

CARLTON GERRELL, MAYOR
KIM FOSTER, CITY MANAGER
FRED MCLEAN, ATTORNEY



TERRY FULLER, COMMISSIONER
GAYLE GRIFFITH, VICE MAYOR
JACKIE JONES, COMMISSIONER
SAM THARPE, COMMISSIONER

**CITY OF PARIS, TENNESSEE
BOARD OF COMMISSIONERS REGULAR MEETING AGENDA**

**CITY HALL COURTROOM
February 2, 2017
5:00 P.M.**

PUBLIC HEARING

1. Proposed Ordinance for Water Rate Increase

REGULAR MEETING

Call to Order: Carlton Gerrell, Mayor

Roll Call: Traci Pillow, Finance Director

Pledge of Allegiance and Prayer

Approval of the Minutes of Previous Meetings: Regular Meeting – January 5, 2017

Board Will Hear Comments from Citizens

Board Will Hear Comments from the Commission

Service Resolutions and Proclamations: None

OLD BUSINESS

1. Proposed Ordinance for Water Rate Increase

NEW BUSINESS

1. **Financial Update:** Traci Pillow, Finance Director
2. **Appointments to Boards:** Carlton Gerrell
3. **Audit Presentation:** Mike Hewitt, CPA, Alexander Thompson Arnold
4. **Resolutions for two State Revolving Fund (SRF) Loans:** Terry Wimberley, BPU
5. **Approval to sign Municipal Advisor Agreement with Raymond James & Assoc.:**
Kim Foster, City Manager
6. **Authorization for Mayor to sign Tourism Enhancement Grant Contract:** Kim Foster, City Manager
7. **Ordinance to Amend Title 2 Chapter 1 and Chapter 2:** Kim Foster, City Manager

Various Projects Updates: Kim Foster, City Manager

Adjournment

**OLD BUSINESS
AGENDA ITEM NO. 1
Proposed Ordinance for Water Rate Increase (Second Reading)**

Terry Wimberley, General Manager of the Board of Public Utilities was present at the January 2017 meeting. Mr. Wimberley stated BPU had previously come before the City Commission to get approval for a water rate increase in a series of three rate increases that began July 1, 2015 for the three consecutive years (2015 - 2017). Mr. Wimberley mentioned they are half way through the second of those three increases. The current proposed increase will complete a plan set forth in 2015 designed to cover the debt associate with the new water treatment facility.

Attached is the Ordinance is presented for second reading.

ORDINANCE NO. _____

AN ORDINANCE to Amend Appendix E adopting Board of Public Utilities Rules and Regulations
Governing the Use of the Water System and Connections Thereto

SECTION 1. BE IT ORDAINED by the Board of Commissioners of the City of Paris, Tennessee, that paragraph three (3) of the Board of Public Utilities Rules and Regulations Governing the Use of the Water System and Connections Thereto, setting the COMMODITY RATE and MINIMUM MONTHLY BILL, be amended by enacting the following Water Rate Schedules effective July 1, 2018 and for future years as follows:

**WATER RATE SCHEDULE
(EFFECTIVE 7/1/2018 TO 6/30/2019)**

COMMODITY RATE

Water Usage	Inside City	Outside City
Base charge	\$13.00	\$19.50
Cost per 1,000 gallons	\$2.75	\$4.125

Wholesale cost/1,000 gallons \$3.00

All users or customers residing outside of the corporate limits of the City of Paris shall be charged an additional fifty percent (50%) of the commodity charge.

MINIMUM MONTHLY BILL

Meter Size	Gallons	Monthly Minimum Inside City	Monthly Minimum Outside City
5/8"	2,000	\$13.00	\$19.50
1"	6,000	\$29.50	\$44.25
1 1/2"	16,000	\$57.00	\$85.50
2" or above	28,000	\$90.00	\$135.00

PAYMENT

Above charges are net.

FIRE PROTECTION RATE SCHEDULE

Sprinkler Head Charge
\$20.00 per building per month

WATER RATE SCHEDULE
(EFFECTIVE 7/1/2019)

COMMODITY RATE

Water Usage	Inside City	Outside City
Base charge	\$14.00	\$21.00
Cost per 1,000 gallons	\$2.75	\$4.125

Wholesale cost/1,000 gallons \$3.00

All users or customers residing outside of the corporate limits of the City of Paris shall be charged an additional fifty percent (50%) of the commodity charge.

MINIMUM MONTHLY BILL

Meter Size	Gallons	Monthly Minimum Inside City	Monthly Minimum Outside City
5/8"	2,000	\$14.00	\$21.00
1"	6,000	\$30.50	\$45.75
1 1/2"	16,000	\$58.00	\$87.00
2" or above	28,000	\$91.00	\$136.50

PAYMENT

Above charges are net.

FIRE PROTECTION RATE SCHEDULE

Sprinkler Head Charge
\$20.00 per building per month

(Ord. # _____ / ____ 17)

SECTION 2. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 3. This ordinance shall take effect on and after final passage and adoption.

Passed and adopted January 5, 2017.

Passed and adopted February 2, 2017.

/s Carlton Gerrell
Mayor

/s Traci Pillow
Finance Director

NEW BUSINESS
AGENDA ITEM NO.1
Financial Update

Narrative to December 2017 Operating Statement

Retail sales for the month of November showed an increase of 5.26% compared to November of last year. Calendar year-to-date we are ahead by 2.63%.

Revenues exceeded expenditures by 394,786 for the month of December. Fiscal year-to-date revenues are ahead by \$390,292. Property tax collections in December were a huge factor in this. We have received approximately 50% of the amount expected for the collection of current property taxes.

Solid Waste revenues exceeded expenditures \$98,554 in the month of December and also the revenues are ahead \$243,421 for the fiscal year-to-date.

