



**CLARKSVILLE CITY COUNCIL  
EXECUTIVE SESSION  
JANUARY 2, 2018, 4:30 P.M.**

**COUNCIL CHAMBERS  
106 PUBLIC SQUARE  
CLARKSVILLE, TENNESSEE**

**AGENDA**

**1) PLANNING COMMISSION: PUBLIC HEARING**

1. **ORDINANCE 37-2017-18** (First Reading) Amending the City of Clarksville Zoning Ordinance to revise provisions for temporary signs *(RPC: Approval/Approval)*

**2) CONSENT AGENDA**

*All items in this portion of the agenda are considered to be routine and non-controversial by the Council and may be approved by one motion; however, a member of the Council may request that an item be removed for separate consideration under the appropriate committee report:*

1. **ORDINANCE 29-2017-18** (Second Reading) Authorizing donation of 936 Charlotte Street to Habitat For Humanity for community development
2. **ORDINANCE 30-2017-18** (Second Reading) Amending the FY18 Capital Projects Budget for matching grant funds for airport runway improvements
3. **ORDINANCE 31-2017-18** (Second Reading) Amending the FY18 General Government Budget to transfer funds to Clarksville Transit System to accept a grant for bus related activities
4. **ORDINANCE 32-2017-18** (Second Reading) Authorizing extension of utilities to property on Dunlop Lane; request of Jack Dowlen

5. **ORDINANCE 34-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Brandon Bradford for zone change on property at the intersection of Bellamy Lane and Otis Smith Drive from AG Agricultural District to R-2 Single Family Residential District
6. **RESOLUTION 21-2017-18** Renewing the Certificate of Compliance for retail liquor sales for Michael Miller, Sango Wine & Spirits (1049 Highway 76)
7. **RESOLUTION 22-2017-18** Renewing the Certificate of Compliance for retail liquor sales for Todd E. Morris (Mulligan's, 2255 Wilma Rudolph Boulevard)
8. **RESOLUTION 23-2017-18** Renewing the Certificate of Compliance for retail liquor sales for Ramesh Kasetty and Sreelakshmi Kasetty (Caddy's Discount Liquor)
9. Adoption of Minutes: November 30, December 7
10. Approval of Board Appointments:

Audit Committee: Joyce Norris, Jerry Weatherspoon (reappointments) - January 2018 through December 2019

Two Rivers Company:

Bill Aldred - (replace Sammy Stuard-term expired) - January 2018 through October 2018

Ryan Bowie (reappointment) - November 2017 through October 2020

Yvonne Chamberlain (replace Mike O'Malley-term expired) - January 2018 through October 2019

James Lewis (replace Mary Nell Wooten-term expired) - January 2018 through October 2018

### 3) FINANCE COMMITTEE

*Geno Grubbs*

1. **ORDINANCE 35-2017-18** (First Reading) Amending the FY18 Purchasing Department (*Finance Committee: Approval*)
2. **ORDINANCE 36-2017-18** Amending the FY18 appropriation for Clarksville Gas & Water for fire hydrant and water line repairs (*Finance Committee: Approval*)
3. **RESOLUTION 20-2017-18** Approving the Participating Employer Agreement and adopting the Plan Document for the State of Tennessee Deferred Compensation Plan (*Finance Committee: Approval*)

4) GAS & WATER COMMITTEE

*Valerie Guzman*

1. **ORDINANCE 33-2017-18** (Second Reading) Amending the Official Code relative to gas rates
2. Department Reports

5) HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

1. Department Report

6) PARKS & RECREATION

*Valerie Guzman, Chair*

1. Department Report

7) PUBLIC SAFETY COMMITTEE

*Geno Grubbs, Chair*

1. Department Reports

8) STREETS & GARAGE COMMITTEE

*Mike Alexander, Chair*

1. Department Reports

9 )TRANSPORTATION COMMITTEE

*Deanna McLaughlin, Chair*

1. Department Report

10) NEW BUSINESS

1. Report on Debt Obligation: Water, Sewer, & Gas Revenue Refunding Bonds, Series 2017 (*Mayor McMillan; No Vote Required*)

11) MAYOR AND STAFF REPORTS

12) PUBLIC COMMENTS

13) ADJOURNMENT



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*Deanna McLaughlin, Chair*

1. Department Report

10) NEW BUSINESS

1. Report on Debt Obligation: Water, Sewer, & Gas Revenue Refunding Bonds, Series 2017 (*Mayor McMillan; No Vote Required*)

11) MAYOR AND STAFF REPORTS

12) PUBLIC COMMENTS

13) ADJOURNMENT

**AN ORDINANCE AMENDING THE CITY ZONING ORDINANCE OF THE CITY OF CLARKSVILLE, TENNESSEE, TO REVISE THE PROVISIONS FOR TEMPORARY SIGNS**

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE THAT THE FOLLOWING AMENDMENTS ARE HEREBY MADE TO THE CLARKSVILLE CITY ZONING ORDINANCE:*

Under Chapter 8 “Sign Regulations”, Section 2 “Regulations Applying to All Districts”, Subsection 7 “Temporary Signs”, is hereby amended as follows ([/additions](#) and deletions):

**Temporary Signs.** Beginning November 15, 1993, temporary signs are prohibited in all areas except in the following cases:

- A. Temporary signs not exceeding thirty-two (32) square feet in area, are allowed to advertise drives or events of civic, philanthropic, educational, or religious organizations, provided that said signs are posted only during said drive or no more than thirty (30) days before said event and are removed no more than five (5) days after an event.
- B. Signs not exceeding ~~twenty-four (24)~~ square feet in area and containing a commercial message are allowed on private property only upon the issuance of a temporary sign permit, which shall authorize the use of such a sign for a specified ten (10) day period. Only one such permit shall be issued to the same business license holder on the same lot more than once each calendar quarter. The fee for a temporary permit shall be established by the Building Official. Such signs shall not be considered billboards, outdoor advertising devices, or off-premise advertising devices, relative to the prohibition of such structures contained in Sections 8.3 through 8.8 of this Ordinance. [However, such temporary commercial message signs are prohibited in the Overlay Districts under Sections 9.4 and 9.5.](#)
- C. The following applies only to the aforementioned allowable temporary signs: temporary signs shall not be erected or otherwise fixed to any pole, tree, stone, fence, building, structure, or any object within the right-of-way of any street. No temporary sign shall be erected at the intersection of any street in such a manner as to obstruct vision or be confused with any authorized traffic sign, signal, or device. All such signs shall be erected in accordance with the provisions of the current adopted edition of the International Building Code (ICC).

**PUBLIC HEARING:**

**FIRST READING:**

*SECOND READING:*  
*EFFECTIVE DATE:*



ORDINANCE 29-2017-18

AN ORDINANCE AUTHORIZING DONATION OF 936 CHARLOTTE STREET TO HABITAT FOR HUMANITY FOR COMMUNITY DEVELOPMENT

*WHEREAS,* the Community Development Committee was established by the Mayor and City Council to identify community needs and to recommend affordable housing programs for community development and;

*WHEREAS,* Community Development Block Grants help communities provide decent housing, a suitable living environment, expanded economic opportunities, principally for persons of low and moderate income; and

*WHEREAS,* Housing and Urban Development awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development and providing improved community facilities and services; and

*WHEREAS,* the Office of Community and Economic Development proposes to have the city donate property located at 936 Charlotte Street (Map, Group and Parcel 66O D 014.00) for the purpose of donating it to Habitat for Humanity of Montgomery County, Tennessee, Inc.; and

*WHEREAS,* providing housing for low-income families is consistent with the goals and objectives of the Community Development Block Grant program.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the City of Clarksville is hereby donating the property known as 936 Charlotte Street to Habitat for Humanity of Montgomery County, Tennessee, Inc.

*FIRST READING:* December 7, 2017

*SECOND READING:*

*EFFECTIVE DATE:*

## EXHIBIT "A"

Fronting 50 feet 8 inches on the west side of Charlotte Street and running between parallel lines to the right of way of the T.C.R.R. Company and beginning at the N.E. corner of G.R. Adams property on the west side of Charlotte Street and running thence along the west margin of Charlotte Street and running thence along the west margin of Charlotte Street in a northerly direction 50 feet 8 inches to an iron stake; thence in a westerly direction splitting the center line of a double garage to the right of way of the T.C.R.R. Co. fifty feet 8 inches to the southeast corner of G.R. Adams property; thence with his line, running in an easterly direction to the beginning.

This legal description was taken from previous deed of record at ORBV 1542, Page 100, ROMCT.

The Parcel Number for the lot according to the Assessor of Property for Montgomery County, Tennessee is 66O D 014.00 000.

The property address for the property is: 936 Charlotte Street, Clarksville, Tennessee 37040.

ORDINANCE 30-2017-18

AN ORDINANCE AMENDING THE FY 2017-2018 GOVERNMENTAL FUNDS BUDGET ORDINANCE 75-2016-2017 TO INCREASE CAPITAL FUNDING FOR THE CLARKSVILLE REGIONAL AIRPORT IN THE AMOUNT OF \$145,969.

*WHEREAS,* the FY2017 budget included capital funding for \$285,000 as the City's share of a federal grant for runway improvements (grant match of 5% - shared equally with City and County);

*WHEREAS,* the project bid was approximately \$1.4 million more than originally anticipated. Additional federal grant dollars are available. The City match for the additional grant dollars is \$38,227.

*WHEREAS,* the airport believes it's in the best interest to do additional work such as pavement crack cleaning/sealing, pavement markings and an LED lighting upgrade. These items are to be funded with 100% local dollars. The City share is \$107,742.

*WHEREAS,* the City believes it is in the best interest of the citizens to provide the funding for the regional airport improvements.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the following Budget Amendment be made:

10462003-4860	Regional Airport – Capital	Increase	\$145,969
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*BE IT FURTHER ORDAINED* that the source of funding for the airport improvements shall be from the fund balance of the General Fund.

*FIRST READING:* December 7, 2017

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 31-2017-18

AN ORDINANCE AMENDING THE 2017-2018 GENERAL FUND BUDGET (ORDINANCE 75-2016-17) AUTHORIZING THE CITY OF CLARKSVILLE TO INCREASE FUNDING OF THE GENERAL FUND BUDGET IN THE AMOUNT OF \$188,985.00 TO BE TRANSFERRED TO THE CLARKSVILLE TRANSIT SYSTEM AND ACCEPTANCE OF FEDERAL AND STATE GRANT IN THE AMOUNT OF \$1,700,863.00 FOR BUS AND BUS-RELATED ACTIVITIES

*WHEREAS*, the Clarksville Transit System has been selected for funding under the Federal Transit Administration (FTA) Section 5307 Program, codified by 49 U.S.C. 5307 to provide urbanized areas with capital and operating assistance within the urbanized areas for capital investments in bus and bus-related activities at an estimated cost of \$1,889,848.00: and

*WHEREAS*, the Clarksville Transit System has been awarded \$1,511,878.00 in federal funds, and \$188,985.00 in state funds; and

*WHEREAS*, the Clarksville Transit System will be required to provide 10% local match in the amount of \$188,985.00.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the following Budget Amendments be made:

General Fund:

Transfer to Transit	10491004-4740	Increase:	\$188,985.00
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*BE IT FURTHER ORDAINED* that the source of funding for this \$188,985.00 shall be from the fund balance of the General Fund.

*FIRST READING:* December 7, 2017

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 32-2017-18

AN ORDINANCE AUTHORIZING EXTENSION OF CITY OF CLARKSVILLE UTILITY SERVICES OUTSIDE THE CLARKSVILLE CITY LIMITS; REQUEST OF JACK DOWLEN FOR PROPERTY LOCATED ON DUNLOP LANE

*WHEREAS,* proper application has been made by Cal McKay, PE on behalf of Jack Dowlen for extensions of City utility service to property located at Cmap 40, Parcel 7.00 with the property address of Dunlop Lane outside the corporate boundary of the City, said property and the extension of service thereto, which is more particularly described in Exhibit A attached hereto and incorporated herein; and

*WHEREAS,* the City of Clarksville Gas and Water Department has recommended approval of said application; and

*WHEREAS,* the Gas, Water and Sewer Committee of the Clarksville City Council has recommended approval of said application; and

*WHEREAS,* the Clarksville City Council finds that all of the requirements of City Code Section 13-405 have been or are satisfied and the extension of water and sewer service to property as described in Exhibit A will be in the best interest of the City.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

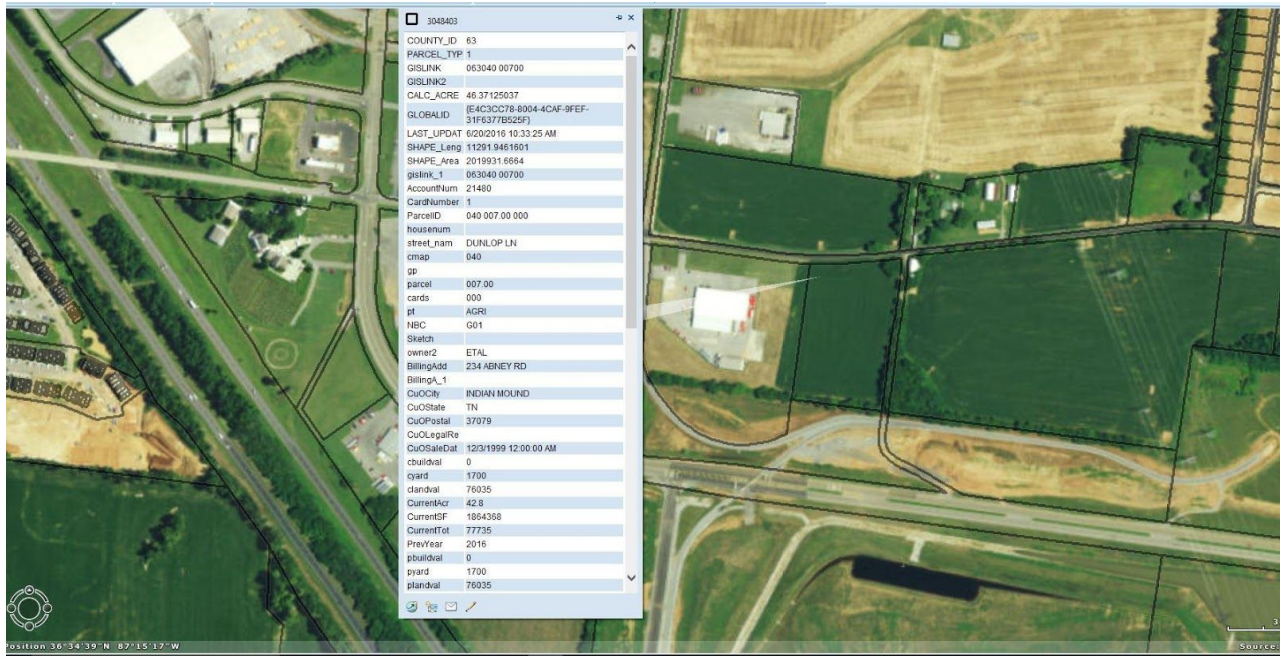
That the City of Clarksville Gas, Water and Sewer Department is hereby authorized to extend utility service to property located at Cmap 40, Parcel 7.00 with the property address of Dunlop Lane outside the City corporate limits as described in Exhibit A attached hereto and incorporated herein and subject to and in accordance with the provisions of the City Code and Ordinance 37-2009-10.

*FIRST READING:* December 7, 2018

*SECOND READING:*

*EFFECTIVE DATE*

# EXHIBIT A



AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE,  
APPLICATION OF BRANDON BRADFORD FOR ZONE CHANGE ON PROPERTY AT  
THE INTERSECTION OF BELLAMY LANE AND OTIS SMITH DRIVE

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Zoning Ordinance and Map of the City of Clarksville, Tennessee are hereby amended by designating the zone classification of the property described in Exhibit A, currently zoned AG Agricultural, as R-2 Single Family Residential District.

*PUBLIC HEARING:* December 7, 2017

*FIRST READING:* December 7, 2017

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a new iron pin in the south margin of Bellamy Lane, said iron pin being north 81 degrees 34 minutes 00 seconds east 48.03 feet from the centerline intersection of Otis Smith Drive & Bellamy Lane; thence along said margin north 53 degrees 15 minutes 17 seconds east 90.64 feet to a new iron pin; thence with a curve turning to the left with an arc angle length of 40.53', with a radius of 500.00' with a chord bearing of north 53 degrees 17 minutes 48 seconds east, with a chord length of 40.52' to an old iron pin; thence leaving said margin along Lots 17, 11 & 12, Bellamy Court Subdivision, south 06 degrees 03 minutes 34 seconds west 390.91' to an iron pin; thence north 80 degrees 39 minutes 00 seconds west 248.45 feet to an old iron pin in the east margin of Bellamy Lane; thence along said margin north 28 degrees 34 minutes 06 seconds east 147.36' to a new iron pin; thence north 31 degrees 15 minutes 37 seconds east 65.26 feet to a new iron pin; thence with a curve turning to the right with an arc length of 115.16', with a radius of 300.00' with a chord bearing of north 42 degrees 15 minutes 27 seconds east, with a chord length of 114.46 feet to the point of beginning and containing 1.35 acres. further identified as Tax Map 40, Parcel 27.00

RESOLUTION 21-2017-18

A RESOLUTION RENEWING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR MICHAEL MILLER FOR OPERATION OF SANGO WINE & SPIRITS

*WHEREAS*, Michael Miller has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for operation of Sango Wine & Spirits, 1049 Highway 76; and

*WHEREAS*, according to a local criminal history check, the applicant who are to be in actual charge of said business has not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*; and

*WHEREAS*, the applicant has secured a location which complies with all restrictions of the laws, ordinances, or resolutions; and

*WHEREAS*, the applicant has complied with the residency provision; and

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Michael Miller for operation of Sango Wine & Spirits, 1049 Highway 76, Clarksville, Tennessee.

