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

January 10, 2017

Honorable Madeline Rogero, Mayor
and Honorable City Council
City of Knoxville
P.O. Box 1631
Knoxville, TN 37901

Dear Mayor Rogero and Members of the Council:

This letter and report, and the plan of refunding (the "Plan"), are to be posted on the website of the City of Knoxville (the "City"). Please provide a copy of this report to each member of the Council and present it at the next meeting of the City Council.

This letter acknowledges receipt of the City's request dated January 5, 2017, to review the Plan for the issuance of a maximum of $6,000,000 Water System Revenue Refunding Bonds, Series FF-2017, (the "Refunding Bonds") to current refund an estimated $5,830,000 Water System Revenue Refunding Bonds, Series S-2005 (the "Refunded Bonds").

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

Balloon Indebtedness

The proposed structure of the Refunding Bonds does not appear to be balloon indebtedness. However, as of the date of this letter, the balloon indebtedness statute would not be applicable because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better. As long as the City maintains a rating at AA+/Aa1 or better, the City will not be subject to the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

Financial Professionals

The City has identified Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the

City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of its municipal advisor.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Compliance with the City's Debt Management Policy

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

Report of the Review of a Plan of Refunding

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

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

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the

following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to ensure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

Report On Debt Obligation

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

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

Sincerely,

Sandra Thompson

Sandra Thompson
Director of the Office of State & Local Finance

cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Ms. Mintha Roach, President and CEO, Knoxville Utilities Board
Mr. Joseph Ayres, Cumberland Securities Company, Inc.
Mr. Scott Gibson, Cumberland Securities Company, Inc.
Mr. Mark Mamantov, Bass Berry & Sims

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

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE BY THE CITY OF KNOXVILLE, TENNESSEE OF WATER SYSTEM REVENUE REFUNDING BONDS, SERIES FF-2017

The City of Knoxville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum of $6,000,000 Water System Revenue Refunding Bonds, Series FF-2017, (the "Refunding Bonds") to current refund an estimated $5,830,000 Water System Revenue Refunding Bonds, Series S-2005 (the "Refunded Bonds").

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

Balloon Indebtedness

The proposed structure of the Refunding Bonds does not appear to be balloon indebtedness. However, as of the date of this letter, the balloon indebtedness statute would not be applicable because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better. As long as the City maintains a rating at AA+/Aa1 or better, the City will not be subject to the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Refunding Analysis

- The results of the refunding are based on the assumption that $5,950,000 Refunding Bonds will be sold by competitive sale and priced at par.
- The City will transfer $60,773 from prior issue debt service funds to fund the transaction.
- The estimated net present value savings are $363,574, or approximately 6.24% of the refunded principal of $5,830,000.
- The refunding generates savings by reducing the average coupon of the Refunded Bonds from 4.24% to an average coupon of 2.55% for the Refunding Bonds.
- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance of the Refunding Bonds is $150,917 or $25.36 per $1,000 of the par amount. See Table 1 for individual costs of issuance.

Table 1

Costs of Issuance of Refunding Bonds

	Amount	Price per $1,000 bond
Underwriter's Discount (TBD by competitive sale)	$ 63,417.23	$ 10.66
Municipal Advisor (Cumberland Securities Company, Inc.)	20,000.00	3.36
Bond Counsel (Bass Berry & Sims)	20,000.00	3.36
Rating Agency Fees	34,000.00	5.71
Other Costs	13,500.00	2.27
Total Cost of Issuance	$ 150,917.23	$ 25.36

The City has identified Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

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

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

Sandra Thompson

Sandra Thompson
Director of the Office of State and Local Finance
Date: January 10, 2017

RECEIVED
JAN 13 2017
BY:

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This letter acknowledges receipt of the City's request dated January 5, 2017,to review the Plan for the issuance of a maximum of $9,500,000 Gas System Revenue Refunding Bonds, Series W-2017, (the "Refunding Bonds") to current refund an estimated $9,295,000 Gas System Revenue Refunding Bonds, Series L-2005 (the "Refunded Bonds").

