



MEMPHIS CITY COUNCIL

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Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution to appropriate \$4,000,000.00 of G.O. Bond allocations in the FY 2021 Capital Improvement Program Budget for the Fairgrounds Redevelopment Phase II.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

The Division of Housing and Community Development

3. State whether this is a change to an existing ordinance or resolution, if applicable.

Not applicable.

4. State whether this will impact specific council districts or super districts.

District 4, Super District 8

5. State whether this requires a new contract, or amends an existing contract, if applicable.

New contracts and contract amendments will be required.

6. State whether this requires an expenditure of funds/requires a budget amendment.

Expenditure of funds will be required.

7. If applicable, please list the MWBE goal and any additional information needed.

The redevelopment of the Fairgrounds involve multiple contracts for professional services and one construction contract. The MWBE goals are set for each contract individually. The 3 primary contracts are: Construction-Turner Construction (Goal 38% MBE and 5% WBE); Architecture-BRG3S Architects (Goal 17% MWBE combined; BRG3S is a certified WBE so th pledge is 100% MWBE (BRG3S has also pledged 29% participation by certified MBEW firm, Innovative Engineering Services)); and Program Management-Fairgrounds Partners, JV (a joint venture between Vieste, LLC and Allworld Project Management that has been determined by OBDC to have a 48% MBE value).



City Council Item Routing Sheet

Division Housing & Community Development Committee HCD Hearing Date 9/15/2020

District 4 Super District 8

- Ordinance Resolution Grant Acceptance
 Budget Amendment Commendation Other:

Item Description:
 Resolution to appropriate \$4,000,000.00 of G.O. Bond allocations in the FY 2021 Capital Improvement Program Budget for the Fairgrounds Redevelopment Phase II.

Recommended Council Action:

Status of MWBE planned expenditures funding, if applicable:
 The redevelopment of the Fairgrounds involve multiple contracts for professional services and one construction contract. The MWBE goals are set for each contract individually. The 3 primary contracts are: Construction-Turner Construction (Goal 38% MBE and 5% WBE); Architecture-BRG3S Architects (Goal 17% MWBE combined; BRG3S is a certified WBE so th pledge is 100% MWBE (BRG3S has also pledged 29% participation by certified MBEW firm, Innovative Engineering Services)); and Program Management-Fairgrounds Partners, JV (a joint venture between Vieste, LLC and Allworld Project Management that has been determined by OBDC to have a 48% MBE value).

Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken:
 No previous actions have been taken by any other entity.

Does this item require city expenditure?	Source and Amount of Funds
\$ - Amount	\$ - Operating Budget
\$ - Revenue to be received	\$ - CIP Project # _____
	\$ - Federal/State/Other

Approvals

Director *Paul A. Young* Date 1-21-21
 Budget Manager _____ Date _____
 Chief Financial Officer _____ Date _____
 Deputy Financial Officer _____ Date _____
 Chief Legal Officer _____ Date _____

Chief Administrative Officer
 _____ Date _____
Council Committee Chair
 _____ Date _____



Resolution to appropriate \$4,000,000.00 of G.O. Bond allocations in the FY 2021 Capital Improvement Program Budget for the Fairgrounds Redevelopment Phase II.

WHEREAS, the City of Memphis is engaged in the second phase of the redevelopment effort of the area formerly known as the Fairgrounds, which has been renamed as Liberty Park, and this phase is centered around the creation of the 230,000-square-foot Memphis Sports and Events Center, along with a mixed-use private development of supportive hospitality, entertainment, and retail (the “Redevelopment”); and

WHEREAS, the Memphis City Council included an allocation of **\$4,000,000.00** for the Fairgrounds Redevelopment Phase II, project number CD02016, as part of the FY2021 Capital Improvement Program Budget; and

WHEREAS, it is now necessary to appropriate said funds to be used for the Redevelopment’s ongoing pre-development work (architecture and engineering design, pre-construction services, and program management) and for the construction of infrastructure improvements to the Liberty Park campus, including but not limited to, improvements to the public rights-of-way within and on the perimeter of the campus, improved landscaping, mass grading, and utility improvements (the “Campus Infrastructure Improvements”), which will support the development of the new Sports and Events Complex;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2021 Capital Improvement Budget allocation of **\$4,000,000.00** for the Fairgrounds Redevelopment Phase II, project number CD02016, is hereby appropriated.

Project: Fairgrounds Redevelopment Phase II

Project #: CD02016

Contract Construction: \$2,800,000.00

A&E: \$1,200,000.00

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners at their meeting held January 20, 2021, approved the revisions to the Memphis Light, Gas and Water Division Debt Management Policy.

WHEREAS, this policy which provides written guidelines for the issuance, management, continuing evaluation of and reporting of bonds and other forms of indebtedness by the City of Memphis for the use and benefit of MLGW has been modified to include balloon indebtedness language and updates to the list of continuing disclosure events.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that the revised Memphis Light, Gas and Water Division Debt Management Policy is hereby approved.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
January 20, 2021

The Secretary-Treasurer submitted for approval of the Board revisions to the Memphis Light, Gas and Water Division Debt Management Policy, attached hereto.

This Policy which provides written guidelines for the issuance, management, continuing evaluation of and reporting of bonds and other forms of indebtedness by the City of Memphis for the use and benefit of MLGW has been modified to include balloon indebtedness language and updates to the list of continuing disclosure events.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, subject to the consent and approval of the Council of the City of Memphis, the revised Memphis Light, Gas and Water Division Debt Management Policy attached hereto is hereby approved.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular - special meeting held on 20th day of January, 2021, at which a quorum was present.


Secretary - Treasurer

MEMPHIS LIGHT, GAS AND WATER DIVISION



DEBT MANAGEMENT POLICY

Adopted: April 12, 2012

Revised: ~~December 19~~ _____, ~~2013~~2021



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Introduction

Memphis Light, Gas and Water (“MLGW”) has developed this Debt Management Policy (this “Policy”) to provide written guidelines for the issuance, management, continuing evaluation of and reporting of bonds and other forms of indebtedness by the City of Memphis (the “City”) for the use and benefit of MLGW. The Policy is to be administered in conjunction with, and with reference to provisions of the City’s Charter, Ordinances and Resolutions and State and Federal laws pertaining to the issuance and sale of bonds, notes and other indebtedness.

MLGW recognizes that changes in the capital markets as well as other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and will require modifications or exceptions to achieve policy goals. The Policy is not intended to eliminate the flexibility needed to meet changing market conditions. To the extent that any of the details contained herein conflict with the terms and conditions of existing MLGW contracts, documents and/or agreements as of the effective date of this Policy, such contracts, documents and/or agreements will control.

Policy Statement

It is MLGW’s policy to:

- Promote transparency in its financing transactions;
- Achieve the lowest cost of capital consistent with other policy objectives including taking into account risk tolerance;
- Ensure high credit quality;
- Assure access to the capital credit markets;
- Preserve financial flexibility;
- Manage interest rate risk exposure; and
- Provide the opportunity for local, minority and women owned investment banking, legal firms, and financial firms to participate in the issuance of MLGW’s debt.

Scope and Authority

The Charter of the City of Memphis, Tennessee, as amended by Chapter 381 of the 1939 Tennessee Private Acts, placed control of municipal utility systems then owned and later acquired by the City for the manufacture, production, distribution or sale of electricity, natural and artificial gas or water under the jurisdiction, control and management of MLGW. The City’s Charter authorizes the City’s governing body to incur indebtedness and issue and sell bonds or notes on behalf of MLGW, to such extent and in such manner authorized by statutes of the State. Title 7, Chapter 34 of Tennessee Code Annotated (the “Revenue Bond Law”) establishes the purposes, terms, covenants and conditions of bonds, anticipation notes and other indebtedness that may be issued by the governing body of the City to finance the construction, acquisition, reconstruction, improvement, betterment or extension of its light, gas or water systems or to finance electrical power or gas purchases on a current or long-term purchase basis. The Revenue Bond Law also authorizes the use of revenues derived from its light, gas or water systems for payment of debt service on debt issued thereunder. Other statutes, like Title 9, Chapter 21 of Tennessee Code Annotated may also apply to the issuance and/or refunding of debt for light, gas and water systems. Within this Policy, the term “MLGW” will be used to include all participants in the local approval process for debt



issuance, namely the President (CEO), Chief Financial Officer (CFO) and the MLGW Board.

The Policy shall be reviewed and updated annually. The CFO, with the assistance of MLGW Finance Division staff, shall have the day-to-day responsibility and authority for structuring, implementing, and managing MLGW's debt and finance program.

This Policy does not address price risk management guidelines for the purchase of commodities associated with the operation of MLGW systems, which is a separate policy approved by the Board on December 18, 2008, and subsequently approved by Memphis City Council on January 27, 2009. Copies of the price risk management policy may be secured by contacting the CFO.

Objectives

This Policy should be utilized as a tool to ensure that adequate financial resources are available to support MLGW's fiscal needs and long-term planning objectives. Specifically, the provisions in this document are intended to assist MLGW in the following:

- To guide MLGW in policy and debt issuance decisions;
- To finance capital projects, prepayments, capital leases and other approved debt instruments in a timely and cost-effective manner;
- To ensure compliance with debt issuance authority;
- To achieve and maintain the highest practicable credit ratings;
- To minimize the cost of debt;
- To devise debt service structures that are equal to or less than the estimated useful life of the asset requiring the funding;
- To retain maximum financial flexibility;
- To document responsibility for the oversight and management of debt related transactions;
- To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
- To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Board's debt issuance authority;
- To define the types and appropriate use of debt approved for use within the constraints established by State and Federal law;
- To provide guidance for evaluating refunding candidates or alternative debt schedules;
- To enhance risk management practices;
- To increase transparency, reduce conflicts, and promote cooperation in the debt management process; and
- To maintain the best interest of the ratepayers as a whole.

Transparency

MLGW shall comply with the notice and record keeping requirements of the Tennessee Open Meetings Act, especially with respect to meetings of the Board and the City Council where MLGW debt issuance will be considered. MLGW will cause to be prepared and filed with the Office of State and Local Finance a statement of costs related to the issuance and other information set forth in Section 9-21-151, Tennessee Code Annotated. A duplicate original of this statement shall be presented by the CFO to the Board at its next meeting after the issuance and retained in the official

records of the Board for inspection and copying at the offices of MLGW by any Tennessee citizen upon request in accordance with the Tennessee Public Records Act.

Tax Status

Tax-Exempt - MLGW will usually issue federally tax-exempt debt. Interest on the majority of bonds issued is excluded from the gross income of its owners for federal income purposes. MLGW, along with Bond Counsel, will evaluate all projects to be funded to determine their tax- exempt status. MLGW will make every effort to comply with all State and Federal laws necessary to make interest on bonds exempt from federal income taxation.

Taxable - Certain municipal bonds are taxable because they are issued for purposes that the federal government deems not to provide a significant benefit to the public at large. In certain instances, taxable bonds may also be issued with a subsidy from the federal government for purposes that would otherwise be financed with tax-exempt bonds. MLGW will confer with Bond Counsel to ensure that the debt is given the appropriate tax status.

Role of Debt

Long-term debt may be used for capital purchases or construction identified through the 5-year capital improvement plan, or the applicable Master Plan. Long-term debt may also be utilized for electric and gas prepayment opportunities or other energy cost reduction plans as approved by the Board and City Council. Lease financing may be used where, based on the useful life of the capital equipment, and the terms and conditions of the lease, such financing would prove more economically beneficial to MLGW than traditional debt financing of the capital equipment.

MLGW will strive to minimize the use of debt to finance short-term working capital needs by maintaining adequate working capital and close budget management. However, MLGW may utilize short-term borrowings for specific electric power purchases or gas purchase, storage and delivery applications due to the seasonality of revenue collections for electricity and gas.

Debt Structure

MLGW shall establish the terms and conditions relating to the issuance of all debt and the investment of all debt and bond proceeds pursuant to the terms of MLGW's Investment Policy, and Federal and State law, regulations and guidance. Unless otherwise authorized by MLGW, the CFO may consider the following factors in determining the structure of any proposed debt issuance:

- **Term** - Taking into consideration the limitations of IRS Regulations § 1.148-10(a)(4), the weighted average maturity of the underlying debt issued to finance or refinance capital projects should not exceed 110% of the average reasonably expected useful life of the financed capital projects determined as provided under the Internal Revenue Code. Debt issued to finance working capital expenditures shall not remain outstanding longer than twenty-four months. An exception would be made when following IRS regulations regarding prepayment bonds.
- **Capitalized Interest** - From time to time, certain financings may require the use of capitalized interest from the issuance date until MLGW has beneficial use and/or



occupancy of the financed project. Interest may be financed (capitalized) through a period permitted by Federal law and State statute if it is determined that doing so is beneficial to the financing.

- **Call Provisions** - In general, MLGW's securities may include a call feature approximately ten (10) years or less from the date of delivery of the bonds. All call provisions should be evaluated with reference to prevailing market conditions and MLGW's objectives.
- **Original Issuance Discount/Premium** - Bonds with original issuance discount/premium may be utilized.
- **Deep Discount Bonds** - Deep discount bonds may be utilized to provide a lower cost of borrowing in certain capital markets.

Types of Products

Current Interest Bonds - Current interest bonds are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Current interest bonds may be structured to meet the objectives of MLGW by reducing the cost of borrowing. They can also be structured to provide a premium or discount.

Zero Coupon Bonds - Zero Coupon Bonds are debt securities that do not pay interest (a coupon) but are traded at a deep discount, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity. Such bonds shall only be recommended in limited situations which meet the objectives of MLGW.

Variable Rate Bonds - Variable Rate Bonds are securities which bear a variable interest rate through the term thereof. Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution. MLGW will limit its exposure to long-term variable rate debt (excluding variable rate debt which has been swapped to a fixed rate and debt matched to assets) to 25% of the total principal amount of its outstanding long-term debt. Upon issuance of variable rate debt, MLGW will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. The CFO shall be responsible for monitoring such factors as he deems advisable relative to any variable rate debt. Such factors might include the performance of the remarketing agent, if any, the name and ratings of any letter-of-credit banks or liquidity facility providers, the expiration date of any letter-of-credit or liquidity facility, and the amount of any on-going fees associated with the variable rate debt.

Derivative Products - Derivative products will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where it will reduce total financing cost. If the product requires any contracts with third parties, such as letters of credit or swap agreements, MLGW will enter into contracts with financial institutions that have credit ratings equal to or higher than the credit of the underlying debt or into contracts that require the posting of collateral if financial institutions have credit ratings that are less than the credit of the underlying debt. MLGW generally requires transfers, guarantees or



collateralization in the event of credit downgrades below minimum thresholds. Derivative products will only be utilized after approval of a derivatives policy.

Security Structure

Revenue Bonds - MLGW may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenue. However, revenue bonds may also be used for specific electric and gas prepay opportunities and hedging wherein MLGW may reduce power and gas costs. Bonds may be either fixed rate bonds – long-term securities with serial and term maturities whereby interest rates are determined when the bonds are sold and are fixed to maturity or variable rate bonds – long-term securities that bear interest at variable rates adjusted at agreed-upon intervals, such as daily, weekly, or monthly.

Refunding Bonds - Refunding bonds are issued to retire all or a portion of an outstanding bond issue. Most typically this is done to refinance at a lower interest rate to reduce debt service. Alternatively, some refundings are executed for reasons other than to achieve cost savings, such as to restructure the repayment schedule of the debt, to change the type of debt instruments being used, or to retire an indenture in order to remove undesirable covenants. In any event, a present value analysis must be prepared by the CFO that identifies the economic effects of any refunding being proposed. However, the target savings amounts listed below are not applicable for refunding transactions that are not solely undertaken to achieve cost savings. In determining whether a refunding is advisable, MLGW shall take into account, among other factors, the level of savings, the call date and final maturity date of the refunded bonds, and projected interest rates relative to historical interest rate levels. The CFO shall have the responsibility to periodically analyze outstanding bond issues to determine whether bonds can be refunded for debt service savings or for reasons other than to achieve cost savings.

The target savings amount shall be measured using the savings as a percentage of par method. The target savings from any particular refunding candidate should generally be greater than 1% of the refunded par amount net of all transaction expenses. The CFO shall have discretion in making the final determination to include individual refunding candidates that are slightly below the target in order to optimize MLGW policy and/or financial objectives. In the event that an interest rate swap or other derivative product is to be used as part of a refunding, the target savings shall be increased to account for any additional ongoing administrative costs, financial risk beyond that of a traditional fixed rate refunding, and loss of future financial flexibility. The target savings for the percentage of par method shall also be a minimum of 1%. A plan for refunding debt issues must be submitted to the Tennessee Comptroller's Office prior to issuance.

