2006, Dated 3/8/2006 (the "Series 2006 Bonds"). The Series 2006 Bonds were tax-exempt, variable rate bonds, with a G.O. Loan Agreement, with an original final maturity of 6/1/2028.
  - b. **Date of issue and copy of CT-0253 filed.**
    - i. Date of Issue = 3/8/2006. The CT-0253 was filed with the Office of State and Local Finance in connection with the issue of the Series 2006 Bonds.
  - c. **Date of authorization by the governing body.**
    - i. The Series 2006 Bonds were authorized by the City's governing body on February 16, 2004.
  - d. **Whether bank-qualified or under other small issuer exception.**
    - i. No.
  - e. **Projects funded with proceeds of issue and remaining average life of projects (if final maturity or weighted average maturity of debt is extended).**
    - i. The purpose of the Series 2006 Bonds was to finance the (i) acquisition of land and the acquisition, construction, improvement, renovation, repair and equipping of roads, bridges, streets, sidewalks, safety facilities, road facilities, public buildings and facilities, parking spaces, garages and facilities, transit systems and centers, tourism, convention or events centers and any other

projects defined as Qualified Public Use Facilities as approved by the State Building Commission as a result of the City's application pursuant to Chapter 88 of Title 7 (Convention Center and Tourism Development Financing Act of 1998, as amended) of TCA; (ii) construction and equipping of extensions and improvements to the water and sewer system of the City and other public utilities; (iii) acquisition, construction, improvement, renovation, expansion, repair and equipping of the City's golf course; (iv) acquisition of all property real and personal appurtenant thereto; and (v) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; The average life of the Series 2006 Bonds was less than the 40 year asset life of the projects financed with the proceeds of the Series 2006 Bonds.

**f. Derivative product, if any and copy of Report of Compliance:**

- i. There are no interest rate swap agreements associated with the Series 2006 Bonds.

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**\$45,720,000**  
**City of Sevierville, Tennessee**  
General Obligation Refunding Bonds, Series 2018  
Estimated Refunding of Series VII-O-1 2018 Maturity

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**EXHIBIT A - Estimated Debt Service**

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Date	Principal	Budget Rates	Interest	Total P+I
06/01/2018	-	-	-	-
06/01/2019	1,500,000.00	3.250%	1,485,900.00	2,985,900.00
06/01/2020	3,725,000.00	3.250%	1,437,150.00	5,162,150.00
06/01/2021	3,725,000.00	3.250%	1,316,087.50	5,041,087.50
06/01/2022	5,205,000.00	3.250%	1,195,025.00	6,400,025.00
06/01/2023	5,370,000.00	3.250%	1,025,862.50	6,395,862.50
06/01/2024	5,545,000.00	3.250%	851,337.50	6,396,337.50
06/01/2025	5,630,000.00	3.250%	671,125.00	6,301,125.00
06/01/2026	5,780,000.00	3.250%	488,150.00	6,268,150.00
06/01/2027	5,935,000.00	3.250%	300,300.00	6,235,300.00
06/01/2028	3,305,000.00	3.250%	107,412.50	3,412,412.50
Total	\$45,720,000.00	-	\$8,878,350.00	\$54,598,350.00

**Date And Term Structure**

Dated.....	6/01/2018
First Coupon Date.....	12/01/2018
Frequency of Interest Payments.....	2 Per Year
First Serial Maturity Date.....	6/01/2019

**Yield Statistics**

Average Coupon.....	3.2500000%
Average Life.....	5.975 Years

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Cumberland Securities Company, Inc. - 865-988-2663  
Tennessee Public Finance - CCB

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**\$45,720,000**  
**City of Sevierville, Tennessee**  
General Obligation Refunding Bonds, Series 2018  
Estimated Refunding of Series VII-O-1 2018 Maturity

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**EXHIBIT B - Debt Service To Maturity And To Call**

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Date	Refunded Bonds	D/S To Call	Principal	Refunded D/S
06/01/2018	45,305,000.00	45,305,000.00	45,305,000.00	45,305,000.00
Total	\$45,305,000.00	\$45,305,000.00	\$45,305,000.00	\$45,305,000.00

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**Refunding Bond Information**

Refunding Dated Date..... 6/01/2018  
Refunding Delivery Date..... 6/01/2018

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**\$45,720,000**  
**City of Sevierville, Tennessee**  
General Obligation Refunding Bonds, Series 2018  
Estimated Refunding of Series VII-O-1 2018 Maturity

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**EXHIBIT C - Estimated Sources & Uses**

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**Dated 06/01/2018 | Delivered 06/01/2018**

**Sources Of Funds**

Par Amount of Bonds.....	\$45,720,000.00
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<b>Total Sources.....</b>	<b>\$45,720,000.00</b>
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**Uses Of Funds**

Est. Maximum Costs of Issuance.....	182,695.00
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Est. Underwriter's Discount (Awarded to Lowest Bidder).....	232,305.00
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Deposit to Current Refunding Fund.....	45,305,000.00
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<b>Total Uses.....</b>	<b>\$45,720,000.00</b>
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\* Bids are award based on the lowest True Interest Cost (TIC). Competitive Public Sale provides for open bid process. Every underwriter will have an opportunity to submit a bid. The bonds will be awarded to the firm that has the lowest True Interest Cost (the lowest financing cost to the City).

True Interest Cost is a method of computing the interest expense to the issuer of bonds, true interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. Purchase price is affected by the amount of underwriter's discount the buyer utilizes.

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**\$45,720,000**  
**City of Sevierville, Tennessee**  
General Obligation Refunding Bonds, Series 2018  
Estimated Refunding of Series VII-O-1 2018 Maturity

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**EXHIBIT D - Estimated Detail Costs Of Issuance**

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**Dated 06/01/2018 | Delivered 06/01/2018**

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**ESTIMATED MAXIMUM COSTS OF ISSUANCE DETAIL**

Financial Advisor .....	\$97,500.00
Bond Counsel .....	\$45,000.00
Rating Agency .....	\$28,500.00
Paying Agent .....	\$700.00
POS/Official Statement .....	\$5,000.00
Advertising .....	\$1,000.00
Miscellaneous .....	\$4,995.00
<b>TOTAL.....</b>	<b>\$182,695.00</b>