



JASON E. MUMPOWER  
*Comptroller*

April 15, 2021

Honorable Mike Stanfield, Mayor  
and Honorable City Council  
City of LaFollette  
207 South Tennessee Avenue  
LaFollette, TN 37766

Dear Mayor Stanfield and Members of the Council:

Thank you for your recent correspondence. We acknowledge receipt on April 13, 2021, of a request from the City of LaFollette (the "City") for a report on a plan of refunding (the "Plan") for the City's proposed issuance of a maximum of \$975,000 General Obligation Capital Outlay Refunding Notes, Series 2021.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, enclosed is a report based upon our review of the City's Plan. The Plan, this letter, and the enclosed report should be made available on the City's website and must be presented to each member of the Board for review prior to the adoption of an authorizing resolution for the refunding notes.

If you should have questions or need assistance, please feel free to contact your financial analyst, Lori Barnard, at 615.747.5347 or [Lori.Barnard@cot.tn.gov](mailto:Lori.Barnard@cot.tn.gov).

Very truly yours,

A handwritten signature in cursive script, appearing to read "Betsy Knotts".

Betsy Knotts  
Director of the Division of Local Government Finance

cc: Ms. Jean Suh, Manager, Division of Local Government Audit, COT  
Mr. Terry Sweat, Finance Director, City of LaFollette  
Mr. Scott Gibson, Cumberland Securities Company, Inc.  
Mr. Mark Mamantov, Bass, Berry & Sims

Enclosure: Report of the Director of the Division of Local Government Finance

BK:lb



**Report on General Obligation Capital Outlay Refunding Notes, Series 2021  
The City of LaFollette, Tennessee**

This report is being issued pursuant to T.C.A. § 9-21-903 and is based upon information as presented in a plan of refunding (the "Plan") received by our office on April 13, 2021, from the City of LaFollette, Tennessee (the "City"). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs and benefits, prior to approving the issuance of the refunding notes and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary. This report and the City's Plan must be presented to the governing body prior to the adoption of a resolution authorizing the refunding notes.

**Private Negotiated Sale Approval**

Pursuant to T.C.A. § 9-21-910, the City's request to sell the Series 2021 Refunding Notes by negotiated sale is approved. This approval is conditioned upon the requirement that the notes are sold with the same, or accelerated, principal repayment schedule as presented in the City's Plan.

**COSTS:**

Estimated costs of issuance are summarized below and based upon the principal amount of \$973,000 of the Series 2021 Refunding Notes:

	Amount	Price per \$1,000 Note
Financial Advisor (Cumberland Securities)	\$ 3,640	\$ 3.74
Bond Counsel (Bass, Berry & Sims)	3,500	3.60
Underwriter's Counsel	3,000	3.08
Total Cost of Issuance	\$ 10,140	\$ 10.42

**BENEFITS:**

The City's stated objective for the refunding is to achieve savings. The anticipated net present value savings are \$30,868, achieved by reducing the average interest rate on the debt.

**Effective Date for this Report**

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City's governing body to review prior to adopting a new authorizing resolution for the refunding notes.

### After Issuance

Our website contains specific compliance requirements your local government will be responsible for once the notes are issued: <http://tncot.cc/debt>. These requirements are not all inclusive and you should work with your financial advisor and bond counsel to ensure compliance with legal and regulatory requirements related to the proposed refunding.



Betsy Knotts  
Director of the Division of Local Government Finance  
Date: April 15, 2021