Capital Leases - Where lease financing would prove more economically beneficial, MLGW should consider capital leases. The useful life of the asset, the terms and conditions of the lease, and the direct impact on debt capacity and budget flexibility will be evaluated prior to the execution of a lease agreement. Capital or equipment leases may be entered into; however, details of capital or equipment lease agreements must be forwarded to the Comptroller's Office on a specified form within 45 days after authorization by the Board and/or City Council as required.





Duration

Long-Term Debt (maturing after 3 years) - MLGW may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the average reasonably expected useful life of the financed capital project(s):

- **Serial and Term Bonds** may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.
- **Capital Outlay Notes** may be issued to finance capital infrastructure projects with an expected life of three to seven years.

Short-Term Debt (maturing within three years) - Where their use is judged to be prudent and advantageous to MLGW, MLGW has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide MLGW with access to credit under terms and conditions as specified in such agreements. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the President or the CFO as designated by the President. Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenue- shortfalls (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

- **Bond Anticipation Notes (BANs)**, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than twenty-four (24) months from the date of issuance. The maturity of BANs can be extended or renewed in accordance with federal law and State statutes. In any event, BANs shall mature within 6 months after substantial completion of the financed facility.
- **Revenue Anticipation Notes (RANs)** shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to IRS and State law requirements and limitations. RANs shall not mature more than thirty-six (36) months from the date of issuance.
- **Revenue Anticipation Notes—Power Purchases (Power RANs)** may be used to borrow money in anticipation of the collection of revenues from the electric or gas systems for the purpose of financing electrical power or gas purchases, including storage and pipeline capacity costs for any twelve (12) month period. The term of any Power RANs shall be concurrent with the twelve (12) month period for which the financed power was purchased.
- **Lines of Credit** shall be considered as an alternative to other short-term borrowing options, but shall otherwise comply with the rules governing BANs.
- **Interdivisional Loans** shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such interdivisional loans shall only be issued in compliance with state statutes and limitations, MLGW's charter, bond resolutions, and terms and conditions of other contracts and agreements.



- **Other Short-Term Debt** - including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to the issuance of debt in a fixed rate mode. MLGW will determine and utilize the least costly method for short-term borrowing. MLGW may issue short-term debt when there is a defined repayment source or amortization of principal. MLGW may choose to issue commercial paper as a source of interim construction financing for projects contained in MLGW's capital plan only after the CFO, in consultation with the Municipal Advisor, determines that such financing represents the least cost interim financing option for MLGW.

All debt listed above is required to be approved by the State of Tennessee Comptroller's Office, the MLGW Board and the Memphis City Council prior to issuance.

Balloon Indebtedness

MLGW may issue bonds that may be classified as "balloon indebtedness" as defined by Public Chapter 766, Acts 2014. Balloon indebtedness ("balloon debt") is a financing in which a large percentage of the total principal of the issue matures in one or several years, usually in the later years of the financing, as opposed to the principal payments being spread more evenly over the life of the issue, or where the bondholders may have the right to require the City and MLGW to purchase the debt prior to maturity (i.e., a put/tender right). Such a balloon debt structure can result in a significant increase in the annual debt service on such an issue during the years that the larger principal amounts are payable or where a put/tender right is exercised.

MLGW recognizes that balloon indebtedness generally is not in the public interest and, in the absence of the reasons described below, MLGW does not support the issuance of balloon debt for the following reasons:

- It can reduce MLGW's future capacity to issue debt;
- It can reduce MLGW's financial flexibility to meet its future needs; and
- It is likely to be viewed negatively by the rating agencies and investors.

Nevertheless, balloon indebtedness can be beneficial to MLGW in certain circumstances, particularly when reviewed in the overall context of all of MLGW's outstanding debt. The following examples provides a situations in which MLGW may consider the issuance of debt structured in a manner that would be classified as "balloon indebtedness" under Tennessee law. It should be noted that these examples specifically does not include a goal of simply delaying the repayment of principal on an issue for an extended period of time. Balloon debt may be considered, but is not limited to, the following:

- In the case of issuing new bonds to fund commodity purchases (e.g., electricity, natural gas, etc.), MLGW desires the flexibility to consider financing structures and products that could serve the public's interest by matching annual debt service payments with the delivery of annual purchases of electricity or natural gas through a prepayment transaction that permits the provision of energy commodities at a discount to spot market prices.

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- In the case of issuing new bonds to fund large extraordinary and non-recurring capital projects with extended construction periods (e.g., electric power generation and transmission facilities), a balloon debt structure could potentially enable the MLGW to structure the debt service to better match the anticipated revenues to be received following the completion of such projects.
- In the case of a refunding issue, the principal payments on the refunding bonds are could be scheduled to occur in the same years as the principal payments on the refunded bonds, and the average life of the refunding bonds will be shorter than the average remaining life of the bonds to be refunded and the debt service savings resulting from refunding will be approximately level during the principal repayment period of the refunding bonds.

In any of the cases such as described above where issuance of balloon indebtedness could be beneficial, and MLGW considers the issuance of debt structured as balloon indebtedness as defined under Tennessee law, MLGW will determine if it is in the public's best interest to issue such balloon indebtedness. In that regard, MLGW will ensure that any projected revenues used to secure the debt will:

- Be sufficient to pay for the debt being considered;
- Be sufficient to pay all of its other operating expenses and outstanding debt service secured by the same projected revenues; and
- Not hinder MLGW's ability to fund future capital needs or to fund future debt service in a level debt service structure.

MLGW will also consider:

- The possible reduction of MLGW's future debt capacity within the current projected revenue stream; and
- The flexibility to use future revenues for other purposes.

If MLGW determines it is in the public interest to issue balloon debt, MLGW's CFO will present a Plan of Balloon Indebtedness to the Office of State and Local Finance for approval in accordance with T.C.A. Section 9-21-134 prior to the adoption of any authorizing resolution for debt structured as balloon indebtedness.

Methods of Sale

Competitive - In a competitive sale, the bonds or other indebtedness shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres in all material respects to the requirements set forth in the official notice of sale.

Negotiated - MLGW recognizes that it has greater flexibility to tailor its financing needs and cost saving objectives through negotiation. In a negotiated sale, the underwriter(s) will be chosen prior to the sale and the interest rate and underwriter's fees will be negotiated prior to the sale. The factors to be considered for a negotiated sale include the following:

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- Volatility of market conditions;
- Size and complexity of the bond sale;
- Market conditions are such that it is anticipated that a limited number of bidders would participate;
- Credit strength;
- In the case of a refunding, timing and interest rate sensitivity;
- Whether the bonds are structured in a manner that is not conducive to competitive sale (e.g. variable rate bonds); and
- MLGW will negotiate rates that are favorable to the organization.

Private Placement - From time to time, the Governing Body may elect to privately place its debt. Such placement shall only be considered if this method is expected to result in a cost savings to MLGW relative to other methods of debt issuance.

Professional Services

All professionals to be retained by MLGW shall be approved by the Board upon recommendation of the CFO or General Counsel, as appropriate. In the procurement of professional services for MLGW debt transactions, MLGW will consider as factors, in evaluating the qualifications of all firms seeking to participate on MLGW debt transactions, a firm's experience, expertise, cost, ability to perform the work on time and within budget and a firm's demonstrated commitment to diversity in hiring and/or any documented best efforts utilized by a firm or firms which provide opportunities for qualified local, minority and women owned investment banking, legal, and financial firms. Any information or documentation obtained by MLGW from interested professionals considered for participation on a debt transaction shall be available for review.

MLGW shall require all professionals engaged in the process of issuing debt to clearly disclose in writing all compensation and financial arrangements related to services provided or to be provided in the debt issuance transaction to both MLGW and the underwriter, the lender or the conduit issuer, if any. This includes "soft" costs or compensation in lieu of direct payments.

Municipal Advisor - MLGW shall enter into a written agreement with each person or firm serving as municipal advisor in debt management and transactions. Whether in a competitive or negotiated sale, the municipal advisor shall not be allowed to bid on, privately place, or underwrite an issue for which they are or have been providing advisory services for the issuance.

Significant consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

A municipal advisor will be employed to aid in the following:

- To perform all the duties customarily performed by financial consultants in connection with the public offering of municipal securities;
- To proceed immediately with investigation, studies and planning for the purpose of formulating a sound plan of financing by structuring the right kind and size of deal that is in accordance with the authorization and desires of MLGW;
- In the case of a competitive sale, to prepare and distribute to prospective investors, financial



institutions and bidders an Official Statement and the Official Notice of Sale, comprehensive information with respect to any notes or bonds being offered by MLGW, legal documents and other necessary information;

- In the case of a negotiated sale, to assist MLGW in the preparation and distribution of the Official Statement for any debt securities being offered by MLGW, the legal documents and other necessary information;
- To assist the bond counsel;
- To assist with the adoption of all resolutions, the publishing of all legal notices and any other matters required for the successful sale and delivery of the indebtedness;
- To advise MLGW on market conditions and other factors affecting the successful sale of the indebtedness;
- To establish a wide interest in the debt securities among prospective bond underwriters and investors;
- To confer with Moody's Investors Service, Inc., Standard & Poor's Corporation, Fitch and/or any other rating service to provide them with complete information regarding MLGW so that they may properly evaluate the quality of the proposed debt securities;
- To recommend either a competitive or negotiated sale of the debt. If the debt is to be sold at competitive sale, the Municipal Advisor will coordinate the public sale of such securities through a competitive bid process either in person or via Internet. If the debt is to be sold at a negotiated sale, the Municipal Advisor along with the CFO will recommend a managing underwriter to represent MLGW in all of its negotiations with the selected investment banker including the actual pricing of the debt;
- To assist in soliciting bids for and procuring the services of credit enhancement agencies, banking services and related financial services essential to any alternative forms of financing which MLGW may elect to use. On behalf of MLGW, arrange for the printing, signing and delivery of the securities and to arrange for the printing and delivery of Preliminary and Final Official Statements; and
- To provide additional financial services to MLGW on an individual, as-needed basis.

Bond Counsel

MLGW shall enter into an engagement letter agreement with each lawyer or law firm representing MLGW in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of MLGW or lawyer or law firm which is under a general appointment or contract to serve as counsel to MLGW. MLGW will not enter into an engagement letter with counsel not representing MLGW, such as underwriters' counsel.)*

The CFO and General Counsel will recommend Bond Counsel to be employed and the duration of the employment for an individual or a series of financings.

Bond Counsel will provide a written legal opinion affirming that MLGW is authorized to issue the proposed indebtedness, that MLGW has met all constitutional and statutory requirements necessary for issuance, that the Bonds are legally binding, that City Council has the power and is obligated to raise rates, if necessary, for the payment of the bonds and interest on such indebtedness, and a determination of the proposed debt's federal income tax status. Bond Counsel shall be selected based on the extensiveness of experience in public finance and tax issues.



Bond Counsel's compensation will be based on a fixed fee schedule and will vary based on the complexity of the transaction.

Bond Counsel will be expected to provide, within 120 days of the closing, to MLGW and the Bond Team an electronic copy of the Transcript of Proceedings, along with a bound copy which will be retained in MLGW's vault.

Underwriters

Any entity engaged to provide underwriting services to MLGW will be required to clearly identify itself in writing as an underwriter and not as a municipal advisor from the earliest stages of its relationship with MLGW regarding a particular issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from MLGW's interest.

The CFO shall recommend providers of underwriting services for all debt issues through negotiated or private placement based on the firm's experience and capability. The CFO may develop a proposal solicitation and selection process for negotiated sales. The selection of underwriters may be for an individual or series of financings or a specified time period.

Senior Manager/Co-Manager - The CFO shall recommend a senior manager and/or co-managers for a proposed negotiated sale. The criteria shall include, but not be limited to the following:

- The firm's ability and experience in managing similar transactions;
- Prior knowledge and experience with MLGW;
- The firm's willingness to risk capital and demonstration of such risk;
- The firm's ability to sell bonds; and
- Quality and experience of personnel assigned to MLGW's engagement and financing plan presented.

Co-Manager Selection - Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of MLGW's bonds.

Selling Groups - MLGW may use selling groups in certain transactions. To the extent that selling groups are used, the CFO may make recommendations as to selling groups as the transaction dictates.

Underwriter's Discount - The CFO will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the CFO will determine the allocation of fees with respect to the management fee, if any. The determination may be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the CFO. The senior manager shall submit an itemized list of expenses charged to



members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance - The CFO, with the assistance of an independent Municipal Advisor, will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the CFO shall provide a report to the Board on the results of the sale.

Syndicate Policies - For each negotiated transaction, the CFO will prepare syndicate policies that will describe the priority of orders policies governing the upcoming sale. The CFO shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Priority of Orders - To encourage the pre-marketing efforts of each member of the underwriting team, MLGW's bonds will be net designated, unless otherwise expressly stated. MLGW shall require the Senior Manager to:

- Equitably allocate bonds to other managers and the selling group according to orders and designations;
- Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations; and
- Within 10 working days after the closing date, submit to the CFO a detail of orders, allocations and other relevant information pertaining to the sale.

However, there are times when the type and or complexity of the transaction requires a deviation from net designated. In those cases, the CFO, with the CEO's approval, retains the authority to specify the priority provision to be group net order or member order.

Underwriter's Counsel

The selection of the underwriter's counsel by the lead underwriter shall be made in consultation with the CFO.

Disclosure Counsel

In any negotiated sale of MLGW debt in which legal counsel is required to represent MLGW, in regards to tax compliance, the recommendation to the Board will be made by the CFO and General Counsel. MLGW shall enter into an engagement letter agreement with each lawyer or law firm representing MLGW in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of MLGW. MLGW does not need an engagement letter with counsel not representing MLGW, such as underwriters' counsel.)*

Paying Agent

The CFO shall solicit proposals periodically for paying (escrow) agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the CFO along with other qualitative measurements, in selection of Paying Agents.



Other Service Providers

The CFO shall periodically solicit for other service providers. Other consultants or vendors may be called upon to provide various services such as:

- Certified Public Accountants - verification of financial data;
- Financial Institutions - provide letter of credit facilities for variable rate issues;
- Printers – to print Official Statements;
- Verification Agents – to verify refunding yields and cash flows;
- Feasibility Consultants – to review financial and operational feasibility of projects and conduct rate studies; and
- Arbitrage Specialists – to track rebate liability.

Conflicts

Professionals involved in a debt transaction, hired or compensated by MLGW, shall be required to disclose in writing to MLGW any existing client and business relationships between and among the professionals to a transaction (including but not limited to municipal advisor, swap advisor, bond counsel, swap counsel, trustee, disclosure counsel, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow MLGW to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Credit Ratings and Enhancements

Rating Agency Relationships

Use of Rating Agencies - The CFO shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Minimum Long-Term Rating Requirements - MLGW shall strive to maintain a rating of at least "AA" on its debt. A lower rating standard may be accepted for indirect or conduit obligations, subject to review and approval as stated above in the Scope and Authority Section. MLGW shall (1) communicate regularly with credit analysts each fiscal year, and (2) prior to each competitive or negotiated sale, offer to meet with agency analysts in connection with the sale.

Credit Ratings Table

Risk Profile:	Moody's	Standard & Poor's	Fitch
Prime	Aaa	AAA	AAA
Excellent	Aa	AA	AA
Upper Medium	A	A	A
Lower Medium	Baa	BBB	BBB
Speculative	Ba	BB	BB
Very Speculative	B, Caa	B, CCC, CC	B,CCC, CC, C
Default	Ca, C	D	DDD, DD, D

Use of Credit Enhancement

MLGW shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers shall be subject to a competitive bid process developed by the CFO and/or Municipal Advisor. Credit enhancement may be used to improve or establish a credit rating on a debt obligation even if such credit enhancement is not cost effective if, in the opinion of the CFO, the use of such credit enhancement meets MLGW’s debt financing goals and objectives. MLGW will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown shall enhancement be considered. MLGW will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

Bond Insurance - MLGW shall purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

Debt Service Reserve Funds - When advisable, a reserve fund may be used to strengthen the underlying credit of the indebtedness.

Continuing Disclosure

Disclosure - In complying with U.S. Securities and Exchange Commission Rule 15c2-12, MLGW will provide to EMMA certain financial information and operating data no later than 270 days after the fiscal year-end or as designated by the Continuing Disclosure document pertaining to each individual bond financing, and will provide notice of certain enumerated events with respect to the bonds. Such events include:

1. Principal and interest payment delinquencies;
2. Nonpayment-related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure of to performance on the part of a liquidity provider;

6. Adverse tax opinions or events affecting the tax-exempt status of any bonds;
7. Modifications to rights of bond holders, if material;
8. Bond calls and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of any bonds~~Matters affecting collateral, if material;~~
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of MLGW or the City;
13. The consummation of a merger, consolidation, or acquisition involving MLGW or the City or the sale of all or substantially all of the assets of MLGW or the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;~~and~~
14. Appointment of a successor or additional paying agent or trustee or the change of name of a paying agent or trustee, if material;
15. Incurrence of a financial obligation of MLGW of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MLGW of the City, any of which affect bond holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation MLGW of the City; and
- ~~17.~~ Failure to provide certain annual financial information and operating data as described.