*ADOPTED*



RESOLUTION 22-2017-18

A RESOLUTION RENEWING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR TODD E. MORRIS FOR OPERATION OF MULLIGAN'S WINE & SPIRITS

*WHEREAS*, Todd E. Morris has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for operation of Mulligan's, 2255 Wilma Rudolph Boulevard; and

*WHEREAS*, according to a local criminal history check, the applicant who are to be in actual charge of said business has not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*; and

*WHEREAS*, the applicant has secured a location which complies with all restrictions of the laws, ordinances, or resolutions; and

*WHEREAS*, the applicant has complied with the residency provision; and

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Todd E. Morris, 2255 Wilma Rudolph Boulevard, Clarksville, Tennessee.

*ADOPTED*

RESOLUTION 23-2017-18

A RESOLUTION APPROVING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR CHINNA RAMESH KASETTY AND SREELAKSHMI KASETTY (CADDY'S DISCOUNT LIQUOR)

*WHEREAS*, Chinna Ramesh Kasetty and Sreelakshmi Kasetty have applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for the operation of Caddy's Discount Liquor to be located at 1960-M Madison Street; and

*WHEREAS*, the applicants, who are to be in actual charge of said business, have not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*;

*WHEREAS*, the applicant(s) has/have secured a location which complies with all restrictions of the laws, ordinances, or resolutions;

*WHEREAS*, the applicant(s)s has/have complied with the residency provision;

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Chinna Ramesh Kasetty and Sreelakshmi Kasetty for operation of Caddy's Discount Liquor located at 1960-M Madison Street.

*ADOPTED:*



# **CLARKSVILLE CITY COUNCIL SPECIAL SESSION NOVEMBER 30, 2017**

## **MINUTES**

### **CALL TO ORDER**

A special session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, November 30, 2017, at 4:30 p.m.

A prayer was offered by Councilman David Allen; the Pledge of Allegiance was led by Councilman Ron Erb.

### **ATTENDANCE**

**PRESENT:** Richard Garrett (Ward 1), Deanna McLaughlin (Ward 2), Ron Erb (Ward 3), Tim Chandler (Ward 4), Valerie Guzman, Mayor Pro Team (Ward 5), ; Geno Grubbs (Ward 7), David Allen (Ward 8), Mike Alexander (Ward 10), Bill Powers (Ward 11), Jeff Burkhart (Ward 12)

**ABSENT:** Wanda Smith (Ward 6), Jeff Henley (Ward 9)

### **GAS & WATER REFUNDING BONDS**

**RESOLUTION 15-2017-18** Authorizing the issuance, sale, and payment of water, sewer, and gas revenue refunding bonds, Series 2017 of the City of Clarksville, Tennessee

There was no objection to the Mayor's request to go out of special session to hear comments from Josh McCoy, Senior Managing Consultant, Public Financial Management, Inc. Mr. McCoy announced the City's bond rating had just been upgraded from AA- to AA and gave credit to the management of the Gas & Water Department's operation of the utility system. He said higher ratings allow for

lower borrowing rates and increased savings. Mayor McMillan recognized Gas & Water Chief Financial Officer Fred Klein who said this refunding will save the department \$3.5 million. Mr. Klein mentioned the request was being made prior to the possible adoption of a Congressional bill that would make municipal bonds taxable and noted non-taxable bonds can be sold at a lower rate. In response to Councilwoman McLaughlin's question, Gas & Water General Manager Pat Hickey said anticipated FEMA proceeds from the sewer treatment plant claim could not be applied to this refunding issue, but would be applied to previous issues.

There was no objection to reversion to special session. Councilman Grubbs made a motion to adopt this resolution. The motion was seconded by Councilman Powers. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, McLaughlin, Powers

The motion to adopt this resolution passed.

#### ADJOURNMENT

The meeting was adjourned at 4:42 p.m. and was followed by the regularly scheduled Executive Session.



# **CLARKSVILLE CITY COUNCIL REGULAR SESSION DECEMBER 7, 2017**

## **MINUTES**

### **PUBLIC COMMENTS**

Louis Marshall claimed the local black community was not being treated fairly.

### **CALL TO ORDER**

The regular session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, December 7, 2017, at 7:00 p.m. in City Council Chambers, 106 Public Square, Clarksville, Tennessee.

A prayer was offered by Amy Grubbs Jackson, guest of Councilman Geno Grubbs (Ward 7); the Pledge of Allegiance was led by Mayor Pro Tem Valerie Guzman (Ward 5).

### **ATTENDANCE**

PRESENT: Richard Garrett (Ward 1; arrived 7:10 p.m.), Deanna McLaughlin (Ward 2), Ron Erb (Ward 3), Tim Chandler (Ward 4), Valerie Guzman, Mayor Pro Tem (Ward 5), Wanda Smith (Ward 6), Geno Grubbs (Ward 7), David Allen (Ward 8), Jeff Henley (Ward 9), Mike Alexander (Ward 10), Bill Powers (Ward 11), Jeff Burkhart (Ward 12)

### **SPECIAL RECOGNITIONS**

Mayor McMillan thanked Dr. Dave Ripple, Director of Regional Planning, for his service to the City of Clarksville and Montgomery County and wished him well upon his retirement.

### **PLANNING COMMISSION PUBLIC HEARING**

Councilman Grubbs made a motion to conduct a public hearing to receive comments regarding a request for zone change. There was no objection.

**ORDINANCE 34-2017-18** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Brandon Bradford for zone change on property at the intersection of Bellamy Lane and Otis Smith Drive from AG Agricultural District to R-2 Single Family Residential District

No one spoke for or against this request.

Councilman Grubbs made a motion to revert to regular session. The motion was seconded by Councilman Alexander. There was no objection.

#### ADOPTION OF ZONING

The recommendations of the Regional Planning Staff and Commission were for approval of **ORDINANCE 34-2017-18**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilwoman McLaughlin. The following vote was recorded:

AYE: Alexander, Allen, Burkhardt, Chandler, Erb, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

NOTE: Councilman Garrett was not present for this vote.

The motion to adopt this ordinance on first reading passed.

#### CONSENT AGENDA

*All items in this portion of the agenda are considered to be routine and non-controversial by the Council and may be approved by one motion; however, a member of the Council may request that an item be removed for separate consideration under the appropriate committee report:*

1. **ORDINANCE 12-2017-18** (Second Reading) Amending the Official Code relative to application fees for public designations
2. **ORDINANCE 21-2017-18** (Second Reading) Amending the 2017-18 Operating and Capital Budget for the Parking Commission for engineering and building repairs and maintenance for the Cumberland Garage
3. **ORDINANCE 22-2017-18** (Second Reading) Amending the 2017-18 Operating and Capital Budget for Liberty Park remediation [Freedom Point]
4. **ORDINANCE 23-2017-18** (Second Reading) Amending the 2017-18 Operating and Capital Budget for grant and matching funds for body worn cameras
5. **ORDINANCE 24-2017-18** (Second Reading) Approving a PILOT program for Clarksville Housing Authority [South Central Village]
6. **ORDINANCE 25-2017-18** (Second Reading) Accepting donation of property from the Estate of Spencer Pickering Johnson for CDE

7. **ORDINANCE 26-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of MKP Partnership, Wayne Wilkinson-Agent, for zone change on property north of Dover Road, east of Magnolia Drive, west of Rosehill Drive, and south of Zinnia Drive from R-1 Single Family Residential District to C-5 Highway & Arterial Commercial District

8. **ORDINANCE 27-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Mildred Johnson, Keith D. Lampkin-Agent, for zone change on property at the intersection of Woodland Street and Greenwood Avenue from C-1 Neighborhood Commercial District to R-3 Three Family Residential District

9. **ORDINANCE 28-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Clarksville CC Group, LLC, John Hadley-Agent, for zone change on property west of Fairway Drive, north of Memorial Drive, and east of Georgetown Road from E-1 Estate District to R-4 Multiple Family Residential District

10. **RESOLUTION 16-2017-18** Approving a Certificate of Compliance for Sale of Wine in a Food Store for Greg Starr, Circle K/Mac's Convenience Stores, LLC #3703, 523 Dover Road

11. **RESOLUTION 17-2017-18** Approving a Certificate of Compliance for Sale of Wine in a Food Store for Greg Starr, Circle K/Mac's Convenience Stores, LLC #3689, 646 Lafayette Road

12. **RESOLUTION 18-2017-18** Approving a Certificate of Compliance for Sale of Wine in a Food Store for Greg Starr, Circle K/Mac's Convenience Stores, LLC #3702, 601 Tiny Town Road

13. **RESOLUTION 19-2017-18** Approving a Certificate of Compliance for Sale of Wine in a Food Store for Greg Starr, Circle K/Mac's Convenience Stores, LLC #3707, 1791 Wilma Rudolph Boulevard

14. Adoption of Minutes: November 2nd

15. Approval of Board Appointments:

Adult Oriented Establishment Board: Jacob Mathis - December 2017 through December 2020

After Hours Establishment Board: Jeremy Bowles - December 2017 through April 2019

Arts & Heritage Development Council: Leah Foote - December 2017 through June 2020; Mandy Smith - July 2017 through June 2020

Designations Committee: Sean Craft - December 2017 – April 2019

Human Relations Commission: Michael Spring - December 2017 through June 2019

Natural Gas Acquisition Board: Cindee Ellis - January 2018 through December 2023

Parking Commission: Carol Clark, Bill Powers, Linda Shepherd - September 2017 through August 2019

Public Art Commission: Jim Diehr - June 2017 through May 2021; Geno Grubb - December 2017 through May 2018; Bob Privett - December 2017 through May 2020

Rail Service Authority: Richard Swift - December 2017 through June 2019

Residential Development Commission: Jeff Henley - January 2018 through December 2019

Regional Solid Waste Planning Board: Richard Swift - December 2017 through October 2023

Tree Board: Joey Redman - December 2017 through June 2018; Alexandria Wills - December 2017 through June 2020

Zoning Appeals Board: Bobby Powers - January 2018 through December 2022

Councilwoman McLaughlin made a motion to adopt the Consent Agenda as presented. The motion was seconded by Councilman Chandler. Councilman Burkhart abstained from voting on **ORDINANCE 28-2017-18**. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt the Consent Agenda passed.

#### FINANCE COMMITTEE

*Jeff Burkhart, Chair*

**ORDINANCE 29-2017-18** (First Reading) Authorizing donation of 936 Charlotte Street to Habitat For Humanity for community development

The recommendation of the Finance Committee was for approval. Councilman Burkhart made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Erb. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, McLaughlin, Powers, Smith

ABSTAIN: Henley



The motion to adopt this ordinance on first reading passed.

**ORDINANCE 30-2017-18** (First Reading) Amending the FY18 Capital Projects Budget for matching grant funds for airport runway improvements

The recommendation of the Finance Committee was for approval. Councilman Burkhart made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Grubbs. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

**ORDINANCE 31-2017-18** (First Reading) Amending the FY18 General Government Budget to transfer funds to Clarksville Transit System to accept a grant for bus related activities

The recommendation of the Finance Committee was for approval. Councilman Burkhart made a motion to adopt this ordinance on first reading. The motion was seconded by Councilwoman McLaughlin. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

**RESOLUTION 14-2017-18** Adopting the City of Clarksville Computer Usage Policy

The recommendation of the Finance Committee was for approval. Councilman Burkhart made a motion to adopt this resolution. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt this resolution passed.

**GAS & WATER COMMITTEE**

*Bill Powers, Chair*

Councilman Powers expressed appreciation to Dr. Ripple for his service to the City of Clarksville.

**ORDINANCE 32-2017-18** (First Reading) Authorizing extension of utilities to property on Dunlop Lane; request of Jack Dowlen

The recommendation of the Gas & Water Committee was for approval. Councilman Powers made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

**ORDINANCE 33-2017-18** (First Reading) Amending the Official Code relative to gas rates

The recommendation of the Gas & Water Committee was for approval. The motion was seconded by Councilman Alexander.

Councilwoman Guzman made a motion to amend this ordinance by adopting revised language, including specifying actual rates, as recommended by the Gas & Water Department. The motion was seconded by Councilman Garrett. There was no objection to going out of session to hear explanations from Gas & Water General Manager Pat Hickey. Mr. Hickey said the proposed language was relative to gas loss and tracking for transportation contracts. There was no objection to reverting to regular session.

Councilman Burkhart made a motion to postpone the amendment to allow time for council members to study the changes. The motion was seconded by Councilwoman Smith. Following discussion, the motion and second to postpone were withdrawn. The following vote on the amendment was recorded:

AYE: Alexander, Burkhart, Chandler, Guzman, Powers

NAY: Allen, Erb, Garrett, Grubbs, Henley, McLaughlin, Smith

The motion to adopt Councilwoman Guzman's amendment failed. Councilman Chandler made a motion to postpone first reading to the next regular session. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Burkhart, Chandler, Henley

NAY: Allen, Erb, Garrett, Grubbs, Guzman, McLaughlin, Powers, Smith

The motion to postpone failed. Councilman Alexander called for the question. The question was seconded by Councilwoman McLaughlin. A voice vote was taken; the motion to cease discussion passed. The following vote on the main motion was recorded:

AYE: Alexander, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers

NAY: Allen, Burkhardt, Chandler, Smith

The motion to adopt this ordinance on first reading without amendments passed.

Councilman Powers reported the following monthly department statistics: 96,000 meters read, 71,000 bills mailed, 533 million gallons of treated water pumped.

#### HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

Councilman Allen said the Office of Housing & Community Development received an approved Housing & Urban Development Consolidated Annual Performance Evaluation for FY16.

#### PARKS & RECREATION

*Valerie Guzman, Chair*

Councilwoman Guzman noted current department events including Santa's Workshop at the Crow Center, Christmas on the Cumberland Crafts, Elf Splash at New Providence Pool, and Community Christmas Party at the Burt Cobb Center.

#### PUBLIC SAFETY COMMITTEE

*Geno Grubbs, Chair*

Councilman Grubbs shared the following monthly department statistics: Building & Codes Construction Division - 1,677 inspections, Building & Codes Enforcement Division - 191 cases, Building & Codes Administration - 42 single family permits, Building & Codes Abatement Division - 71 cases; Fire & Rescue - 1,192 emergency runs; Police - 12,640 responses.

#### STREETS & GARAGE COMMITTEE

*Mike Alexander, Chair*

Councilman Alexander reported the following department statistics: Garage - 322 work orders, unleaded fuel \$1.98, diesel fuel \$2.15; Streets - 111 work orders, 680 debris pickups.

#### TRANSPORTATION COMMITTEE

*Deanna McLaughlin*

Councilwoman McLaughlin said Clarksville Transit System transported 58,765 passengers and the APSU Peay Pickup transported 5,776 passengers during the month of November, and noted the following upcoming events: Warm Souls and Free Ride Day on December 23rd, Operation Safe Ride on December 31st.

Councilwoman McLaughlin announced she and County Commissioner Jason Hodges would host a community listening session on December 12th for the Metropolitan Charter Commission to hear citizens' concerns about consolidated government.

#### MAYOR AND STAFF REPORTS

Mayor McMillan announced earlier in the day the City of Clarksville issued \$51 million in partial and advance refunding of 2011 and 2013 Water-Sewer-Gas revenue bonds for an interest of 2.55% and a net present value savings of \$4.8 million.

#### ADJOURNMENT

The meeting was adjourned at 8:05 p.m.

ORDINANCE 35-2017-18

AN ORDINANCE AMENDING THE FY 2017-2018 GOVERNMENTAL FUNDS BUDGET ORDINANCE 75-2016-2017 AND AUTHORIZING ADDITIONAL APPROPRIATIONS TO THE PURCHASING DEPARTMENT IN THE AMOUNT OF \$4,000.

