

RESOLUTION NO. 26960

A RESOLUTION TO AMEND THE DEBT MANAGEMENT POLICY
SO AS TO ADD AN ADDENDUM FOR THE ELECTRIC POWER
BOARD.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA,
TENNESSEE, That it is hereby amending the Debt Management Policy so as to add an
addendum for the Electric Power Board.

ADOPTED: January 24, 2012

/mms

ADDENDUM TO CITY OF CHATTANOOGA DEBT MANAGEMENT POLICY

ELECTRIC POWER BOARD OF CHATTANOOGA

(APPROVED BY EPB BOARD OF DIRECTORS, [JANUARY 20, 2012])

ADOPTED [INSERT], 2012

INTRODUCTION

The Electric Power Board of Chattanooga (“EPB”) is an independent board of the City that is governed by a five member Board of Directors (“EPB Board”). EPB operates as an enterprise fund of the City. The EPB Board is authorized to issue certain types of debt on behalf of EPB pursuant to Title 7, Chapters 34 and 52 of the Tennessee Code and other applicable provisions of state and local laws (“EPB Financing Statutes”). The purpose of creating this Addendum to the Debt Management Policy is to recognize certain objectives and practices for debt management for EPB that vary from provisions of the Debt Management Policy in connection with the issuance of debt by or on behalf of EPB.

1. *GENERAL RESPONSIBILITY OF EPB BOARD.*

When the EPB Financing Statutes permit EPB to directly issue debt, the EPB Board shall undertake the same analysis and fulfill the same obligations as apply to the City Council under the Debt Management Policy, except as modified by this Addendum. In the event of a conflict between the Debt Management Policy and this Addendum, the provisions of this Addendum shall control.

2. *LEGAL LIMITATION ON THE USE OF DEBT.*

The legal limitations outlined in Sections A and B of Article V of the Debt Management Policy apply to the City’s general government operations but do not apply to the issuance of debt by EPB under the EPB Financing Statutes or by the City on behalf of EPB.

3. *TYPES OF DEBT.*

In addition to the types of debt listed in Article X of the City’s Debt Management Policy, EPB may issue short-term or long-term debt pursuant to the EPB Financing Statutes with such terms, conditions and security structures as are permissible under the EPB Financing Statutes. The EPB Financing Statutes do not authorize the EPB Board to issue any debt that pledges the full faith and credit of the City or otherwise obligates assets or resources of any City division or department other than EPB.

4. *MANAGEMENT AND MONITORING.*

For debt issued directly by EPB, EPB’s Chief Financial Officer shall undertake the responsibilities provided in Article XVI of the Debt Management Policy. The Chief Financial Officer is authorized to make all required requests for approval and all filings with the Tennessee Office of the Comptroller of the Treasury in connection with the issuance of such debt.