Post-Issuance Tax Compliance (See Exhibit A)

Generally Accepted Accounting Principles (GAAP) - MLGW will comply with the standard accounting practices adopted by the Financial Accounting Standards Board and the Governmental Accounting Standards Board when applicable.

Modification of the Policy

This Policy is only intended to provide general direction regarding the future use and execution of debt. MLGW, with the approval of the Board and City Council, maintains the right to modify these guidelines. The CFO will present to the Board and City Council any recommendations for any amendments, deletions, additions, improvement or clarification.

This Policy was adopted by the Board on April 12, 2012 and approved by City Council on May 15, 2012.

The amended Policy was approved by the Board on December 19, 2013 and the City Council on January 7, 2014.

The amended Policy was approved by the Board on _____, 2020~~1~~ and the City Council on _____, 202~~1~~.



Glossary

Advisor means an individual or firm with a deep knowledge in a specific area, engaged in the business of advising others. It can include a Financial, Swap, or Program Administrator.

Backloading refers to delaying repayment of principal until the end of the financing term. A standard or default structure for debt service is level debt service payments, similar to a standard home mortgage. Backloading should be considered only when beneficial to the overall structure of debt, upon the occurrence of natural disasters, or when project revenues are not available during the early years of a project.

Bonds are debt instruments issued for a period of one year or longer, usually for permanent financing.

Capital leases or a lease purchase are written agreements allowing the use of property in exchange for payment of funds.

Conduit Entity means a governmental entity or agency that borrows money to lend to another entity, and not to finance a project for itself. Examples of conduit issuers are health and education boards, economic development boards, and public building authorities.

Conflicts of Interest occur in situations where parties in a transaction have multiple interests or relationships that could possibly corrupt the motivation to act. The presence of a conflict of interest indicates the potential for divided loyalty and does not automatically indicate wrong doing.

Costs mean fees and expenses of professionals and service providers and other similar fees and expenses, whether or not payable at the time the debt is incurred. “Costs” also means recurring and nonrecurring fees and expenses during the life of the debt.

Counsel means a legal advisor or attorney, whether an individual or a firm, representing a client. It can include Bond, Disclosure, Issuer, Swap, Tax, or Underwriters Counsel.

Counterparty means the other party or participant in an agreement or contract; usually it refers to the other party in an Interest Rate (or swap) Agreement.

Debt means indebtedness lawfully issued, executed or assumed by a public entity. Debt is created when a public entity agrees to pay over time to someone else, in exchange for receiving an upfront payment or loan or for acquiring an asset. “Security” refers both to debt that can be transferred or delivered to another party, as well to property or assets pledged as collateral for a debt. Common instruments or evidence of debt are: Taxable and Tax-Exempt Notes and Bonds.

Debt service means a series of payments including **interest** (the amount or fee earned or paid for use of money or credit, calculated on the amount of principal) and **principal** (the amount of money borrowed or credit provided) required on a debt over time. The rate of interest can be **variable** or **fixed**.

Federal compliance issues means the ongoing responsibilities of a public entity after issuing debt. If the debt is sold as being “federally tax-exempt,” then the entity will have to comply with federal



tax law. If the debt is a “security” for federal securities laws, then the public entity is subject to anti-fraud provisions and possibly is subject to continuing disclosure obligations.

Finance transaction means both debt obligations and derivatives. A derivative is a financial product deriving value from a separate security. This term refers to many different products. “Derivative” includes an Interest Rate Agreement as defined in Tennessee Code Annotated Section 9-22-103 and other transactions as identified by the State Funding Board.

Governing Body means the group of individuals with the authority to make decisions for a public entity, often referred to as the “legislative body.” Governing bodies are subject to the Tennessee Open Meetings Law (requiring public notice and recording of minutes). **Members** are the individuals serving on the governing body.

Group Net means an order that is allocated at the public offering price without deducting the commission. A group net order benefits all syndicate members according to their percentage participation in the account and is normally accorded the highest priority of all orders received during the order period.

Guidelines means the document adopted by the Tennessee State Funding Board providing statutorily required guidance on Interest Rate and Forward Purchase Agreements. The current version became effective November 1, 2009. The Guidelines are available on the internet at <http://www.comptroller1.state.tn.us/sl/lfstfundbd.asp>
<http://tn.gov/comptroller/lf/pdf/SFB%20Guidelines%2010-9%20Final.pdf>.

Lender means an individual or firm who loans a borrower money.

Loans are debt agreements usually with a financial institution such as a local bank or an organized loan program, such as the Tennessee Municipal Bond Fund or the State Revolving Loan Program. Loans are also internal loans between divisions within the entity or seller financed loans.

Member Order means an order submitted by a syndicate member where the securities would be confirmed to that member at syndicate terms.

Maximum total level of debt means the maximum principal amount of debt a public entity will have outstanding at any time, usually for each type of debt issued.

Net designated means an order submitted by a syndicate member on behalf of an investor on which all or a portion of the commission is to be credited to certain members of the syndicate. The investor directs the percentage of the total designation each member will receive.

Notes are debt instruments issued for a short period of time, often for interim financing. Notes may be rolled to bonds. Examples are Capital Outlay Notes, Tax and Revenue Anticipation Notes, Bond Anticipation Notes, and Grant Anticipation Notes.

Paying Agent means an individual or firm that transfers the periodic interest and principal payments from the public entity to the investors.



Professionals means individuals or firms advising or offering to provide professional services to a public entity with respect to a finance transaction. Examples of professionals are Bond Counsel, Underwriter's Counsel, Disclosure Counsel, Verification Agent, Municipal Advisor and Underwriters.

Public Entity is a governmental organization or unit that has a legal existence and is authorized to borrow money or enter into debt. It includes the State, state agencies, local governments, local government instrumentalities, and any other authority, board, district, instrumentality, or entity created by the State, a state agency, local government, a local government instrumentality, or any combination of the above. It does not include legal entities without debt authority, such as a county school board; however, a special school district with debt authority is included.

Registrar means the individual or firm responsible for maintaining a record or list of owners or investors in debt (sometimes referred to as holders of the debt).

Remarketing Agent means the firm responsible for reselling to new investors debt instruments that have been "tendered" for purchase by their holders. The remarketing agent is also responsible for resetting the interest rate for variable rate debt instruments.

Risk refers to the uncertainty (downside) involved in a debt transaction, including investment, business, credit, market, liquidity, operations, tax, and basis risks.

Schedule means the plan listing the amount and when debt service will be paid.

State Funding Board means the state entity whose members are the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State. The State Funding Board is created by Tennessee Code Annotated Section 9-9-101.

Syndicate means a group of underwriters formed to purchase a new issue of municipal securities from the issuer and offer it for resale to the general public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase an issue and broadening the distribution channels of the issue to the investing public.

Underwriter means the firm that buys new debt for reselling to the public for a profit. The underwriter may acquire the debt either through negotiation or by award on the basis of competitive bidding.

Verification Agent usually means a certified public accountant or other independent third party that determines that the cash flow from investments purchased with proceeds of a refunding debt issue, along with other money, will be sufficient to pay the refunded bonds.

MEMPHIS LIGHT, GAS AND WATER DIVISION
MEMPHIS, TENNESSEE

POST-ISSUANCE COMPLIANCE POLICY AND PROCEDURES
FOR TAX-EXEMPT AND OTHER DEBT OBLIGATIONS

Statement of Purpose and Scope

This Post-Issuance Compliance Policy and Procedures for Tax-Exempt and Other Debt Obligations (this “Policy”) sets forth specific policies and procedures of the **Memphis Light, Gas and Water Division** (“MLGW”) of the City of Memphis, Tennessee (the “City”), designed to monitor post-issuance compliance of tax-exempt obligations and taxable obligations (collectively, the “Obligations”) issued by or on behalf of MLGW with applicable provisions of laws of the State of Tennessee (collectively, “State Law”) and, as to tax-exempt Obligations, applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Treasury Regulations” and, together with the Code and other United States Treasury rulings, revenue procedures and other official announcements, collectively, “Federal Tax Law”).

For the purposes of this Policy, the term “Obligations” includes all Obligations issued by or on behalf of MLGW regardless of the form of Obligations and includes, without limitation, all tax-exempt or taxable bonds, notes, loans and other debt obligations, regardless of whether they are revenue secured Obligations or otherwise secured, regardless of whether they constitute debt subject to Constitutional debt limitations under State Law, and regardless of whether issued by or on behalf of MLGW. Accordingly, for the purposes of this Policy, the term the “Obligations” includes, without limitation, Obligations of the City issued to finance MLGW’s electric, gas and water (collectively, the “Systems,” and individual, the “Electric System,” the “Gas System,” and the “Water System”).

This Policy documents practices and procedures, both existing and to be implemented hereunder, designed to identify on a timely basis facts relevant to monitoring, maintaining and demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order to comply with State Law and, as applicable, in order that the interest on such Obligations be, and continue to be, excludable from gross income for purposes of Federal Tax Law. MLGW recognizes that compliance with applicable provisions of State Law and Federal Tax Law is an on-going process, necessary during the entire term of the Obligations, and is an integral component of MLGW’s overall debt management policies. Accordingly, the analysis of those facts and implementation of this Policy will require ongoing monitoring and may require consultation with bond counsel beyond the scope of its initial engagement with respect to the issuance of the particular Obligations.

Specific post-issuance compliance procedures address the relevant areas described below. The following list and this Policy are not intended to be exhaustive or static, and this Policy shall be re-evaluated and supplemented or amended from time to time by MLGW in consultation with bond counsel and MLGW’s municipal advisor to address existing law in greater detail and address future changes in State Law and Federal Tax Law.

Overview of General Policies and Procedures: The following policies and procedures relate to procedures for monitoring post-issuance compliance generally.

Section 1. The CFO will identify an appropriate MLGW official (currently the Manager of Treasury Management) to be responsible for monitoring MLGW post-issuance compliance for all





Obligations (the “Staff Designee”). The CFO will be responsible for ensuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in MLGW officials and staff and changes in staff organization occur.

Section 2. The Staff Designee will review this Policy and MLGW’s post-issuance compliance procedures and systems on a periodic basis, preferably at least semi-annually, but not less than annually, and preferably following the end of each State legislative session and following any relevant change in Federal Tax Law, will keep a log to document such reviews, and will consult with bond counsel and MLGW’s municipal advisor as appropriate with respect to such reviews and the results thereof.

Section 3. The Staff Designee will coordinate procedures for record retention and review of such records.

Section 4. The Staff Designee will maintain originals or copies of all documents and other records delivered to, by or on behalf of MLGW in connection with the issuance of each issue of Obligations or otherwise relating to the Obligations. If electronic means will be utilized for storage of the documents and records, the Staff Designee will comply with applicable Internal Revenue Service (the “IRS”) requirements, including, without limitation, those contained in Revenue Procedure 97-22.

Section 5. The Staff Designee will review each issue of Obligations for compliance with this Policy on a periodic basis, preferably at least semi-annually, but not less than annually, will keep a log to document such reviews, and will consult with bond counsel and MLGW’s municipal advisor as appropriate with respect to such reviews and the results thereof.

Issuance of Obligations: The following policies and procedures apply to each issue of Obligations.

Section 6. The Staff Designee will:

A. Prior to issuance, consult with bond counsel and MLGW’s municipal advisor regarding the post-issuance compliance requirements applicable to each issue of Obligations under State Law and Federal Tax Law.

B. Obtain and store a closing binder and/or CD (or other electronic copy) of the relevant and customary transaction documents as prepared by bond counsel.

C. As to each issue of tax-exempt Obligations, confirm that bond counsel has filed the applicable information report (e.g., Form 8038 or 8038-G) for such issue with the IRS on a timely basis as required by Federal Tax Law.

D. Confirm that bond counsel has filed applicable State reports on a timely basis.

E. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable MLGW officials and staff, including, without limitation, all requisitions for new construction or capital improvements financings.

Arbitrage: The following policies and procedures relate to the monitoring and calculation of arbitrage and compliance with specific arbitrage Federal Tax Law rules and regulations with respect to each issue of tax-exempt Obligations.

Section 7. As applicable, the Staff Designee will:

A. Obtain a computation of the yield on such issue from MLGW’s municipal advisor



or bond counsel or other relevant third party (e.g., the underwriter for such issue or other arbitrage specialist) and establish and maintain a system for tracking investment earnings.

B. Establish and maintain a procedure for the tracking of expenditures, including the expenditure of any investment earnings, with other MLGW staff and officials, and monitoring all expenditures to maintain compliance with all State Law and Federal Tax Law requirements.

C. Establish and maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement for pre-issuance expenditures.

D. If applicable, identify the applicable “temporary period” (as defined in Federal Tax Law) exceptions for the expenditure of proceeds of the issue, establish and maintain a procedure to monitor compliance with each such “temporary period” exception, and establish and maintain a procedure to monitor compliance with the yield restriction on the investment of such proceeds if such exceptions are not satisfied.

E. If applicable, establish and maintain a procedure to monitor compliance with 6-month, 18-month or 2-year spending exceptions to rebate requirements, as applicable.

F. Establish and maintain a procedure to insure that investments acquired with the proceeds of such issue are permitted under State Law and are purchased at fair market value in accordance with Federal Tax Law, and monitor compliance with such procedure. In determining whether an investment is purchased at fair market value, any applicable Federal Tax Law safe harbor may be used.

G. Establish and maintain a procedure to avoid formal or informal creation of funds or accounts reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.

H. If applicable, establish and maintain a procedure to provide for timely computation and payment of “yield reduction payments” (as such term is defined in Federal Tax Law).

I. Establish and maintain a procedure to identify situations in which compliance with applicable yield restrictions depends upon future investments and monitor implementation of any such restrictions.

J. Establish and maintain a procedure to consult with bond counsel and MLGW’s municipal advisor prior to engaging any post-issuance credit enhancement transactions (e.g., bond insurance and letters of credit) or hedging transactions (e.g., interest rate swaps and caps).

K. Establish and maintain a procedure to procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and pay such rebate liability.

L. In the case of any issue of refunding Obligations, coordinate with bond counsel and MLGW’s municipal advisor and any escrow agent to arrange for the purchase of the refunding escrow securities, obtain a computation of the yield on such escrow securities from the outside arbitrage rebate specialist and monitor compliance with applicable yield restrictions, such as those for advance refunding escrows required by Federal Tax Law.

Private Activity Concerns: The following policies and procedures relate to the monitoring and tracking of private uses and payments with respect to facilities financed with each issue of tax-exempt Obligations financing one or more facilities or other capital improvements (regardless of whether



initially issued as governmental Obligations or private activity Obligations).

Section 8. As applicable, the Staff Designee will:

- A. Establish and maintain a procedure to maintain records determining and tracking which specific issues of Obligations financed which facilities and in what amounts.
- B. Establish and maintain a procedure to maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earning to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Establish and maintain a procedure to monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- D. Establish and maintain a procedure to maintain records allocating to a facility financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- E. Establish and maintain a procedure to monitor private use of financed facilities to ensure compliance with applicable percentage limitations on such use. Such monitoring should include, without limitation, the following: (1) procedures to review the amount of any existing private use on a periodic basis, and (2) procedures for identifying in advance any new sale, lease, license, management contract, sponsored research arrangement, or other arrangement potentially involving private use of financed facilities and obtaining of all related documents for review by bond counsel.
- F. Consult with bond counsel and MLGW’s municipal advisor as to any possible private use of facilities financed by governmental Obligations
- F. If any action occurs, notwithstanding the foregoing, that causes tax-exempt Obligations to become private activity bonds as a result of private use of financed facilities and/or private payments for parties utilizing financed facilities, MLGW will promptly consult with bond counsel as to the steps to be take in order to remediate such change in use in accordance with the Treasury Regulations.

Reissuance: The following policies and procedures relate to compliance with Federal Tax Law regarding the reissuance of tax-exempt Obligations.

Section 9. The Staff Designee will:

- A. Identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations that potentially could be treated as a reissuance under Federal Tax Law.
- B. Confirm with bond counsel whether any “remedial action” in connection with a “change in use” (as such terms are defined under Federal Tax Law) would be treated as a reissuance for tax purposes and, if so, confirm the filing of a new Form 8038-G and any other required filings.

Record Retention: The following policies and procedures relate to retention of records relating to each issue of Obligations.