*WHEREAS,* the City's Purchasing Department is responsible for disposing of City assets; and

*WHEREAS,* the most economical means for the majority of asset disposal is through the use of *GovDeals.com.*; and

*WHEREAS,* this year Purchasing has sold an unusual large amount of items on GovDeals.com. The fees to use the service are based on each item sold. The purchasers of the items pay the fee in full; and

*WHEREAS,* the Purchasing Department budgeted based on historical patterns, the majority of their budget has been utilized in the first 5 months of the year. Additional funds are necessary to continue to dispose of City surplus through the end of the fiscal year.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the following Budget Amendment be made:

Purchasing Department:

10415183 4540	Operating – Advertising Exp.	Increase	\$4,000
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*BE IT FURTHER ORDAINED* that the source of funding shall be from the fund balance of the General Fund.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 36-2017-18

AN ORDINANCE AMENDING THE 2017-18 GENERAL FUND BUDGET (ORDINANCE 75-2016-17) AUTHORIZING THE CITY OF CLARKSVILLE TO INCREASE THE APPROPRIATIONS FOR THE CLARKSVILLE GAS, WATER & SEWER DEPARTMENT FOR FIRE HYDRANT/WATER LINE REPAIRS

WHEREAS, the Clarksville General Government budgeted \$90,000 for fire hydrant and water line repairs for fiscal year 2017-2018; and

WHEREAS, the cost of the repairs have already exceeded that amount.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the following General Fund budget amendments be made:

10493003 4912 Transfer to GWS                      Increase:    \$50,000

*BE IT FURTHER ORDAINED* that the funds for this budget amendment (\$50,000) will be taken from the fund balance.

*FIRST READING*

*SECOND READING*

*EFFECTIVE DATE*

**STATE OF TENNESSEE**

**DEFERRED COMPENSATION PLAN II**

**- 401(k) -**

**RESOLUTION AND**

**PARTICIPATING EMPLOYER AGREEMENT**

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**[Participating Employer]**

**Administered by:**  
**Treasurer, State of Tennessee**  
**502 Deaderick Street, 15<sup>th</sup> Floor**  
**Andrew Jackson State Office Building**  
**Nashville, Tennessee 37243**  
**Telephone: 615-532-2347**

**RESOLUTION 20-2017-18**

**City of Clarksville**

WHEREAS, the \_\_\_\_\_, Tennessee (hereinafter referred to as the "Employer") has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a 401(a) or 401(k) defined contribution plan, funded by employee deferrals and, if elected pursuant to Section N, Q, or HH of the Participating Employer Agreement, employer contributions;

WHEREAS, Tennessee Code Annotated, Section 8-25-111(a) allows a Tennessee local governmental entity to participate in the State of Tennessee's 401(a)/401(k) defined contribution plan subject to the approval of the Chair of the Tennessee Consolidated Retirement System (hereinafter referred to as the "Chair");

WHEREAS, the liability for participation and the costs of administration shall be the sole responsibility of the Employer and/or its employees, and not the State of Tennessee;

WHEREAS, the Employer has also determined that it wishes to encourage employees' saving for retirement;

WHEREAS, the Employer has reviewed the State of Tennessee Deferred Compensation Plan II Adoption Agreement for a Section 401(k) Cash or Deferred Arrangement for Governmental Employers, as adopted by the State of Tennessee, as amended and restated effective January 1, 2010, as amended December 21, 2010, and as amended by Amendment Number Two dated January 4, 2012, as well as the Section 401(k) Cash or Deferred Arrangement for Governmental Employer Basic Plan Document (collectively known as the "Plan" or "Plan Document");

WHEREAS, the Employer wishes to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Employer is eligible to become a Participating Employer in the Plan, pursuant to Article XX of the Plan Document;

WHEREAS, the Employer is concurrently executing a Participating Employer Agreement for the Plan; and

**Clarksville City Council**

WHEREAS, the \_\_\_\_\_ ("Governing Authority") of the Employer is authorized by law to adopt this resolution approving the Participating Employer Agreement on behalf of the Employer;

NOW, THEREFORE, the Governing Authority of the Employer hereby resolves:

1. The Employer adopts the Plan Document for its Employees; provided, however, that for the purpose of the Plan, the Employer shall be deemed to have designated irrevocably the Chair as its agent, except as otherwise specifically provided herein or in the Participating Employer Agreement.
2. The Employer acknowledges that the Plan does not cover, and the Trustees of the Plan ("Trustees") have no responsibility for, other employee benefit plans maintained by the Employer.



3. The Employer acknowledges that it may not provide employer contributions to the Plan on behalf of any of its employees that exceed three percent (3%) of the respective employees' salary if the employees are members of the Tennessee Consolidated Retirement System ("TCRS") or of any other retirement program financed from public funds whereby such employees obtain or accrue pensions or retirement benefits based upon the same period of service to the Employer, unless such employees are members of TCRS' local government hybrid plan established under Tennessee Code Annotated, Section 8-35-256 or TCRS' State hybrid plan established under Tennessee Code Annotated, Title 8, Chapter 36, Part 9. If such employees participate in either of those hybrid plans, the total combined amount of employer contributions to the Plan and to any one or more additional defined contribution plans may not exceed seven percent (7%) of the respective employees' salary. In no instance shall the total combined employer contributions to all defined contributions plans on behalf of a single employee exceed the maximum allowed under the Internal Revenue Code ("Code"), and shall conform to all applicable laws, rules and regulations of the Internal Revenue Service ("IRS") governing profit sharing and/or salary reduction plans for governmental employees.
4. The Employer hereby adopts the terms of the Participating Employer Agreement, which is attached hereto and made a part of this resolution. The Participating Employer Agreement (a) permits all employees of the respective entity to make elective deferrals; (b) sets forth the Employees to be covered pursuant to Section N, Q, or HH of the Participating Employer Agreement for employer contributions, if any; (c) outlines the benefits to be provided by the Participating Employer under the Plan; and, (d) states any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Participating Employer Agreement, so long as the amendment is not inconsistent with the Plan, the Code, Tennessee law, or other applicable law and is approved by the Chair.
5. The Chair may amend the Plan on behalf of all Employers, including those Employers who have adopted the Plan prior to a restatement or amendment of the Plan, for changes in the Code, the regulations thereunder, Tennessee law, revenue rulings, other statements published by the Internal Revenue Service ("IRS"), including model, sample, or other required good faith amendments, and for other reasons that are deemed at the Chair's sole discretion to be in the interest of the Plan. These amendments shall be automatically applicable to all Employers.
6. The Chair will maintain, or will have maintained a record of the Employers and will make reasonable and diligent efforts to ensure that Employers have received all Plan amendments.
7. The Employer shall abide by the terms of the Plan, including amendments to the Plan and Trust made by the Chair, all investment, administrative, and other service agreements of the Plan, and all applicable provisions of the Code, Tennessee law, and other applicable law.
8. The Employer accepts the administrative services to be provided by the Tennessee Treasury Department and any services provided by Plan vendors. The Employer acknowledges that fees will be imposed with respect to the services provided and that such fees may be deducted from the Participants' Accounts and/or charged to the Employer.

9. Subject to the provisions of Section 20.06 of the Plan, the Employer may terminate its participation in the Plan, including but not limited to, its contribution requirements pursuant to the Plan, if it takes the following actions:
- a. A resolution must be adopted by the Governing Authority of the Employer terminating the Employer's participation in the Plan.
  - b. The resolution must specify the proposed date when the participation will end, which must be at least six calendar months after notice to the Chair and the Employer's employees.
  - c. The Chair shall (i) determine whether the resolution complies with the Plan, and all applicable federal and state laws, (ii) determine an appropriate effective date, and (iii) provide appropriate forms to terminate ongoing participation. Distributions under the Plan of existing accounts to Participants will be made in accordance with the Plan Document.
  - d. Once the Chair determines the appropriate effective date, the Employer shall immediately notify all its Employees participating in the Plan of the termination and the effective date thereof.
  - e. The Chair can, in the Chair's sole discretion, reduce the six month notice and withdrawal period to a shorter period if the Employer so requests, but in no event shall the period be less than three months.
10. The Employer acknowledges that the Plan Document contains provisions for Plan termination by the Trustees, subject to applicable Tennessee law.
11. The Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Trustees to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan and subject to the vesting provisions of the Plan. All contributions to the Plan must be timely transferred by the Employer to the Trust Fund pursuant to and in the manner provided by the Chair. The Employer acknowledges that if the Employer fails to remit the requisite contributions in a timely manner, the Chair reserves the right, at the Chair's sole discretion, to terminate the Employer's participation in the Plan. In such event, the Chair shall notify the Employer of the effective termination date, and the Employer shall immediately notify all its employees participating in the Plan of the termination and the effective date thereof. Notwithstanding the foregoing, the Employer acknowledges that it is the sole responsibility of the Employer to remit the requisite reports and

contributions to the Plan and that neither the State, the Chair, the Trustees, its employees, or agents shall have any responsibility or liability for ensuring or otherwise monitoring that this is done. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

12. The Employer agrees to offer and enroll only those persons, whether appointed, elected, or under contract, wherein an employee-employer relationship is established, providing service to the Employer for which compensation is paid by the Employer.
13. The Employer understands that IRS rules and Tennessee law limit participation in the Plan to governmental entities and their respective employees. The Employer will notify the Chair in writing within ten (10) calendar days if it ceases to be a governmental entity under applicable federal or Tennessee law, and/or if it discovers that it is transferring or having transferred employee deferrals and/or employer contributions to the Plan on behalf of an individual who does not meet the requirements in Paragraph 12 above.
14. The Employer acknowledges that the Chair and other Trustees are the fiduciaries of the Plan and have sole and exclusive authority to interpret the Plan and decide all claims and appeals for Plan benefits. The Employer agrees to abide by the Chair's decisions on all matters involving the Plan.
15. This resolution and the Participating Employer Agreement shall be submitted to the Chair for approval. The Chair shall determine whether the resolution and the Agreement comply with the Plan, and, if they do, shall provide appropriate forms to the Employer to implement participation in the Plan. The Chair may refuse to approve a Participating Employer Agreement executed by an Employer that, in the Chair's sole discretion, does not qualify to participate in the Plan.
16. The Governing Authority hereby acknowledges that it is responsible to assure that this resolution and the Participating Employer Agreement are adopted and executed in accordance with the requirements of applicable law.

Adopted by the Governing Authority on \_\_\_\_\_, \_\_\_\_\_, in accordance with applicable law.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

[Governing Authority must assure that applicable law is followed in the adoption and execution of this resolution.]

STATE OF TENNESSEE

DEFERRED COMPENSATION PLAN II - 401(k)

PARTICIPATING EMPLOYER AGREEMENT

A. PARTICIPATING EMPLOYER INFORMATION

Name: \_\_\_\_\_

**NOTE: A Participating Employer Agreement must be completed for each employer. For example, if a city has separate legal entities for the city and a utility company – each would need to complete their own Participating Employer Agreement in order to participate. However, divisions of the same employer (e.g., finance, HR, departments, etc.) do not need to complete and should not complete separate agreements.**

(1) GOVERNING AUTHORITY

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

**Person Authorized to receive Official Notices from the Plan or Administrator:**

(2) PARTICIPATING EMPLOYER TAX ID NUMBER: \_\_\_\_\_

(3) **DISCLOSURE OF DEFERRED COMPENSATION OR RETIREMENT PLAN(S)**  
[INCLUDING, IF APPLICABLE, PARTICIPATION IN THE TENNESSEE CONSOLIDATED  
RETIREMENT SYSTEM (“TCRS”)]

This Participating Employer      does or      does not have an existing deferred compensation or retirement plan. If the Participating Employer does have one or more deferred compensation plans or retirement plans (including TCRS), the Governing Authority must provide in the space below the plan name, name and telephone number of the provider, and such other information requested by the Administrator.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**B. TYPE OF ADOPTION AND EFFECTIVE DATE**

NOTE: This Participating Employer Agreement ("Agreement"), with the accompanying Plan, is designed to comply with Internal Revenue Code ("Code") Section 401(a), as applicable to a governmental qualified defined contribution plan. By adopting this Participating Employer Agreement, with its accompanying Resolution, the Participating Employer is adopting a Plan Document intended to comply with Code Sections 401(a) and 414(d).

This Agreement is for the following purpose: *(Check and complete box 1 OR box 2 OR box 3.)*

1. This is a new defined contribution plan adopted by the Participating Employer for its Employees effective \_\_\_\_\_, \_\_\_\_\_ **(insert effective date of this Agreement).**
2. This is an amendment to be effective as of \_\_\_\_\_, \_\_\_\_\_ to the current Agreement previously adopted by the Participating Employer, which was originally effective \_\_\_\_\_, \_\_\_\_\_ as follows **(please specify type below):**
  - a. This is an amendment to change one or more of the Participating Employer's contribution elections in the existing Participating Employer Agreement.
  - b. Other (must specify elective provisions in this Agreement that are being changed):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. This is an amendment and restatement of another defined contribution plan of the Participating Employer, the effective date of which shall be \_\_\_\_\_, \_\_\_\_\_ **(insert effective date of this Agreement)**. This Agreement is intended to replace and serve as an amendment and restatement of the Participating Employer's preexisting plan, which became effective on \_\_\_\_\_, \_\_\_\_\_ **(insert original effective date of preexisting plan)**. The Participating Employer understands that it is the Participating Employer's responsibility to ensure that the preexisting plan met all applicable state and federal requirements.

**C. PLAN YEAR.** Plan Year shall mean the calendar year.

**D. CUSTODY OF ASSETS.** Code § 401(a) shall be satisfied by setting aside Plan assets for the exclusive benefit of Participants and Beneficiaries, in a Trust pursuant to the provisions of Article VIII of the Plan. The Trustees for the Plan are also the Trustees for the separate accounts for each participating employer.

**E. ELIGIBLE EMPLOYEES.**

1. "Employee" shall mean, for purposes of making **Elective Deferrals or Mandatory Employee Salary Reduction Contributions**, any person, whether appointed, elected or under contract wherein an employee-employer relationship is established, providing services to the Participating Employer for which Compensation is paid by the Participating Employer. Any other individual who is a subcontractor, contractor, or employed by a subcontractor or contractor, or is under any other similar arrangement wherein an employer-employee relationship is not established will not be treated as an Employee. An Employee is immediately eligible to make Elective Deferrals under the Plan. An Employee is required to make mandatory salary reduction contributions if and as specified in Section 2.e. or f., below. An Employee's Entry Date, unless otherwise specified in Article IV of the Plan, shall be for purposes of any Matching Contributions as described in Section N, any Non-Matching Contributions as described in Section Q, and Mandatory Employee Salary Reduction Contributions as described in Section II:
  - a. the date the Employee satisfies the eligibility requirements specified in this Section E for the relevant types of contributions
  - b. the January 1 and July 1 following the date the Employee satisfies the eligibility requirements specified in this Section E for the relevant type of contributions
  - c. the first payroll following the date the Employee satisfies the eligibility requirements specified in this Section E for the relevant type of contributions
2. a. "Employee" shall mean for purposes of **Matching Contributions as described in Section N** of this Agreement: *(Check and complete each box that applies. If no Matching Contributions will be made, do not complete.)*
  - i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H below
  - ii. any permanent part-time employee, which is an employee who is not a full-time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H below
  - iii. any seasonal, temporary or similar part-time employee
  - iv. any elected or appointed official
  - v. any employee in the following class(es) of employees:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

who meets the definition in Section E. 1 above.

- b. Each Employee will be eligible to participate in this Plan for purposes of receiving **Matching Contributions as described in Section N** of this Agreement and in accordance with the provisions of Article IV of the Plan, except the following: *(Check and complete each box that applies. If no Matching Contributions will be made, do not complete.)*

- i. Employees who have not attained the age of \_\_\_\_\_ (not to exceed 21).
- ii. Employees who have not completed \_\_\_\_\_ Years of Service during the Vesting Computation Period as defined in Section X below.
- iii. Employees who do not satisfy the following eligibility requirements:

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- c. "Employee" shall mean for purposes of **Non-Matching Contributions as described in Section Q** of this Agreement: *(Check and complete each box that applies. If no Non-Matching Contributions will be made, do not complete.)*

- i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H below.
- ii. any permanent part-time employee, which is an employee who is not a full-time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H. below.
- iii. any seasonal, temporary or similar part-time employee
- iv. any elected or appointed official
- v. any employee in the following class(es) of employees:

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- vi. any employee listed or otherwise described in Schedule 1 attached to this Agreement

who meets the definition in Section E.1 above.

- d. Each Employee will be eligible to participate in this Plan for purposes of receiving **Non-Matching Contributions as described in Section Q** of this Agreement and in accordance with the provisions of Article IV of the Plan, except the following: *(Check and complete each box that applies. If no Non-Matching Contributions will be made, do not complete.)*

- i. Employees who have not attained the age of \_\_\_\_\_ (not to exceed 21).
- ii. Employees who have not completed \_\_\_\_\_ Years of Service during the Vesting Computation Period as defined in Section X below.
- iii. Employees who do not satisfy the following eligibility requirements:

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- e. "Employee" shall mean for purposes of **Mandatory Employee Salary Reduction Contributions as described in Section II** of this Agreement: *(Check and complete each box that applies. If no Mandatory Salary Reduction Contributions will be made, do not complete.)*

- i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of service per week, as defined in Section H below
- ii. any permanent part-time employee, which is an employee who is not a full-time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H below
- iii. any seasonal, temporary or similar part-time employee
- iv. any elected or appointed official
- v. any employee in the following class(es) of employees:

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who meets the definition in Section E. 1 above.