Other Business:

There were 19 part-time employees hired in the month of December – all for the Basketball program. One termination (retirement of a dispatcher).

We issued three business licenses in December:
Jackson Hewitt Tax Service (additional location)
Modern Telephone System LLC
Hurtsville Portfolio Associate

**MONTHLY OPERATING STATEMENT
December 2016**

REVENUES

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Yr to Date</u>	<u>Percent Realized</u>
Property Taxes	1,185,800	310,209	523,194	44.12%
Local Option Sales Tax	4,472,000	358,433	2,258,212	50.50%
Wholesale Liquor / Beer	775,000	65,756	411,937	53.15%
Business Tax	340,000	3,552	32,837	9.66%
Fees & Licenses	161,500	9,620	88,533	54.82%
In Lieu Payments	851,250	28,647	302,258	35.51%
Grants	688,000	1,497	24,871	3.61%
State Shared taxes	1,483,000	99,213	846,167	57.06%
Proceeds-2015 Multi-Purpose Bond	575,000	72,850	249,647	43.42%
All Other	1,239,213	85,805	698,030	56.33%
Total General Fund Revenue	11,770,763	1,035,582	5,435,686	46.18%
Solid Waste Collection - BPU	1,230,000	162,574	679,357	55.23%
Solid Waste Disposal - Transfer	175,000	17,493	103,077	58.90%
Solid Waste Disposal - Brush	132,000	11,565	71,730	54.34%
Refuse Disposal Chgs - County	40,000	0	0	0.00%
Proceeds from Co-Track Loader	28,375	0	0	0.00%
Other (Tires/Recycle/Disc.)	3,125	586	1,669	53.41%
Total Solid Waste/Landfill	1,608,500	192,218	855,833	53.21%
Total Drug Fund	59,000	624	15,346	26.01%
TOTAL REVENUES	13,438,263	1,228,425	6,306,864	46.93%

EXPENDITURES

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Yr to Date</u>	<u>Percent Realized</u>
Grants & Donations	231,294	12,492	91,072	39.38%
General Administration	362,574	24,282	178,204	49.15%
Economic Development	139,572	11,284	68,248	48.90%
Elections	2,300	4,000	4,000	173.91%
Financial Administration	282,915	21,760	153,041	54.09%
City Hall Building	96,956	6,176	46,618	48.08%
Police Department	2,028,916	136,061	979,993	48.30%
Downtown Parking	20,426	1,385	8,699	42.59%
Emergency Communications	582,998	47,437	278,540	47.78%
Fire Department	1,552,339	111,466	745,869	48.05%
Building Inspection	118,487	9,228	65,115	54.96%
Street Maintenance	1,487,802	80,289	647,620	43.53%
State Street Aid	325,000	1,741	291,319	89.64%
Street Lighting	265,200	22,132	132,834	50.09%
City Garage	303,289	19,230	131,427	43.33%
Cemetery Maintenance	45,601	200	26,400	57.89%
Health & Animal Control	126,552	9,288	57,844	45.71%
Civic Center	500,841	44,988	253,440	50.60%
Parks & Recreation	1,029,261	61,462	428,494	41.63%
Library	152,618	0	76,309	50.00%
Community Development	1,414,500	1,996	287,099	20.30%
Debt Service	582,310	13,899	93,208	16.01%
General Fund Expenditures	11,651,751	640,796	5,045,394	43.30%
Refuse Collection	635,405	35,719	273,276	43.01%
Contractual Services	450,000	40,762	237,895	52.87%
Landfill	205,490	17,184	101,241	49.27%
Total Solid Waste	1,290,895	93,665	612,412	47.44%
Total Drug Fund	72,800	161	14,009	19.24%
TOTAL EXPENDITURES	13,015,446	734,621	5,671,815	43.58%

REVENUES OVER / (UNDER) EXPENDITURES

	<u>Current Month</u>	<u>Yr to Date</u>
General Fund	394,786	390,292
Solid Waste/Landfill	98,554	243,421
Drug Fund	464	1,336

CITY OF PARIS, TENNESSEE

RETAIL SALES

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>% Incr(Decr)</u>
JANUARY	\$22,378,512	\$21,142,986	\$21,495,329	\$23,009,885	\$22,789,434	-0.96%
FEBRUARY	\$24,022,360	\$22,891,104	\$24,572,900	\$23,295,076	\$25,750,142	10.54%
MARCH	\$28,039,692	\$26,331,754	\$26,710,508	\$27,326,289	\$30,192,335	10.49%
APRIL	\$25,543,148	\$24,763,172	\$25,907,395	\$28,122,156	\$27,950,237	-0.61%
MAY	\$26,579,916	\$26,115,472	\$27,256,406	\$27,902,318	\$27,736,226	-0.60%
JUNE	\$27,033,060	\$26,442,974	\$27,400,649	\$29,311,861	\$30,539,077	4.19%
JULY	\$24,683,431	\$24,708,444	\$25,320,292	\$27,448,780	\$27,236,322	-0.77%
AUGUST	\$25,366,827	\$24,462,464	\$26,406,849	\$26,395,078	\$26,842,574	1.70%
SEPTEMBER	\$25,187,368	\$24,928,640	\$26,453,764	\$28,353,058	\$28,795,120	1.56%
OCTOBER	\$23,679,751	\$24,450,137	\$25,020,809	\$26,933,939	\$26,630,740	-1.13%
NOVEMBER	\$25,168,707	\$24,858,456	\$26,337,947	\$26,614,076	\$28,012,769	5.26%
DECEMBER	<u>\$30,402,070</u>	<u>\$31,005,408</u>	<u>\$32,420,735</u>	<u>\$34,198,562</u>		
TOTAL	<u><u>\$308,084,840</u></u>	<u><u>\$302,101,012</u></u>	<u><u>\$315,303,583</u></u>	<u><u>\$328,911,078</u></u>	<u><u>\$302,474,977</u></u>	

**NEW BUSINESS
AGENDA ITEM NO. 2
Appointments to Boards**

<u>BOARD</u>	<u>CURRENT MEMBER</u>	<u>PROPOSED MEMBER</u>	<u>TERM EXPIRATION</u>	<u>NEW EXPIRATION</u>
Alcoholic Beverage Control Board *Mayor w/Commission Approval (3 year term)	Bob Bowen	Christy Minor	6/4/2018	6/4/2018

**NEW BUSINESS
AGENDA ITEM NO. 3
Audit Presentation**

An audit presentation will be given by Mike Hewitt, CPA, Alexander Thompson Arnold.