Section 10. The Staff Designee will:

A. Establish and maintain a procedure to identify, collect and maintain the records to be maintained by MLGW to establish and ensure that an issue remains in compliance with applicable Federal Tax Law and State Law for the life of such issue.

B. Establish and maintain a procedure to identify the provisions in the governing documents for each issue of Obligations imposing specific recordkeeping requirements or report filing requirements, to identify specific staff to be responsible for complying with each such requirement, and to monitor compliance with each such requirement.

C. Establish and maintain a procedure to maintain the following for each issue of Obligations:

1. Basic records relating to the transaction, as generally included in the transcript of closing documents for the Obligations;
2. Documentation evidencing expenditure of proceeds of the Obligations;
3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation;
4. Documentation evidencing use of financed property by public and private entities (e.g., copies of management contracts and research agreements);
5. Documentation evidencing all sources of payment or security for the issue; and
6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS. While this historically was accomplished through the maintenance of hard copies, records may be kept in electronic format in compliance with applicable requirements of Federal Tax Law and State Law, including, without limitation, IRS Revenue Procedure 97-22.

E. Keep all material records for so long as each issue of Obligations is outstanding (including any refunding issues), plus ~~three~~-four (4) years.

F. Maintain a record of all amendments to this Policy.

[End of Policy]

MEMPHIS LIGHT, GAS AND WATER DIVISION



DEBT MANAGEMENT POLICY

Adopted: April 12, 2012

Revised: _____, 2021



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Introduction

Memphis Light, Gas and Water (“MLGW”) has developed this Debt Management Policy (this “Policy”) to provide written guidelines for the issuance, management, continuing evaluation of and reporting of bonds and other forms of indebtedness by the City of Memphis (the “City”) for the use and benefit of MLGW. The Policy is to be administered in conjunction with, and with reference to provisions of the City’s Charter, Ordinances and Resolutions and State and Federal laws pertaining to the issuance and sale of bonds, notes and other indebtedness.

MLGW recognizes that changes in the capital markets as well as other unforeseen circumstances may from time to time produce situations that are not covered by the Policy and will require modifications or exceptions to achieve policy goals. The Policy is not intended to eliminate the flexibility needed to meet changing market conditions. To the extent that any of the details contained herein conflict with the terms and conditions of existing MLGW contracts, documents and/or agreements as of the effective date of this Policy, such contracts, documents and/or agreements will control.

Policy Statement

It is MLGW’s policy to:

- Promote transparency in its financing transactions;
- Achieve the lowest cost of capital consistent with other policy objectives including taking into account risk tolerance;
- Ensure high credit quality;
- Assure access to the capital credit markets;
- Preserve financial flexibility;
- Manage interest rate risk exposure; and
- Provide the opportunity for local, minority and women owned investment banking, legal firms, and financial firms to participate in the issuance of MLGW’s debt.

Scope and Authority

The Charter of the City of Memphis, Tennessee, as amended by Chapter 381 of the 1939 Tennessee Private Acts, placed control of municipal utility systems then owned and later acquired by the City for the manufacture, production, distribution or sale of electricity, natural and artificial gas or water under the jurisdiction, control and management of MLGW. The City’s Charter authorizes the City’s governing body to incur indebtedness and issue and sell bonds or notes on behalf of MLGW, to such extent and in such manner authorized by statutes of the State. Title 7, Chapter 34 of Tennessee Code Annotated (the “Revenue Bond Law”) establishes the purposes, terms, covenants and conditions of bonds, anticipation notes and other indebtedness that may be issued by the governing body of the City to finance the construction, acquisition, reconstruction, improvement, betterment or extension of its light, gas or water systems or to finance electrical power or gas purchases on a current or long-term purchase basis. The Revenue Bond Law also authorizes the use of revenues derived from its light, gas or water systems for payment of debt service on debt issued thereunder. Other statutes, like Title 9, Chapter 21 of Tennessee Code Annotated may also apply to the issuance and/or refunding of debt for light, gas and water systems. Within this Policy, the term “MLGW” will be used to include all participants in the local approval process for debt



issuance, namely the President (CEO), Chief Financial Officer (CFO) and the MLGW Board.

The Policy shall be reviewed and updated annually. The CFO, with the assistance of MLGW Finance Division staff, shall have the day-to-day responsibility and authority for structuring, implementing, and managing MLGW's debt and finance program.

This Policy does not address price risk management guidelines for the purchase of commodities associated with the operation of MLGW systems, which is a separate policy approved by the Board on December 18, 2008, and subsequently approved by Memphis City Council on January 27, 2009. Copies of the price risk management policy may be secured by contacting the CFO.

Objectives

This Policy should be utilized as a tool to ensure that adequate financial resources are available to support MLGW's fiscal needs and long-term planning objectives. Specifically, the provisions in this document are intended to assist MLGW in the following:

- To guide MLGW in policy and debt issuance decisions;
- To finance capital projects, prepayments, capital leases and other approved debt instruments in a timely and cost-effective manner;
- To ensure compliance with debt issuance authority;
- To achieve and maintain the highest practicable credit ratings;
- To minimize the cost of debt;
- To devise debt service structures that are equal to or less than the estimated useful life of the asset requiring the funding;
- To retain maximum financial flexibility;
- To document responsibility for the oversight and management of debt related transactions;
- To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
- To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the Board's debt issuance authority;
- To define the types and appropriate use of debt approved for use within the constraints established by State and Federal law;
- To provide guidance for evaluating refunding candidates or alternative debt schedules;
- To enhance risk management practices;
- To increase transparency, reduce conflicts, and promote cooperation in the debt management process; and
- To maintain the best interest of the ratepayers as a whole.

Transparency

MLGW shall comply with the notice and record keeping requirements of the Tennessee Open Meetings Act, especially with respect to meetings of the Board and the City Council where MLGW debt issuance will be considered. MLGW will cause to be prepared and filed with the Office of State and Local Finance a statement of costs related to the issuance and other information set forth in Section 9-21-151, Tennessee Code Annotated. A duplicate original of this statement shall be presented by the CFO to the Board at its next meeting after the issuance and retained in the official



records of the Board for inspection and copying at the offices of MLGW by any Tennessee citizen upon request in accordance with the Tennessee Public Records Act.

Tax Status

Tax-Exempt - MLGW will usually issue federally tax-exempt debt. Interest on the majority of bonds issued is excluded from the gross income of its owners for federal income purposes. MLGW, along with Bond Counsel, will evaluate all projects to be funded to determine their tax-exempt status. MLGW will make every effort to comply with all State and Federal laws necessary to make interest on bonds exempt from federal income taxation.

Taxable - Certain municipal bonds are taxable because they are issued for purposes that the federal government deems not to provide a significant benefit to the public at large. In certain instances, taxable bonds may also be issued with a subsidy from the federal government for purposes that would otherwise be financed with tax-exempt bonds. MLGW will confer with Bond Counsel to ensure that the debt is given the appropriate tax status.

Role of Debt

Long-term debt may be used for capital purchases or construction identified through the 5-year capital improvement plan, or the applicable Master Plan. Long-term debt may also be utilized for electric and gas prepayment opportunities or other energy cost reduction plans as approved by the Board and City Council. Lease financing may be used where, based on the useful life of the capital equipment, and the terms and conditions of the lease, such financing would prove more economically beneficial to MLGW than traditional debt financing of the capital equipment.

MLGW will strive to minimize the use of debt to finance short-term working capital needs by maintaining adequate working capital and close budget management. However, MLGW may utilize short-term borrowings for specific electric power purchases or gas purchase, storage and delivery applications due to the seasonality of revenue collections for electricity and gas.

Debt Structure

MLGW shall establish the terms and conditions relating to the issuance of all debt and the investment of all debt and bond proceeds pursuant to the terms of MLGW's Investment Policy, and Federal and State law, regulations and guidance. Unless otherwise authorized by MLGW, the CFO may consider the following factors in determining the structure of any proposed debt issuance:

- **Term** - Taking into consideration the limitations of IRS Regulations § 1.148-10(a)(4), the weighted average maturity of the underlying debt issued to finance or refinance capital projects should not exceed 110% of the average reasonably expected useful life of the financed capital projects determined as provided under the Internal Revenue Code. Debt issued to finance working capital expenditures shall not remain outstanding longer than twenty-four months. An exception would be made when following IRS regulations regarding prepayment bonds.
- **Capitalized Interest** - From time to time, certain financings may require the use of capitalized interest from the issuance date until MLGW has beneficial use and/or



occupancy of the financed project. Interest may be financed (capitalized) through a period permitted by Federal law and State statute if it is determined that doing so is beneficial to the financing.

- **Call Provisions** - In general, MLGW's securities may include a call feature approximately ten (10) years or less from the date of delivery of the bonds. All call provisions should be evaluated with reference to prevailing market conditions and MLGW's objectives.
- **Original Issuance Discount/Premium** - Bonds with original issuance discount/premium may be utilized.
- **Deep Discount Bonds** - Deep discount bonds may be utilized to provide a lower cost of borrowing in certain capital markets.

Types of Products

Current Interest Bonds - Current interest bonds are bonds that pay interest periodically and principal at maturity. They may be used for both new money and refunding transactions. Current interest bonds may be structured to meet the objectives of MLGW by reducing the cost of borrowing. They can also be structured to provide a premium or discount.

Zero Coupon Bonds - Zero Coupon Bonds are debt securities that do not pay interest (a coupon) but are traded at a deep discount, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity. Such bonds shall only be recommended in limited situations which meet the objectives of MLGW.

Variable Rate Bonds - Variable Rate Bonds are securities which bear a variable interest rate through the term thereof. Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution. MLGW will limit its exposure to long-term variable rate debt (excluding variable rate debt which has been swapped to a fixed rate and debt matched to assets) to 25% of the total principal amount of its outstanding long-term debt. Upon issuance of variable rate debt, MLGW will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. The CFO shall be responsible for monitoring such factors as he deems advisable relative to any variable rate debt. Such factors might include the performance of the remarketing agent, if any, the name and ratings of any letter-of-credit banks or liquidity facility providers, the expiration date of any letter-of-credit or liquidity facility, and the amount of any on-going fees associated with the variable rate debt.

Derivative Products - Derivative products will be considered appropriate in the issuance or management of debt only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or alternatively, where it will reduce total financing cost. If the product requires any contracts with third parties, such as letters of credit or swap agreements, MLGW will enter into contracts with financial institutions that have credit ratings equal to or higher than the credit of the underlying debt or into contracts that require the posting of collateral if financial institutions have credit ratings that are less than the credit of the underlying debt. MLGW generally requires transfers, guarantees or



collateralization in the event of credit downgrades below minimum thresholds. Derivative products will only be utilized after approval of a derivatives policy.

Security Structure

Revenue Bonds - MLGW may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenue. However, revenue bonds may also be used for specific electric and gas prepay opportunities and hedging wherein MLGW may reduce power and gas costs. Bonds may be either fixed rate bonds – long-term securities with serial and term maturities whereby interest rates are determined when the bonds are sold and are fixed to maturity or variable rate bonds – long-term securities that bear interest at variable rates adjusted at agreed-upon intervals, such as daily, weekly, or monthly.

Refunding Bonds - Refunding bonds are issued to retire all or a portion of an outstanding bond issue. Most typically this is done to refinance at a lower interest rate to reduce debt service. Alternatively, some refundings are executed for reasons other than to achieve cost savings, such as to restructure the repayment schedule of the debt, to change the type of debt instruments being used, or to retire an indenture in order to remove undesirable covenants. In any event, a present value analysis must be prepared by the CFO that identifies the economic effects of any refunding being proposed. However, the target savings amounts listed below are not applicable for refunding transactions that are not solely undertaken to achieve cost savings. In determining whether a refunding is advisable, MLGW shall take into account, among other factors, the level of savings, the call date and final maturity date of the refunded bonds, and projected interest rates relative to historical interest rate levels. The CFO shall have the responsibility to periodically analyze outstanding bond issues to determine whether bonds can be refunded for debt service savings or for reasons other than to achieve cost savings.

The target savings amount shall be measured using the savings as a percentage of par method. The target savings from any particular refunding candidate should generally be greater than 1% of the refunded par amount net of all transaction expenses. The CFO shall have discretion in making the final determination to include individual refunding candidates that are slightly below the target in order to optimize MLGW policy and/or financial objectives. In the event that an interest rate swap or other derivative product is to be used as part of a refunding, the target savings shall be increased to account for any additional ongoing administrative costs, financial risk beyond that of a traditional fixed rate refunding, and loss of future financial flexibility. The target savings for the percentage of par method shall also be a minimum of 1%. A plan for refunding debt issues must be submitted to the Tennessee Comptroller's Office prior to issuance.

Capital Leases - Where lease financing would prove more economically beneficial, MLGW should consider capital leases. The useful life of the asset, the terms and conditions of the lease, and the direct impact on debt capacity and budget flexibility will be evaluated prior to the execution of a lease agreement. Capital or equipment leases may be entered into; however, details of capital or equipment lease agreements must be forwarded to the Comptroller's Office on a specified form within 45 days after authorization by the Board and/or City Council as required.



Duration

Long-Term Debt (maturing after 3 years) - MLGW may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the average reasonably expected useful life of the financed capital project(s):

- **Serial and Term Bonds** may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.
- **Capital Outlay Notes** may be issued to finance capital infrastructure projects with an expected life of three to seven years.

Short-Term Debt (maturing within three years) - Where their use is judged to be prudent and advantageous to MLGW, MLGW has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide MLGW with access to credit under terms and conditions as specified in such agreements. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the President or the CFO as designated by the President. Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenue- shortfalls (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

- **Bond Anticipation Notes (BANs)**, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than twenty-four (24) months from the date of issuance. The maturity of BANs can be extended or renewed in accordance with federal law and State statutes. In any event, BANs shall mature within 6 months after substantial completion of the financed facility.
- **Revenue Anticipation Notes (RANs)** shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to IRS and State law requirements and limitations. RANs shall not mature more than thirty-six (36) months from the date of issuance.
- **Revenue Anticipation Notes—Power Purchases (Power RANs)** may be used to borrow money in anticipation of the collection of revenues from the electric or gas systems for the purpose of financing electrical power or gas purchases, including storage and pipeline capacity costs for any twelve (12) month period. The term of any Power RANs shall be concurrent with the twelve (12) month period for which the financed power was purchased.
- **Lines of Credit** shall be considered as an alternative to other short-term borrowing options, but shall otherwise comply with the rules governing BANs.
- **Interdivisional Loans** shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such interdivisional loans shall only be issued in compliance with state statutes and limitations, MLGW's charter, bond resolutions, and terms and conditions of other contracts and agreements.



- **Other Short-Term Debt** - including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to the issuance of debt in a fixed rate mode. MLGW will determine and utilize the least costly method for short-term borrowing. MLGW may issue short-term debt when there is a defined repayment source or amortization of principal. MLGW may choose to issue commercial paper as a source of interim construction financing for projects contained in MLGW's capital plan only after the CFO, in consultation with the Municipal Advisor, determines that such financing represents the least cost interim financing option for MLGW.

All debt listed above is required to be approved by the State of Tennessee Comptroller's Office, the MLGW Board and the Memphis City Council prior to issuance.

Balloon Indebtedness

MLGW may issue bonds that may be classified as "balloon indebtedness" as defined by Public Chapter 766, Acts 2014. Balloon indebtedness ("balloon debt") is a financing in which a large percentage of the total principal of the issue matures in one or several years, usually in the later years of the financing, as opposed to the principal payments being spread more evenly over the life of the issue, or where the bondholders may have the right to require the City and MLGW to purchase the debt prior to maturity (i.e., a put/tender right). Such a balloon debt structure can result in a significant increase in the annual debt service on such an issue during the years that the larger principal amounts are payable or where a put/tender right is exercised.

MLGW recognizes that balloon indebtedness generally is not in the public interest and, in the absence of the reasons described below, MLGW does not support the issuance of balloon debt for the following reasons:

- It can reduce MLGW's future capacity to issue debt;
- It can reduce MLGW's financial flexibility to meet its future needs; and
- It is likely to be viewed negatively by the rating agencies and investors.

Nevertheless, balloon indebtedness can be beneficial to MLGW in certain circumstances, particularly when reviewed in the overall context of all of MLGW's outstanding debt. The following examples provide situations in which MLGW may consider the issuance of debt structured in a manner that would be classified as "balloon indebtedness" under Tennessee law. It should be noted that these examples specifically do not include a goal of simply delaying the repayment of principal on an issue for an extended period of time. Balloon debt may be considered, but is not limited to, the following:

- In the case of issuing new bonds to fund commodity purchases (e.g., electricity, natural gas, etc.), MLGW desires the flexibility to consider financing structures and products that could serve the public's interest by matching annual debt service payments with the delivery of annual purchases of electricity or natural gas through a prepayment transaction that permits the provision of energy commodities at a discount to spot market prices.