- f. Each Employee will be eligible to participate in this Plan for purposes of making **Mandatory Employee Salary Reduction Contributions as described in Section II** of this Agreement and in accordance with the provisions of Article IV of the Plan, except the following: *(Check and complete each box that applies. If no Mandatory Salary Reduction Contributions will be made, do not complete.)*

i. Employees who have not attained the age of \_\_\_\_\_ (not to exceed 21).

ii. Employees who do not satisfy the following eligibility requirements:

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**F. AUTOMATIC ENROLLMENT.** *(Check and complete box 1 OR box 2.) [NOTE: THIS SECTION F ONLY APPLIES TO ELECTIVE DEFERRALS, NOT TO MANDATORY EMPLOYEE SALARY REDUCTION CONTRIBUTIONS.]*

1. The Participating Employer DOES NOT elect automatic enrollment.
2. The Participating Employer DOES elect automatic enrollment, which will be effective on and after \_\_\_\_\_ as follows:
  - a. Employees covered under the automatic enrollment are: *(If this Section F (Automatic Enrollment) is elected, check one option below. Otherwise, do not complete.)*
    - i. All Employees
    - ii. All Employees who become Employees on or after the date set forth in F.2. above and who do not have an affirmative election in effect.
  - b. The default percentage contributed to the Plan on behalf of the Participant will be a deferral of 2% of the Participant's Compensation. The 2% default percentage will be subject to a percentage annual increase thereafter if provided for in the Plan Document. Any deferral percentage increase will take effect annually on the first day of the Plan Year. Participants' default deferrals will remain at the same percentage for at least twelve (12) months before their automatic deferral percentages will be increased automatically.

The automatic deferrals will be contributed on a pre-tax basis and will continue until the Participant affirmatively elects otherwise.

An Employee who affirmatively declines coverage after the first automatic enrollment contribution was made, may make an election to withdraw his or her entire automatic enrollment contribution. This election must be submitted no later than 90 days after the payroll date in which the first automatic enrollment contribution is made on behalf of the

Participant. The amount of the distribution will be the value of the automatic enrollment contributions plus or minus investment gains or losses as of the date the distribution is processed. Automatic enrollment contributions made after such date remain in the Plan and are subject to the Plan's regular distribution rules. Further, an Employee who has made an election to withdraw who leaves employment and is then rehired by the Participating Employer before a 12-continuous-month absence may not make another election to withdraw his or her automatic enrollment contribution. Any Employer Matching Contributions attributable to the distribution of the automatic enrollment contributions will be forfeited regardless of the vesting percentage in the Matching Contributions. **[NOTE: If HH.2, "FICA Replacement ("3121") Plan", is elected and F.2 is elected, the Employee may not make an election to withdraw his or her automatic enrollment contribution.]**

- c. An Employee who leaves employment and is rehired by the Participating Employer before a 12-continuous-month absence has occurred will be treated as subject to the automatic contribution schedule. An Employee who leaves employment and is rehired by the Participating Employer after a 12-continuous-month absence: *(Check one option below.)*
- i. will be treated as a new Employee, or
  - ii. will not be treated as a new Employee

for purposes of determining the Employee's contribution rate in F.2.b above.

**G. SERVICE WITH PREDECESSOR EMPLOYER.** *(If Vesting or Eligibility requirements will apply to Matching Contributions as described in Section N of this Agreement and/or Non-Matching Contributions as described in Section Q of this Agreement, check and complete box 1 OR box 2 OR box 3.)* "Predecessor employer" means a governmental employer that served the same functions as the current employer or has employees whose jobs were merged into the current employer.

- 1 This section is N/A because there are no predecessor employers.
- 2. Service with any predecessor employers will not be counted for any purposes under the Plan.
- 3. Service with (insert name of predecessor employer(s)):

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will be counted under the Plan for eligibility and vesting.

**H. HOURS OF SERVICE.** Hours of Service shall be determined on the actual hours for which an Employee is paid or entitled to payment.

- I. YEAR OF SERVICE FOR ELIGIBILITY AND VESTING.** If Eligibility or Vesting requirements will apply to Matching Contributions as described in Section N of this Agreement and/or Non-Matching Contributions as described in Section Q of this Agreement, Year of Service shall mean the 12-consecutive-month period beginning on the Employee's Employment Commencement Date and each anniversary thereof.

Years of Service for Vesting shall include any Years of Service with a participating employer.

- J. COMPENSATION DEFINITION.** Compensation shall mean Code § 415 compensation as defined in Section 2.06 of the Plan.

- K. COMPENSATION COMPUTATION PERIOD.** Compensation shall be determined on the basis of the calendar year.

- L. FIRST YEAR COMPENSATION.** If Matching or Non-Matching Contributions will be made, for purposes of determining the Compensation on the basis of which such contributions will be allocated for a Participant's first year of participation, the Participant's Compensation shall be the Participant's Compensation for the period commencing as of the first day the Employee became a Participant.

- M. EMPLOYMENT COMMENCEMENT DATE.** An Employee's Employment Commencement Date means the Employee's date of hire or rehire, as applicable, with respect to which an Employee is first credited with an Hour of Service.

- N. MATCHING CONTRIBUTIONS.** *(Complete 1 and 2 below.)*

- 1. Matching Contributions on Elective Deferrals.** *(Check and complete box a OR box b OR box c OR box d.)* The Participating Employer shall:

- a. NOT make Matching Contributions on Elective Deferrals.
- b. match \_\_\_\_% of Participant elective deferrals of up to \_\_\_\_% of Compensation.
- c. match \_\_\_\_% of the first \$\_\_\_\_ of Participant elective deferrals.
- d. match the percentage of Participant elective deferrals that the Employer determines in its discretion for the respective Plan Year.

If the Participating Employer elects Automatic Enrollment under Section F.2., Matching Contributions related to the distributed permissible withdrawal election will be placed in a forfeiture account and used in the manner provided in Section V below. Matching Contributions will not be made if a permissible withdrawal is taken before the date the Matching Contribution is allocated.

**2. Matching Contributions on Mandatory Salary Reduction Contributions under Section II of this Agreement.** *(Check and complete box a OR box b OR box c OR box d.)* The Participating Employer shall:

- a. NOT make Matching Contributions on Mandatory Salary Reduction Contributions.
- b. match \_\_\_\_\_% of Mandatory Salary Reduction Contributions for the Participant up to \_\_\_\_\_% of Compensation.
- c. match \_\_\_\_\_% of the first \$\_\_\_\_\_ of Mandatory Salary Reduction Contributions for the Participant.
- d. match the percentage of Mandatory Salary Reduction Contributions for the Participant that the Employer determines in its discretion for the respective Plan Year.

**O. ALLOCATION OF MATCHING CONTRIBUTIONS.** If Matching Contributions will be made, allocations will be made to each Participant who satisfies the applicable requirements of Section E of this Participating Employer Agreement.

**P. VESTING SCHEDULE – MATCHING CONTRIBUTIONS.** *(If Matching Contributions will be made, check box 1 OR box 2 OR box 3. Otherwise, do not complete.)* The vested interest of each Participant in his or her Matching Contribution Account shall be determined on the basis of the following schedule:

- 1. 100% vesting immediately.
- 3. 100% vesting after 3 Years of Service.
- 3. 20% after one Year of Service.  
40% after two Years of Service.  
60% after three Years of Service.  
80% after four Years of Service.  
100% after five Years of Service.

**Q. NON-MATCHING CONTRIBUTIONS.** *(Check box 1 OR box 2.)*

1. The Participating Employer shall NOT make Non-Matching Contributions.
2. The Participating Employer shall contribute: *(Check and complete one box.)*
  - a. an amount fixed by appropriate action of the Employer.
  - b. \_\_\_\_\_% of Compensation of Participants for the Plan Year.
  - c. \$\_\_\_\_\_ per Participant.
  - d. an amount pursuant to Schedule 1 attached to this Agreement and which is referenced in Section E.2.c above.
  - e. a contribution matching the Participant's contribution to the Employer's § 457(b) plan as follows: (Specify rate of match and time of allocation, e.g., payroll by payroll, monthly, last day of Plan Year.)  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**R. ALLOCATION OF NON-MATCHING CONTRIBUTIONS.** If Non-Matching Contributions will be made, allocations will be made to each Participant who satisfies the requirements of Section E.2.c and E.2.d of this Participating Employer Agreement.

**S. VESTING SCHEDULE – NON-MATCHING CONTRIBUTIONS.** *(If Non-Matching Contributions will be made, check box 1 OR box 2 OR box 3. Otherwise, do not complete.)* The vested interest of each Participant in his or her Non-Matching Contribution Account shall be determined on the basis of the following schedule:

1. 100% vesting immediately.
2. 100% vesting after 3 Years of Service.
3. 20% after one Year of Service.  
40% after two Years of Service.  
60% after three Years of Service.  
80% after four Years of Service.  
100% after five Years of Service.

**T. ROTH CONTRIBUTIONS.** Participant Roth Contributions SHALL BE allowed.

**U. AFTER-TAX CONTRIBUTIONS.** Participant After-tax Contributions SHALL NOT BE allowed.

**V. FORFEITURES.** *(If Non-Matching or Matching Contributions will be made, check box 1 OR box 2. Otherwise, do not complete.)*

1. N/A because all contributions are 100% vested immediately.
2. Forfeitures will be used first to reduce the Employer's Matching Contributions (if any), then to reduce the Non-Matching Contributions (if any), and then to offset Plan expenses.

**W. RETIREMENT AGES AND DISABILITY DEFINITION.**

1. Normal Retirement Age shall mean age 60.
2. Early Retirement shall mean age 59 ½.
3. Disability shall mean a determination of disability by the Social Security Administration or, if the Participant is a member of the Tennessee Consolidated Retirement System, a determination of disability by the Tennessee Consolidated Retirement System.

**X. VESTING COMPUTATION PERIOD.** A Participant's Years of Service shall be computed by reference to the 12-consecutive-month period beginning on the Employee's Employment Commencement Date and each anniversary thereof.

**Y. ROLLOVERS.** Rollovers from eligible Code § 457(b) plans, qualified plans under Code §§ 401(a), 403(a) and 403(b), Individual Retirement Accounts and Annuities described in Code §§ 408(a) and (b), and eligible rollover contributions of designated Roth contributions made from an applicable retirement plan described in Code § 402A(e)(1) SHALL BE allowed.

**Z. TRANSFERS.** Transfers from plans qualified under Code § 401(a) SHALL BE allowed.

**AA. HARDSHIP WITHDRAWALS.** The Administrator SHALL allow hardship withdrawals in accordance with Section 10.04 of the Plan. If Section HH (FICA Replacement Plan) is elected, hardship distributions are not permitted.

**BB. PARTICIPANT LOANS.** The Administrator SHALL direct the Trustee to make Participant loans in accordance with Article XIII of the Plan. Loans payments must be made by payroll deduction. If a Participant severs employment with the Participating Employer and is immediately hired by another Participating Employer, the loan will be carried forward and any missed loan repayment caused by a change in payroll processing can be made up by personal check in a single lump payment. If a Participant severs employment and is not hired by another Participating Employer, loan repayments may continue to be made by personal check. If Section HH (FICA Replacement Plan) is elected, loans are not permitted.

**CC. QUALIFIED DOMESTIC RELATIONS ORDERS.** The Plan shall accept qualified domestic relations orders as provided in Section 15.02 of the Plan.

**DD. PAYMENT OPTIONS.** The forms of payment that will be allowed under the Plan, to the extent consistent with the limitations of Code § 401(a)(9) and proposed or final Treasury regulations thereunder, include a single lump-sum payment; installment payments for a period of years; partial lump-sum payment of a designated amount, with the balance payable in installment

payments for a period of years; annuity payments (payable on a monthly, quarterly, or annual basis) for the lifetime of the Participant or for the lifetimes of the Participant and Beneficiary; and such other forms of installment payments as may be approved by the Administrator, which is not inconsistent with the Plan.

**EE. DEEMED TRADITIONAL IRA.** The deemed traditional IRA provisions of Article XVI of the Plan SHALL NOT apply.

**FF. DEEMED ROTH IRA.** The deemed Roth IRA provisions of Article XVII of the Plan SHALL NOT apply.

**GG. DISTRIBUTIONS.** A Participant may request distributions as follows:

1. A Participant may request a distribution at any time upon Severance from Employment. "Severance from Employment" means the complete severance of the employer/employee relationship with any and all employers participating in the Plan, including retirement or death. Thus, a Severance from Employment would not occur if a Participant transfers employment (i) from one local government that participates in the Plan to another local government that participates in the Plan, or (ii) from the State to a local government that participates in the Plan, or (iii) from a local government that participates in the Plan to the State.
2. A Participant may request a distribution prior to Severance of Employment after reaching age 59½ or, if earlier, upon death. A Participant may also request a distribution prior to Severance of Employment upon incurring a hardship; however, the distribution will be limited to the Participant's Elective Deferral Account and transfer Elective Deferral Account, if any.
3. A Participant may request a distribution from a Rollover Contribution Account at any time.
4. If Section HH (FICA Replacement Plan) is elected, in-service distributions for hardship, loans, and attainment of age 59½ are not permitted.
5. Distributions taken before the Participant reaches age 59½ may be subject to a federal early withdrawal tax.

**HH. FICA REPLACEMENT PLAN ("3121" PLAN).** *(Check box 1 OR box 2.)* This Participating Employer Agreement as adopted:

1. IS NOT *(if checked continue to II below)*, or
2. IS

intended to provide FICA replacement benefits pursuant to regulations under Code Section 3121(b)(7)(F).

- a. Eligible Employee means: *(If this Section HH (FICA Replacement Plan) is elected, check each box that applies. Otherwise, do not complete):*
  - i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H above,
  - ii. any part-time employee, which is an employee who is not a full time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section H above.
  - iii. Any employee who is not covered by Social Security.
- b. Contributions: *(If this Section HH (FICA Replacement Plan) is elected, check and complete each box that applies. Otherwise, do not complete):*
  - i. The Employer shall make an annual contribution to each Participant's account equal to \_\_\_\_\_ percent of such Participant's Compensation.
  - ii. Each Participant is required to make an annual contribution of \_\_\_\_\_ percent of Compensation.

*(NOTE: The total percentage of b.i and b.ii must equal at least 7.5%.)*

In the event that this Plan is a retirement system providing FICA replacement retirement benefits as described above, all references in the Plan Document to in-service distributions for hardship withdrawals, loans, and age 59½ shall be null and void. In addition, any part-time employee included under HH.2.a. shall be fully vested at all times. In the event F.2 "Automatic Enrollment" is selected, a Participant may not change his or her deferral election to an amount less than the Participant required annual contribution, if any, in HH.2.b above.



**II. MANDATORY SALARY REDUCTION CONTRIBUTIONS. (Check box 1 OR box 2.)**

This Participating Employer Agreement as adopted:

1. does not provide for Mandatory Salary Reduction Contributions. (If checked continue to JJ below.)
2. provides "Mandatory Salary Reduction Contributions" to be paid by the Employer through a reduction of the Participant's salary for services rendered, in accordance with Code § 414(h). These contributions are required as a condition of employment. Mandatory Salary Reduction Contributions are treated as Employer Contributions for federal income tax purposes, but are considered "wages" for purposes of FICA and FUTA. Such contributions shall be made as of each payroll period and allocated to the Mandatory Employee Contribution Account of the Participant on whose behalf they were made and shall be 100% vested at all times.

By the adoption of this Participating Employer Agreement, the Employer specifies that the mandatory employee salary reduction contributions, although designated as employee contributions, are being paid via salary reduction by the Employer as provided in Code § 414(h)(2) and Revenue Ruling 2006-43 or subsequent guidance. For this purpose, the adoption of this Participating Employer Agreement constitutes formal action to provide that the contributions on behalf of a specific class of Employees as defined in Section E, although designated as employee contributions, will be paid by the employing unit in lieu of employee contributions.

- a. The Participant shall make Mandatory Salary Reduction Contributions to the Plan equal to \_\_\_\_\_ % (must be a fixed percentage and expressed only in whole and tenths of a percent) of the Participant's Compensation.

The contribution percentage above may be revised no more frequently than annually by the Employer, the new rate to become effective on the January 1 following the execution of an amendment to this Participating Employer Agreement. An amendment that changes the contribution percentage, at the Employer's election: **(Complete box i or ii below):**

- i. shall apply only to Employees who become Participants on or after the effective date;
- ii. shall apply to all Employees.