**NEW BUSINESS
AGENDA ITEM NO. 4
Resolutions for two State Revolving Fund (SRF) Loans**

The BPU is requesting the board approve the following Authorizing Resolutions for two State Revolving Fund (SRF) loans totaling \$5,100,000. The loan proceeds will be used to fund improvements in the wastewater collection system and at the Wastewater Treatment Plant as set forth in the Consent Order and Agreement issued by TDEC in May 2016.

One loan will be for \$1,500,000 and will include \$225,000 principal forgiveness. The remaining \$3,600,000 will be a traditional loan with no principal forgiveness. The loan term will be 30 years with a current interest rate of 1.36%. A series of wastewater rate increases were approved earlier this year to support this debt. BPU General Manager Terry Wimberley will be present to address any questions you may have.

AUTHORIZING RESOLUTION 1579

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Paris is a public and governmental body in the Paris, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **SRF 2017-382** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of THREE MILLION SIX HUNDRED THOUSAND Dollars (\$3,600,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of THREE MILLION SIX HUNDRED THOUSAND Dollars (\$3,600,000) for the purpose of funding all or a portion of the total estimated cost of the Project FIVE MILLION ONE HUNDRED THOUSAND Dollars (\$5,100,000), by Carlton Gerrell, Mayor of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this 2nd day of February, 2017.

Mr. Carlton Gerrell, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

AUTHORIZING RESOLUTION 1580

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Paris is a public and governmental body in the Paris, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **CW5 2017-381** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of ONE MILLION FIVE HUNDRED THOUSAND Dollars (\$1,500,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of ONE MILLION FIVE HUNDRED THOUSAND Dollars (\$1,500,000) for the purpose of funding all or a portion of the total estimated cost of the Project FIVE MILLION ONE HUNDRED THOUSAND Dollars (\$5,100,000), by Carlton Gerrell, Mayor of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this 2nd day of February, 2017.

Mr. Carlton Gerrell, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

NEW BUSINESS
AGENDA ITEM NO. 5

Approval to sign Municipal Advisor Agreement with Raymond James & Assoc.

Staff is requesting Commission grant approval for the City Manager to sign the following agreement with Raymond James & Assoc. for financial advisory services. Mr. Rick Dulaney, Managing Director for Raymond James, has been approached by the City to assist us with procuring Qualified Energy Conservation Bonds (QECBs) in conjunction with our ongoing LED street light project with Trane. Due to recent legislation, a formal and public agreement must be in place before a financial advisor can provide much assistance to a municipality. By executing this agreement Mr. Dulaney can begin the process of advising and assisting us through the cumbersome process of securing the QECBs.

MUNICIPAL ADVISOR AGREEMENT

BY AND BETWEEN

CITY OF PARIS, TENNESSEE

AND

RAYMOND JAMES & ASSOCIATES, INC.

THIS AGREEMENT is by and between the City of Paris, Tennessee (the “Issuer”) and Raymond James & Associates, Inc. (the “Municipal Advisor”).

WHEREAS, the Issuer wishes to hire the Municipal Advisor to serve as its municipal advisor and financial advisor in accordance with the provisions of this Agreement and the Municipal Advisor, through its Public Finance/Debt Investment Banking Department, is engaged in the business of providing, and is authorized under applicable Federal and State statutes and applicable regulatory rules to provide financial advisory services to the Issuer as provided herein, and

NOW THEREFORE, it is agreed by all parties signing this Municipal Advisor Agreement (the “Agreement”) that:

I. SCOPE OF SERVICES

1. The Municipal Advisor will consult with and advise the Issuer with respect to the redemption, sale and issuance of bonds, notes or other instruments (collectively, “Debt Obligations”). This advice and assistance will generally include, but not necessarily be limited to, the following:
 - a. At the request of officials of the Issuer, attend and participate in meetings and conference calls with officials and other finance professionals relating to any Debt Obligations;
 - b. Evaluate opportunities to refund any outstanding Debt Obligations of the Issuer;
 - c. Evaluate the Issuer’s credit profile and debt capacity;
 - d. Assisting in managing relationships and interaction with rating agencies, investors and other financial professionals associated with the Issuer’s new debt or existing debt portfolio;
 - e. Assisting the Issuer in hiring financial professionals associated with new debt or the existing debt portfolio, including, but not limited to bidding agents, registration, paying and escrow agents, dissemination agents, or others as needed, not named herein;