- In the case of issuing new bonds to fund large extraordinary and non-recurring capital projects with extended construction periods (e.g., electric power generation and transmission facilities), a balloon debt structure could potentially enable MLGW to structure the debt service to better match the anticipated revenues to be received following the completion of such projects.
- In the case of a refunding issue, the principal payments on the refunding bonds could be scheduled to occur in the same years as the principal payments on the refunded bonds, and the average life of the refunding bonds will be shorter than the average remaining life of the bonds to be refunded and the debt service savings resulting from refunding will be approximately level during the principal repayment period of the refunding bonds.

In any of the cases described above where issuance of balloon indebtedness could be beneficial, and MLGW considers the issuance of debt structured as balloon indebtedness as defined under Tennessee law, MLGW will determine if it is in the public's best interest to issue such balloon indebtedness. In that regard, MLGW will ensure that any projected revenues used to secure the debt will:

- Be sufficient to pay for the debt being considered;
- Be sufficient to pay all of its other operating expenses and outstanding debt service secured by the same projected revenues; and
- Not hinder MLGW's ability to fund future capital needs or to fund future debt service in a level debt service structure.

MLGW will also consider:

- The possible reduction of MLGW's future debt capacity within the current projected revenue stream; and
- The flexibility to use future revenues for other purposes.

If MLGW determines it is in the public interest to issue balloon debt, MLGW's CFO will present a Plan of Balloon Indebtedness to the Office of State and Local Finance for approval in accordance with T.C.A. Section 9-21-134 prior to the adoption of any authorizing resolution for debt structured as balloon indebtedness.

Methods of Sale

Competitive - In a competitive sale, the bonds or other indebtedness shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres in all material respects to the requirements set forth in the official notice of sale.

Negotiated - MLGW recognizes that it has greater flexibility to tailor its financing needs and cost saving objectives through negotiation. In a negotiated sale, the underwriter(s) will be chosen prior to the sale and the interest rate and underwriter's fees will be negotiated prior to the sale. The factors to be considered for a negotiated sale include the following:



- Volatility of market conditions;
- Size and complexity of the bond sale;
- Market conditions are such that it is anticipated that a limited number of bidders would participate;
- Credit strength;
- In the case of a refunding, timing and interest rate sensitivity;
- Whether the bonds are structured in a manner that is not conducive to competitive sale (e.g. variable rate bonds); and
- MLGW will negotiate rates that are favorable to the organization.

Private Placement - From time to time, the Governing Body may elect to privately place its debt. Such placement shall only be considered if this method is expected to result in a cost savings to MLGW relative to other methods of debt issuance.

Professional Services

All professionals to be retained by MLGW shall be approved by the Board upon recommendation of the CFO or General Counsel, as appropriate. In the procurement of professional services for MLGW debt transactions, MLGW will consider as factors, in evaluating the qualifications of all firms seeking to participate on MLGW debt transactions, a firm's experience, expertise, cost, ability to perform the work on time and within budget and a firm's demonstrated commitment to diversity in hiring and/or any documented best efforts utilized by a firm or firms which provide opportunities for qualified local, minority and women owned investment banking, legal, and financial firms. Any information or documentation obtained by MLGW from interested professionals considered for participation on a debt transaction shall be available for review.

MLGW shall require all professionals engaged in the process of issuing debt to clearly disclose in writing all compensation and financial arrangements related to services provided or to be provided in the debt issuance transaction to both MLGW and the underwriter, the lender or the conduit issuer, if any. This includes "soft" costs or compensation in lieu of direct payments.

Municipal Advisor - MLGW shall enter into a written agreement with each person or firm serving as municipal advisor in debt management and transactions. Whether in a competitive or negotiated sale, the municipal advisor shall not be allowed to bid on, privately place, or underwrite an issue for which they are or have been providing advisory services for the issuance.

Significant consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

A municipal advisor will be employed to aid in the following:

- To perform all the duties customarily performed by financial consultants in connection with the public offering of municipal securities;
- To proceed immediately with investigation, studies and planning for the purpose of formulating a sound plan of financing by structuring the right kind and size of deal that is in accordance with the authorization and desires of MLGW;
- In the case of a competitive sale, to prepare and distribute to prospective investors, financial



institutions and bidders an Official Statement and the Official Notice of Sale, comprehensive information with respect to any notes or bonds being offered by MLGW, legal documents and other necessary information;

- In the case of a negotiated sale, to assist MLGW in the preparation and distribution of the Official Statement for any debt securities being offered by MLGW, the legal documents and other necessary information;
- To assist the bond counsel;
- To assist with the adoption of all resolutions, the publishing of all legal notices and any other matters required for the successful sale and delivery of the indebtedness;
- To advise MLGW on market conditions and other factors affecting the successful sale of the indebtedness;
- To establish a wide interest in the debt securities among prospective bond underwriters and investors;
- To confer with Moody's Investors Service, Inc., Standard & Poor's Corporation, Fitch and/or any other rating service to provide them with complete information regarding MLGW so that they may properly evaluate the quality of the proposed debt securities;
- To recommend either a competitive or negotiated sale of the debt. If the debt is to be sold at competitive sale, the Municipal Advisor will coordinate the public sale of such securities through a competitive bid process either in person or via Internet. If the debt is to be sold at a negotiated sale, the Municipal Advisor along with the CFO will recommend a managing underwriter to represent MLGW in all of its negotiations with the selected investment banker including the actual pricing of the debt;
- To assist in soliciting bids for and procuring the services of credit enhancement agencies, banking services and related financial services essential to any alternative forms of financing which MLGW may elect to use. On behalf of MLGW, arrange for the printing, signing and delivery of the securities and to arrange for the printing and delivery of Preliminary and Final Official Statements; and
- To provide additional financial services to MLGW on an individual, as-needed basis.

Bond Counsel

MLGW shall enter into an engagement letter agreement with each lawyer or law firm representing MLGW in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of MLGW or lawyer or law firm which is under a general appointment or contract to serve as counsel to MLGW. MLGW will not enter into an engagement letter with counsel not representing MLGW, such as underwriters' counsel.)*

The CFO and General Counsel will recommend Bond Counsel to be employed and the duration of the employment for an individual or a series of financings.

Bond Counsel will provide a written legal opinion affirming that MLGW is authorized to issue the proposed indebtedness, that MLGW has met all constitutional and statutory requirements necessary for issuance, that the Bonds are legally binding, that City Council has the power and is obligated to raise rates, if necessary, for the payment of the bonds and interest on such indebtedness, and a determination of the proposed debt's federal income tax status. Bond Counsel shall be selected based on the extensiveness of experience in public finance and tax issues.



Bond Counsel's compensation will be based on a fixed fee schedule and will vary based on the complexity of the transaction.

Bond Counsel will be expected to provide, within 120 days of the closing, to MLGW and the Bond Team an electronic copy of the Transcript of Proceedings, along with a bound copy which will be retained in MLGW's vault.

Underwriters

Any entity engaged to provide underwriting services to MLGW will be required to clearly identify itself in writing as an underwriter and not as a municipal advisor from the earliest stages of its relationship with MLGW regarding a particular issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from MLGW's interest.

The CFO shall recommend providers of underwriting services for all debt issues through negotiated or private placement based on the firm's experience and capability. The CFO may develop a proposal solicitation and selection process for negotiated sales. The selection of underwriters may be for an individual or series of financings or a specified time period.

Senior Manager/Co-Manager - The CFO shall recommend a senior manager and/or co-managers for a proposed negotiated sale. The criteria shall include, but not be limited to the following:

- The firm's ability and experience in managing similar transactions;
- Prior knowledge and experience with MLGW;
- The firm's willingness to risk capital and demonstration of such risk;
- The firm's ability to sell bonds; and
- Quality and experience of personnel assigned to MLGW's engagement and financing plan presented.

Co-Manager Selection - Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of MLGW's bonds.

Selling Groups - MLGW may use selling groups in certain transactions. To the extent that selling groups are used, the CFO may make recommendations as to selling groups as the transaction dictates.

Underwriter's Discount - The CFO will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the CFO will determine the allocation of fees with respect to the management fee, if any. The determination may be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the CFO. The senior manager shall submit an itemized list of expenses charged to



members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance - The CFO, with the assistance of an independent Municipal Advisor, will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the CFO shall provide a report to the Board on the results of the sale.

Syndicate Policies - For each negotiated transaction, the CFO will prepare syndicate policies that will describe the priority of orders policies governing the upcoming sale. The CFO shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Priority of Orders - To encourage the pre-marketing efforts of each member of the underwriting team, MLGW's bonds will be net designated, unless otherwise expressly stated. MLGW shall require the Senior Manager to:

- Equitably allocate bonds to other managers and the selling group according to orders and designations;
- Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations; and
- Within 10 working days after the closing date, submit to the CFO a detail of orders, allocations and other relevant information pertaining to the sale.

However, there are times when the type and or complexity of the transaction requires a deviation from net designated. In those cases, the CFO, with the CEO's approval, retains the authority to specify the priority provision to be group net order or member order.

Underwriter's Counsel

The selection of the underwriter's counsel by the lead underwriter shall be made in consultation with the CFO.

Disclosure Counsel

In any negotiated sale of MLGW debt in which legal counsel is required to represent MLGW, in regards to tax compliance, the recommendation to the Board will be made by the CFO and General Counsel. MLGW shall enter into an engagement letter agreement with each lawyer or law firm representing MLGW in a debt transaction. *(No engagement letter is required for any lawyer who is an employee of MLGW. MLGW does not need an engagement letter with counsel not representing MLGW, such as underwriters' counsel.)*

Paying Agent

The CFO shall solicit proposals periodically for paying (escrow) agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the CFO along with other qualitative measurements, in selection of Paying Agents.



Other Service Providers

The CFO shall periodically solicit for other service providers. Other consultants or vendors may be called upon to provide various services such as:

- Certified Public Accountants - verification of financial data;
- Financial Institutions - provide letter of credit facilities for variable rate issues;
- Printers – to print Official Statements;
- Verification Agents – to verify refunding yields and cash flows;
- Feasibility Consultants – to review financial and operational feasibility of projects and conduct rate studies; and
- Arbitrage Specialists – to track rebate liability.

Conflicts

Professionals involved in a debt transaction, hired or compensated by MLGW, shall be required to disclose in writing to MLGW any existing client and business relationships between and among the professionals to a transaction (including but not limited to municipal advisor, swap advisor, bond counsel, swap counsel, trustee, disclosure counsel, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow MLGW to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Credit Ratings and Enhancements

Rating Agency Relationships

Use of Rating Agencies - The CFO shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Minimum Long-Term Rating Requirements - MLGW shall strive to maintain a rating of at least "AA" on its debt. A lower rating standard may be accepted for indirect or conduit obligations, subject to review and approval as stated above in the Scope and Authority Section. MLGW shall (1) communicate regularly with credit analysts each fiscal year, and (2) prior to each competitive or negotiated sale, offer to meet with agency analysts in connection with the sale.



Credit Ratings Table

Risk Profile:	Moody's	Standard & Poor's	Fitch
Prime	Aaa	AAA	AAA
Excellent	Aa	AA	AA
Upper Medium	A	A	A
Lower Medium	Baa	BBB	BBB
Speculative	Ba	BB	BB
Very Speculative	B, Caa	B, CCC, CC	B,CCC, CC, C
Default	Ca, C	D	DDD, DD, D

Use of Credit Enhancement

MLGW shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers shall be subject to a competitive bid process developed by the CFO and/or Municipal Advisor. Credit enhancement may be used to improve or establish a credit rating on a debt obligation even if such credit enhancement is not cost effective if, in the opinion of the CFO, the use of such credit enhancement meets MLGW's debt financing goals and objectives. MLGW will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown shall enhancement be considered. MLGW will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

Bond Insurance - MLGW shall purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

Debt Service Reserve Funds - When advisable, a reserve fund may be used to strengthen the underlying credit of the indebtedness.

Continuing Disclosure

Disclosure - In complying with U.S. Securities and Exchange Commission Rule 15c2-12, MLGW will provide to EMMA certain financial information and operating data no later than 270 days after the fiscal year-end or as designated by the Continuing Disclosure document pertaining to each individual bond financing, and will provide notice of certain enumerated events with respect to the bonds. Such events include:

1. Principal and interest payment delinquencies;
2. Nonpayment-related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of any bonds;



7. Modifications to rights of bond holders, if material;
8. Bond calls and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of any bonds;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of MLGW or the City;
13. The consummation of a merger, consolidation, or acquisition involving MLGW or the City or the sale of all or substantially all of the assets of MLGW or the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional paying agent or trustee or the change of name of a paying agent or trustee, if material;
15. Incurrence of a financial obligation of MLGW or the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MLGW or the City, any of which affect bond holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation MLGW or the City; and
17. Failure to provide certain annual financial information and operating data as described.

Post-Issuance Tax Compliance (See Exhibit A)

Generally Accepted Accounting Principles (GAAP) - MLGW will comply with the standard accounting practices adopted by the Financial Accounting Standards Board and the Governmental Accounting Standards Board when applicable.

Modification of the Policy

This Policy is only intended to provide general direction regarding the future use and execution of debt. MLGW, with the approval of the Board and City Council, maintains the right to modify these guidelines. The CFO will present to the Board and City Council any recommendations for any amendments, deletions, additions, improvement or clarification.

This Policy was adopted by the Board on April 12, 2012 and approved by City Council on May 15, 2012.

The amended Policy was approved by the Board on December 19, 2013 and the City Council on January 7, 2014.

The amended Policy was approved by the Board on _____, 2021 and the City Council on _____, 202__.



Glossary

Advisor means an individual or firm with a deep knowledge in a specific area, engaged in the business of advising others. It can include a Financial, Swap, or Program Administrator.

Backloading refers to delaying repayment of principal until the end of the financing term. A standard or default structure for debt service is level debt service payments, similar to a standard home mortgage. Backloading should be considered only when beneficial to the overall structure of debt, upon the occurrence of natural disasters, or when project revenues are not available during the early years of a project.

Bonds are debt instruments issued for a period of one year or longer, usually for permanent financing.

Capital leases or a lease purchase are written agreements allowing the use of property in exchange for payment of funds.

Conduit Entity means a governmental entity or agency that borrows money to lend to another entity, and not to finance a project for itself. Examples of conduit issuers are health and education boards, economic development boards, and public building authorities.

Conflicts of Interest occur in situations where parties in a transaction have multiple interests or relationships that could possibly corrupt the motivation to act. The presence of a conflict of interest indicates the potential for divided loyalty and does not automatically indicate wrong doing.

Costs mean fees and expenses of professionals and service providers and other similar fees and expenses, whether or not payable at the time the debt is incurred. “Costs” also means recurring and nonrecurring fees and expenses during the life of the debt.

Counsel means a legal advisor or attorney, whether an individual or a firm, representing a client. It can include Bond, Disclosure, Issuer, Swap, Tax, or Underwriters Counsel.

Counterparty means the other party or participant in an agreement or contract; usually it refers to the other party in an Interest Rate (or swap) Agreement.

Debt means indebtedness lawfully issued, executed or assumed by a public entity. Debt is created when a public entity agrees to pay over time to someone else, in exchange for receiving an upfront payment or loan or for acquiring an asset. “Security” refers both to debt that can be transferred or delivered to another party, as well to property or assets pledged as collateral for a debt. Common instruments or evidence of debt are: Taxable and Tax-Exempt Notes and Bonds.

Debt service means a series of payments including **interest** (the amount or fee earned or paid for use of money or credit, calculated on the amount of principal) and **principal** (the amount of money borrowed or credit provided) required on a debt over time. The rate of interest can be **variable** or **fixed**.

Federal compliance issues means the ongoing responsibilities of a public entity after issuing debt. If the debt is sold as being “federally tax-exempt,” then the entity will have to comply with federal



tax law. If the debt is a “security” for federal securities laws, then the public entity is subject to anti-fraud provisions and possibly is subject to continuing disclosure obligations.

Finance transaction means both debt obligations and derivatives. A derivative is a financial product deriving value from a separate security. This term refers to many different products. “Derivative” includes an Interest Rate Agreement as defined in Tennessee Code Annotated Section 9-22-103 and other transactions as identified by the State Funding Board.

Governing Body means the group of individuals with the authority to make decisions for a public entity, often referred to as the “legislative body.” Governing bodies are subject to the Tennessee Open Meetings Law (requiring public notice and recording of minutes). **Members** are the individuals serving on the governing body.