- b. Mandatory Salary Reduction Contributions: **(Complete box i or ii below):**

- i. are
- ii. are not

counted as Compensation for all Contribution purposes. However, Mandatory Salary Reduction Contributions are counted as for determining Annual Additions under Plan Section 6.06.

## **JJ. ADMINISTRATIVE INFORMATION.**

The Participating Employer further understands and acknowledges that:

- This Participating Employer Agreement has not been approved by the Internal Revenue Service. Obtaining such approval, if desired by the Employer, is solely the responsibility of the Employer.
- The Chair of the Tennessee Consolidated Retirement System ("Chair") and the Participating Employers are not responsible for providing tax or legal advice to Participants.
- The Participating Employer has consulted, to the extent necessary, with its own legal and tax advisors.
- All capitalized terms which are used herein but not defined herein shall have the meanings set forth in the Plan Document.
- The Participating Employer will electronically remit in a timely manner, all employee and employer contributions to the Plan in a manner acceptable with the Plan's Third Party Administrator. The Employer's payroll administrator is responsible for reconciliation of all contributions to the Plan and shall provide the Plan Administrator with required contribution reconciliation reports. Each Employer is required to use the Plan Service Center to administer their employee contributions, indicative data, and enrollment information. If the Participating Employer fails to remit the requisite contributions in a timely manner, the Chair reserves the right, at the Chair's sole discretion, to terminate the Employer's participation in the Plan. In such event, the Chair shall notify the Employer of the effective termination date, and the Employer shall immediately notify all its Employees participating in the Plan of the termination and the effective date thereof. Notwithstanding the foregoing, the Employer acknowledges that it is the sole responsibility of the Employer to remit the requisite reports and contributions to the Plan and that neither the State, the Chair, the Trustees, its employees or agents shall have any responsibility or liability for ensuring or otherwise monitoring that this is done.
- Participating Employers are required to use the investment options made available under the Plan. From time to time those investment options may be changed. If an investment option is eliminated, the Administrator may automatically reinvest the money in the eliminated investment option into a new investment option. After any appropriate black-out period, the affected Participants may re-direct money in the new investment option to any other available investment option. The Participants shall have no right to require the Administrator to select or retain any investment option. Any change with respect to investment options made by the Plan (on the Plan level) or a Participant (on the individual level), however, shall be subject to the terms and conditions (including any rules or procedural requirements) of the affected investment options.

This Participating Employer Agreement is duly executed on behalf of the Participating Employer by the undersigned authorized signatories.

**PARTICIPATING EMPLOYER'S AUTHORIZED SIGNATORIES:**

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**ACCEPTANCE OF PARTICIPATING EMPLOYER'S PARTICIPATION IN THE STATE OF TENNESSEE DEFERRED COMPENSATION PLAN II BY THE TREASURER, STATE OF TENNESSEE, CHAIR OF THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM.**

By: \_\_\_\_\_  
David H. Lillard, Jr.

Title: Treasurer, State of Tennessee, Chair of the Tennessee Consolidated Retirement System

Date: \_\_\_\_\_

**SCHEDULE 1**

**STATE OF TENNESSEE**

**DEFERRED COMPENSATION PLAN II - 401(k)**

**PARTICIPATING EMPLOYER AGREEMENT**

Participating Employer Name: \_\_\_\_\_

Classes of Eligible Employees

Contribution Amount

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**TENNESSEE STATE**  
**EMPLOYEES DEFERRED COMPENSATION**  
**PLAN AND TRUST**  
**- 457(b) –**  
**RESOLUTION AND**  
**PARTICIPATING EMPLOYER AGREEMENT**

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**[Participating Employer]**

**Administered by: Treasurer, State of  
Tennessee  
502 Deaderick Street, 15<sup>th</sup> Floor  
Andrew Jackson State Office Building  
Nashville, Tennessee 37243  
Telephone: 615-532-2347**

## RESOLUTION

WHEREAS, \_\_\_\_\_, Tennessee (hereinafter referred to as the "Employer") has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a governmental 457(b) deferred compensation plan, funded by employee deferrals and, if elected pursuant to Section I and/or K of the Participating Employer Agreement, employer contributions;

WHEREAS, Tennessee Code Annotated, Section 8-25-111(a) allows a Tennessee local governmental entity to participate in the State of Tennessee's 457(b) deferred compensation plan subject to the approval of the Chair of the Tennessee Consolidated Retirement System (hereinafter referred to as the "Chair");

WHEREAS, the liability for participation and the costs of administration shall be the sole responsibility of the Employer and/or its employees, and not the State of Tennessee;

WHEREAS, the Employer has also determined that it wishes to encourage employees' saving for retirement;

WHEREAS, the Employer has reviewed the Tennessee State Employees Deferred Compensation Plan and Trust Adoption Agreement for a Section 457(b) Eligible Deferred Compensation Plan for Governmental Employers, as adopted by the State of Tennessee, as amended and restated effective December 22, 2010, and as amended by Amendment Number One signed December 22, 2010, and Amendment Number Two signed February 8, 2012, as well as the Section 457(b) Eligible Deferred Compensation Plan for Governmental Employer Basic Plan Document (collectively known as the "Plan" or "Plan Document");

WHEREAS, the Employer wishes to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Employer is eligible to become a Participating Employer in the Plan, pursuant to Article XVII of the Plan Document;

WHEREAS, the Employer is concurrently executing a Participating Employer Agreement for the Plan; and

WHEREAS, the \_\_\_\_\_ ("Governing Authority") of the Employer is authorized by law to adopt this resolution approving the Participating Employer Agreement on behalf of the Employer;

NOW, THEREFORE, the Governing Authority of the Employer hereby resolves:

1. The Employer adopts the Plan Document for its Employees; provided, however, that for the purpose of the Plan, the Employer shall be deemed to have designated irrevocably the Chair as its agent, except as otherwise specifically provided herein or in the Participating Employer Agreement.

2. The Employer acknowledges that the Plan does not cover, and the Trustees of the Plan ("Trustees") have no responsibility for, other employee benefit plans maintained by the Employer.
3. The Employer acknowledges that it may not provide employer contributions to the Plan on behalf of any of its employees that exceed three percent (3%) of the respective employees' salary if the employees are members of the Tennessee Consolidated Retirement System ("TCRS") or of any other retirement program financed from public funds whereby such employees obtain or accrue pensions or retirement benefits based upon the same period of service to the Employer, unless such employees are members of TCRS' local government hybrid plan established under Tennessee Code Annotated, Section 8-35-256 or TCRS' State hybrid plan established under Tennessee Code Annotated, Title 8, Chapter 36, Part 9. If such employees participate in either of the hybrid plans, the total combined amount of employer contributions to the Plan and to any one or more additional defined contribution plans may not exceed seven percent (7%) of the respective employee's salary. In no instance shall the total combined employer contributions to all defined contribution plans on behalf of a single employee exceed the maximum allowed under the Internal Revenue Code ("Code"), and shall conform to all applicable laws, rules and regulations of the Internal Revenue Service ("IRS") governing profit sharing and/or salary reduction plans for governmental employees.
4. The Employer hereby adopts the terms of the Participating Employer Agreement, which is attached hereto and made a part of this resolution. The Participating Employer Agreement (a) permits all employees of the respective entity to make elective deferrals; (b) sets forth the Employees to be covered pursuant to Section I and/or K of the Participating Employer Agreement for employer contributions, if any; (c) outlines the benefits to be provided by the Participating Employer under the Plan; and, (d) states any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Participating Employer Agreement, so long as the amendment is not inconsistent with the Plan, the Code, Tennessee law, or other applicable law and is approved by the Chair.
5. The Chair may amend the Plan on behalf of all Employers, including those Employers who have adopted the Plan prior to a restatement or amendment of the Plan, for changes in the Code, the regulations thereunder, Tennessee law, revenue rulings, other statements published by the Internal Revenue Service ("IRS"), including model, sample, or other required good faith amendments, and for other reasons that are deemed at the Chair's sole discretion to be in the interest of the Plan. These amendments shall be automatically applicable to all Employers.
6. The Chair will maintain, or will have maintained, a record of the Employers and will make reasonable and diligent efforts to ensure that Employers have received all Plan amendments.
7. The Employer shall abide by the terms of the Plan, including amendments to the Plan and Trust made by the Chair, all investment, administrative, and other service agreements of the Plan, and all applicable provisions of the Code, Tennessee law, and other applicable law.

8. The Employer accepts the administrative services to be provided by the Tennessee Treasury Department and any services provided by Plan vendors. The Employer acknowledges that fees will be imposed with respect to the services provided and that such fees may be deducted from the Participants' Accounts and/or charged to the Employer.
9. Subject to the provisions of Section 17.06 of the Plan, the Employer may terminate its participation in the Plan, including but not limited to, its contribution requirements pursuant to the Plan, if it takes the following actions:
  - a. A resolution must be adopted by the Governing Authority of the Employer terminating the Employer's participation in the Plan.
  - b. The resolution must specify the proposed date when the participation will end, which must be at least six calendar months after notice to the Chair and the Employer's employees.
  - c. The Chair shall (i) determine whether the resolution complies with the Plan, and all applicable federal and state laws, (ii) determine an appropriate effective date, and (iii) provide appropriate forms to terminate ongoing participation. Distributions under the Plan of existing accounts to Participants will be made in accordance with the Plan Document.
  - d. Once the Chair determines the appropriate effective date, the Employer shall immediately notify all its Employees participating in the Plan of the termination and the effective date thereof.
  - e. The Chair can, in the Chair's sole discretion, reduce the six month notice and withdrawal period to a shorter period if the Employer so requests, but in no event shall the period be less than three months.
10. The Employer acknowledges that the Plan Document contains provisions for Plan termination by the Trustees, subject to applicable Tennessee law.
11. The Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Trustees to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be timely transferred by the Employer to the Trust Fund pursuant to and in the manner provided by the Chair. The Employer acknowledges that if the Employer fails to remit the requisite contributions in a timely manner, the Chair reserves the right, at the Chair's sole discretion, to terminate the Employer's participation in the Plan. In such event, the Chair shall notify the Employer of the effective termination date, and the Employer shall immediately notify all its employees



participating in the Plan of the termination and the effective date thereof. Notwithstanding the foregoing, the Employer acknowledges that it is the sole responsibility of the Employer to remit the requisite reports and contributions to the Plan and that neither the State, the Chair, the Trustees, its employees, or agents shall have any responsibility or liability for ensuring or otherwise monitoring that this is done. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

12. The Employer agrees to offer and enroll only those persons, whether appointed, elected, or under contract, wherein an employee-employer relationship is established, providing service to the Employer for which compensation is paid by the Employer.
13. The Employer understands that IRS rules and Tennessee law limit participation in the Plan to governmental entities and their respective employees. The Employer will notify the Chair in writing within ten (10) calendar days if it ceases to be a governmental entity under applicable federal or Tennessee law, and/or if it discovers that it is transferring or having transferred employee deferrals and/or employer contributions to the Plan on behalf of an individual who does not meet the requirements in Paragraph 12 above.
14. The Employer acknowledges that the Chair and other Trustees are the fiduciaries of the Plan and have sole and exclusive authority to interpret the Plan and decide all claims and appeals for Plan benefits. The Employer agrees to abide by the Chair's decisions on all matters involving the Plan.
15. This resolution and the Participating Employer Agreement shall be submitted to the Chair for approval. The Chair shall determine whether the resolution and the Agreement comply with the Plan, and, if they do, shall provide appropriate forms to the Employer to implement participation in the Plan. The Chair may refuse to approve a Participating Employer Agreement executed by an Employer that, in the Chair's sole discretion, does not qualify to participate in the Plan.
16. The Governing Authority hereby acknowledges that it is responsible to assure that this resolution and the Participating Employer Agreement are adopted and executed in accordance with the requirements of applicable law.

Adopted by the Governing Authority on \_\_\_\_\_, \_\_\_\_\_, in accordance with applicable law.

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

[Governing Authority must assure that applicable law is followed in the adoption and execution of this resolution.]



**TENNESSEE STATE**  
**EMPLOYEES DEFERRED COMPENSATION PLAN AND TRUST - 457(b)**  
**PARTICIPATING EMPLOYER AGREEMENT**

**A. PARTICIPATING EMPLOYER INFORMATION**

Name: \_\_\_\_\_

**NOTE: A Participating Employer Agreement must be completed for each employer. For example, if a city has separate legal entities for the city and a utility company – each would need to complete their own Participating Employer Agreement in order to participate. However, divisions of the same employer (e.g., finance, HR, departments, etc.) do not need to complete and should not complete separate agreements.**

**(1) GOVERNING AUTHORITY**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Person Authorized to receive Official Notices from the Plan or Administrator:

\_\_\_\_\_

**(2) PARTICIPATING EMPLOYER TAX ID NUMBER: \_\_\_\_\_**

**(3) DISCLOSURE OF RETIREMENT PLAN(S) [INCLUDING, IF APPLICABLE, PARTICIPATION IN THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM (“TCRS”)]**

This Participating Employer                does or                does not have an existing deferred compensation or retirement plan. If the Participating Employer does have one or more deferred compensation plans or retirement plans (including TCRS), the Governing Authority must provide in the space below the plan name, name and telephone number of the provider, and such other information requested by the Administrator.

\_\_\_\_\_  
\_\_\_\_\_

**B. TYPE OF ADOPTION AND EFFECTIVE DATE**

NOTE: This Participating Employer Agreement ("Agreement"), with the accompanying Plan, is designed to comply with Internal Revenue Code ("Code") Section 457(b), as applicable to a governmental plan. By adopting this Participating Employer Agreement, with its accompanying Resolution, the Participating Employer is adopting a Plan Document intended to comply with Code Section 457(b).

This Agreement is for the following purpose: *(Check and complete box 1 OR box 2 OR box 3.)*

1. This is a new 457(b) deferred compensation plan adopted by the Participating Employer for its Employees effective \_\_\_\_\_, \_\_\_\_\_ **(insert effective date of this Agreement).**
2. This is an amendment to be effective as of \_\_\_\_\_, \_\_\_\_\_, to the current Agreement previously adopted by the Participating Employer, which was originally effective \_\_\_\_\_, \_\_\_\_\_, as follows **(please specify type below):**
  - a. This is an amendment to change one or more of the Participating Employer's contribution elections in the existing Participating Employer Agreement.
  - b. Other **(must specify elective provisions in this Agreement that are being changed):**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. This is an amendment and restatement of another 457(b) deferred compensation plan of the Participating Employer, the effective date of which shall be \_\_\_\_\_, \_\_\_\_\_ **(insert effective date of this Agreement).** This Agreement is intended to replace and serve as an amendment and restatement of the Participating Employer's preexisting plan, which became effective on \_\_\_\_\_, \_\_\_\_\_ **(insert original effective date of preexisting plan).** The Participating Employer understands that it is the Participating Employer's responsibility to ensure that the preexisting plan met all applicable state and federal requirements.

**C. PLAN YEAR.** Plan Year shall mean the calendar year.

**D. CUSTODY OF ASSETS.** Code § 457(g) shall be satisfied by setting aside Plan assets for the exclusive benefit of Participants and Beneficiaries, in a Trust pursuant to the provisions of Article VII of the Plan. The Trustees for the Plan are also the Trustees for the separate accounts for each participating employer.

**E. ELIGIBLE EMPLOYEES.**

1. "Employee" shall mean, for purposes of making **Elective Deferrals**, any person, whether appointed, elected or under contract wherein an employee-employer relationship is established, providing services to the Participating Employer for which Compensation is paid by the Participating Employer. Any other individual who is a subcontractor, contractor, or employed by a subcontractor or contractor, or is under any other similar arrangement wherein an employer-employee relationship is not established will not be treated as an Employee. An Employee is immediately eligible to make Elective Deferrals under the Plan.

2. a. "Employee" shall mean for purposes of **Matching Contributions as described in Section I of this Agreement**: *(Check and complete each box that applies. If no Matching Contributions will be made, do not complete.)*

- i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section G below
- ii. any permanent part-time employee, which is an employee who is not a full-time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section G below
- iii. any seasonal, temporary or similar part-time employee
- iv. any elected or appointed official
- v. any employee in the following class(es) of employees:

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who meets the definition in Section E.1 above, regardless of the Employee's age or the number of years of service the Employee has rendered to the Employer. All Matching Contributions made on behalf of such Employees are 100% vested immediately, except as provided in Section F.2.b below.

b. "Employee" shall mean for purposes of **Non-Matching Contributions as described in Section K of this Agreement**: *(Check and complete each box that applies. If no Non-Matching Contributions will be made, do not complete.)*

- i. any full-time employee, which is an employee who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section G below

- ii. any permanent part-time employee, which is an employee who is not a full-time employee and who renders \_\_\_\_\_ or more Hours of Service per week, as defined in Section G below
- iii. any seasonal, temporary or similar part-time employee
- iv. any elected or appointed official
- v. any employee in the following class(es) of employees:

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vi. any employee listed or otherwise described in Schedule 1 attached to this Agreement who meets the definition in Section E.1 above, regardless of the employee's age or the number of years of service the Employee has rendered to the Employer. All Non-Matching Contributions made on behalf of such Employees are 100% vested immediately.