- f. Consistent with prevailing statutory requirements for any refunding obligations issued in Tennessee, prepare the initial draft of the “Refunding Plan” and, if required, a Request for Approval of Balloon Indebtedness” for finalization and submission by the Issuer to the Director of State and Local Finance in the Tennessee Comptroller of the Treasury’s Office and as required facilitate and coordinate all activities related thereto;
- g. If required for a refunding transaction, structure a refunding escrow which together with other Issuer funds, if any, and interest thereon is sufficient to defease and extinguish all refunded debt. If required, the escrow will be independently verified by a verification agent employed for such purposes and paid for from proceeds of the Debt Obligations by the Issuer;
- h. If required for refunding issues, advise the Issuer on the choices of instruments including the use of U.S. Treasury – State and Local Government Series obligations (“SLGS”) or open market securities as the investment vehicle of choice for the escrow. If Tennessee eligible open market securities (“Open Market Securities”) are desired or required due to the unavailability or inefficiency of SLGS, it is expressly understood that the required bidding process and acquisition of any such open market securities is not part of this Agreement. With respect to SLGS or Open Market Securities, the Financial Advisor will facilitate and coordinate their acquisition and delivery with the registration agent and/or an independent bidding agent;
- i. Through a process satisfactory to the Issuer, the Financial Advisor will assist in selecting and engaging a nationally recognized law firm to serve as bond counsel for the transaction. It is understood that the Issuer has designated Bass, Berry & Sims PLC, Nashville, Tennessee for these services;
- j. If necessary and through a process satisfactory to the Issuer, the Financial Advisor will assist in selecting and engaging an independent firm to verify the sufficiency of any escrow developed relating to Debt Obligations;
- k. Assemble necessary information concerning the Debt Obligations and information relating to the Issuer for submission to Moody’s Investors Service, Inc. (“Moody’s”) and/or Standard & Poor’s Ratings Services (“S&P”) seeking credit reviews and ratings for the Debt Obligations and the Issuer. The Financial Advisor also will facilitate, coordinate and arrange and participate in all correspondence and conference calls with Moody’s and/or S&P personnel assigned to the rating assignments;
- l. Working with Issuer officials and bond counsel, facilitate the development, publication and distribution of the Issuer’s Preliminary Official Statements, Final Official Statements or other offering documents, as required;

m. Coordinate the activities of all financial professionals and others as directed by officials of the Issuer;

n. As needed, prepare, execute, facilitate and coordinate a national marketing program through the distribution of various notices and documents, including, but not limited to, the Official Notice of Sale and the Preliminary Official Statement utilizing the electronic distribution facilities of i-dealProspectus, similar electronic platforms or other means;

o. As directed by officials of the Issuer, evaluate competitive versus negotiated sales (formal and informal) when allowed by prevailing Tennessee law to sell various Debt Obligations;

p. Along with officials of the Issuer, conduct competitive public sales via the web-based facilities of IPREO's BiDCOMP®/Parity® system or similar electronic platforms;

q. Facilitate, coordinate and evaluate any sale undertaken through a negotiated sale of the Issuer's Debt Obligations as permitted by Tennessee law;

r. Assist officials of the Issuer in the evaluation and award (rejection) of bids and proposals received or relating to Debt Obligations;

s. Prepare final amortization and related schedules documenting the transaction in the form of a "Final Financing Report";

t. Advise officials on the Issuer's compliance with its continuing disclosure obligations undertaken as part of the sale and issuance of any Debt Obligations; and

u. On behalf of the Issuer, coordinate and pay from funds provided by the Issuer all expenses related to the sale and issuance of the Debt Obligations.

2. When the Issuer deems it necessary to issue Debt Obligations in the capital markets, the Municipal Advisor will consult with and advise the Issuer with respect to the various structures, provisions, methods of sale and covenants appropriate or advisable to consider as part of the new financing, generally including, but not necessarily limited to, the following:

a. Obligation amounts;

b. Principal, interest, and final maturity dates;

c. Average life tests;

d. Arbitrage targeted yields;

- e. Maturity amortization schedules;
- f. Interest rates;
- g. Redemption provisions;
- h. Debt service;
- i. Capitalized interest, if any;
- j. Flow of funds;
- k. Security pledges;
- l. Credit enhancement facilities;
- m. Methods of sale; and
- n. Terms and conditions relating to the sale.

3. The Financial Advisor will work with the Issuer and bond counsel in the development of the financial and security provisions to be contained in the instruments authorizing and securing the Debt Obligations undertaken by the Issuer.

II. UNDERTAKINGS BY THE ISSUER

1. The Issuer will make available to the Financial Advisor financial data and information concerning the Issuer's fiscal operations. Issuer officials and staff will be responsible for collecting, assembling and organizing the documentation essential to its financing activities and disclosure responsibilities, including the Preliminary Official Statement, Final Official Statements or other marketing materials relating to the sale and issuance of any Debt Obligations;
2. The Issuer will work with bond counsel and/or local counsel who will issue an approving legal opinion to accompany the issuance of the Debt Obligations and also with appropriate Issuer's local legal counsel with respect thereto;
3. The Municipal Advisor will, as requested, assist Issuer staff in the development of information to be used by the Issuer for presentations to investors, underwriters, purchasers and others, including the scheduling of informational meetings between these investors, underwriters or others and the Issuer, if necessary;
4. The scope of services set forth in (1) through (3) above (the "Scope of Services") is subject to the following limitations:

- a. The Scope of Services is limited solely to the services described above and is subject to any limitations set forth within the description of the Scope of Services.
- b. Unless otherwise provided in the Scope of Services described above, the Municipal Advisor is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents. Nothing herein shall negate the Municipal Advisor's obligations included in Section I (1) of the Scope of Services of this Agreement.
- c. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Debt Obligations, municipal financial products or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.

5. The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

6. MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to the Issuer's determination whether to precede with a course of action or that form the basis for any advice provided by Municipal Advisor to the Issuer. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on the Issuer's behalf. Issuer agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Issuer agrees that, to the extent the Issuer seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, the Issuer will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

III. PAYMENT TO THE FINANCIAL ADVISOR

1. For each transaction undertaken pursuant to this master agreement, the Issuer will compensate the Financial Advisor a fee as indicated in a Supplemental Acknowledgement (Exhibit A) provided for each separate financing (which by reference is incorporated herein). Each composite transaction fee will be payable upon the successful sale and issuance of any Debt Obligations, but some expenses, such as rating agency fees, if any, may require payment even if such Debt Obligations are not sold and issued.

