

JUSTIN HANSON
Mayor



TINA DUNN
Recorder-Treasurer

City of Covington

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THE MEETING OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF COVINGTON, TENNESSEE ON MAY 11, 2021, at 5:30 p.m.

1. Meeting to be called to order by Mayor Justin Hanson.
2. Invocation to be given by Alderman C H Sullivan.
3. Pledge of Allegiance to the Flag to be led by Alderman Danny Wallace.
4. Minutes of the Preceding Meeting to be approved.
5. Report from Committees:
 - Minutes of the Beer Board Meeting
 - Minutes of the General Welfare - Public Safety Committee Meeting
 - Minutes of the Public Works Committee Meeting
6. Additions to the Agenda.
7. Welcome to visitors and grievances from citizens.
8. Report from Mayor Justin Hanson:
 - Updates
9. Report from Recorder-Treasurer Tina Dunn
10. Report from City Attorney Rachel Witherington
11. Old Business:
12. New Business:
 - Resolution – Issue General Obligation Bonds
 - Resolution – Capital Outlay Note for Interim Financing Bond Fund
 - Bills Over/Under \$1,000.00 ready for Board Approval

The Board of Mayor and Aldermen met virtually on April 27, 2021 at 6:10 p.m. with the following members present: Mayor Justin Hanson, Aldermen: Danny Wallace, Johnetta Yarbrough, Jeff Morris, John Edwards, C H Sullivan, and Chris Richardson. Also present were Fire Chief Richard Griggs, Police Chief Larry Lindsey, Public Works Director David Gray, Personnel Director Tiny Rose, Building Official Lessie Fisher, Parks & Recreation Director Joe Mack, City Attorney Rachel Witherington, and Recorder-Treasurer Tina Dunn.

Meeting was called to order by Mayor Justin Hanson.

Invocation was given by Alderman Jeff Morris.

Pledge of Allegiance to the Flag was led by Alderman Chris Richardson.

Motion was made by Alderwoman Johnetta Yarbrough and seconded by Alderman Danny Wallace that the Minutes of the Preceding Meeting be approved as distributed to the Board (See Attached). Alderman Edwards stated he would not be able to vote for this due to the attached policies were not attached to the approved Resolution authorizing approval of the personnel policies for the police department.

Voting Aye: Yarbrough, Sullivan, Morris, Richardson, Wallace

Voting Nay: Edwards

Motion passed.

Motion was made by Alderman Jeff Morris and seconded by Alderman Chris Richardson that the Minutes of the General Welfare – Public Relations be approved (See Attached).

Voting Aye: Yarbrough, Edwards, Sullivan, Morris, Richardson, Wallace.

Motion passed.

Motion was made by Alderman C H Sullivan and seconded by Alderman Danny Wallace that the Minutes of the Finance & Administration Committee Meeting be approved (See Attached).

Voting Aye: Yarbrough, Sullivan, Edwards, Morris, Richardson, Wallace.

Motion passed.

Alderman Edwards requested to have discussion concerning the service charges for utility bills at the Public Works Committee Meeting in May.

Mayor Hanson reported Governor Lee will not extend any mask requirement or extend municipal electronic meetings for Board and Committee Meetings. The Public Works Committee Meeting will be in person on May 4, 2021.

Recorder-Treasurer Tina Dunn gave the sales tax report for collections for the month of February showing an increase of 1% and year to date collections are up 11.9% or \$300,000.00 (See Attached).

Motion was made by Alderman Sullivan and seconded by Alderman Richardson to approve the report from Recorder-Treasurer Dunn.

Voting Aye: Yarbrough, Sullivan, Edwards, Morris, Richardson, Wallace.

Motion passed.

Mayor Hanson presented the Resolution authorizing the initial loan of 1,255,000.00 from USDA for the pavement of streets (See Attached). This includes the receipt of a grant in the amount of \$250,000.00.

Motion was made by Alderman Sullivan and seconded by Alderman Edwards to approve the Resolution authorizing the initial loan of 1,255,000.00 from USDA for the pavement of streets.

Voting Aye: Yarbrough, Sullivan, Edwards, Morris, Richardson, Wallace.