**F. AUTOMATIC ENROLLMENT. (*Check and complete box 1 OR box 2.*)**

1. The Participating Employer DOES NOT elect automatic enrollment.
2. The Participating Employer DOES elect automatic enrollment, which will be effective for Plan Years beginning on and after January 1, \_\_\_\_\_ as follows:
  - a. Employees covered under the automatic enrollment are: (*If this Section F (Automatic Enrollment) is elected, check one option below. Otherwise, do not complete.*)
    - i. All Employees.
    - ii. All Employees who become Employees on or after the date set forth in Section F.2. above and who do not have an affirmative election in effect.
  - b. The default percentage contributed to the Plan on behalf of the Participant will be a deferral of 2% of the Participant's Compensation. The 2% default percentage will be subject to a percentage annual increase thereafter if provided for in the Plan Document. Any deferral percentage increase will take effect annually on the first day of the Plan Year. Participants' default deferrals will remain at the same percentage for at least twelve (12) months before their automatic deferral percentages will be increased automatically.

The automatic deferrals will be contributed on a pre-tax basis and will continue until the Participant affirmatively elects otherwise.

An Employee who affirmatively declines coverage after the first automatic enrollment contribution was made, may make an election to withdraw his or her entire automatic enrollment contribution. This election must be submitted no later than 90 days after the payroll date in which the first automatic enrollment contribution is made on behalf of the Participant. The amount of the distribution will be the value of the automatic enrollment contributions plus or minus investment gains or losses as of the date the distribution is processed. Automatic enrollment contributions made after such date remain in the Plan and are subject to the Plan's regular distribution rules. Further, an Employee who has made an election to withdraw who leaves employment and is then rehired by the Participating Employer before a 12-continuous-month absence may not make another election to withdraw his or her automatic enrollment contribution. Any Employer Matching Contributions attributable to the distribution of the automatic enrollment contributions will be forfeited and used for the purposes set forth in Section O below.

- c. An Employee who leaves employment and is rehired by the Participating Employer before a 12-continuous-month absence has occurred will be treated as subject to the automatic contribution schedule. An Employee who leaves employment and is rehired by the Participating Employer after a 12-continuous-month absence: *(Check one option below.)*

- i. will be treated as a new Employee, or
- ii. will not be treated as a new Employee

for purposes of determining the Employee's contribution rate in Section F.2.b above.

**G. HOURS OF SERVICE.** Hours of Service shall be determined on the actual hours for which an Employee is paid or entitled to payment.

**H. COMPENSATION DEFINITION.** Compensation means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code §§ 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Article III of the Plan). If elected below and to the extent permitted by the Treasury regulations or other similar guidance (including, without limitation, the requirements contained in Treasury Regulations §§ 1.457-4(d)(1) and 1.415-2(e)(3)(i)), "compensation" also means accrued bona fide sick, vacation or other leave payable after severance from employment so long as the Participant would have been able to use the leave if employment had continued and it is paid within the longer of two and one-half (2½) months after the Participant severs employment with the Employer or the end of the calendar year in which the Participant severs employment with the Employer.

The Participating Employer:

1. SHALL allow the deferral of leave provision described above.
2. SHALL NOT allow the deferral of leave provision described above.

**I. MATCHING CONTRIBUTIONS.** *(Check and complete box 1 OR box 2 OR box 3 OR box 4.)* [NOTE: Any Matching Contribution will reduce, dollar for dollar, the amount a Participant can contribute.]

The Participating Employer shall:

1. NOT make Matching Contributions.
2. match \_\_\_\_% of Participant elective deferrals of up to \_\_\_\_% of Compensation.
3. match \_\_\_\_% of the first \$\_\_\_\_ of Participant elective deferrals.
4. match the percentage of Participant elective deferrals that the Employer determines in its discretion for the respective Plan Year.

If the Participating Employer elects Automatic Enrollment under Section F.2., Matching Contributions related to the distributed permissible withdrawal election will be placed in a forfeiture account and used in the manner provided in Section O below. Matching Contributions will not be made if a permissible withdrawal is taken before the date the Matching Contribution is allocated.

**J. ALLOCATION OF MATCHING CONTRIBUTIONS.** If Matching Contributions will be made, allocations will be made to each Participant who satisfies the requirements of Section E.2.a. of this Participating Employer Agreement.

**K. NON-MATCHING CONTRIBUTIONS.** *(If non-matching contributions will be made, check box 1 OR box 2.)* [NOTE: Any Non-Matching Contribution will reduce, dollar for dollar, the amount a Participant can contribute.]

1. The Participating Employer shall NOT make Non-Matching Contributions.
2. The Participating Employer shall contribute: (Check and complete one box.)
  - a. an amount fixed by appropriate action of the Employer.
  - b. \_\_\_\_\_% of Compensation of Participants for the Plan Year.
  - c. \$\_\_\_\_\_ per Participant.
  - d. an amount pursuant to Schedule 1 attached to this Agreement and which is referenced in Section E.2.b above.
  - e. a contribution matching the Participant's contribution to the Employer's § 457(b) plan as follows: (Specify rate of match and time of allocation, e.g., payroll by payroll, monthly, last day of Plan Year.)  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**L. ALLOCATION OF NON-MATCHING CONTRIBUTIONS.** If Non-Matching Contributions will be made, allocations will be made to each Participant who satisfies the requirements of Section E.2.b of this Participating Employer Agreement.

**M. ROTH CONTRIBUTIONS.** Participant Roth Contributions SHALL NOT BE allowed.

**N. AFTER-TAX CONTRIBUTIONS.** Participant After-tax Contributions are not permitted in a 457(b) Plan and, accordingly, SHALL NOT BE allowed.

**O. FORFEITURES.** Forfeitures of Matching Contributions, as provided in Section F.2.b, will be used first to reduce the Employer's Matching Contributions (if any), then to reduce the Non-Matching Contributions (if any), and then to offset Plan expenses.

**P. NORMAL RETIREMENT AGE.** Normal Retirement Age shall mean age 70½.

**Q. ROLLOVERS.** Rollovers from eligible Code § 457(b) plans, qualified plans under Code §§ 401(a), 403(a) and 403(b), Individual Retirement Accounts and Annuities described in Code §§ 408(a) and (b) SHALL BE allowed pursuant to Section 6.01 of the Plan. However, a direct rollover from an eligible plan under Code § 457(b), 401(k) or 403(b) shall exclude any portion of a designated Roth account. A rollover contribution that is a Participant rollover from an eligible plan under Code Section 457(b), 401(k), or 403(b) shall exclude distributions of a designated Roth account.



**R. TRANSFERS.** Transfers from other 457(b) plans SHALL BE allowed. If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code § 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section R may be made before the Participant has had a Severance from Employment as defined in Section W below.

A transfer may be made under this Section if the transfer is either for the purchase of permissive service credit (as defined in Code § 415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code § 415 does not apply by reason of Code § 415(k)(3) or as otherwise allowed by the IRS

**S. UNFORESEEABLE EMERGENCY WITHDRAWALS.** In the case of an unforeseeable emergency, the Administrator SHALL allow distributions in accordance with Section 5.05 of the Plan. An unforeseeable emergency is a severe financial hardship resulting from a sudden illness, disability or accidental property loss, subject to strict IRS guidelines.

**T. PARTICIPANT LOANS.** The Administrator has directed the Trustee NOT to make Participant loans in accordance with Article IV of the Plan.

**U. QUALIFIED DOMESTIC RELATIONS ORDERS.** The Plan shall accept qualified domestic relations orders as provided in Section 13.02 of the Plan.

**V. PAYMENT OPTIONS.** The forms of payment that will be allowed under the Plan, to the extent consistent with the limitations of Code § 401(a)(9) and proposed or final Treasury regulations thereunder, include a single lump-sum payment; installment payments for a period of years; partial lump-sum payment of a designated amount, with the balance payable in installment payments for a period of years; annuity payments (payable on a monthly, quarterly, or annual basis) for the lifetime of the Participant or for the lifetimes of the Participant and Beneficiary; and such other forms of installment payments as may be approved by the Administrator, which is not inconsistent with the Plan.

**W. DISTRIBUTIONS.** A Participant may request distributions as follows:

1. A Participant may request a distribution at any time upon Severance from Employment. "Severance from Employment" means the complete severance of the employer/employee relationship with any and all employers participating in the Plan, including retirement or death. Thus, a Severance from Employment would not occur if a Participant transfers employment (i) from one local government that participates in the Plan to another local government that participates in the Plan, or (ii) from the State to a local government that participates in the Plan, or (iii) from a local government that participates in the Plan to the State.
2. A Participant may request a distribution prior to Severance from Employment during the calendar year in which he or she reaches age 70½ or, thereafter, or, if earlier, upon death.

A Participant may also request a distribution prior to Severance from Employment upon incurring an approved Unforeseeable Emergency.

3. A Participant may request a distribution from a Rollover Contribution Account at any time.

## **X. ADMINISTRATIVE INFORMATION.**

The Participating Employer further understands and acknowledges that:

- This Participating Employer Agreement has not been approved by the Internal Revenue Service. Obtaining such approval, if desired by the Employer, is solely the responsibility of the Employer.
- The Chair of the Tennessee Consolidated Retirement System ("Chair") and the Participating Employers are not responsible for providing tax or legal advice to Participants.
- The Participating Employer has consulted, to the extent necessary, with its own legal and tax advisors.
- All capitalized terms which are used herein but not defined herein shall have the meanings set forth in the Plan Document.
- The Participating Employer will electronically remit in a timely manner, all employee and employer contributions to the Plan in a manner acceptable with the Plan's Third Party Administrator. The Employer's payroll administrator is responsible for reconciliation of all contributions to the Plan and shall provide the Plan Administrator with required contribution reconciliation reports. Each Employer is required to use the Plan Service Center to administer their employee contributions, indicative data, and enrollment information. If the Participating Employer fails to remit the requisite contributions in a timely manner, the Chair reserves the right, at the Chair's sole discretion, to terminate the Employer's participation in the Plan. In such event, the Chair shall notify the Employer of the effective termination date, and the Employer shall immediately notify all its Employees participating in the Plan of the termination and the effective date thereof. Notwithstanding the foregoing, the Employer acknowledges that it is the sole responsibility of the Employer to remit the requisite reports and contributions to the Plan and that neither the State, the Chair, the Trustees, its employees or agents shall have any responsibility or liability for ensuring or otherwise monitoring that this is done.
- Participating Employers are required to use the investment options made available under the Plan. From time to time those investment options may be changed. If an investment option is eliminated, the Administrator may automatically reinvest the money in the eliminated investment option into a new investment option. After any

appropriate black-out period, the affected Participants may re-direct money in the new investment option to any other available investment option. The Participants shall have no right to require the Administrator to select or retain any investment option. Any change with respect to investment options made by the Plan (on the Plan level) or a Participant (on the individual level), however, shall be subject to the terms and conditions (including any rules or procedural requirements) of the affected investment options.

This Participating Employer Agreement is duly executed on behalf of the Participating Employer by the undersigned authorized signatories.

**PARTICIPATING EMPLOYER'S AUTHORIZED SIGNATORIES:**

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**ACCEPTANCE OF PARTICIPATING EMPLOYER'S PARTICIPATION IN THE TENNESSEE STATE DEFERRED COMPENSATION PLAN AND TRUST BY THE TREASURER, STATE OF TENNESSEE, CHAIR OF THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM.**

By: \_\_\_\_\_

Title: Treasurer, State of Tennessee, Chair of the Tennessee Consolidated Retirement System

Date: \_\_\_\_\_



**SCHEDULE 1**  
**TENNESSEE STATE**  
**DEFERRED COMPENSATION PLAN AND TRUST- 457(b)**  
**PARTICIPATING EMPLOYER AGREEMENT**

Participating Employer Name: \_\_\_\_\_

Classes of Eligible Employees	Contribution Amount
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ORDINANCE 33-2017-18

AN ORDINANCE AMENDING PART II (CODE OF ORDINANCES), TITLE 13 (UTILITIES AND SERVICE), CHAPTER 3 (GAS, WATER, AND SEWER SERVICE) THE CITY OF CLARKSVILLE RELATIVE TO GAS RATES

*WHEREAS*, Clarksville Gas and Water retained Raftelis Financial Consultants to develop a comprehensive financial plan, cost of service study and rate plan; and

*WHEREAS*, the Natural Gas Rate Study Report recommends rate revenue adjustments to better align the cost of serving each class with the revenues generated by that class and rate structure adjustments to better align the City's rate structure with industry best practices for natural gas utility rates.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That Sections 13-315 through and including Section 13-319 are hereby deleted in their entirety and substituted therefor the following:

Sec. 13-315. - Authorization for pass through adjustment.

The CGW Chief Financial Officer and the Gas Manager are hereby authorized to pass gas cost adjustments on to customers, whether increases or decreases, from the supplier of the city gas system to maintain the balanced efficiency of the gas department.

The PTA adjustment is intended to assure that the city gas and water department adjusts for these volatile changes in the commodity cost of gas.

The "commodity" cost of gas is the city gas and water department monthly city gate cost of gas. This includes the actual gas cost plus the interstate pipeline volumetric and storage costs involved in transporting the gas from the source of supply to our city gate regulator station.

The PTA will be calculated monthly on the last business day of each month to be applied to the first billing that follows.

Any balance over or under recovery of gas cost at the end of each month may be passed through the subsequent month PTA accordingly.

Sec. 13-316. - Gas services.

(1) *Availability.* Gas shall be available to any customer as defined in Section 13-312 where the department's distribution mains are suitable for supplying the desired service. A building, for purposes of gas service, shall be considered nonresidential which has more than four (4) units. Commercial and industrial customers will be supplied only through a single metering point. The commercial and industrial rate shall be available to individual apartment houses where service is supplied to more than one family unit through a single

meter. The High Load Factor rate schedule shall be available to any commercial or industrial consumer using natural gas principally for process steam generation, manufacturing purposes, or any other base-load application, and where the use of gas for space heating is only incidental. This rate is not available to consumers whose use of gas during the months of least consumption is less than fifty (50) percent of the use of gas during the month of greatest consumption. The Department reserves the right to place customers in the appropriate rate schedule based on usage history.

(2) *Rates:* The following rates shall be applicable for each customer class, effective February 1, 2018:

Residential Inside City

Monthly Meter Charge	\$ 12.050
Usage Charge (per 100 cf)	\$ 0.088
Commodity Charge (per 100 cf)	Based on actual cost of gas

Residential Outside City

Monthly Meter Charge	\$ 17.600
Usage Charge (per 100 cf)	\$ 0.110
Commodity Charge (per 100 cf)	Based on actual cost of gas

Commercial & Industrial Inside City

Monthly Meter Charge	\$ 37.410
Usage Charge (per 100 cf)	\$ 0.144
Commodity Charge (per 100 cf)	Based on actual cost of gas

Commercial & Industrial Outside City

Monthly Meter Charge	\$ 44.890
Usage Charge (per 100 cf)	\$ 0.173
Commodity Charge (per 100 cf)	Based on actual cost of gas

High Load Factor

Monthly Meter Charge	\$ 211.000
Usage Charge (per 100 cf)	\$ 0.048
Commodity Charge (per 100 cf)	Based on actual cost of gas

Firm Transportation

Monthly Meter Charge	\$ 497.26
Usage Charge (per 100 cf)	\$ 0.038
Demand Charge (per 100 cf/month)	\$ 0.170

Interruptible Transportation

Monthly Meter Charge	\$ 497.26
Usage Charge (per 100 cf)	\$ 0.038

WACOG

Monthly Meter Charge	\$ 497.26
Usage Charge (per 100 cf)	\$ 0.033
Commodity Charge (per 100 cf)	Based on actual cost of gas

- (3) *Minimum bill.* For all services rendered the minimum bill shall be equal to the monthly meter charge as applicable to each customer class per meter. The demand charge for firm transportation customers shall be as set forth in Section 13-317 (a).Section

Sec. 13-317. – Firm and Interruptible Transportation

(a) FIRM TRANSPORTATION

AVAILABILITY:

To be eligible for firm transportation service under this Section, customers must meet each of the following criteria:

- (1) The distribution mains owned and operated by the Department must be suitable for supplying the desired service;
- (2) The customer must take deliveries of all gas at a single meter delivery point;
- (3) The customer must use at least 100 Mcf per day or 3,000 Mcf per month of natural gas;
- (4) The customer must have executed a written notice of election to receive firm transportation service under this Ordinance for a minimum term of 12 months;  
~~The customer must not resell the gas, except that it may resell the gas to any retail consumers served by the customer at the time the Department initiates service and are located in Tennessee.~~  
~~The customer shall not transport the gas to others.~~
- (5) The customer must have executed a Natural Gas Firm Transportation Agreement substantially in the form approved by the Department for use by the Department in connection with the provision of firm transportation service to eligible customers; and
- (6) The customer must have paid the Department a fee of \$8,000.00 for the installation of telemetry equipment to be owned and installed by the Department at the customer's meter. Such fee shall be true-up based on actual cost incurred by the Department with any overpayment being reimbursed to the customer and any underpayment being due the Department.