2. For services related to the issuance of Debt Obligations, financial advisory compensation will be based on the following table:

<u>Initial Amount</u>	<u>Fee Per \$1,000</u>
First \$5 million	\$2.50 per thousand
Next \$5 million	\$2.00 per thousand
Next \$15 million	\$1.50 per thousand
Over \$25 million	\$0.75 per thousand

For services rendered with respect to any revenue or advance refunding financings, the foregoing fees shall increase by 25%. The minimum compensation for financial advisory transaction related to any single series of debt obligations shall be \$22,500.

3. The Financial Advisor shall be responsible for payment of its own expenses and personnel costs including local travel to the Issuer's principal location, but the Financial Advisor shall be reimbursed for costs of reproduction, graphic, postal and overnight delivery and any other miscellaneous costs incurred in serving the Issuer. All travel expenses to locations other than that of the Issuer shall be reimbursed at actual costs or in conformance with the Issuer's official travel policy, whichever is less.

4. The Issuer agrees to promptly pay the Financial Advisor the fees described in Article III, above, and the costs and expenses described in Article IV, below, as mutually agreed on and evidenced by the estimates provided in any Supplement and Acknowledgement (Exhibit A) referenced herein, upon receiving invoices from the Financial Advisor and other service providers.

IV. PAYMENT OF COSTS OF ISSUANCE

The Issuer shall be responsible for payment of all the costs of issuing of Debt Obligations and completing the financing as further evidenced by the estimates in any Supplement and Acknowledgement (Exhibit A) referenced herein, including, but not necessarily limited to, the following:

- a. Facilitation, printing, publication, web posting and any other means of distribution or dissemination of any Official Notices of Sale, Preliminary and Final Official Statements and related legal notices;
- b. Normal fees of the Moody's and/or Standard & Poor's Corporation for the ratings on the Debt Obligations;
- c. Fees and expenses of the registration, escrow and paying agent;
- d. Fees and expenses of any dissemination agent;
- e. Fees and expenses of the verification agent, if required;

- f. Fees and expenses, if any, of any bidding agent, if open market securities are selected or required as part of refunding transactions;
- g. Bond Counsel fees and those of the City Attorney, if any;
- h. Underwriting fees or other purchaser compensation;
- i. Any out-of-state travel expenses related to the Debt Obligations as described herein, if any; and
- j. Bond insurance premiums or other credit enhancement, if any; and
- k. Any other properly documented and authorized usual and customary fees associated with any Debt Obligations, project or projects undertaken under this Agreement.

IV. GENERAL PROVISIONS

1. The Issuer understands and acknowledges that the Municipal Advisor or its affiliates may have trading and other business relationships with members of the Issuer's underwriting team or other participants in the proposed transaction including Bass, Berry & Sims PLC, rating agencies, verification agents, bidding agents and perhaps any registration, paying [escrow] agents. Additionally, the Municipal Advisor or its affiliates may have trading and other business relationships with potential purchasers of the Debt Obligations. These relationships include, but may not be limited to, trading lines, frequent purchases and sales of securities and other engagements through which the Municipal Advisor may have, among other things, an economic interest. Notwithstanding the foregoing, the Municipal Advisor will not receive any compensation with respect to the issuance of the Debt Obligations other than as disclosed above and included as part of any Supplement and Acknowledgement (Exhibit A) provided for a specific project or projects. The Municipal Advisor is involved in a wide range of activities from which conflicting interests or duties may arise. Information which is held elsewhere within Raymond James, but of which none of the Municipal Advisor's personnel involved in the proposed transaction actually have knowledge, will not for any purpose be taken into account in determining the Municipal Advisor's responsibilities to the Issuer.

2. Both parties acknowledge and agree that the Municipal Advisor is acting solely as a financial advisor to the Issuer with respect to Debt Obligations or projects contemplated by this Agreement. The Municipal Advisor's engagement by the Issuer is limited to providing Municipal Advisor services to the Issuer for Debt Obligations or project identified as described above. The Municipal Advisor has not been engaged to compare alternatives to Debt Obligations. The Financial Advisor is not a fiduciary of any other party to the transaction. The Municipal Advisor will not (1) provide any assurances that any investment made in connection with any Debt Obligations during its engagement is the best possible investment available for the Issuer's situation or that every possible alternative or provider has been considered and/or solicited, (ii) investigate the veracity

of any certifications provided by any party, (iii) provide legal or accounting assurance that any matter or procedure complies with any applicable law, or (iv) be liable to any party if any Debt Obligations or an investment fail to close or for default of same. The Municipal Advisor's limited engagement terminates upon the expiration of the term of this Agreement and the Municipal Advisor shall have no further duties or obligations thereafter.

3. MSRB Rule G-42 requires that Municipal Advisor provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Municipal Advisor's Disclosure Statement delivered to the Issuer as Exhibit B to this Agreement.

4. The Municipal Advisor agrees to assist the Issuer as provided only on the basis that it is expressly understood and agreed that the Municipal Advisor assumes no responsibility to the Issuer or any person for the accuracy or completeness of any information contained in any Official Notice of Sale, Preliminary Official Statement or Final Official Statement issued in connection with any Debt Obligations.

5. This Agreement may be terminated by either party hereto by not less than a forty-five (45) business day prior written notice to the other. In the event of such termination, whether by either party hereto, the Municipal Advisor shall promptly submit for payment, and Issuer shall promptly pay, a final bill for the payment of all unpaid fees and unreimbursed costs and expenses then due and owing. Other than the foregoing, neither party shall incur any liability to the other arising out of the termination of this Agreement. However, this Article 5 shall survive any such termination.