Motion passed.

The following bills over/under \$1,000.00 were presented for approval:

A T & T	WTP	TELEPHONE SERVICE	1,534.32
A2H	WATER	RIALTO IND PARK SDG WATER LINE	2,789.00
ADT COMMERCIAL	POLICE	SECURITY SYSTEM CAMERAS	7,818.36
AIRGAS	WATER	LINK 2857-1 WLDR RNG 225	4,105.70
AMAZON	VARIOUS	MISCELLANEOUS	4,017.31
ANTHONY GINN	POLICE	TRAVEL	572.56
ASHLEY CHISM - WIST	AQUATICS	WSI TRAINING (4)	1,200.00
BARGE DESIGN SOLUTIONS	AIRPORT	SECURITY IMPROVEMENTS	11,632.00
BFI NORTH SHELBY LANDFILL	WWTP	SLUDGE REMOVAL	5,515.52
BRENNTAGG MID SOUTH INC	WWTP	CHEMICALS	1,129.60
BRENNTAGG MID SOUTH INC	WWTP	CHEMICALS	1,610.00
CMS UNIFORM & EQUIPMENT	POLICE	NEW HIRE UNIFORMS	4,562.02
COVINGTON ELECTRIC	VARIOUS	ELECTRIC SERVICE	4,814.47
DWAIN EDWARDS	FIRE	TRAVEL	56.00
G & C SUPPLY	SEWER	GRINDER PUMPS	2,700.00
G & C SUPPLY	SEWER	PUMP	5,700.00
G & C SUPPLY	SEWER	MISC SUPPLIES	8,550.00
HACH	WTP	CHEMICALS	2,328.82
KRISTIE MAXWELL, TRUSTEE	GENERAL	APR 2021 MIXED DRINK	1,607.45
LARRY LINDSEY	POLICE	TRAVEL	398.86
MEAC	GAS	PURCHASED NATURAL GAS	46,128.00
MID SOUTH SUPPLIERS	SSA	LIMESTONE	3,055.94
OWENS,JENKINS,DEDMON,ETAL	GENERAL	ATTORNEY FEES	3,566.67
PAVEMENT RESTORATION	STREET	STREET (S) REPAIR	17,264.25
POLYDYNE INC	WWTP	CHEMICALS	4,732.20
RADFORD PLANNING	CODES	TECH ASSISTANCE-PLANNING 04-06/2021	2,382.00
REPUBLIC SERVICES	SOILD WASTE	CONTRACTED SERVICES	92,269.21

RICHARD GRIGGS	FIRE	TRAVEL	210.00
ROSE CONSTRUCTION	WATER	RIALTO IND PARK WATER LINE	50,785.39
SHELBY ELECTRIC	SSA	CONTROL BOX - SIGNAL REPAIR	27,723.55
SKEETER KELL	PARKS / REC	BASEBALL EQUIPMENT	1,603.50
SOUTHWEST TENN ELEC	AIRPORT	ELECTRIC SERVICE	1,620.31
SUCCESS BRANDS	PARKS/REC	USSSA TOURNAMENT RINGS	1,180.00
SYMMETRY	GAS	PURCHASED NATURAL GAS	116,330.84
TIPTON CO E911	GENERAL	4TH QUARTER USER FEES	40,681.77
WOOTEN OIL CO	GENERAL	GASOLINE INVENTORY	15,973.69
		Total	\$498,149.31

Motion was made by Alderman Danny Wallace and seconded by Alderwoman Johnetta Yarbrough that the preceding bills over/under \$1000.00 be paid when properly approved.

Voting Aye: Yarbrough, Sullivan, Edwards, Morris, Richardson, Wallace.

Motion passed.

There being no further business, the meeting adjourned at 6:36 p.m.