Group Net means an order that is allocated at the public offering price without deducting the commission. A group net order benefits all syndicate members according to their percentage participation in the account and is normally accorded the highest priority of all orders received during the order period.

Guidelines means the document adopted by the Tennessee State Funding Board providing statutorily required guidance on Interest Rate and Forward Purchase Agreements. The current version became effective November 1, 2009. The Guidelines are available on the internet at <http://www.comptroller1.state.tn.us/sl/lfstfundbd.asp>
<http://tn.gov/comptroller/lf/pdf/SFB%20Guidelines%2010-9%20Final.pdf>.

Lender means an individual or firm who loans a borrower money.

Loans are debt agreements usually with a financial institution such as a local bank or an organized loan program, such as the Tennessee Municipal Bond Fund or the State Revolving Loan Program. Loans are also internal loans between divisions within the entity or seller financed loans.

Member Order means an order submitted by a syndicate member where the securities would be confirmed to that member at syndicate terms.

Maximum total level of debt means the maximum principal amount of debt a public entity will have outstanding at any time, usually for each type of debt issued.

Net designated means an order submitted by a syndicate member on behalf of an investor on which all or a portion of the commission is to be credited to certain members of the syndicate. The investor directs the percentage of the total designation each member will receive.

Notes are debt instruments issued for a short period of time, often for interim financing. Notes may be rolled to bonds. Examples are Capital Outlay Notes, Tax and Revenue Anticipation Notes, Bond Anticipation Notes, and Grant Anticipation Notes.

Paying Agent means an individual or firm that transfers the periodic interest and principal payments from the public entity to the investors.



Professionals means individuals or firms advising or offering to provide professional services to a public entity with respect to a finance transaction. Examples of professionals are Bond Counsel, Underwriter’s Counsel, Disclosure Counsel, Verification Agent, Municipal Advisor and Underwriters.

Public Entity is a governmental organization or unit that has a legal existence and is authorized to borrow money or enter into debt. It includes the State, state agencies, local governments, local government instrumentalities, and any other authority, board, district, instrumentality, or entity created by the State, a state agency, local government, a local government instrumentality, or any combination of the above. It does not include legal entities without debt authority, such as a county school board; however, a special school district with debt authority is included.

Registrar means the individual or firm responsible for maintaining a record or list of owners or investors in debt (sometimes referred to as holders of the debt).

Remarketing Agent means the firm responsible for reselling to new investors debt instruments that have been “tendered” for purchase by their holders. The remarketing agent is also responsible for resetting the interest rate for variable rate debt instruments.

Risk refers to the uncertainty (downside) involved in a debt transaction, including investment, business, credit, market, liquidity, operations, tax, and basis risks.

Schedule means the plan listing the amount and when debt service will be paid.

State Funding Board means the state entity whose members are the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State. The State Funding Board is created by Tennessee Code Annotated Section 9-9-101.

Syndicate means a group of underwriters formed to purchase a new issue of municipal securities from the issuer and offer it for resale to the general public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase an issue and broadening the distribution channels of the issue to the investing public.

Underwriter means the firm that buys new debt for reselling to the public for a profit. The underwriter may acquire the debt either through negotiation or by award on the basis of competitive bidding.

Verification Agent usually means a certified public accountant or other independent third party that determines that the cash flow from investments purchased with proceeds of a refunding debt issue, along with other money, will be sufficient to pay the refunded bonds.



**MEMPHIS LIGHT, GAS AND WATER DIVISION
MEMPHIS, TENNESSEE**

**POST-ISSUANCE COMPLIANCE POLICY AND PROCEDURES
FOR TAX-EXEMPT AND OTHER DEBT OBLIGATIONS**

Statement of Purpose and Scope

This Post-Issuance Compliance Policy and Procedures for Tax-Exempt and Other Debt Obligations (this “Policy”) sets forth specific policies and procedures of the **Memphis Light, Gas and Water Division** (“MLGW”) of the City of Memphis, Tennessee (the “City”), designed to monitor post-issuance compliance of tax-exempt obligations and taxable obligations (collectively, the “Obligations”) issued by or on behalf of MLGW with applicable provisions of laws of the State of Tennessee (collectively, “State Law”) and, as to tax-exempt Obligations, applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (the “Treasury Regulations” and, together with the Code and other United States Treasury rulings, revenue procedures and other official announcements, collectively, “Federal Tax Law”).

For the purposes of this Policy, the term “Obligations” includes all Obligations issued by or on behalf of MLGW regardless of the form of Obligations and includes, without limitation, all tax-exempt or taxable bonds, notes, loans and other debt obligations, regardless of whether they are revenue secured Obligations or otherwise secured, regardless of whether they constitute debt subject to Constitutional debt limitations under State Law, and regardless of whether issued by or on behalf of MLGW. Accordingly, for the purposes of this Policy, the term the “Obligations” includes, without limitation, Obligations of the City issued to finance MLGW’s electric, gas and water (collectively, the “Systems,” and individual, the “Electric System,” the “Gas System,” and the “Water System”).

This Policy documents practices and procedures, both existing and to be implemented hereunder, designed to identify on a timely basis facts relevant to monitoring, maintaining and demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order to comply with State Law and, as applicable, in order that the interest on such Obligations be, and continue to be, excludable from gross income for purposes of Federal Tax Law. MLGW recognizes that compliance with applicable provisions of State Law and Federal Tax Law is an on-going process, necessary during the entire term of the Obligations, and is an integral component of MLGW’s overall debt management policies. Accordingly, the analysis of those facts and implementation of this Policy will require ongoing monitoring and may require consultation with bond counsel beyond the scope of its initial engagement with respect to the issuance of the particular Obligations.

Specific post-issuance compliance procedures address the relevant areas described below. The following list and this Policy are not intended to be exhaustive or static, and this Policy shall be re-evaluated and supplemented or amended from time to time by MLGW in consultation with bond counsel and MLGW’s municipal advisor to address existing law in greater detail and address future changes in State Law and Federal Tax Law.

Overview of General Policies and Procedures: The following policies and procedures relate to procedures for monitoring post-issuance compliance generally.

Section 1. The CFO will identify an appropriate MLGW official (currently the Manager of Treasury Management) to be responsible for monitoring MLGW post-issuance compliance for all



Obligations (the “Staff Designee”). The CFO will be responsible for ensuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in MLGW officials and staff and changes in staff organization occur.

Section 2. The Staff Designee will review this Policy and MLGW’s post-issuance compliance procedures and systems on a periodic basis, preferably at least semi-annually, but not less than annually, and preferably following the end of each State legislative session and following any relevant change in Federal Tax Law, will keep a log to document such reviews, and will consult with bond counsel and MLGW’s municipal advisor as appropriate with respect to such reviews and the results thereof.

Section 3. The Staff Designee will coordinate procedures for record retention and review of such records.

Section 4. The Staff Designee will maintain originals or copies of all documents and other records delivered to, by or on behalf of MLGW in connection with the issuance of each issue of Obligations or otherwise relating to the Obligations. If electronic means will be utilized for storage of the documents and records, the Staff Designee will comply with applicable Internal Revenue Service (the “IRS”) requirements, including, without limitation, those contained in Revenue Procedure 97-22.

Section 5. The Staff Designee will review each issue of Obligations for compliance with this Policy on a periodic basis, preferably at least semi-annually, but not less than annually, will keep a log to document such reviews, and will consult with bond counsel and MLGW’s municipal advisor as appropriate with respect to such reviews and the results thereof.

Issuance of Obligations: The following policies and procedures apply to each issue of Obligations.

Section 6. The Staff Designee will:

A. Prior to issuance, consult with bond counsel and MLGW’s municipal advisor regarding the post-issuance compliance requirements applicable to each issue of Obligations under State Law and Federal Tax Law.

B. Obtain and store a closing binder and/or CD (or other electronic copy) of the relevant and customary transaction documents as prepared by bond counsel.

C. As to each issue of tax-exempt Obligations, confirm that bond counsel has filed the applicable information report (e.g., Form 8038 or 8038-G) for such issue with the IRS on a timely basis as required by Federal Tax Law.

D. Confirm that bond counsel has filed applicable State reports on a timely basis.

E. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable MLGW officials and staff, including, without limitation, all requisitions for new construction or capital improvements financings.

Arbitrage: The following policies and procedures relate to the monitoring and calculation of arbitrage and compliance with specific arbitrage Federal Tax Law rules and regulations with respect to each issue of tax-exempt Obligations.

Section 7. As applicable, the Staff Designee will:

A. Obtain a computation of the yield on such issue from MLGW’s municipal advisor



or bond counsel or other relevant third party (e.g., the underwriter for such issue or other arbitrage specialist) and establish and maintain a system for tracking investment earnings.

B. Establish and maintain a procedure for the tracking of expenditures, including the expenditure of any investment earnings, with other MLGW staff and officials, and monitoring all expenditures to maintain compliance with all State Law and Federal Tax Law requirements.

C. Establish and maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement for pre-issuance expenditures.

D. If applicable, identify the applicable “temporary period” (as defined in Federal Tax Law) exceptions for the expenditure of proceeds of the issue, establish and maintain a procedure to monitor compliance with each such “temporary period” exception, and establish and maintain a procedure to monitor compliance with the yield restriction on the investment of such proceeds if such exceptions are not satisfied.

E. If applicable, establish and maintain a procedure to monitor compliance with 6-month, 18-month or 2-year spending exceptions to rebate requirements, as applicable.

F. Establish and maintain a procedure to insure that investments acquired with the proceeds of such issue are permitted under State Law and are purchased at fair market value in accordance with Federal Tax Law, and monitor compliance with such procedure. In determining whether an investment is purchased at fair market value, any applicable Federal Tax Law safe harbor may be used.

G. Establish and maintain a procedure to avoid formal or informal creation of funds or accounts reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.

H. If applicable, establish and maintain a procedure to provide for timely computation and payment of “yield reduction payments” (as such term is defined in Federal Tax Law).

I. Establish and maintain a procedure to identify situations in which compliance with applicable yield restrictions depends upon future investments and monitor implementation of any such restrictions.

J. Establish and maintain a procedure to consult with bond counsel and MLGW’s municipal advisor prior to engaging any post-issuance credit enhancement transactions (e.g., bond insurance and letters of credit) or hedging transactions (e.g., interest rate swaps and caps).

K. Establish and maintain a procedure to procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and pay such rebate liability.

L. In the case of any issue of refunding Obligations, coordinate with bond counsel and MLGW’s municipal advisor and any escrow agent to arrange for the purchase of the refunding escrow securities, obtain a computation of the yield on such escrow securities from the outside arbitrage rebate specialist and monitor compliance with applicable yield restrictions, such as those for advance refunding escrows required by Federal Tax Law.

Private Activity Concerns: The following policies and procedures relate to the monitoring and tracking of private uses and payments with respect to facilities financed with each issue of tax-exempt Obligations financing one or more facilities or other capital improvements (regardless of whether



initially issued as governmental Obligations or private activity Obligations).

Section 8. As applicable, the Staff Designee will:

A. Establish and maintain a procedure to maintain records determining and tracking which specific issues of Obligations financed which facilities and in what amounts.

B. Establish and maintain a procedure to maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earning to expenditures, including the reimbursement of pre-issuance expenditures.

C. Establish and maintain a procedure to monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.

D. Establish and maintain a procedure to maintain records allocating to a facility financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.

E. Establish and maintain a procedure to monitor private use of financed facilities to ensure compliance with applicable percentage limitations on such use. Such monitoring should include, without limitation, the following: (1) procedures to review the amount of any existing private use on a periodic basis, and (2) procedures for identifying in advance any new sale, lease, license, management contract, sponsored research arrangement, or other arrangement potentially involving private use of financed facilities and obtaining of all related documents for review by bond counsel.

F. Consult with bond counsel and MLGW's municipal advisor as to any possible private use of facilities financed by governmental Obligations

F. If any action occurs, notwithstanding the foregoing, that causes tax-exempt Obligations to become private activity bonds as a result of private use of financed facilities and/or private payments for parties utilizing financed facilities, MLGW will promptly consult with bond counsel as to the steps to be take in order to remediate such change in use in accordance with the Treasury Regulations.

Reissuance: The following policies and procedures relate to compliance with Federal Tax Law regarding the reissuance of tax-exempt Obligations.

Section 9. The Staff Designee will:

A. Identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations that potentially could be treated as a reissuance under Federal Tax Law.

B. Confirm with bond counsel whether any "remedial action" in connection with a "change in use" (as such terms are defined under Federal Tax Law) would be treated as a reissuance for tax purposes and, if so, confirm the filing of a new Form 8038-G and any other required filings.

Record Retention: The following policies and procedures relate to retention of records relating to each issue of Obligations.



Section 10. The Staff Designee will:

A. Establish and maintain a procedure to identify, collect and maintain the records to be maintained by MLGW to establish and ensure that an issue remains in compliance with applicable Federal Tax Law and State Law for the life of such issue.

B. Establish and maintain a procedure to identify the provisions in the governing documents for each issue of Obligations imposing specific recordkeeping requirements or report filing requirements, to identify specific staff to be responsible for complying with each such requirement, and to monitor compliance with each such requirement.

C. Establish and maintain a procedure to maintain the following for each issue of Obligations:

1. Basic records relating to the transaction, as generally included in the transcript of closing documents for the Obligations;
2. Documentation evidencing expenditure of proceeds of the Obligations;
3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation;
4. Documentation evidencing use of financed property by public and private entities (e.g., copies of management contracts and research agreements);
5. Documentation evidencing all sources of payment or security for the issue; and
6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS. While this historically was accomplished through the maintenance of hard copies, records may be kept in electronic format in compliance with applicable requirements of Federal Tax Law and State Law, including, without limitation, IRS Revenue Procedure 97-22.

E. Keep all material records for so long as each issue of Obligations is outstanding (including any refunding issues), plus four (4) years.

F. Maintain a record of all amendments to this Policy.

[End of Policy]



A RESOLUTION REQUESTING THAT THE ADMINISTRATION ALLOCATE \$2,000.00 A YEAR TO THE MEMPHIS LIGHT GAS AND WATER VOTER EDUCATION PROGRAM TO PROVIDE VOTER REGISTRATION INFORMATION TO RESIDENTIAL ACCOUNT HOLDERS

WHEREAS, on November 17, 2020, Councilman JB Smiley, Jr. sponsored a resolution which was approved by Memphis City Council requesting Memphis Light, Gas and Water Division to create a voter education program to provide voter registration information to residential account holders; and

WHEREAS, the Memphis City Council desires to promote voter education for all citizens and ensure that they receive accurate voter registration information; and

WHEREAS, voting affords citizens the opportunity to provide invaluable and needed input on issues coming concerning their communities and allows citizens to hold state, local, and federal government officials accountable; and

WHEREAS, MLGW was tasked with creating a program and has determined that the cost of the voter education program will be \$2,000 to provide voter registration information to residential account holders; and

WHEREAS, Councilman Smiley and Councilman Ford understand the voices of Memphis citizens through the voting process are of paramount importance and seek to provide the funds needed for the program to be successful.

NOW, THEREFORE BE IT RESOLVED, that the Memphis City Council reallocate \$2,000 from the FY21 City Council Community Grant funding and appropriate \$2,000 to Memphis Light, Gas & Water Division for the operation of the voter education program; and

THEREFORE, BE IT FURTHER RESOLVED, that the Memphis City Council requests an allocation of \$2,000.00 per year to Memphis Light, Gas & Water Division beginning in FY22 to provide voter registration information to residential account holders.

Sponsors:

JB Smiley, Jr.

Edmund H. Ford, Sr.

Ordinance No. 5771

SUBSTITUTE ORDINANCE OF THE CITY OF MEMPHIS TO AMEND THE CITY OF MEMPHIS CODE OF ORDINANCE CHAPTER 21, MOTOR TRAFFIC AND VEHICLES, ARTICLE III, OPERATION OF VEHICLES GENERALLY TO ADD SECTION 21-134 TO BE ENTITLED "NON-DRIVER PARTICIPATION IN DRAG RACING AND RECKLESS DRIVING EXHIBITIONS", TO SET PENALTIES FOR VIOLATIONS, AND FOR OTHER PURPOSES.