6. In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to the Issuer for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from Issuer's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to Issuer. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Debt Obligation or otherwise relating to the tax treatment of any Debt Obligation, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Issuer of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to the Issuer under Section 15B(c) (1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

The parties recognize that Article II, Section 29 of the Tennessee Constitution prohibits jurisdictions from lending their credit to private entities. Any provision in the Agreement that acts as a hold harmless provision or limitation of liability provision is enforceable only to the extent permitted by Tennessee law.

7. This Agreement embodies all the terms, agreements, conditions and rights contemplated and negotiated by the Issuer and the Municipal Advisor, and supersedes any and all discussions and understandings, written or oral, between Issuer and Municipal Advisor regarding the subject matter hereof. Any modifications and/or amendments must be made in writing and signed by both parties.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without reference to its conflicts of law principles.

9. This Agreement shall be binding upon and inure to the benefit of the Issuer and Municipal Advisor, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

10. This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

11. If any section, paragraph or provision of this Agreement 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 of this Agreement.

12. From the date of its execution, this Agreement shall replace any and all existing agreements that may exist in their entirety and any such existing agreements shall cease to exist and are null and void.

13. This Agreement shall terminate upon written notification by either party as outlined Article V, Section 5 of this Agreement.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS AGREEMENT to be signed and sealed by their respective authorized officers.

CITY OF PARIS, TENNESSEE

By: _____

Name:

Title:

Dated:

RAYMOND JAMES & ASSOCIATES, INC.

By:

Name: Richard T. Dulaney

Title: Managing Director

Public Finance // Debt Investment Banking

Dated: January 11, 2017

EXHIBIT A

SUPPLEMENT AND ACKNOWLEDGEMENT

BY AND BETWEEN

**CITY OF PARIS, TENNESSEE
AND
RAYMOND JAMES & ASSOCIATES, INC.**

WHEREAS, the City of Paris, Tennessee (the “Issuer”) and Raymond James & Associates, Inc. (the “Financial Advisor” or “Municipal Advisor”) have entered into a continuing Financial Advisory Agreement, (the “Agreement”) (which is incorporated by reference herein) to provide financial advice and assistance to the Issuer on an on-going basis regarding the sale, issuance and administration of its bonds, notes and other debt obligations (“Debt Obligations”) and perhaps other related projects when needed; and

WHEREAS, the Issuer has adopted a formal Debt Management Policy that requires all Professionals involved in a debt transaction to disclose any existing client and business relationships between and among the professionals participating in the transaction and in the interest of transparency, all costs associated with any Debt Obligations undertaken pursuant to the Agreement in a timely manner; and

WHEREAS, the Board of City Commissioners of the Issuer will consider a resolution at a regular scheduled meeting authorizing the sale and issuance of approximately \$____* Qualified Energy Conservation Bonds, Series 2017 (the “QECCB Bonds”) and approximately \$____* General Obligation Bonds, Series 2017 (Federally Taxable) (the “G.O. Bonds”) (collectively, the “Bonds”), the proceeds which together with any other funds provided by the Issuer will be used to finance, in whole or in part, certain improvements and extensions to the Issuer’s community-wide public street lighting program including, but not limited to,

coordination with various State of Tennessee officials on the acquisition and award of various bond allocations necessary to sell the Bonds; and

WHEREAS, consistent with the Financial Advisory Agreement, the Issuer and the Financial Advisor have agreed to disclose the proposed fees of the Financial Advisor and all transaction participants for each transaction undertaken pursuant to the Agreement through a “Supplemental and Acknowledgement” with associated attachments, if any; and

WHEREAS, the Financial Advisor agreed to provide disclosures including professional relationships among transaction participants, possible conflicts of interest and an estimate of all transaction expenses and participants which are to be memorialized and presented in such Supplement to and Acknowledgement; and

WHEREAS, Bass Berry & Sims PLC will serve as Bond Counsel to the Issuer for the Debt Obligations, it is understood and acknowledged that the Financial Advisor is represented by Bass Berry & Sims PLC unrelated to the Issuer and such a relationship may continue in the future.

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained in the Agreement and this Supplemental and Acknowledgement, it is hereby mutually understood and acknowledged by all parties that:

Section 1. Consistent with the Issuer’s formally adopted Debt Management Policy and in the interest of full disclosure and transparency, the foregoing disclosure supplements those included in the Agreement and is made and hereby acknowledged and is fully disclosed.

Section 2. It is hereby acknowledged that a copy of the services, service providers and estimated costs related to the sale, issuance and delivery of the Debt Obligations is attached hereto.

Section 3. A State Form CT-0253 (the “Form”) depicting the actual costs of issuance and actual underwriter’s compensation will be prepared and executed at the closing and delivery of the Debt Obligations, presented to the Board of City Commissioners of the Issuer at its next scheduled meeting following the delivery of the Debt Obligations and filed with the Tennessee Comptroller of the Treasury’s Director of State and Local Finance in a timely fashion as required by prevailing State law.

RAYMOND JAMES & ASSOCIATES, INC.

Richard T. Dulaney
Managing Director
Public Finance // Debt Investment Banking
January 10, 2017

ACKNOWLEDGED
CITY OF PARIS, TENNESSEE

ATTACHMENT

CITY OF PARIS, TENNESSEE

QUALIFIED ENERGY CONSERVATION BONDS, SERIES 2017

GENERAL OBLIGATION BONDS, SERIES 2017 (FEDERALLY TAXABLE)

Consistent with the terms of the Issuer's formally adopted Debt Management Policy and in the interest of full transparency, the following disclosure is made with respect to the sale and issuance of the Debt Obligations.