Attest:

Recorder-Treasurer

Mayor

The Beer Board of the City of Covington, Tennessee met virtually on April 27, 2021 at 5:30 p.m. with the following members present: Mayor Justin Hanson Aldermen: Danny Wallace, John Edwards, Johnetta Yarbrough, C H Sullivan, Chris Richardson, and Jeff Morris. Also present were Public Works Director David Gray, Building Official Lessie Fisher, Fire Chief Richard Griggs, Personnel Director Tiny Rose, Park and Recreation Director Joe Mack, Police Chief Larry Lindsey, City Attorney Rachel Witherington, and Recorder-Treasurer Tina Dunn.

Meeting was called to order by Mayor Justin Hanson.

Public Hearing to consider the suspension, revocation, or civil penalty in lieu of suspension of the Beer Permit for Jimmy Vandergrift, Richard Morris, and Connie King, the owners and operators of the Penny Partnership, dba Fastimes located at 101 Hwy 51 North for selling to a minor was called to order.

Motion was made by Alderman Sullivan to fine the establishment \$2,500.00 in lieu of a 30-day suspension. Motion failed due to lack of second.

Motion was made by Alderman Morris to suspend the Beer Permit for a period of 30 days. Motion failed due to lack of second.

Attorney Witherington reported that according to City Ordinance, the Board could only fine a responsible vendor \$1,000.00 for each event in lieu of suspension. If an establishment was not a responsible vendor and was the first offense, a civil penalty of \$2,500.00 in lieu of suspension could be placed. If it was a second offense, a 60-day suspension could be placed. The time period to be reviewed for the second offense is 24 months.

Motion was made by Alderman Sullivan and seconded by Alderwoman Yarbrough to place a civil penalty of \$2,500.00 in lieu of suspension on Penny Partnership, dba Fastimes located at 101 Hwy 51 North.

Voting Aye: Edwards, Yarbrough, Morris, Richardson, Sullivan

Abstain: Wallace

Motion passed.

Public Hearing to consider the suspension, revocation, or civil penalty in lieu of suspension of the Beer Permit for MD Shana Ullaha, the owner and operator of the Exxon Food Mart located at 1725 Hwy 51 South for selling to a minor was called to order.

Motion was made by Alderman Sullivan and seconded by Alderman Morris to suspend the beer permit for a period of 60 days for Exxon Food Mart located at 1725 Hwy 51 South for selling to a minor due to it is a second violation.

Voting Aye: Yarbrough, Edwards, Morris, Richardson, Wallace, Sullivan

Motion passed.

Public Hearing to consider the suspension, revocation, or civil penalty in lieu of suspension of the Beer Permit for Judson Naifeh and Dana Naifeh, the owner and operator of Naifeh's of

Covington, LLC, dba Naifeh's Cashsaver located at 738 Hwy 51 North for selling to a minor was called to order.

Motion was made by Alderman Sullivan and seconded by Alderman Morris to place a civil penalty of \$1,000.00 on Naifeh's of Covington, LLC, dba Naifeh's Cashsaver located at 738 Hwy 51 North for selling to a minor due to the establishment is a responsible vendor.

Voting Aye: Yarbrough, Edwards, Morris, Richardson, Wallace, Sullivan

Motion passed.

Public Hearing to consider the suspension, revocation, or civil penalty in lieu of suspension of the Beer Permit for Walgreens Boots Alliance, Inc., dba Walgreen Co. #7911, located at 950 Hwy 51 for selling to a minor was called to order.

Motion was made by Alderman Sullivan and seconded by Alderman Richardson to place a civil penalty of \$2,500.00 in lieu of suspension on Walgreen Co. #7911, located at 950 Hwy 51 North.

Voting Aye: Edwards, Yarbrough, Morris, Richardson, Sullivan, Wallace

Motion passed.

There being no further business, the meeting adjourned at 6:09 p.m.

The General Welfare – Public Safety Committee met virtually on April 27, 2021 at 4:00 p.m. with the following members present: Chairman Alderwoman Johnetta Yarbrough, Mayor Justin Hanson, Alderman Chris Richardson, and Alderman C H Sullivan. Also present were: Police Chief Larry Lindsey, Fire Chief Richard Griggs, Alderman Jeff Morris, Alderman Danny Wallace, Public Works Director David Gray, Building Official Lessie Fisher, Assistant to the Mayor Rebecca Ray, and Recorder-Treasurer Tina Dunn.