RATES:

For each month of service provided during the term of the of the Natural Gas Firm Transportation Agreement the customer shall pay the rates set forth in that Agreement and under Section 13-316 (2), including charges for firm transportation, for authorized interruptible overrun service, for daily and monthly balancing and for certain charges imposed by third parties.

MINIMUM BILL:

For service rendered under this Section, the minimum monthly bill shall be the monthly demand charge as set forth in Section 13-316 (2) and shall be applied to the level of the customer's Maximum Daily Quantity, which quantity will be the same for each month for the term of the Natural Gas Firm Transportation Agreement and will be set forth in that Agreement.

CONTRACT PERIOD AND BILLING:

Contracts shall be for a minimum period of one year. A customer that has elected to receive service under this Section shall not be allowed to switch to service under a different Section or Rate Schedule without the Department's written permission during the contract period.

(b) INTERRUPTIBLE TRANSPORTATION

AVAILABILITY:

To be eligible for interruptible transportation service under this Section, a customer must meet each of the following criteria:

- (1) The distribution mains owned and operated by the Department must be suitable for supplying the desired service and must not displace firm load;
- (2) The customer must take deliveries of all gas at a single ~~meter delivery point~~;
- (3) The customer must maintain in a usable condition facilities for substitute fuels or otherwise make provision for the curtailment of gas service and must agree to use such substitute facilities or other provision for curtailment of gas service in order to curtail the use of gas up to 100% of the customer's requirements immediately upon oral notice from the Department, and after such curtailment to refrain from increasing the use of gas until permitted to do so by the Department;
- (4) The service is not available for residential load;
- (5) The customer must use at least 100 Mcf per day or 3,000 Mcf per month of natural gas at its plant when not curtailed by the Department
- (6) The customer must have executed a written notice of election to receive interruptible transportation service under this Ordinance for a minimum term of 12 months
- (7) The customer must have executed a Natural Gas Interruptible Transportation Agreement substantially in the form approved by the Department for use by the Department in



connection with the provision of interruptible transportation service to eligible industrial and commercial customers; and

(8) The customer must have paid the Department a fee of \$8,000.00 for the installation of telemetry equipment to be owned and installed by the Department at the customer's meter. Such fee shall be true-up based on actual cost incurred by the Department with any overpayment being reimbursed to the customer and any underpayment being due the Department.

MINIMUM BILL:

For service rendered under this Interruptible Transportation Rate Schedule, the minimum monthly bill shall be as set forth in Section 13-316 (2). However, in order to remain eligible for service under this Ordinance, the customer must maintain the minimum volume requirements for the availability of interruptible transportation service set forth in this Section during the term that the service is provided. If the customer fails to maintain such minimum volume requirements during the term of the interruptible transportation service, the Department may terminate the availability of service under this Ordinance.

CONTRACT PERIOD AND BILLING:

Contracts shall be for a minimum period of one year with monthly payment for service taken. A customer that has elected to receive service under this Section shall not be allowed to switch to service under a different Section or Rate Schedule without the Department's permission during the contract period.

PENALTY FOR UNAUTHORIZED USE:

In the event a customer uses gas in excess of the daily volume allowed by the Department during a curtailment period, the customer shall pay the amounts set forth in the Natural Gas Interruptible Transportation Agreement between the Department and the customer. Each such unauthorized use of gas, whether occurring in the same month or in different months of a contract year, shall be subject to a separate penalty.

DAILY TRANSPORTATION BALANCING CHARGES:

Customer shall pay a daily transportation balancing charge to the Department as set forth in the Natural Gas Interruptible Transportation Agreement between the Department and the customer for variances between the quantities that the customer has scheduled for transportation and the quantities that the customer uses at its plant each day. **Customer understands and acknowledges that any takes of Gas by Customer at its plant on any Day that are at variance with Customer scheduled quantities on TGP for that Day shall be accounted for by TGP as a variance amount under TGP's FERC Gas Tariff and Clarksville's Rate Schedule FT G service agreement with TGP and are subject to the daily load balancing provisions set forth in Section 8 of that Rate Schedule. As a result, any variance between the quantities of Gas redelivered to Customer as measured at the meter at Customer plant, plus Shrinkage, and the quantities of Gas scheduled by Customer on TGP for delivery to Clarksville, will be automatically injected into or withdrawn from Clarksville's contract storage under its FS MA firm storage agreement with TGP, as applicable for under takes or over takes, respectively. Accordingly, Clarksville shall charge and Customer shall pay the daily transportation balancing charges set forth in Section 4.2**

of the Agreement as compensation to Clarksville for performance of this daily balancing service. The Parties understand and recognize that Customer intends to schedule on TGP for delivery to Clarksville daily transportation quantities at the beginning of each month that are somewhat in excess, but not greater than ten percent (10%) in excess, of Customer projected average daily use of Gas at the plant, exclusive of Shrinkage. It is the Parties' intent that through this scheduling protocol, Customer shall not at any time take gas supplies owned by Clarksville through automatic withdrawals from Clarksville's FS MA storage or otherwise. In the event Customer on any Day takes Gas in excess of its scheduled quantities and it has not previously built up a balance of Gas in Clarksville's FS MA storage sufficient to serve such takes as required by Section 2.4(a) of the Agreement, Clarksville shall charge Customer a penalty of \$5.00 per Mcf in addition to any gas commodity cost, without limitation as to other rights and remedies that Clarksville may have under this Agreement. Likewise, if on any Day Clarksville takes Gas belonging to Customer, Customer shall charge Clarksville a penalty of \$5.00 per Mcf, without limitation as to other rights and remedies that Customer may have under this Agreement. In addition, Customer shall not schedule gas on TGP for delivery to Clarksville in excess of its requirements at the plant such that the cumulative total of gas injected into storage less Gas withdrawn from storage exceeds 5% of Customer average monthly requirements. In the event Customer does so, Clarksville shall charge Customer a penalty of \$.50 per Mcf of such excess gas injected into storage each day such excess remains in storage. Such charges shall be in addition to all other remedies that Clarksville has and actions Clarksville may take to bring Customer back into balance under this Agreement.

#### MONTHLY GAS BALANCING CHARGES:

Monthly balancing of quantities of gas owned by the customer and delivered to the Department and the quantities of gas used by the customer and charges associated with such balancing shall be as set forth in the Natural Gas Interruptible Transportation Agreement between the Department and the customer.

. The Customer understands and recognizes that while variances between Customer takes of Gas as measured at the meter at its plant, plus Shrinkage, and Customer scheduled quantities on TGP for delivery at Clarksville's city gate are to be balanced daily under the Agreement with respect to the swing transportation and storage service described in Section 2.4(a) of the Agreement, and that the resulting daily transportation balancing charges under Section 4.2 of the Agreement shall be assessed accordingly, balancing of the quantities of Gas consumed by Customer, plus Shrinkage, and the quantities of Gas scheduled for delivery on Clarksville's system by Customer shall be performed monthly, not daily. This monthly balancing of the applicable quantities of Gas shall be performed in accordance with the provisions of Section 4.3 of the Agreement.

The charges and other provisions set forth in Section 4.3 of the Agreement shall apply (i) if Customer in any Month has delivered more Gas to Clarksville at Clarksville's city gate than Customer has taken at the point of delivery exclusive of Shrinkage (a "positive imbalance") or

(ii) if Customer in any month has delivered less Gas to Clarksville's city gate than Customer has taken at the point of delivery, plus Shrinkage (a "negative imbalance"):

(a) Positive Imbalances. If Customer at the end of any Month has a positive imbalance of not greater than 5.0%, Clarksville shall have the option (i) to cash out the imbalance using TGP's cash out provisions in Rate Schedule LMS-MA, Sections 7(d)(vii)(A) and (B) of TGP's FERC Gas Tariff, as amended, (ii) to carry forward the imbalance amount to the next Month, or (iii) to deliver the positive imbalance amount to Customer at the point of delivery during the next succeeding month. If the positive imbalance amount at the end of any Month is greater than 5.0%, Clarksville shall have the right to elect (i) to deliver the positive imbalance amount to Customer during the next ensuing Month or (ii) to pay Customer a cash out amount equal to the "low price" using the imbalance tiers specified in TGP's FERC Gas Tariff, Rate Schedule LMS-MA, Sections 7(d)(vii)(A) and (D), as amended.

(b) Negative Imbalances. If Customer at the end of any Month has a negative imbalance of not greater than 5%, Clarksville shall have the option (i) to cash out the imbalance using TGP's cash out provisions in Rate Schedule LMS-MA, Sections 7(d)(vii)(A) and (B) of TGP's FERC Gas Tariff, as amended, (ii) to carry forward the imbalance amount to the next Month, or (iii) to require Customer to make up the imbalance in kind during the next ensuing Month. If the negative imbalance amount at the end of any Month is greater than 5%, Clarksville shall have the right to elect to require Customer (i) to make up the negative imbalance in kind during the next ensuing Month or (ii) to pay Clarksville an amount equal to the "high price" using the imbalance tiers specified in TGP's FERC Gas Tariff, Rate Schedule LMS-MA, Sections 7(d)(vii)(A) and (C), as amended.

(c) Notification. At least 10 days prior to the end of any Month, Clarksville shall notify Customer by telephone and by fax which imbalance settlement option it has elected for the following Month. Once a method has been selected, it will remain in place until further notice.

Sec. 13-318 is reserved

Sec. 13-319. - Weighted average cost of gas, interruptible service (WACOG).

(1) *Availability*. WACOG interruptible gas service rate shall be available for eligible commercial or industrial customers for all purposes where the department's distribution mains are suitable for supplying the desired service. The department shall establish guidelines to determine customers eligibility for this service.

The customer shall maintain, in a usable condition, facilities for substitute fuel or shall otherwise make provisions for the curtailment of gas service hereunder and shall agree to use such substitute facilities or curtailment provisions in order to curtail the use of gas up to one hundred (100) percent of the maximum requirements immediately upon verbal notice from the department and, after such curtailment, shall refrain from increasing the use of gas until permitted to do so by the department. It is understood and agreed that the department will have

the right to cut off gas service to the customer in the event the customer fails to curtail his use of gas in accordance with the department's verbal notice of curtailment.

(2) *Rate.* The rate shall be as described in Sec. 13-316 (2).

The department and the mayor shall have the authority, under circumstances where it is economically feasible and beneficial for the city to do so, to modify the specific terms of the WAGOC natural gas sales agreement entered into between the department and a specific industrial end use consumer under this section 13-319 as the department and the mayor deem necessary to induce such consumer to locate plant facilities in the city or the city service area, or to locate plant expansions that will increase the consumer's usage of natural gas at its facilities in the city or the city service area, rather than locating such plant facilities or plant expansions in other locations not serve by the department.

(3) *Minimum bill.* For services rendered under the WACOG rate, the minimum monthly bill shall be equal to the monthly meter charge for WACOG customers as listed in Sec. 13-316 (2).

(4) *Contract period and billing.* Contracts shall be for a period of one year with monthly payment of service taken. The customer shall not be allowed to switch from this contract rate during the period covered.

(5) *Penalty for unauthorized use.* In the event a customer uses gas in excess of the daily volumes allowed by the department during a curtailment period, the customer agrees to pay, in addition to the regular rate, an amount the department is penalized by the supplier and/or pipeline for the twelve-month period immediately following the month in which the breaching of the curtailment agreement occurred. Each unauthorized use of gas, whether occurring in the same month or in different months of a contract year, will be subject to a separate penalty.

*FIRST READING:*

December 7, 2017

*SECOND READING:*

*EFFECTIVE DATE:*

**Sections 13-215 through 13-219 CURRENT LANGUAGE:**

Sec. 13-315. - Authorization for pass through adjustment.

The chief financial officer/comptroller and the gas manager are hereby authorized to pass gas cost adjustments on to customers, whether increases or decreases, from the supplier of the city gas system to maintain the balanced efficiency of the gas department.

The mayor, public utilities committee members and other governmental officials shall be apprised of such increases or decreases, as the case may be, whenever they occur.

**PASS THROUGH ADJUSTMENT (PTA)**

Due to the volatility of the unregulated cost of gas at the wellhead, all city gas and water department residential, commercial and high load factor rate classes will be adjusted monthly, increased or decreased, by a value called the "Pass Through Adjustment" or PTA. The PTA adjustment is intended to assure that the city gas and water department adjusts for these volatile changes in the wellhead cost of gas.

The "base" cost of gas is the city gas and water department average annual city gate cost of gas. This includes the actual gas plus the interstate pipeline volumetric costs involved in transporting the gas from the source of supply to our city gate regulator station. This cost is established annually and will remain stable throughout our fiscal year (July 1 through June 30).

The "monthly" cost of gas is the city gas and water department actual city gate cost of gas compared to the base cost of gas. If the monthly cost of gas exceeds the base cost of gas, the amount will be an increase. If the monthly cost of gas is less than the base cost of gas, the amount will be a decrease.

The cost of gas at the wellhead, or source of supply, has been unregulated for years and is affected by free market factors such as supply, demand and competition.

The city gas and water department does not profit from the PTA adjustment. It adjusts for the city gas and water department monthly city gate gas costs only. It does not affect operation and maintenance, fixed demand costs, or other costs incurred by the utility.

The PTA will be calculated monthly on the last business day of each month to be applied to the first billing that follows.

Any balance over or under recovery of gas cost at the end of each month may be passed through the subsequent month PTA accordingly.

The "pass through adjustment" shall be effective on bills rendered on or after November 1, 2005.

(Ord. No. 17-2005-06, 10-6-05)

Editor's note— Ord. No. 17-2005-06, adopted October 6, 2005, amended § 13-315 in its entirety to read as herein set out. Formerly, § 13-315 pertained to utility committee authorized to pass on gas adjustments, and derived from the Code of 1963, § 28-66.

Sec. 13-316. - Residential gas service.

(1) Availability. Gas shall be available to any regular residential customer for residential uses where the department's distribution mains are suitable for supplying the desired service. A building shall be considered nonresidential which has more than four (4) apartments.

(2) Rates:

Residential Gas Service

a. Rate schedule No. 1—City rate: Gas rates in the city shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 3 or less	\$8.93 for 300 CF or less	3	\$ 8.93
Next 37	1.131763 per 100 CF	40	50.81
All over 40	1.064043 per 100 CF		

b. Rate schedule No. 1-A—Outside city rate: Gas rates outside the city shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 3 or less	\$9.53 for 300 CF or less	3	\$ 9.53
Next 37	1.297226 per 100 CF	40	57.53
All over 40	1.219605 per 100 CF		

General Commercial and Industrial Gas Service

c. Rate schedule No. 2—City rate: Gas rates in the city shall be:

	Billing months of June through October		
Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$13.40 for 500 CF or less	5	\$ 13.40
Next 195	1.294227 per 100 CF	200	265.77
Next 1,800	1.130491 per 100 CF	2,000	2,300.66
All over 2,000	1.088209 per 100 CF		

	Billing months of November through May		
Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$13.40 for 500 CF or less	5	\$ 13.40
Next 195	1.358941 per 100 CF	200	278.39
Next 1,800	1.187017 per 100 CF	2,000	2,415.02
All over 2,000	1.142620 per 100 CF		

d. Rate schedule No. 2-A—Outside city rate: Gas rates outside the city shall be:

	Billing months of June through October		
Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$14.70 for 500 CF or less	5	\$ 14.70
Next 195	1.454325 per 100 CF	200	298.29
Next 1,800	1.270335 per 100 CF	2,000	2,584.90

All over 2,000	1.222823 per 100 CF		
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	Billing months of November through May		
Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$14.70 for 500 CF or less	5	\$ 14.70
Next 195	1.527041 per 100 CF	200	312.47
Next 1,800	1.333851 per 100 CF	2,000	2,713.41
All over 2,000	1.283963 per 100 CF		

HLF (optional) for Large Commercial and Industrial Gas Consumers Having Year-Round Usage

e. Rate schedule No. 3—City rate: Gas rates in the city shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 104 or less	\$149.00 for 10,400 CF or less	104	\$ 149.00
Next 496	1.024596 per 100 CF	600	657.20
All over 600	0.974646 per 100 CF		

f. Rate schedule No. 3-A—Outside city rate: Gas rates outside the city shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 104 or less	\$165.88 for 10,400 CF or less	104	\$ 165.88
Next 496	1.142426 per 100 CF	600	732.52
All over 600	1.086727 per 100 CF		



In the event that gas cost adjustments are made pursuant to section 13-315, then the rates set out above shall be adjusted accordingly.