The services, service providers and estimated costs related to the sale and issuance of the Debt Obligations are as follows:

Activity	Provider	Total
Financial Advisor:*	Raymond James	\$22,500
Bond Counsel:*	Bass, Berry & Sims PLC	15,000
Rating Agency:	Moody's	11,500
Registration and Paying Agent ⁽¹⁾ :	TBD	1,000
Preliminary OS; Final OS;	Ipreo; Contract printing TBD, if	1,500
Distribution, Printing, etc.:	needed	
Miscellaneous:	Itemized as needed	500
Estimated Total:		\$52,000

*Confirmed

Note: Estimated underwriter's discount (compensation) is determined through a competitive bidding process. For planning purposes, \$6.50/\$1,000 is assumed

(1) Estimated annual fee, year one usually due at closing

State Forms CT-0253 depicting the actual costs of issuance and actual underwriter's compensation will be prepared and executed at closing and delivery of the Debt Obligations, presented to the Board of City Commissioners of the Issuer at their next scheduled meeting following the delivery of the Debt Obligations and filed by Bond Counsel with the Tennessee Comptroller of the Treasury's Director of State and Local Finance in a timely fashion as required by prevailing State law.

EXHIBIT B

Disclosure for Municipal Advisor Agreement

Ms. Kim Foster, City Manager
City of Paris
City Hall
100 North Caldwell Street
Paris, Tennessee 38242

Exhibit B is provided under new Municipal Securities Rulemaking Board (MSRB) Rule G-42 in connection with our current engagement as financial advisor and municipal advisor under the **Municipal Advisor Agreement** (the “Agreement”) between **Raymond James & Associates, Inc.** (“Raymond James”) and the **City of Paris, Tennessee** (the “Client”) to which this Exhibit B is a part thereof. Exhibit B will serve as written documentation required under MSRB Rule G-42 of certain specific terms, disclosures and other items of information relating to our municipal advisory relationship.

1. Scope of Services. (a) *Services to be provided.* The scope of services with respect to Raymond James’s engagement with the Client is as provided in the Agreement (the “Scope of Services”).

(b) *Limitations on Scope of Services.* The Scope of Services is subject to such limitations as may be provided in the Agreement.

(c) *IRMA status.* If the Client has designated Raymond James as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), the Scope of Services is not deemed to be expanded to include all actual or potential issuances of municipal securities or municipal financial products merely because Raymond James, as IRMA, reviews a third-party recommendation relating to a particular actual or potential issuance of municipal securities or municipal financial product not otherwise considered within the Scope of Services. Raymond James is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Raymond James requests that the Client provide to it, for review, any written representation of the Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) that references Raymond James, its personnel and its role as IRMA. In addition, Raymond James requests that the Client not represent, publicly or to any specific person, that Raymond James is Client’s IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, not within the Scope of Services without first discussing such representation with Raymond James.

2. Raymond James’s Regulatory Duties When Servicing the Client. MSRB Rule G-42 requires that Raymond James make a reasonable inquiry as to the facts that are relevant to the

Client's determination whether to proceed with a course of action that forms the basis for and advice provided by Raymond James to the Client. The rule also requires that Raymond James undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Raymond James is also required under the rule to use reasonable diligence to know the essential facts about the Client and the authority of each person acting on the Client's behalf.

Accordingly, Raymond James will seek the Client's assistance and cooperation, and the assistance and cooperation of Client's agents, with the carrying out by Raymond James of these regulatory duties, including providing to Raymond James accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, to the extent the Client seeks to have Raymond James provide advice with regard to any recommendation made by a third party, Raymond James requests that the Client provide to Raymond James written direction to do so as well as any information it has received from such third party relating to its recommendation.

3. **Term.** The term of Raymond James's engagement as municipal advisor and the terms on which the engagement may be terminated are as provided in the Agreement.
4. **Compensation.** The form and basis of compensation for Raymond James's services as municipal advisor are as provided in the Agreement and Supplement Acknowledgement.
5. **Required Disclosures.** MSRB Rule G-42 requires that Raymond James provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

(a) ***Disclosures of Conflicts of Interest.*** MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, Raymond James makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how Raymond James addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, Raymond James mitigates such conflicts through its adherence to its fiduciary duty to the Client, which includes a duty of loyalty to the Client in performing all municipal advisory activities for the Client. This duty of loyalty obligates Raymond James to deal honestly and with the utmost good faith with the Client and to act in the Client's best interests without regard to Raymond James's financial or other interests. In addition, because Raymond James is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Raymond James is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity and quality of service. Furthermore, Raymond James's municipal advisory supervisory structure,

leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Raymond James potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

Compensation-Based Conflicts. The fees due under this Agreement are in a fixed amount established by supplemental agreement. The amount is usually based upon an analysis by the Client and Raymond James of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Raymond James. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Raymond James may suffer a loss. Thus, Raymond James may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Other Municipal Advisor or Underwriting Relationships. If Raymond James is also providing bidding agent or other investment advisory services to the Client under a separate engagement, then Raymond James will be separately compensated by the Client for such services. Raymond James serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the Client. For example, Raymond James serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Client under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, Raymond James could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of Raymond James to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that Raymond James serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair Raymond James's ability to fulfill its regulatory duties to the Client.

Broker-Dealer and Investment Advisory Business. Raymond James is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of the Client, may be undertaken on behalf of, or as counterparty to, the Client, personnel of the Client, and current or potential investors in the securities of the Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the Client, such as when their buying or selling of the Client's securities may have an adverse effect on the market for the Client's securities, and the interests of such other clients could create the incentive for Raymond James to make recommendations to the

Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from Raymond James effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of Raymond James that operate independently from Raymond James's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by Raymond James to the Client under this Agreement.

Secondary Market Transactions in Client's Securities. Raymond James, in connection with its sales and trading activities, may take a principal position in securities, including securities of the Client, and therefore Raymond James could have interests in conflict with those of the Client with respect to the value of the Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, Raymond James or its affiliates may submit orders for and acquire the Client's securities issued in an issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the Client in that it could create the incentive for Raymond James to make recommendations to the Client that could result in more advantageous pricing of the Client's bond in the marketplace.

Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Raymond James that operate independently from Raymond James's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by Raymond James to the Client under this Agreement.

(b) ***Disclosures of Information Regarding Legal Events and Disciplinary History.*** MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, Raymond James sets out below required disclosures and related information in connection with such disclosures.

Raymond James discloses the following legal or disciplinary events that may be material to the Client's evaluation of Raymond James or the integrity of Raymond James's management or advisory personnel: We are aware of no such events at this time. Should such an event happen in the future, the details of such event would be available in Item 6D(2)(b) and the accompanying Regulatory Action DRP on Form MA-I available at:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000724743&owner=exclude&count=40&hidefilings=0>.

The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Raymond James in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. If any of the above DRPs provides that a DRP has been filed on Form ADV, BD,

or U4 for the applicable event, information provided by Raymond James on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Raymond James's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such Broker Check reports or Form ADV, Raymond James's CRD number is 161 59 1905.

How to Access Form MA and Form MA-I Filings. Raymond James's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=000 072 4743](http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=000%200724743). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Raymond James in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by Raymond James on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Raymond James's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Raymond James's CRD number is: 161 59 1905.

Most Recent Change in Legal or Disciplinary Event Disclosure. Raymond James has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

(c) *Future Supplemental Disclosures.* As required by MSRB Rule G-42, this Section 5 may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Raymond James. Raymond James will provide the Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Raymond James & Associates, Inc.

By:
Richard T. Dulaney
Managing Director
Public Finance//Debt Investment Banking

Date: January 11, 2017

NEW BUSINESS
AGENDA ITEM NO. 6
Authorization for Mayor to sign Tourism Enhancement Grant Contract

The City of Paris was one of 29 communities across the State that was awarded a Tourism Enhancement Grant from TN ECD. The grant was in the amount of \$32,900 to build public restrooms in our downtown plaza. The City will be responsible for a 15% match which should not exceed \$15,000. At this time staff is requesting the Commission authorize the Mayor to sign the contract between the City of Paris and the State of TN, ECD. We have not yet received the contract, but expect to any day.

NEW BUSINESS
AGENDA ITEM NO. 7
Ordinance to amend Title 2 Chapter1 and Chapter 2 to reflect the new State Definition of Beer (First Reading)

Recent State legislation has changed the definition of beer to include anything having a maximum of 8% alcohol by weight, up from the current maximum of 5% alcohol by weight. This new definition went into effect as of January 1, 2017. The following ordinance will bring our local municipal code into agreement with the new definition.

STATUS OF VARIOUS PROJECTS
February 2017

ITEM	PRIMARY STAFF	TARGET COMPLETION DATE(S)	NOTES
Alley Drainage Project	Brown/Jessie/Foster	Summer 2017 for alleys two and three	Staff recently met with all parties involved in our second alley renovation to begin planning. This alley does not present as many obstacles as the first, but we want to make sure everyone understands their role and level of involvement before renovation begins. Timing of the project will be weather dependent, but we hope to be able to begin by April.
Signalization at Jim Adams & Volunteer Drives	Morris/Foster	Spring 2017	A rebid of the project was opened mid-January with Wade Electric of Jackson again securing the low bid position. Their bid increased by approx. \$6,000 from their original bid but was still over \$22,000 less than the next lowest bid. We are now waiting for bid approval from the State.
HOME Grant	Morris/Foster	2018	The review and ranking process has been completed. The grant administrator has begun the environmental review process on the top two applicants.
Back Alley Paris	Foster/Morris/Ray(DPA)	On-Going	Dan Knowles and John Monroe have finished work on the second window in the alley. Planning for the third window has begun.
City Hall Renovations	Foster/Elizondo	Spring 2017	Chief Elizondo is in the process of getting bids for relocation of a security door, adjustments to the current security system, and minimal building modifications for the P.D. Records office. We hope to have a more user-friendly entrance for the Police Dept. ready by Spring.
Preserve Paris	Foster/Morris	On-Going	Our Spring Preview will be on Tuesday, Feb. 8 at 5:30 at City Hall. The public will be invited to give us feedback on our program and let us know where they would like to see us focus future efforts.
Demolitions	Foster/Brown	On-Going	Three structures were demolished within the city during December, two of which were done with city resources. We have four demolitions currently pending.
Tourism Enhancement Grant	Foster/Morris	Fall 2017 (if awarded)	We were awarded one of 29 grants given by TN ECD. The amount of the award was \$32,900 with the balance coming in matching funds. The project of constructing public restrooms in our downtown park is projected to cost approximately \$47,000. Construction is planned to begin in June and is anticipated to be completed by September.
ADA Compliance	Foster/Morris/Rock	On-Going	As we have discussed and reviewed what it will take to write an ADA Transition Plan for Paris, it has become more and more clear that outside assistance will be required. Staff recently met with consultants to discuss how they can assist us with this project. We can use STP funds to pay a consultant to compile our plan but it will require a 20 % match. We are currently putting together an inventory so that the consultant can provide us with an estimated cost.
MS4	Foster/Morris/Brown	On-Going	We have signed a contract with Tiffany Heard, of SSR in Memphis. Ms. Heard will provide much needed assistance in completing our Notice Of Intent (NOI) which is due to the State by February 1.
Energy Efficiency Project with Trane	Foster	2018	A letter of Commitment with Trane has been executed. We have also secured the assistance of Raymond James to help us with the QECB application. We have talked with NWTDD about assistance with a grant. Tanko should be in Paris next week to begin the Investment Grade Audit.
Hillcrest Cemetery	Foster/McLean	February 2017	All shareholders have signed appropriate documentation stating their desire to transfer the cemetery and all associated assets to the City. We have also received approval of the transfer from the State Dept. of Commerce and Insurance, and confirmation that the City would be exempt from any pre-existing liability imposed by the Department. The final deed and transfer documentation is being prepared and executed.