Chairman Alderwoman Yarbrough called the meeting to order.

Police Chief Lindsey reported there are two open positions. Detective Hall has retired. Two officers attended a three-day school conducted by the Tennessee Public Safety Network. This training is designed to prepare the officers to deal with and assist other officers in critical incidents. Two officers attended the Cross-culture competency training in April. Captain Howell will be attending the FBI-LEEDA Command Leadership Institute from May 3rd – 7th. Captain Howell has also been awarded a scholarship from the Department of Homeland Security to attend the South Eastern Leadership Academy. This award covers the cost of a five-week school. On April 22, 2021, the police department joined Nextdoor to better communicate with and provide information to our community members. This application will provide neighborhood specific or citywide information and allow citizens to communicate with the department. The statistics for the month was presented showing 1075 calls for the month. A list of policy names that are being updated was given to be reviewed. These policies will be distributed and signed by the officers.

Motion was made by Alderman Sullivan and seconded by Alderman Richardson to accept the report from Police Chief Larry Lindsey.

Voting Aye: Yarbrough, Richardson, Sullivan, Hanson

Motion passed.

Fire Chief Richard Griggs reported there were 3 hours worked by volunteers in the month of March. The run report was presented showing 216 calls from March 24th to April 22nd. There has been a total of 783 calls for the year. The county coverage area collections are \$81,490.00. The ventilation system for both stations reimbursement request will be resubmitted once the Environmental Notice has been posted for 2 weeks. Inservice classes are complete except for the Grain Bin Rescue Class. Driver Edwards completed the first week of Fire Drivers Class. The Civil Defense Sirens are working, and the five sites will be checked on Wednesdays at noon. The Fentanyl safety recommendations for first responders was presented. The care report was presented for review. There are 14 new applicants for the volunteer program. Two orientations have been completed. Background checks on the applicants have been completed. After the physical agility and drug tests are complete, the applicants will begin training.

Motion was made by Alderman Richardson and seconded by Alderman Sullivan to accept the report from Fire Chief Richard Griggs.

Voting Aye: Sullivan, Yarbrough, Richardson, Hanson

Motion passed.

There being no further business, the meeting adjourned at 4:18 p.m.

The Public Works Committee met at City Hall on May 4, 2021 at 4:00 p.m. with the following members present: Chairman Alderman Danny Wallace, Aldermen: Jeff Morris and Johnetta Yarbrough and Mayor Justin Hanson. Also present were Aldermen: C.H. Sullivan, John Edwards, and Chris Richardson, Public Works Director David Gray, Building Official Lessie Fisher, Senior Accountant Kristin Mathis, Assistant to the Mayor Rebecca Ray, Street / Sanitation Manager James Dowell, and Utilities Manager Calvin Johnson.

Meeting was called to order by Chairman Alderman Danny Wallace.

Public Works Director David Gray announced National Public Works week will be held May 16-22, 2021 and the fish fry will be on Friday May 21st at the city barn. The Annual Natural Gas Safety Inspection was recently conducted by the TN Public Utility Commission and Director Gray was happy to report there were no violations identified. He gave an update on the new AMI system and is hoping this project will be complete by the end of the month. Since the new automated meter system has been in place there has been a 22% increase in revenue for both water and sewer in the month of March compared to last year. He will continue to follow this the next several months for verification. The annual inventory bids for fiscal year 2021-2022 will be opened on May 18th and will be presented at the June Public Works meeting for approval. There was a discussion on the process of handling delinquent utility accounts.

A motion was made by Alderman Morris and seconded by Alderwoman Yarbrough to approve Director Gray's report as presented. Motion passed.

Building Official Lessie Fisher informed the committee that the department has been busy working on the Administrative Ordinance, the design guidelines for the Historic Zoning Commission, and the guidelines for the Design Review Commission as well as progress in the updating of the Municipal Code. The bid opening for the 2018 Home Program grant will be on Friday, May 7, 2021 at 1:00 p.m. There are 3 applicants being considered if funding allows with two being demos and one being a renovation. There was a discussion regarding animal control and currently Director Fisher recommends maintaining the minimum animal control for the 2021-2022 fiscal year. She stated 911 dispatch, including the Covington Police Department, along with Covington Public Works will keep up with the number and types of calls associated with animal control throughout the year to obtain more accurate financial figures to present for the budget next fiscal year. Director Fisher updated the committee on various training classes attended by the department.