(3) Minimum bill. For services rendered under Rate Schedule No. 1, the minimum monthly bill shall be two dollars and fifty cents (\$2.50) net. For services rendered under Rate Schedule No. 1-A, the minimum monthly bill shall be two and dollars seventy-five cents (\$2.75) net.

(4) Payment terms. All bills for service are due upon presentation, and the above stated net rates shall be allowed if payment is made on or before the last day for payment as specified on the bill. Payments made after that date shall be for the gross amount, which will be greater by ten (10) percent than the net billing.

(1963 Code, § 28-67; Ord. No. 7-1997-98, 8-7-97; Ord. of 12-14-00; Ord. No. 82-2001-02, Exh. A, 5-2-02; Ord. of 9-27-05; Ord. No. 17-2005-06, 10-6-05)

Editor's note— Ord. of Dec. 14, 2000 was approved by the Gas and Water Committee.

Sec. 13-317. - General commercial and industrial gas service.

(1) Availability. Gas shall be available to any regular commercial or industrial customer where the department's distribution mains are suitable for supplying the desired service. Service will be supplied only through a single metering point. This schedule shall be available to individual apartment houses where service is supplied to more than one family unit through a single meter.

(2) Rates.

a. Rate Schedule No. 2—City rate: Gas rates in the City of Clarksville shall be:

Billing months of June through October

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$6.35 for 500 CF or less	5	\$ 6.35
Next 45	1.001278 per 100 CF	50	51.40
Next 150	0.847378 per 100 CF	200	178.51
Next 800	0.789666 per 100 CF	1,000	810.24
Next 2,000	0.770428 per 100 CF	23,000	2,351.10
Over 3,000	0.751191 per 100 CF		

Billing months of November through May

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$6.35 for 500 CF or less	5	\$ 6.35
Next 45	0.058991 per 100 CF	50	54.00
Next 150	0.895472 per 100 CF	200	188.32
Next 800	0.837759 per 100 CF	1,000	858.53
Next 2,000	0.799284 per 100 CF	23,000	2,457.10
Over 3,000	0.780047 per 100 CF		

b. Rate Schedule No. 2-A—Outside city rates: Gas rates outside the City of Clarksville shall be:

Billing months of June through October

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$6.95 for 500 CF or less	5	\$ 6.95
Next 45	1.125107 per 100 CF	50	57.58
Next 150	0.971207 per 100 CF	200	203.26
Next 800	0.913326 per 100 CF	1,000	933.92
Next 2,000	0.894257 per 100 CF	23,000	2,722.44
Over 3,000	0.875019 per 100 CF		

Billing months of November through May

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 5 or less	\$6.95 for 500 CF or less	5	\$ 6.95
Next 45	1.182819 per 100 CF	50	60.18
Next 150	1.019301 per 100 CF	200	213.07
Next 800	0.961588 per 100 CF	1,000	982.34
Next 2,000	0.923113 per 100 CF	23,000	2,828.57
Over 3,000	0.903876 per 100 CF		

In the event that gas cost adjustments are made pursuant to section 13-315, then the rates set out above shall be adjusted accordingly.

(3) Minimum bill. For services rendered under Rate Schedule No. 2, the minimum monthly bill shall be three dollars and seventy-five cents (\$3.75) net. For services rendered under Rate Schedule No. 2-A, the minimum monthly bill shall be four dollars and twelve cents (\$4.12) net.

(4) Payment terms. All bills for service are due upon presentation and the above-stated net rates shall be allowed if payment is made on or before the last day for payment as specified on the bill. Payment made after that date shall be for the gross amount, which will be greater by ten (10) percent than the net billing.

(1963 Code, § 28-68; Ord. No. 7-1997-98, 8-7-97; Ord. of 12-14-00; Ord. No. 17-2005-06, 10-6-05)

Editor's note— Ord. of Dec. 14, 2000 was approved by the Gas and Water Committee.

Sec. 13-318. - HLF (optional) for large commercial and industrial gas consumers having year-round usage.

(1) Availability. The HLF rate schedule shall be available to any commercial or industrial consumer using natural gas principally for process steam generation, manufacturing purposes, or any other base-load application, and where the use of gas for space heating is only incidental. This rate is not available to

consumers whose use of gas during the months of least consumption is less than fifty (50) percent of the use of gas during the month of greatest consumption.

(2) Rates.

a. Rate Schedule No. 3—City rates. Gas rates in the City of Clarksville shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 104 or less	\$75.94 for 10,400 CF or less	104	\$ 75.94
Next 296	0.804347 per 100 CF	400	314.02
Next 600	0.698541 per 100 CF	1,000	733.15
Next 1,000	0.679303 per 100 CF	2,000	1,412.45
Over 2,000	0.669684 per 100 CF		

b. Rate Schedule No. 3-A—Outside city rate. Gas rates outside the City of Clarksville shall be:

Usage (100 cubic feet per month)	Amount	Usage (In 100 CF)	Accumulated Amounts
First 104 or less	\$83.30 for 10,400 CF or less	104	\$ 83.30
Next 296	0.928176 per 100 CF	400	358.03
Next 600	0.821863 per 100 CF	1,000	851.15
Next 1,000	0.803132 per 100 CF	2,000	1,654.28
Over 2,000	0.793513 per 100 CF		

In the event that gas cost adjustments are made pursuant to section 13-315, then the rates set out above shall be adjusted accordingly.

(3) Minimum bill. For services rendered under Rate Schedule No. 3, the minimum monthly bill shall be forty-five dollars (\$45.00) net. For services rendered under Rate Schedule No. 3-A, the minimum monthly bill shall be forty-nine dollars and fifty cents (\$49.50) net.

(4) Payment terms. All bills for service are due upon presentation, and the above-stated net rates shall be allowed if payment is made on or before the last day for payment as specified on bill. Payments made after that date shall be for the gross amount which will be greater by ten (10) percent than net billing.

(1963 Code, § 28-69; Ord. No. 7-1997-98, 8-7-97; Ord. of 12-14-00; Ord. No. 17-2005-06, 10-6-05)

Editor's note— Ord. of Dec. 14, 2000 was approved by the Gas and Water Committee.

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Sec. 13-319. - Weighted average cost of gas, interruptible service (WACOG).

(1) Availability. WACOG interruptible gas service rate shall be available for eligible commercial or industrial customers for all purposes where the department's distribution mains are suitable for supplying the desired service. The department shall establish guidelines to determine customers eligibility for this service.

The customer shall maintain, in a usable condition, facilities for substitute fuel or shall otherwise make provisions for the curtailment of gas service hereunder and shall agree to use such substitute facilities or curtailment provisions in order to curtail the use of gas up to one hundred (100) percent of the maximum requirements immediately upon verbal notice from the department and, after such curtailment, shall refrain from increasing the use of gas until permitted to do so by the department. It is understood and agreed that the department will have the right to cut off gas service to the customer in the event the customer fails to curtail his use of gas in accordance with the department's verbal notice of curtailment.

(2) Rate. The rate shall be variable as computed by the department using the weighted average cost of gas (WACOG) plus forty-eight cents (\$0.48) per MCF (1,000 CF) for all gas consumed per month.

The department shall compute two (2) separate WACOG rates each month: (1) a market-based WACOG rate; and (2) a fixed-variable WACOG rate. For the market-based WACOG rate, the department shall compute the commodity costs of gas supply as the first of the month index price as published in Inside FERC's Gas Market Report for deliveries into Tennessee Gas Pipeline—Zone 1 per MMBtu, plus fuel, converted to Mcf. For the fixed-variable WACOG rate, the department shall compute the commodity cost of gas supply as equal to the department's per unit commodity cost of gas supply per MMBtu, including all purchases of fixed price gas, variable priced gas, and hedged gas prices, plus fuel.

Each industrial interruptible WACOG customer may make an annual election to take market-based WACOG pricing for the upcoming twelve (12) months by providing notice in writing to the department by no later than August 15th, with such election to be effective on September 1st. If a WACOG customer

does not make such an election, it shall receive fixed-variable WACOG pricing for the next twelve-month period.

Except as provided herein for the computation of the commodity cost of gas supply, the computation of the market-based WACOG rate and the fixed-variable WACOG rate shall be identical. The upstream pipeline transportation and storage costs component of the WACOG rate shall be as computed by the department so as to reflect an allocation of such costs determined by the department to be appropriate under all of the circumstances presented but no less than the unit cost of interruptible transportation service on the Tennessee Gas Pipeline Company System.

The department, the mayor, and the gas, water and sewer committee (the utilities committee) of the city council shall have the authority, under circumstances where it is economically feasible and beneficial for the city to do so, to modify the specific terms of the natural gas sales agreement entered into between the department and a specific industrial end use consumer under this section 13-219 as the department, the mayor, and the utilities committee of the city council deem necessary to induce such consumer to locate plant facilities in the city or the city service area, or to locate plant expansions that will increase the consumer's usage of natural gas at its facilities in the city or the city service area, rather than locating such plant facilities or plant expansions in other locations not serve by the department.

(3) Minimum bill. For services rendered under this WACOG rate, the minimum monthly bill shall be one hundred dollars (\$100.00) net with a minimum annual net billing of fifteen thousand dollars (\$15,000.00).

(4) Payment terms. All bills for services are due upon presentation and the above-stated net rates shall be allowed if payment is made on or before the last day for payment as specified on the bill. Payments made after that day shall be for the gross amount, which will be greater by ten (10) percent than the net billing.

(5) Contract period and billing. Contracts shall be for a period of one year with monthly payment of service taken. The customer shall not be allowed to switch from this contract rate during the period covered.

(6) Penalty for unauthorized use. In the event a customer uses gas in excess of the daily volumes allowed by the department during a curtailment period, the customer agrees to pay, in addition to the regular rate, an amount the department is penalized by the supplier and/or pipeline for the twelve-month period immediately following the month in which the breaching of the curtailment agreement occurred. Each unauthorized use of gas, whether occurring in the same month or in different months of a contract year, will be subject to a separate penalty.

(1963 Code, § 28-70, Ord. No. 61-1989-90, 9-6-90; Ord. No. 7-1997-98, 8-7-97; Ord. No. 67-1998-99, 7-1-99; Ord. No. 65-1999-00, 4-6-00)

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b>	
Name:	City of Clarksville, Tennessee
Address	One Public Square
	Clarksville, Tennessee 37040
Debt Issue Name:	Water, Sewer & Gas Revenue Refunding Bonds, Series 2017
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

<b>2. Face Amount:</b>	\$ 51,350,000.00
Premium/Discount:	\$ 9,399,857.75

<b>3. Interest Cost:</b>	2.5515 %	<input checked="" type="checkbox"/> Tax-exempt	<input type="checkbox"/> Taxable
<input checked="" type="checkbox"/> TIC	<input type="checkbox"/> NIC		
<input type="checkbox"/> Variable:	Index _____ plus _____ basis points; or		
<input type="checkbox"/> Variable: Remarketing Agent	_____		
<input type="checkbox"/> Other:	_____		

<b>4. Debt Obligation:</b>		
<input type="checkbox"/> TRAN	<input type="checkbox"/> RAN	<input type="checkbox"/> CON
<input type="checkbox"/> BAN	<input type="checkbox"/> CRAN	<input type="checkbox"/> GAN
<input checked="" type="checkbox"/> Bond	<input type="checkbox"/> Loan Agreement	<input type="checkbox"/> Capital Lease
If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").		

<b>5. Ratings:</b>		
<input type="checkbox"/> Unrated		
Moody's	Aa2	Standard & Poor's _____ Fitch AA

<b>6. Purpose:</b>	<b>BRIEF DESCRIPTION</b>
<input type="checkbox"/> General Government _____ %	_____
<input type="checkbox"/> Education _____ %	_____
<input type="checkbox"/> Utilities _____ %	_____
<input type="checkbox"/> Other _____ %	_____
<input checked="" type="checkbox"/> Refunding/Renewal 100.00 %	2011 Bonds and 2013 Bonds

<b>7. Security:</b>	
<input type="checkbox"/> General Obligation	<input type="checkbox"/> General Obligation + Revenue/Tax
<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Tax Increment Financing (TIF)
<input type="checkbox"/> Annual Appropriation (Capital Lease Only)	<input type="checkbox"/> Other (Describe): _____

<b>8. Type of Sale:</b>	
<input type="checkbox"/> Competitive Public Sale	<input type="checkbox"/> Interfund Loan _____
<input checked="" type="checkbox"/> Negotiated Sale	<input type="checkbox"/> Loan Program _____
<input type="checkbox"/> Informal Bid	

<b>9. Date:</b>	
Dated Date: 12/21/2017	Issue/Closing Date: 12/21/2017

### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2022	\$3,090,000.00	5.0000 %	2035	\$2,380,000.00	4.0000 %
2023	\$7,245,000.00	5.0000 %	2036	\$2,475,000.00	4.0000 %
2024	\$8,980,000.00	5.0000 %	2037	\$2,575,000.00	4.0000 %
2025	\$9,345,000.00	5.0000 %	2038	\$2,670,000.00	4.0000 %
2026	\$1,575,000.00	5.0000 %		\$	%
2027	\$1,655,000.00	5.0000 %		\$	%
2028	\$1,735,000.00	5.0000 %		\$	%
2029	\$1,820,000.00	5.0000 %		\$	%
2032	\$1,375,000.00	5.0000 %		\$	%
2033	\$2,160,000.00	5.0000 %		\$	%
2034	\$2,270,000.00	5.0000 %		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

☐ No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 101,500	PFM Financial Advisors (includes escrow bidding fee)
Legal Fees	\$ 0	
Bond Counsel	\$ 55,000	Bass, Berry & Sims PLC
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 800	U.S. Bank (includes escrow fee)
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 63,000	Moody's; Fitch
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount <u>0.35</u> %		
Take Down	\$ 133,765	Morgan Stanley
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 40,000	
Other expenses	\$ 9,077	
Printing and Advertising Fees	\$ 3,690	ImageMaster
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 9,650	Verification (Robert Thomas), DAC, Escrow Bid Agnt, Misc.
<b>TOTAL COSTS</b>	<b>\$ 416,482</b>	



### REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

**12. Recurring Costs:**☐ No Recurring Costs

Remarketing Agent  
 Paying Agent / Registrar  
 Trustee  
 Liquidity / Credit Enhancement  
 Escrow Agent  
 Sponsorship / Program / Admin  
 Other \_\_\_\_\_

**AMOUNT**  
(Basis points/\$)

**FIRM NAME**  
(If different from #11)

400

U.S. Bank

400

U.S. Bank

**13. Disclosure Document / Official Statement:**☐ None Prepared☒ EMMA link<https://emma.msrb.org/ER1111689-ER869505-ER1270254.pdf> or☐ Copy attached**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?

☒ Yes☐ No

Is there a continuing disclosure obligation agreement related to this debt?

☒ Yes☐ NoIf yes to either question, date that disclosure is due June 30Name and title of person responsible for compliance Laurie Matta, Chief Financial Officer**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy

02/02/2012

Is the debt obligation in compliance with and clearly authorized under the policy?

☒ Yes☐ No**16. Written Derivative Management Policy:**☒ No derivative

Governing Body's approval date of the current version of the written derivative management policy \_\_\_\_\_

Date of Letter of Compliance for derivative \_\_\_\_\_

Is the derivative in compliance with and clearly authorized under the policy?

☐ Yes☐ No**17. Submission of Report:**

To the Governing Body:

on 01/04/2018and presented at public meeting held on 01/04/2018

Copy to Director to OSF:

on 12/21/2017

either by:

☐ Mail to:

OR

☒ Email to:

505 Deaderick Street, Suite 1600  
 James K. Polk State Office Building  
 Nashville, TN 37243-1402

[StateAndLocalFinance.PublicDebtForm@cot.tn.gov](mailto:StateAndLocalFinance.PublicDebtForm@cot.tn.gov)**18. Signatures:**

AUTHORIZED REPRESENTATIVE

PREPARER

Name Kim McMillanJeffrey A. OldhamTitle MayorMember

Firm

Bass, Berry & Sims PLCEmail kim.mcmillan@cityofclarksville.comjoldham@bassberry.comDate 12/21/201712/21/2017

**CITY OF CLARKSVILLE, TN**  
**\$51,350,000 Water, Sewer and Gas Revenue Refunding Bonds, Series 2017**  
**Dated: December 21, 2017**

THIS ISSUE			TOTAL DEBT OUTSTANDING		
Year	Cumulative Principal	% Total	Year	Cumulative Principal	% Total
1	\$ -	0.00%	1	\$ 12,247,620.00	5.49%
5	\$ 3,090,000.00	6.02%	5	\$ 61,900,166.00	27.76%
10	\$ 31,890,000.00	62.10%	10	\$ 129,926,706.00	58.27%
15	\$ 41,250,000.00	80.33%	15	\$ 179,986,422.00	80.73%
20	\$ 51,350,000.00	100.00%	20	\$ 206,556,422.00	92.64%
25	\$ 51,350,000.00	0.00%	20	\$ 222,956,422.00	100.00%