WHEREAS, the City of Memphis has an interest in maintaining the health, safety, and welfare of the citizens of the City and its visitors; and

WHEREAS, pursuant to T.C. A. § 55-10-502, no person shall operate a motor vehicle or motor vehicles upon the public highways of Tennessee, or while on the premises of any shopping center, trailer park, any apartment house complex, or any other premises generally frequented by the public at large, or who is a participant therein, for the purpose of drag racing; and

WHEREAS, drag racing and reckless driving exhibitions have been on the rise in cities across the country and are an immediate threat to public safety and a nuisance to neighborhoods and commuters using various modes of transportation; and

WHEREAS, multiple deaths of innocent children have occurred in other cities due to the engagement in drag racing and reckless driving exhibitions; and

WHEREAS, cities across the country, such as Atlanta, San Diego, Sacramento, Kansas City, Albuquerque, and Milwaukee have enacted ordinances to prohibit drag racing exhibitions, including the prohibition of non-driver or spectator participation therein; and

WHEREAS, the City of Memphis has experienced an increasing occurrence of such activities over the past year; and

WHEREAS, this issue has caused multiple occurrences of public streets being shut down and made impassable; and

WHEREAS, in addition to prohibiting and penalizing drag racing and reckless driving exhibitions, it is also necessary to prohibit and penalize the organization of, and participation in, such activities, which draw large numbers of spectators, causing a disturbance of the peace and a threat to public safety; and

WHEREAS, establishing an ordinance to prohibit the organization of and participation in drag racing exhibitions, as defined herein, would enable the Memphis Police Department to more effectively combat the occurrence of such behavior; and

WHEREAS, in the interests of public safety and ensuring the well-being of motorists and pedestrians, it is necessary to amend the City of Memphis's Code of Ordinances to prohibit the organization of, and participation in, drag racing and reckless driving exhibitions.

THE CITY COUNCIL OF THE CITY OF MEMPHIS HEREBY ORDAINS as follows:

SECTION 1: That Chapter 21, **Motor** Traffic and Vehicles, Article III, Operation of Vehicles Generally, **also referenced as CHAPTER 11-16 "RULES OF THE ROAD"** Section 21-134, shall be added and entitled "Non-Driver Participation in Drag Racing and Reckless Driving Exhibitions", as follows:

Sec. 21-134. - Non-Driver Participation in Drag Racing and Reckless Driving Exhibitions

(A) For purposes of this section, the following terms shall mean

Drag racing and reckless driving exhibition means any motor vehicle ascertaining the maximum speed obtainable by the vehicle; performing donuts, burnouts and drifting by a single automobile; ascertaining the highest obtainable speed of the vehicle within a certain distance or within a certain time limit; the use of any one or more motor vehicles for the purpose of comparing the relative speeds of the vehicle or vehicles, or for comparing the relative speeds of the vehicle or vehicles within a certain distance or within a certain time limit; the use of one or more motor vehicles in an attempt to outgain, outdistance or to arrive at a given destination simultaneous with or prior to that of any other motor vehicle; or the use of any motor vehicle for the purpose of the accepting of, or the carrying out of any challenge, made orally, in writing, or otherwise, made or received with reference to the performance abilities of one or more motor vehicles;

Organizer means any individual who in any manner knowingly takes part in the planning, organization, coordination, facilitation, advertising or sharing of the location for any such drag race, or collect moneys in connection with a drag racing exhibition, as defined herein;

Participant means any individual who is knowingly present at a drag racing exhibition for the purpose of actively taking part in the event, through conduct including riding in a race vehicle as a passenger; assisting the organizers and/or drivers in carrying out or promoting the event; or exchanging money or anything of value with any driver, car owner, or other participant in connection with the event. For the purposes of this section, a person who is a mere bystander, passerby, or observer not aware of the illegal activity shall not be deemed a participant.

(b) Violations.

(1) No person shall knowingly act as an organizer of a drag racing or reckless driving exhibition, as defined herein.

(2) Except as provided elsewhere in this chapter, no person shall knowingly act as a participant in a drag racing or reckless driving exhibition, as defined herein.

(d) Penalties.

(1) **Anyone found in violations of this section shall be prosecuted in the same manner as other traffic violations of this Code, shall be initiated upon issuance of a traffic citation ticket subjected to a fine not to exceed \$50.00 and shall require a mandatory court appearance.**

(e) Exemptions.

This section shall not apply to licensed or duly authorized racetracks, drag strips, or other designated areas set aside by proper authorities for such purposes.

SECTION 2. BE IT FURTHER ORDAINED, that the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases or parts is held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 3. BE IT FURTHER ORDAINED, that this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairperson of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller and become effective as otherwise provided by law.

SPONSOR
Ford Canale
Rhonda Logan
Jeff Warren

Chairman
Frank Colvett

Ordinance No. 5774

SUBSTITUTE ORDINANCE OF THE CITY OF MEMPHIS TO AMEND THE CITY OF MEMPHIS CODE OF ORDINANCE CHAPTER 21, MOTOR TRAFFIC AND VEHICLES, ARTICLE X, VEHICLE EQUIPMENT AND LOADS TO AMEND SECTION 21-350 (c) AND SECTION 21-350 (f) REGARDING MUFFLERS NOISE

WHEREAS, the citizens of Memphis have a continued interest in public safety and the most efficient use of law enforcement; and

WHEREAS, City Council desires to modernize the current ordinance and strengthen the ordinance regarding vehicle noise regulations; and

WHEREAS, the Memphis Police Department supports efforts to reduce loud vehicle noise disturbances; and

WHEREAS, City Council finds it necessary for the health, safety and welfare of citizens to amend the ordinance to regulate vehicle noise and to ensure all muffler violations shall require a mandatory court appearance.

SECTION 1. NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS that **Chapter 21** of the Code of Ordinance regarding Motor Traffic and Vehicles, Article X, Vehicle Equipment and Loads to amend Section 21-350 (c) also referenced as **Sec. 11-56-3 “Mufflers”** and Section 21-350 (f) also referenced as **Sec. 11-56-6 “Manner of enforcement”** regarding mufflers as is hereby amended to:

Sec. 21-350 (e). - Mufflers

It is unlawful for any person to operate or cause to be operated any muffler attached to any motor vehicle or any other mechanized unit which produces noise within the city.

Sec. 21-350 (F) – Manner of Enforcement

Violations of this section shall be prosecuted in the same manner as other traffic violations of this Code and shall be initiated upon issuance of a traffic citation ticket and **shall require a mandatory court appearance.**

City court in its discretion may dismiss a traffic citation issued for violation of the offense described in this section if evidence is presented that the muffler has been modified to comply with the requirements under this section.

SECTION 2. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS

that the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases or parts are held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 3. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS

that this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

SPONSOR:
Ford Canale

Chairman
Frank Colvett

Ordinance No. 5775

SUBSTITUTE ORDINANCE OF THE CITY OF MEMPHIS TO AMEND THE CITY OF MEMPHIS CODE OF ORDINANCE CHAPTER 21, MOTOR TRAFFIC AND VEHICLES, ARTICLE X, VEHICLE EQUIPMENT AND LOADS TO ADD SUBSECTIONS 21-335 (B) AND SECTION 21-336 (B) REGARDING MUFFLER VIOLATIONS AND PENALTIES

THE CITY COUNCIL OF THE CITY OF MEMPHIS HEREBY ORDAINS as follows:

SECTION 1: That Chapter 21, Traffic and Vehicles Article X, Vehicle Equipment and Load, Section 21-335 and Section 21- 336, also referenced as **Sec. 11-32-15 “Muffler required” and Sec. 11-32-16 “Muffler cutout prohibited”** shall be amended to add the following new subsection to be known as Section 21-335 (b) and Section 21-336 (b):

Sec. 21-335. - Muffler required.

No person shall drive a motor vehicle on a street unless such motor vehicle is equipped with a muffler in good working order and in constant operation to prevent excessive or unusual noise, annoying smoke and the escape of excessive gas, steam or oil.

Sec. 21- 335 (B) – Violations and penalties

Violations of this section shall be prosecuted in the same manner as other traffic violations of this Code and shall be initiated upon issuance of a traffic citation ticket **and shall require a mandatory court appearance.**

Sec. 21-336. - Muffler cutout prohibited.

It is unlawful to use a muffler cutout on any motor vehicle upon a street.

Sec. 21-336 (B) – Violations and penalties

1st Violation - shall be prosecuted in the same manner as other traffic violations of this Code and shall be initiated upon issuance of a traffic citation ticket and **shall require a mandatory court appearance.**

2nd Violation - shall be prosecuted in the same manner as other traffic violations of this Code, **subjected to a fine not to exceed \$25.00 and shall require a mandatory court appearance.**

3rd Violation - shall be prosecuted in the same manner as other traffic violations of this Code, **subjected to a fine not to exceed \$50.00 and shall require a mandatory court appearance.**

City court in its discretion may dismiss a traffic citation issued for violation of the offense described in this section if evidence is presented that the muffler complies with or has been repaired or modified to comply with the requirements under this section.

SECTION 2. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS that the provisions of this Ordinance are hereby severable. If any of these sections, provisions, sentences, clauses, phrases or parts are held unconstitutional or void, the remainder of this Ordinance shall continue in full force and effect.

SECTION 3. BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF MEMPHIS that this Ordinance shall take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller, and become effective as otherwise provided by law.

SPONSOR:
Ford Canale

Chairman
Frank Colvett

Resolution to support a Group Violence Intervention Program

WHEREAS, the City of Memphis is committed to the safety, health, and welfare of all its residents; and

WHEREAS, ensuring the safety of Memphis residents, public safety officers, and visitors is a top priority for the City of Memphis; and

WHEREAS, this year, Memphis has experienced a record-setting number of homicides and aggravated assaults, with number over the 2016 rate, and with far too many shootings; and

WHEREAS, the COVID-19 pandemic has negatively impacted the crime rate within the City of Memphis, including an uptick from last year's murder rate due to the increased financial strain placed on many from the loss of employment and the lack of outlets away from home; and

WHEREAS, young Memphians are being adversely affected by the unprecedented violent crime rate that Memphis is facing this year; and

WHEREAS, these young people represent the future of our City and are too valuable to our future to ignore; and

WHEREAS, violent crime in Memphis has restrained the ability of our City to address the issues of neglect, poverty, education and employment; and

WHEREAS, it is necessary to address and combat drivers of violent crime in Memphis to focus on the educational and financial aspects of life that Memphians must consider daily.

WHEREAS, evidence based and promising comprehensive violence reduction strategies are being employed with success in other major cities; and

WHEREAS, law enforcement alone cannot be government's sole response to the complex web of social and economic forces that result in violence; and

WHEREAS, through significant research, review of prior practice, evidence from DoJ and OJJDP (Office of Juvenile Justice and Delinquency Prevention) and experts on the subject like Thomas Abt author of "Bleeding Out" the Mayor has proposed a Group Violence Intervention Program (GVIP) that will employ the public health approach to reducing violent crime with the aim of changing individual behaviors and changing our collective norms through five focused program areas:

1. Suppression – through reimagined policing practices and focused deterrence

2. Intervention and Outreach – In the streets, in the schools and in our hospitals, interrupting violence and connecting those most at risk to services they need
3. Prevention – Promoting jobs, learning, and opportunities with an emphasis on building skills our young people need to be productive
4. Community Mobilization - galvanizing our community against this epidemic by bringing young people, neighborhood residents, community organizations, and law enforcement together to address the underlying causes of the violence.
5. Organizational Change - Transforming policies, coordinating practices, and advocating for changes necessary to reduce youth gun violence.

NOW, THEREFORE, BE IT RESOLVED that the Memphis City Council emphatically supports this comprehensive approach to violence reduction in our City, calls for its immediate implementation, encourages the Mayor and Administration to provide detailed budgets for City Council approval and to identify other public and philanthropic sources of funding to facilitate and sustain the work, and calls upon other local government, non-profit and private organizations, and community leaders and activists to align with, stand behind and support this effort.

Sponsor: Jeff Warren

Frank Colvett, Chairman

6074

Received

DEC 9 2 2020



City Council Item Routing Sheet

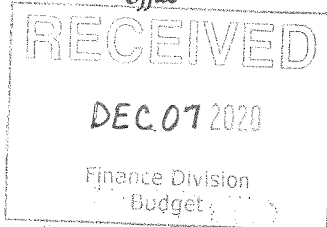
General Services

Public Works/Trans/GS

Division: City Council Committee: Budget- Hearing Date: Click here to enter text.

12/15/2020

Chief Administrative Office



Ordinance

Resolution

Grant Acceptance

Budget Amendment

Commendation

Other: Click here to enter text.

DEC 10 2020

out: 12-10-20 3:40 (CAW)

Item Description: This a Resolution requesting the transfer of 36 City owned surplus parcels acquired by the City of Memphis to the Community Redevelopment Agency (CRA), located within the Uptown TIF zone in Memphis, Shelby County, Tennessee 38107 and further described as Parcel #s 001096 00022 | 001100 00001 001100 00019 | 001100 00020 | 021006 00016 | 021009 00003 | 021012 00017 | 021012 00018 021013 00021 | 021013 00030 | 021030 00003 | 021044 00054 | 021046 00029 | 022001 00019 022001 00025 | 022002 00025 | 022003 00010 | 022003 00013 | 022016 00001 | 022020 00007 022022 00007 | 022025 00011 | 027002 00041 | 027003 00035 | 027008 00042 | 027017 00009 027027 00018 | 027031 00001 | 027034 00037 | 027034 00066 | 040010 00012 | 040010 00015 040010 00016 | 040012 00016 | 040014 00010 | 040024 00001

Recommended Council Action: **Approve**

Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken: No previous actions have been taking by any other entity.

Does this item require city expenditure? No

\$Amount:

\$Revenue to be received: \$50 for each parcel for a total of \$1,800

Source and Amount of Funds:

RECEIVED

3 59p
MAYOR'S OFFICE
CITY OF MEMPHIS

Approvals

Director [Signature] Date 12/2/20

Division Chief _____ Date _____

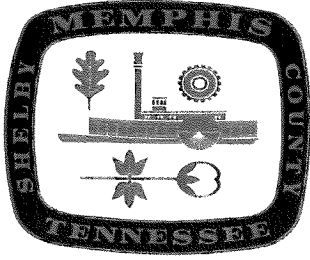
Budget Manager Kametish Wyatt Date 12/7/2020

Chief Financial Officer [Signature] Date 12/08/2020

Chief Legal Officer [Signature] Date 12-10-2020

Chief Operating Officer [Signature] Date 12/7/20

Council Committee Chair _____ Date _____



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This is a Resolution requesting the transfer of 36 City owned surplus parcels acquired by the City of Memphis to the Community Redevelopment Agency (CRA), located within the Uptown TIF zone in Memphis, Shelby County, Tennessee 38107 and further described as Parcel #s 001096 00022 | 001100 00001 | 001100 00019 | 001100 00020 | 021006 00016 | 021009 00003 | 021012 00017 | 021012 00018 | 021013 00021 | 021013 00030 | 021030 00003 | 021044 00054 | 021046 00029 | 022001 00019 | 022001 00025 | 022002 00025 | 022003 00010 | 022003 00013 | 022016 00001 | 022020 00007 | 022022 00007 | 022025 00011 | 027002 00041 | 027003 00035 | 027008 00042 | 027017 00009 | 027027 00018 | 027031 00001 | 027034 00037 | 027034 00066 | 040010 00012 | 040010 00015 | 040010 00016 | 040012 00016 | 040014 00010 | 040024 00001.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

General Services

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This item does not require a change to an existing ordinance.

4. State whether this requires a new contract, or amends an existing contract, if applicable.

This item does not require a new contract or amend an existing contract.

5. State whether this requires an expenditure of funds/requires a budget amendment.

This item does not require an expenditure of funds or a budget amendment.

City Council Resolution



A Resolution requesting the City of Memphis to transfer its ownership rights and interest in 36 parcels located in the Uptown TIF zone to the Community Redevelopment Agency

Whereas the City of Memphis is the owner of Parcel ID #'s 001096 00022 | 001100 00001
001100 00019 | 001100 00020 | 021006 00016 | 021009 00003 | 021012 00017 | 021012 00018
021013 00021 | 021013 00030 | 021030 00003 | 021044 00054 | 021046 00029 | 022001 00019
022001 00025 | 022002 00025 | 022003 00010 | 022003 00013 | 022016 00001 | 022020 00007
022022 00007 | 022025 00011 | 027002 00041 | 027003 00035 | 027008 00042 | 027017 00009
027027 00018 | 027031 00001 | 027034 00037 | 027034 00066 | 040010 00012 | 040010 00015
040010 00016 | 040012 00016 | 040014 00010 | 040024 00001;

Whereas the Community Redevelopment Agency (CRA) works with communities to address blight and provide affordable housing through the use of the Tax Increment Financing (TIF) tool;

Whereas the CRA endeavors to redevelop these parcels for the betterment of the communities in the Uptown neighborhood and would like to acquire all interest in the aforementioned City owned parcels;

Whereas the CRA has requested that the City of Memphis transfer its interest in Parcel ID #'s
001096 00022 | 001100 00001 | 001100 00019 | 001100 00020 | 021006 00016 | 021009 00003 |
021012 00017 | 021012 00018 | 021013 00021 | 021013 00030 | 021030 00003 | 021044 00054 |
021046 00029 | 022001 00019 | 022001 00025 | 022002 00025 | 022003 00010 | 022003 00013 |
022016 00001 | 022020 00007 | 022022 00007 | 022025 00011 | 027002 00041 | 027003 00035 |
027008 00042 | 027017 00009 | 027027 00018 | 027031 00001 | 027034 00037 | 027034 00066 |
040010 00012 | 040010 00015 | 040010 00016 | 040012 00016 | 040014 00010 | 040024 00001;
and

Whereas it is deemed to be in the best interest of the Citizens of the City of Memphis and County of Shelby that said exchange be accepted subject to City Ordinance 2-16(F);

Now, therefore, be it resolved, by the Council of the City of Memphis that the request made by the Community Redevelopment Agency (CRA) for the above described property be hereby accepted subject to the City Ordinance 2-16(F) which states in part, " Property acquired by the city for redevelopment purposes may be conveyed upon such terms and conditions as it deems proper and without regard to the conveyance procedure outlined in subsection A of this section, upon passage of a resolution authorizing such sale or conveyance by the city council upon first reading, which reading shall be final."