A motion was made by Alderwoman Yarbrough and seconded by Alderman Morris to approve the Code Compliance Department report as presented. Motion passed.

There being no further business, the meeting adjourned at 4:38 p.m.

PROCLAMATION

National Public Works Week May 16 – 23, 2021

“Stronger Together”

WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of the City of Covington; and,

WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers and employees at all levels of government and the private sector, who are responsible for rebuilding, improving and protecting our nation’s transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,

WHEREAS, it is in the public interest for the citizens, civic leaders and children in the City of Covington to gain knowledge of and to maintain a progressive interest and understanding of the importance of public works and public works programs in their respective communities; and,

WHEREAS, the year 2021 marks the 61st annual National Public Works Week sponsored by the American Public Works Association and now, be it resolved that, I, Justin M. Hanson, Mayor of the City of Covington, do hereby designate the week May 16 – 22, 2021 as National Public Works Week; and I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events and ceremonies designed to pay tribute to our public works professionals, engineers, managers and employees and to recognize the substantial contributions they make to protecting our national health, safety, and quality of life.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Covington to be affixed, this Tuesday, the 11th day of May 2021.

Justin M. Hanson
Mayor

Tina C. Dunn
Recorder-Treasurer

PROCLAMATION

Building Safety Month May, 2021

WEREAS, the City of Covington is committed to recognizing that our growth and strength depends on the safety and economic value of the homes, buildings and infrastructure that serve our citizens, both in everyday life and in times of disaster, and;

WHEREAS, our confidence in the resilience of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers, plumbers and others in the construction industry—who work year round to ensure the safe construction of buildings, and;

WHEREAS, these guardians are dedicated members of the International Code Council, a nonprofit that brings together local, state and federal officials that are experts in the built environment to create and implement the highest-quality codes to protect us in the buildings where we live, learn, work, play, and;

WHEREAS, our nation benefits economically and technologically from using the International Codes that are developed by a national, voluntary consensus codes and standards developing organization, our government is able to avoid the high cost and complexity of developing and maintaining these codes, which are the most widely adopted building safety and fire prevention codes in the world, and;

WHEREAS, these modern building codes include safeguards to protect the public from hazards such as hurricanes, snowstorms, tornadoes, wildland fires, floods and earthquakes, and;

WHEREAS, Building Safety Month is sponsored by the International Code Council to remind the public about the critical role of our communities' largely unknown protectors of public safety—our local code officials—who assure us of safe, sustainable, energy efficient and livable buildings that are essential to America's prosperity, and;

WHEREAS, "Prevent, Prepare, Protect. Building Codes Save," the theme for Building Safety Month 2021, encourages all Americans to raise awareness about the importance of safe and resilient construction; fire prevention; disaster mitigation, energy conservation; water safety; training the next generation; and new technologies in the construction industry, and;

NOW, THEREFORE, I, JUSTIN M. HANSON, MAYOR OF THE CITY OF COVINGTON, do hereby proclaim the month of May 2021 as

BUILDING SAFETY MONTH

and I encourage our citizens to join with their communities in participation in Building Safety Month activities. This the 11th day of May 2021.

Justin M. Hanson
Mayor

Tina C. Dunn
Recorder-Treasurer

Resolution

INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$1,255,000 GENERAL OBLIGATION BONDS OF CITY OF COVINGTON, TENNESSEE

WHEREAS, the Board of Mayor and Aldermen of the City of Covington, Tennessee (the "City") has determined that it is necessary and advisable to make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to, capital expenditures for the construction, improvements, paving, renovations, repairs of roads for the purpose of paving and/or repaving the roads (collectively the "Project"); and

WHEREAS, the City is authorized by Sections 9-21-101 et seq. of the Tennessee Code Annotated to issue bonds for such purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Covington, Tennessee, as follows:

Section 1. That it is necessary and desirable and in the best interests of the citizens of City of Covington, Tennessee that the City make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to, capital expenditures for the construction, improvements, paving, renovations, repairs of roads for the purpose of paving and/or repaving the roads and pay legal, fiscal, administrative, architectural and engineering costs of the Project and costs incident to the issuance and sale of the bonds.