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Report On Debt Obligation

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

Sincerely,

Sandra Thompson

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Director of the Office of State & Local Finance

cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Ms. Mintha Roach, President and CEO, Knoxville Utilities Board
Mr. Joseph Ayres, Cumberland Securities Company, Inc.
Mr. Scott Gibson, Cumberland Securities Company, Inc.
Mr. Mark Mamantov, Bass Berry & Sims

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

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE BY THE CITY OF KNOXVILLE, TENNESSEE OF GAS SYSTEM REVENUE REFUNDING BONDS, SERIES W-2017

The City of Knoxville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum of $9,500,000 Gas System Revenue Refunding Bonds, Series W-2017, (the "Refunding Bonds") to current refund an estimated $9,295,000 Gas System Revenue Refunding Bonds, Series L-2005 (the "Refunded Bonds").

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

Balloon Indebtedness

The proposed structure of the Refunding Bonds does not appear to be balloon indebtedness. However, as of the date of this letter, the balloon indebtedness statute would not be applicable because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better. As long as the City maintains a rating at AA+/Aa1 or better, the City will not be subject to the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Refunding Analysis

- The results of the refunding are based on the assumption that $9,435,000 Refunding Bonds will be sold by competitive sale and priced at par.
- The City will transfer $97,237 from prior issue debt service funds to fund the transaction.
- The estimated net present value savings are $691,233, or approximately 7.44% of the refunded principal of $9,295,000.
- The refunding generates savings by reducing the average coupon of the Refunded Bonds from 4.36% to an average coupon of 2.55% for the Refunding Bonds.
- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance of the Refunding Bonds is $187,512 or $19.87 per $1,000 of the par amount. See Table 1 for individual costs of issuance.

Table 1

Costs of Issuance of Refunding Bonds

	Amount	Price per $1,000 bond
Underwriter's Discount (TBD by competitive sale)	$ 97,561.77	$ 10.34
Municipal Advisor (Cumberland Securities Company, Inc.)	22,000.00	2.33
Bond Counsel (Bass Berry & Sims)	20,000.00	2.12
Rating Agency Fees	34,000.00	3.60
Other Costs	13,950.00	1.48
Total Cost of Issuance	$ 187,511.77	$ 19.87

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

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

Sandra Thompson

Sandra Thompson
Director of the Office of State and Local Finance
Date: January 10, 2017

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This letter acknowledges receipt of the City's request dated January 5, 2017, to review the Plan for the issuance of a maximum of $26,500,000 Electric System Revenue Refunding Bonds, Series HH-2017, (the "Refunding Bonds") to current refund an estimated $25,525,000 Electric System Revenue Refunding Bonds, Series W-2005 (the "Refunded Bonds").

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

Balloon Indebtedness

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City's Proposed Refunding Objective

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cc: Mr. Jim Arnette, Director of Local Government Audit, COT
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Enclosures: Report of the Director of the Office of State & Local Finance
Report on Debt Obligation

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE BY THE CITY OF KNOXVILLE, TENNESSEE OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS, SERIES HH-2017

The City of Knoxville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum of $26,500,000 Electric System Revenue Refunding Bonds, Series HH-2017, (the "Refunding Bonds") to current refund an estimated $25,525,000 Electric System Revenue Refunding Bonds, Series W-2005 (the "Refunded Bonds").

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

Balloon Indebtedness

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City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Refunding Analysis

- The results of the refunding are based on the assumption that $26,200,000 Refunding Bonds will be sold by competitive sale and priced at par.
- The City will transfer $274,802 from prior issue debt service funds to fund the transaction.
- The estimated net present value savings are $1,958,773, or approximately 7.67% of the refunded principal of $25,525,000.
- The refunding generates savings by reducing the average coupon of the Refunded Bonds from 4.38% to an average coupon of 2.54% for the Refunding Bonds.
- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance of the Refunding Bonds is $423,281 or $16.16 per $1,000 of the par amount. See Table 1 for individual costs of issuance.