City Council Resolution

Be it further resolved, that subject to the Ordinance, the City of Memphis Real Estate Department shall prepare and arrange for the execution of the quit claim deed, and any other documents incidental to the completion of the transfer, and the Mayor of the City of Memphis is hereby authorized to execute said deeds or any other documents necessary to complete the sale and conveyance.



City Council Item Routing Sheet

Division Engineering Committee PW, Trans., GS, SW Hearing Date 2-2-21
 District 6 Super District 8

- Ordinance Resolution Grant Acceptance
 Budget Amendment Commendation Other:

Item Description :
 Resolution amending the FY21 Capital Improvement Budget by transferring an allocation and appropriating \$362,000.00 in G.O. Bonds - from Traffic Signals, Project Number EN21100 and Traffic Signal Furniture, Fixtures, and Equipment (FY21), Project Number EN01104, to Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105, for a Construction Contract with McCrory Electric.

Recommended Council Action:
 Adopt the resolution. (City Engineering recommends approval)

Status of MWBE planned expenditures funding, if applicable:
 The Goal setting committee set an MWBE participation goal of 8% MBE and 1% WBE. The project will be awarded to McCrory Electric Company who responded with a participation commitment of 11.6% MBE and 12.5% WBE.

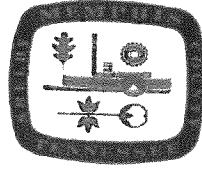
Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken:
 NA

Does this item require city expenditure? No	Source and Amount of Funds
\$ Amount <u>\$362,000</u>	\$ Operating Budget \$0.00
\$ Revenue to be received <u>\$0.00</u>	\$ CIP Project # \$362,000
	\$ Federal/State/Other \$0.00

Approvals

R.T. Director [Signature] Date 1/21/21
 Budget Manager _____ Date _____
 Chief Financial Officer _____ Date _____
 Deputy Financial Officer _____ Date _____
 Chief Legal Officer _____ Date _____

Chief Administrative Officer _____ Date _____
 Council Committee Chair _____ Date _____



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This resolution amends the Fiscal Year 2021 Capital Improvement Budget by transferring and appropriating funds for Traffic Signal Improvements to the Intersection of Crump at Danny Thomas.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

This project is being initiated by the Division of Engineering.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This project does not involve a change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

This project will be located in Council District 6 and Super District 8

5. State whether this requires a new contract, or amends an existing contract, if applicable.

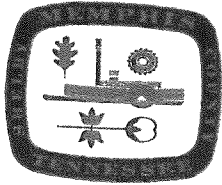
This Traffic Signal project will require a new contract.

6. State whether this requires an expenditure of funds/requires a budget amendment

A new contract and expenditure of funds are required.

7. If applicable, please list the MWBE goal and any additional information needed

The MWBE Goal for this project was set at 8% MBE and 1% WBE



A Resolution appropriating Construction Funds for EN01105 – Traffic Signal Improvements to the intersection of Crump at Danny Thomas

WHEREAS, the Council of the City of Memphis did include Traffic Signals, Project Number EN21100 as part of the Engineering Fiscal Year 2021 Capital Improvement Budget; and

WHEREAS, bids were taken on December 16, 2020 for Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, with the lowest complying bid being \$352,227.47 submitted by McCrory Electric; and

WHEREAS, it is necessary to transfer an allocation of \$300,000.00 funded by G.O. Bonds – from Traffic Signals, Project Number EN21100 to Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105; and

WHEREAS, it is necessary to transfer \$62,000.00 in previously appropriated G.O. Bond funding – from Traffic Signal Furniture, Fixtures, and Equipment (FY21), Project Number EN01104 to Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105; and

WHEREAS, it is necessary to appropriate \$362,000.00 funded by G.O. Bonds in Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105 as follows:

Contract Amount	\$352,227.47
Project Contingencies	<u>\$9,772.53</u>
Total Amount	\$362,000.00

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2021 Capital Improvement Budget be and is hereby amended by transferring an allocation of \$300,000.00 funded by G.O. Bonds from Traffic Signals, Project Number EN21100 and \$62,000.00 in previously appropriated funding from Traffic Signal Furniture, Fixtures, and Equipment (FY21), Project Number EN01104 to Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105.

BE IT FURTHER RESOLVED, that there be and is hereby appropriated the sum of \$362,000.00 funded by G.O. Bonds and chargeable to the Fiscal Year 2021 Capital Improvement Budget and credited as follows:

Project Title	Traffic Signal Improvements to the Intersection of Crump at Danny Thomas
Project Number	EN01105
Total Amount	\$362,000.00

Council Resolution Caption (Traffic Signal Improvements (Crump @ Danny Thomas) EN01105)

A Resolution amending the FY21 Capital Improvement Budget by transferring an allocation and appropriating \$362,000.00 in G.O. Bonds – for Traffic Signal Improvements to the Intersection of Crump at Danny Thomas, Project Number EN01105, for a Construction Contract with McCrory Electric.



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

This is a resolution to accept, allocate, and appropriate an additional \$3,344,601 in grant funds from TDOT and transfer \$500,000 GO Bonds for the Cobblestone Landing project, GA01004. Requesting same night minutes.

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

Engineering Division in coordination with the City of Memphis Administration and the Memphis River Parks Partnership.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

There is no change to an existing ordinance or resolution.

4. State whether this will impact specific council districts or super districts.

Council District 6 and Super District 8

5. State whether this requires a new contract, or amends an existing contract, if applicable.

Amends existing contract with TDOT accepting additional funds.

6. State whether this requires an expenditure of funds/requires a budget amendment

This resolution requires a budget amendment.

7. If applicable, please list the MWBE goal and any additional information needed

The Goal setting committee set an MWBE participation goal of 8%. The award for the contract is going to Precise Concrete Works, LLC, with a participation commitment of 98%.



This is a resolution to accept, allocate, and appropriate an additional \$3,344,601 in grant funds from the Tennessee Department of Transportation for the Cobblestone Landing project, GA01004.

WHEREAS, the City of Memphis has accepted, allocated, and appropriated \$5,931,800 in Federal Grant funds under Fiscal Year 2005 Capital Improvement Program (CIP) for Cobblestone Landing, project GA01004, to reconstruct the Historic Memphis Cobblestone Landing; and

WHEREAS, bids were received on December 16, 2020 to construct the Cobblestone Landing, project GA01004, with the lowest complying bid \$9,424,319.16 submitted by Precise Concrete Works, LLC; and

WHEREAS, it is necessary to accept the additional grant funds in the amount of \$3,344,601 funded by the Tennessee Department of Transportation (TDOT) to cover the cost of construction, administration, and inspection of the Cobblestone Landing project; and

WHEREAS, the Council of the City of Memphis approved GO Bond funds for Cobblestone Landing, project GA01004, and Poplar-Yates to I-240, project PW01278; and

WHEREAS, to meet the required local match \$500,000 in GO Bond funds are required to be transferred from Poplar-Yates to I-240, project PW01278; and

WHEREAS, it is necessary to amend the Fiscal Year 2021 Capital Improvement Budget by allocating and appropriating \$10,866,819.00 for Cobblestone Landing, project GA01004.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the Fiscal Year 2021 Capital Improvement Budget is hereby amended by accepting the sum of \$3,344,601 from the TDOT.

BE IT FURTHER RESOLVED, that the Fiscal Year 2021 Capital Improvement Budget be amended by establishing an allocation and appropriation for Cobblestone Landing, project GA01004, in the amount of \$10,866,819 as follows:

<u>Revenue</u>	
Tennessee Department of Transportation	\$9,276,401.00
GO Bond Match	<u>\$1,590,418.00</u>
	\$10,866,819.00

<u>Expenditures</u>	
Engineering-Architecture	\$155,000.00
Construction Inspection (A&E)	\$236,000.00
Contract Construction	<u>\$10,475,819.00</u>
	\$10,866,819.00

Amendment Number: Amendment Replacing Previous Exhibit A
4
Agreement Number: **120048**
Project Identification Number: **108673.00**
Federal Project Number: **HPP-9409(108)**
State Project Number: **79LPLM-F3-039**

**FOR IMPLEMENTATION OF SURFACE TRANSPORTATION
PROGRAM ACTIVITY**

THIS AGREEMENT AMENDMENT is made and entered into this _____ day of _____, 20__ by and between the STATE OF TENNESSEE DEPARTMENT OF TRANSPORTATION, an agency of the State of Tennessee (hereinafter called the "Department") and the **City of Memphis** (hereinafter called the "Agency") for the purpose of providing an understanding between the parties of their respective obligations related to the management of the project described as:

Cobblestone Landing Restoration and Walkway Project: Riverside Drive Cobblestone Landing restoration and walkway project.

The language of AGREEMENT #**120048** dated July 16, 2012 Exhibit A is hereby deleted in its entirety and replaced with the attached Exhibit A for Amendment**4** .

All provisions of the original contract not expressly amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their respective authorized officials on the date first above written.

CITY OF MEMPHIS

**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

By: _____ Date _____ By: _____ Date _____
Jim Strickland **Clay Bright**
Mayor **Commissioner**

**APPROVED AS TO
FORM AND LEGALITY**

**APPROVED AS TO
FORM AND LEGALITY**

By: _____ Date _____ By: _____ Date _____
Jennifer Sink **John Reinbold**
City Attorney **General Counsel**

EXHIBIT "A" for Amendment 4**CONTRACT #:** 120048**PROJECT IDENTIFICATION #:** 108673.00**FEDERAL PROJECT #:** HPP-9409(108)**STATE PROJECT #:**79LPLM-F3-039

PROJECT DESCRIPTION: COBBLESTONE LANDING RESTORATION AND WALKWAY PROJECT: RIVERSIDE DRIVE COBBLESTONE LANDING RESTORATION AND WALKWAY PROJECT. PROJECT SHALL BE ACCOMPLISHED IN ACCORDANCE WITH THE PROJECT APPLICATION ON WHICH APPROVAL OF THE PROJECT WAS BASED, AASHTO STANDARDS AND EXHIBIT C (WHICH ARE THE AASHTO PATH STANDARDS). THE APPLICATION MAY BE AMENDED FROM TIME TO TIME AS AGREED TO BY THE PARTIES AND WHEN AMENDED WILL SERVE AS THE REVISED PROJECT STANDARD.

CHANGE IN COST: Cost hereunder is controlled by the figures shown in the TIP and any amendments, adjustments or changes thereto.

TYPE OF WORK: Bicycle and Pedestrian Facilities

PHASE	FUNDING SOURCE	FED %	STATE %	LOCAL %	ESTIMATED COST
PE-NEPA	HPP	80%	0%	20%	\$11,337.43
CONSTRUCTIC	HPP	80%	0%	20%	\$3,653,091.00
CONSTRUCTIC	DEMO	100%	0%	0%	\$2,963,928.00
CONSTRUCTIC	M-STP	80%	0%	20%	\$4,187,500.00
TDOT ES	HPP	80%	0%	20%	\$38,662.58

INELIGIBLE COST: One hundred percent (100%) of the actual cost will be paid from Agency funds following expenditure of the most recently approved TIP cost or if the use of said federal funds is ruled ineligible at any time by the Federal Highway Administration.

TDOT ENGINEERING SERVICES (TDOT ES): In order to comply with all federal and state laws, rules, and regulations, the TDOT Engineering Services line item in Exhibit A is placed there to ensure that TDOT's expenses associated with the project during construction are covered. The anticipated TDOT expenses include but are not necessarily limited to Construction Inspection and Material and Testing Expenses (Quality Assurance Testing).

LEGISLATIVE AUTHORITY: STP: 23 U.S.C.A, Section 133, Surface Transportation Program funds allocated or subject to allocation to the Agency. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETY-LU) provides funding for the development of the herein-described project as denoted below, which is comprised of 80% federal funds. The funds shown do not indicate reductions made by the Federal Highway Administration that are out of the Department's control. It is hereby understood and agreed between the parties that the funding provided hereunder will be available in increments as described below. The Agency understands and agrees that Federal Funds cannot be expended until they are received.

	TN162	\$1,000,000	TN 213	\$3,125,000	TN268	\$1,980,000	TN073	\$983,928
FY 2005:	20%		20%		0%		100%	
FY 2006:	20%		20%		100%		0%	
FY 2007:	20%		20%		0%		0%	
FY 2008:	20%		20%		0%		0%	
FY 2009:	20%		20%		0%		0%	

For federal funds included in this contract, the CFDA Number is 20.205, Highway Planning and Construction funding provided through an allocation from the US Department of Transportation.

Approved:

Version 1

RESOLUTION OF THE MEMPHIS CITY COUNCIL OPPOSING THE BYHALIA CONNECTION PIPELINE

WHEREAS, the Memphis City Council is concerned with the health, safety, and well-being of Memphians, present and future; and

WHEREAS, Memphians' health, safety, and well-being are impacted by the physical environment within which they live, work, and call home; and

WHEREAS, the physical environment of Southwest Memphis is at risk of being altered by the proposed Byhalia Connection Pipeline, which seeks to run a crude oil pipeline system nearly 45 miles – connecting Memphis to Marshall County, MS – traversing local neighborhoods, public school property, personal residences, and the Memphis Sand Aquifer, i.e., Memphis and Shelby County's primary source of public drinking water, utilized by senior citizens and youth alike; and

WHEREAS, as proposed, the 45-mile crude oil pipeline would specifically sit atop the Memphis Sand Aquifer and Davis Wellhead, which MLGW utilizes to provide drinking water to countless Memphis and Shelby County men, women, children, and families, before crossing Wellhead Protection Zone 2, on its way through Northern Mississippi where the same high-pressure pipeline would pass near various Source Water Protection Areas to our south; and

WHEREAS, the placement of said pipeline should not be considered solely as an issue isolated from the context of national facts and figures; in fact, the sociohealth consequences are both pervasive and sustained; as of November 2017, African Americans were, and continue to be, 75 percent *more likely* to reside near toxic oil and gas infrastructure; and

WHEREAS, according to the Journal of the National Cancer Institute, in analyzing data collected to examine the impact of proximity to oil infrastructure on risk for several cancers, including lymphoma, lung, breast, colon, bladder, and prostate, their research determined that living within 30 miles of oil infrastructure was associated with an increased risk for cancer of all types, with susceptibility increasing with age; notably, 35.1 percent of Memphians residing within the 38109 zip code – a proposed site for a section of the pipeline – are 50 years old and above; 96.5 percent are African American; and

WHEREAS, despite proponents of the pipeline citing eminent domain to rationalize placing crude oil infrastructure within local neighborhoods, public school property, personal residences, and atop the Memphis Sand Aquifer, the argument is spurious, as the project fails to confer some benefit or advantage to the public residing within the City of Memphis and Shelby County; rather, the project poses a long-term health, safety, and economic detriment to our citizenry, local environment, and property values; and

WHEREAS, as we discuss the future of this great place we call home, and work to champion efforts conducive to our collective success, let us do so in a manner that strives to protect and improve the quality of life and well-being of every person living within our municipal limits, regardless of their census tract, income-level, or platform.

NOW THEREFORE BE IT RESOLVED, the Memphis City Council hereby opposes the Byhalia Connection Pipeline, and requests that Byhalia Pipeline LLC seek an alternative route for its crude oil pipeline that does not pass through the City of Memphis.

BE IT FURTHER RESOLVED, the Memphis City Council requests that MLGW refuse to grant Byhalia Pipeline LLC rights to traverse the Memphis Sand Aquifer; this resolution shall take effect from and after its passage, the welfare of the City requiring it.

Sponsors:

Councilman Edmund Ford, Sr.

Councilman Dr. Jeff Warren