Section 2. That the Board of Mayor and Aldermen of City of Covington, Tennessee hereby determines pursuant to the authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, that it shall issue its general obligation bonds for the Project and for other purposes stated above in an aggregate amount not-to-exceed \$1,255,000, that such bonds will bear interest at such rate or rates not-to-exceed 5.50%, and that such bonds shall be payable, both principal and interest, from ad valorem taxes levied without limitation as to rate or amount upon all taxable property in the City.

Section 3. That the bonds may be issued in one or more emissions either separately or as part of one or more larger bond issues which may include bonds of the City being issued for other purposes and/or under other authorizing resolutions and statutes.

Section 4. That the City Recorder/Treasurer of the City be, and is, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of not to exceed \$1,255,000 general obligation bonds to be published in full in a newspaper having a general circulation in the City, for one issue of said paper followed by the statutory notice, to-wit:

NOTICE

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition signed by at least ten percent (10%) of the registered voters of the City shall have been filed with the City Recorder/Treasurer of the City protesting the issuance of the bonds, such bonds will be issued as proposed.

Tina Dunn, City Recorder/Treasurer

Adopted and approved this 27th day of May, 2021.

Mayor

Attest:

City Recorder/Treasurer

(Seal)

STATE OF TENNESSEE:
COUNTY OF TIPTON:

I, Tina Dunn, hereby certify that I am the duly elected and qualified City Recorder/Treasurer of City of Covington, Tennessee and as such official, I hereby certify that the foregoing is a true and correct copy of excerpts from the minutes of the meeting of the Board of Mayor and Aldermen of City of Covington, Tennessee held on Tuesday, April 27, 2021, insofar as the same pertains to the proceedings in connection with the issuance of not-to-exceed \$1,255,000 general obligation bonds of the City.

Witness my signature this __ day of May, 2021.

City Recorder/Treasurer

(Seal)

Resolution

The Board of Mayor and Aldermen of the City of Covington, Tennessee met in regular session at the City Hall, 200 West Washington Street, Covington, Tennessee at 5:30 o'clock p.m. on the 11th day of May, 2021.

Present at the meeting were Mayor Hanson and the following Aldermen:

Absent:

Others: _____

Mayor Hanson, presiding, noted that a quorum was present.

Other Business

Alderman _____ moved for the adoption of the following resolution, which motion was seconded by Alderman _____, and after due discussion was put to a roll call vote, the result of which was as follows:

Aldermen voting "AYE":

Aldermen voting "NO":

Aldermen abstaining:

RESOLUTION

RESOLUTION OF THE CITY OF COVINGTON, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES, SERIES 2021, IN AN AMOUNT NOT TO EXCEED \$1,255,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

WHEREAS, the Board of Mayor and Aldermen (the "Board"), of the City of Covington, Tennessee (the "Municipality" or the "City"), has determined that it is necessary and desirable to authorize, issue, sell, and provide for the payment of its interest bearing capital outlay notes to provide interim financing, prior to obtaining a loan with USDA, for the costs of milling and paving of City streets, and to pay all legal, fiscal, administrative, and engineering costs incident thereto (collectively, the "Project");

WHEREAS, the Municipality estimates that the economic life of the Project exceeds two (2) years;

WHEREAS, the Municipality finds and determines that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose;

WHEREAS, in order to proceed as expeditiously as possible with such an essential Project, it is necessary that interest bearing capital outlay notes be issued for the purpose of providing funds to finance the Project; and,

WHEREAS, the Municipality is authorized by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue such notes for said purposes upon the approval of the Director of the Division of Local Government Finance:

NOW, THEREFORE, BE IT RESOLVED BY the Board of Mayor and Aldermen of the City of Covington, Tennessee, as follows:

Section 1. Authority. The Notes herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Authorization. For the purpose of providing funds to provide interim financing for the costs of the Project, there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing capital outlay notes of the Municipality, in the aggregate principal amount of not to exceed \$1,255,000, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor") at the time of sale (collectively, the "Notes", individually, the "Note).