Table 1

Costs of Issuance of Refunding Bonds

	Amount	Price per $1,000 bond
Underwriter's Discount (TBD by competitive sale)	$ 278,780.79	$ 10.64
Municipal Advisor (Cumberland Securities Company, Inc.)	42,500.00	1.62
Bond Counsel (Bass Berry & Sims)	36,000.00	1.38
Rating Agency Fees	49,500.00	1.89
Other Costs	16,500.00	0.63
Total Cost of Issuance	$ 423,280.79	$ 16.16

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Dear Mayor Rogero and Members of the Council:

This letter and report, and the plan of refunding (the "Plan"), are to be posted on the website of the City of Knoxville (the "City"). Please provide a copy of this report to each member of the Council and present it at the next meeting of the City Council.

This letter acknowledges receipt of the City's request dated January 5, 2017, to review the Plan for the issuance of a maximum of $13,500,000 Wastewater System Revenue Refunding Bonds, Series U-2017, (the "Refunding Bonds") to current refund an estimated $13,165,000 Wastewater System Revenue Refunding Bonds, Series 2005B (the "Refunded Bonds").

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

Balloon Indebtedness

The proposed structure of the Refunding Bonds does not appear to be balloon indebtedness. However, as of the date of this letter, the balloon indebtedness statute would not be applicable because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better. As long as the City maintains a rating at AA+/Aa1 or better, the City will not be subject to the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

Financial Professionals

The City has identified Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the

City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of its municipal advisor.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Compliance with the City's Debt Management Policy

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

Report of the Review of a Plan of Refunding

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

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

We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the

following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to ensure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.

Report On Debt Obligation

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

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

Sincerely,

Sandra Thompson

Sandra Thompson
Director of the Office of State & Local Finance

cc: Mr. Jim Arnette, Director of Local Government Audit, COT
Ms. Mintha Roach, President and CEO, Knoxville Utilities Board
Mr. Joseph Ayres, Cumberland Securities Company, Inc.
Mr. Scott Gibson, Cumberland Securities Company, Inc.
Mr. Mark Mamantov, Bass Berry & Sims

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

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE CONCERNING THE PROPOSED ISSUANCE BY THE CITY OF KNOXVILLE, TENNESSEE OF WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES U-2017

The City of Knoxville (the "City") submitted a plan of refunding (the "Plan"), as required by T.C.A. § 9-21-903 regarding an issuance of a maximum of $13,500,000 Wastewater System Revenue Refunding Bonds, Series U-2017, (the "Refunding Bonds") to current refund an estimated $13,165,000 Wastewater System Revenue Refunding Bonds, Series 2005B (the "Refunded Bonds").

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

Balloon Indebtedness

The proposed structure of the Refunding Bonds does not appear to be balloon indebtedness. However, as of the date of this letter, the balloon indebtedness statute would not be applicable because the proposed debt to be issued is secured solely by a revenue pledge and the City has some amount of long-term revenue indebtedness outstanding that is rated AA+/Aa1 or better. As long as the City maintains a rating at AA+/Aa1 or better, the City will not be subject to the requirements of T.C.A. § 9-21-134 concerning balloon indebtedness.

City's Proposed Refunding Objective

The City indicated the purpose of the refunding is for net present value debt service savings.

Refunding Analysis

- The results of the refunding are based on the assumption that $13,425,000 Refunding Bonds will be sold by competitive sale and priced at par.
- The estimated net present value savings are $872,247, or approximately 6.63% of the refunded principal of $13,165,000.
- The refunding generates savings by reducing the average coupon of the Refunded Bonds from 4.32% to an average coupon of 2.39% for the Refunding Bonds.
- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance of the Refunding Bonds is $238,168 or $17.74 per $1,000 of the par amount. See Table 1 for individual costs of issuance.

Table 1

Costs of Issuance of Refunding Bonds

	Amount	Price per $1,000 bond
Underwriter's Discount (TBD by competitive sale)	$ 134,668.36	$ 10.03
Municipal Advisor (Cumberland Securities Company, Inc.)	26,000.00	1.94
Bond Counsel (Bass Berry & Sims)	20,000.00	1.49
Rating Agency Fees	44,000.00	3.28
Other Costs	13,500.00	1.00
Total Cost of Issuance	$ 238,168.36	$ 17.74

The City has identified Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

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

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

Sandra Thompson

Sandra Thompson
Director of the Office of State and Local Finance
Date: January 10, 2017