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Capital Outlay Notes, Series 2021". The Notes shall be issued in registered form, without coupons. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate or rates not to exceed 2% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than semiannually each year commencing six months from the dated date or such date as shall be designated by the Mayor (the "Interest Payment Date"). The Notes shall mature not later than the end of the first fiscal year following the fiscal year in which the Notes are issued. Each year the Notes are outstanding the Municipality shall retire principal on the Notes in an amount that is estimated to be at least equal to an amortization which reflects level debt service on the Notes. If the Notes are issued

through the Tennessee Municipal Bond Fund ("TMBF"), alternative loan program, the rate of interest will include an annual fee equal to 15 basis points (0.15%), payable to TMBF by the bank, to be paid from each periodic payment of interest on the Notes, based on the outstanding principal amount of the Notes. The Notes shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Notes.

Interest on the Notes shall be payable by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owner of such Notes, as of the applicable Interest Payment Date, at its address as shown on the Registration Books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. The principal of all Notes shall be payable upon presentation and surrender of such Notes at the principal office of the Note Registrar. All payments of the principal of and interest on the Notes shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 4. Redemption. The Notes shall be subject to redemption, in whole or in part, prior to their maturity upon fifteen (15) days' written notice from the City to the registered owner, at the price of par plus accrued interest to the date of redemption.

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor; shall be countersigned by the City Recorder of the Municipality (the "City Recorder"), with his or her manual signature; and, shall have printed or impressed thereon the official seal of the Municipality. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books"), for recording the registration, conversion, and payment of the Notes, and shall also perform such other duties as may be required in connection with any of the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or as it may designate, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein.

(b) In the event that any amount payable on any Note as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Note as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed

on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 7. Transfer of Notes. Each Note shall be transferable only on the Registration Books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note duly executed by the owner thereof or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee or transferees shall take such new Note or Notes subject to all of the conditions herein contained.

Section 8. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

Section 9. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owner of the Notes as the absolute owner thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 10. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 11. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from

ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged.

Section 12. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such Notes shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in the debt service fund of the Municipality, and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 13. Approval of Director of the Division of Local Government Finance. Anything herein contained to the contrary notwithstanding, no Notes authorized under this Resolution shall be issued, sold, or delivered, unless and until such Notes shall first have been duly approved by the Director of the Division of Local Government Finance as provided by Section 9-21-601 et. seq., Tennessee Code Annotated, as amended. The Mayor, City Recorder, City Attorney, and Bond Counsel are hereby authorized to take or cause to be taken such steps as are necessary to obtain such approval. After the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Municipality shall submit its annual budget to the Director of the Division of Local Government Finance for approval immediately upon the Municipality's adoption of the budget.

Section 14. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor by private negotiated sale at a price of not less than par, upon such terms and conditions as shall be agreed to by the Mayor and the purchaser of such Notes.

Section 15. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "General Obligation Capital Outlay Notes, Series 2021 Project Fund" (the "Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality. The monies in the Project Fund shall be disbursed solely to finance the Project and to pay the costs of issuance of the Notes. Monies in the Project Fund may be invested and shall be secured in the manner prescribed by applicable statutes relative to the investment and securing of public or trust funds. Any monies remaining in the Project Fund after completion of the Project shall be transferred to the Note Fund.

Section 16. Non-Arbitrage Certification. The Municipality certifies and covenants with the owner of the Notes that so long as the principal of any Note remains unpaid, monies on deposit in any fund or account in connection with the Notes, whether or not such monies were derived from the proceeds of the sale of the Notes or from any other source, will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. The Municipality reserves the

right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Notes subject to inclusion in gross income of the owner thereof for federal income tax purposes.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom and it represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as defined in the regulations promulgated under the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming subject to inclusion in federal gross income of the owner of the Notes for purposes of federal income taxation.

Section 17. Designation of Notes as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Notes as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as one issuer under such Section 265(b)(3)) during the 2021 calendar year will be designated as "qualified tax-exempt obligations".

Section 18. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner of the Notes, and after the issuance of the Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owner of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owner of the Notes.

Section 19. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owner from time to time of such Notes. The Municipality further covenants that it will not take any action that will cause the interest on the Notes to be subject to inclusion in gross income of the owner thereof for purposes of federal income taxation.

Section 20. Miscellaneous Acts. The Mayor, the City Recorder, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved; or for the authorization, issuance, and delivery of the Notes.

Section 21. Failure to Present Notes. Subject to the provisions of Section 3 hereof, in the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner

thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 22. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then the payment of the interest on, or the principal of, such Note need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity; and no interest shall accrue for the period after such date.

Section 23. No Recourse Under Resolution or on Notes. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or under this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Notes.

Section 24. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 25. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed, and this Resolution shall be in effect as of the date of its adoption the welfare of the Municipality requiring it.

Approved and adopted this 11th day of May, 2021.

Mayor

Attest:

City Recorder

STATE OF TENNESSEE)
COUNTY OF TIPTON)

I, Tina Dunn, hereby certify that I am the duly qualified and acting City Recorder of the City of Covington, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on May 11, 2021; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$1,255,000 General Obligation Capital Outlay Notes, Series 2021, by said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 11th day of May, 2021.

City Recorder

(SEAL)

**EXHIBIT A
FORM OF NOTE**

**Registered
No.** _____

**Registered
\$** _____

**UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF COVINGTON
GENERAL OBLIGATION CAPITAL OUTLAY NOTE,
SERIES 2021**

Registered Owner:

Principal Amount:

THE CITY OF COVINGTON, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the office of the City Recorder, City Hall, Covington, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), the Principal Amount identified above, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, to the Maturity Date, semi-annually on _____ and _____ of each year, commencing _____, 2021, at the Interest Rate per annum set forth above, by check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the Note Registrar on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

Section 9-21-117, Tennessee Code Annotated, as amended, provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is one of a series of notes known as "General Obligation Capital Outlay Notes, Series 2021" (the "Notes"), issued by the Municipality in the aggregate principal amount of \$1,255,000. The Notes which are issued for the purpose of providing interim financing, prior to obtaining a loan with USDA, for the costs of milling and paving of City streets, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, are authorized by an appropriate resolution of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen adopted on May 11, 2021, as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution, as so amended or supplemented, being herein called, the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of the Resolution are on file at the office of the City Recorder of the Municipality, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Notes are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This note and interest hereon is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property in the Municipality without limitation as to time, rate, or amount. For the prompt payment of this note, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are hereby irrevocably pledged.

The Municipality has designated the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This note is transferable by the Registered Owner hereof by its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this note. Upon any such transfer, the Municipality shall execute, and the Note Registrar shall authenticate and deliver in exchange for this note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this note, of the same maturity and bearing interest at the same rate. For every exchange or transfer of notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid to the Municipality by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Municipality and the Note Registrar may deem and treat the entity in whose name this note is registered as the absolute owner hereof, whether such note shall be overdue or not, for the purpose of making payment of the principal of and interest on this note and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this note to the extent of the sum or sums so paid, and neither the Municipality nor the Note Registrar shall be affected by any notice to the contrary.

The Notes are issuable only as fully registered Notes, without coupons. At the office of the Note Registrar, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, fully registered Notes may be exchanged for an equal aggregate principal amount of fully registered Notes of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Note shall be subject to redemption, in whole or in part, prior to its maturity upon fifteen (15) days' written notice from the City to the registered owner, at the price of par plus accrued interest to the date of redemption.

This note shall have all the qualities and incidents of, and shall be, a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such note. This note is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to the issuance of, this note in order to make this note a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee; and that this note and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF COVINGTON, TENNESSEE, has caused this note to be signed by the manual signatures of the Mayor and the City Recorder and its official seal, to be impressed or imprinted hereon, all as of _____, 2021.

