

Be it remembered that the Quarterly County Court of Loudon County, Tennessee, met on August 4, 1975, at 7:00 P. M., with the Honorable William H. Russell, County Judge, presiding and with Mrs. Addie Ruth Clarke, Deputy Clerk of said Court present: Whereupon Chief Deputy Sheriff, Luke Bright, opened Court, led the Pledge of Allegiance to the Flag and introduced the Reverend J. C. Sumerlin of Lenoir City, Tennessee, who gave the invocation.

Following Squires were present:

J. J. Blair	James Hartsook
R. P. Hamilton	Curtis Williams
I. D. Conner	Roy Bledsoe
J. G. Hudson	Boyd Duckworth

A motion was made by Squire Hudson to dispense with the reading of the minutes, the motion was seconded by Squire Williams. The vote of approval was unanimous.

RECOGNITION OF VISITORS

Visitors in the audience were recognized at this time.

RESOLUTION OF COMMENDATION;
HENRY C. FOSTER

Squire I. D. Conner introduced a resolution commending former Squire Henry C. Foster for a quarter century of service to the citizens of Loudon County while serving as a member of the Loudon County Quarterly Court. Upon motion of Squire Conner seconded by Squire Boyd Duckworth the resolution received unanimous approval of the Court. Said resolution being No. 19-25, Exhibit A attached herewith.

AMBULANCE SERVICE;
"SICK DAYS"

Squire Jim Blair requested comments from the Court concerning "sick days" accumulated by the County ambulance drivers. Judge Russell reported that the hospital allowed the ambulance drivers to accumulate any number of sick days, but that the County allowed only 15 days. Judge Russell also reported that upon changing the ambulance service from the hospital to the Justice Center the ambulance drivers were compensated for any days they had accumulated above 15 days. Mrs. June Custead, Director of Central Accounting, commented that the hospital had paid for the days in excess of 15 sick days.

2nd DISTRICT ELECTION

Squire I. D. Conner requested that the County JUDGE call a special election for the second district. Judge Russell responded that an election would be called for the second district.

CONDITION OF HEALTH
DEPARTMENT FACILITIES

Squire I. D. Conner commented on the situation encountered by the Loudon County Health Department in the recent move to their quarters at the Bacon Building. Squire Conner made a motion that the County hire extra men to help fix up the first level of the Bacon Building in which the Health Department is located. Judge Russell requested a report from maintenance supervisor Buddy Jenkins. Mr. Jenkins commented that the downstairs area had been painted and that one-half of the old emergency hospital had been moved out today. Mr. Jenkins also commented that ~~the~~ ~~that~~ area to be occupied by Mr. Proaps was in that area and that it would soon be ready for him to occupy. Squire Conner commented that the locks on the Health Department doors were not proper and that roofing and other material were in the yard. Maintenance Supervisor Jenkins responded that the maintenance crew was still spending considerable time working at the Health Department and would soon have it completed. Judge Russell commented that the County had the upmost interest in seeing that the Health Department received the upmost consideration.

CONDITION OF
QUEENER ROAD

Squire Jim Blair requested information concerning Queener Road. He stated that the State had created a problem due to the construction of the interstate and requested that the Court consider taking legal action.

LOUDON COUNTY PLANNING
COMMISSION REPORT;

No parking at
Greenback.

Mr. Steve Campbell of the Tennessee State Planning Office, was recognized for the report of the Loudon County Planning Commission. Mr. Campbell reported that the Planning Commission took action at its last meeting on a problem encountered Greenback residence in the vicinity of a go-cart track. He reported that the Sheriff's Department had been requested to police the area more frequently and that no parking signs had been recommended for old highway 95 in the vicinity of the track. Upon motion by Squire Hudson seconded by Squire Hamilton, a Court gave unanimous approval for the erection of no parking signs along the stretch of old highway 95 between Greenback and Highway 411 in the vicinity of said go-cart track.

Sandy Shore Drive;
15 mph speed limit

Mr. Campbell then reported on the request for a fifteen mph speed limit on Sandy Shore Drive. Upon motion of Squire Hudson, seconded by Squire Hartsook, the Court gave unanimous approval to set the speed limit at fifteen miles per hour for Sandy Shore Drive.

Approval to Re-zone;
Parcel 148-4, tax
map 17

Mr. Steve Campbell then reported that the Loudon County Planning Commission had recommend-

ed approval to rezone parcel 148-4, tax map 17, from R-1, suburban residential to C-2, general commercial. Upon motion of Squire Hartsook seconded by Squire Williams, the Court unanimously approved the request to rezone. Resolution number 20-75, Exhibit AA.

Upon motion of Squire Hudson seconded by Squire Blair, the Court unanimously approved the budget amendments which are attached as Exhibit B.

BUDGET AMENDMENTS

School Superintendent Edward Headlee requested that the Court approve the budget of income and expenditures for the Loudon County School System for the 1975-1976 fiscal year. Upon motion of Squire Hudson, seconded by Squire Blair, the Court unanimously approved the budget amendments which are attached hereto as Exhibit C.

SIDEWALK ON OLD HIGHWAY 72 BRIDGE, REPAIRS

School Superintendent Headlee then requested information concerning the walkway used by County School children on old Highway 72 in the City of Loudon. Mr. Headlee requested that the Court check into the situation to see if the damaged part of the bridge could be repaired. Judge Russell then recognized Mr. Gary Hensley, City Manager of Loudon. Mr. Hensley stated that he had been in contact with the Department of Transportation for the State of Tennessee. The City of Loudon had not agreed on the acceptance of the old section of Highway 72 and therefor Mr. Hensley contended that the state is responsible for the repairs to the roadway and to the bridge.

Squire Bledsoe made a motion that the Court attempt to remedy the situation to provide a safer walkway for school children, the motion being seconded by Squire Hartsook, and receiving a unanimous approval.

PURCHASING COMMITTEE REPORT

Squire R. P. Hamilton gave the Loudon County Purchasing Committee report which is attached hereto as Exhibit D.

LAW ENFORCEMENT AGENCY REPORT

Squire Hartsook reported on the Loudon County Law Enforcement Agency. His report is attached hereto as Exhibit E.

Squire I. D. Conner gave the Loudon County Memorial Hospital report.

PAYMENT FROM LOUDON COUNTY
TO THE LOUDON COUNTY
MEMORIAL HOSPITAL

Squire Conner requested that the county pay the debts created by the ambulance service to the Loudon County Memorial Hospital. Hospital Administrator, Gay Hamilton, reported to the Court members that Thirty-Two Thousand Dollars (\$32,000.00) would be needed to pay for a salary increase at the hospital by the end of February.

Squire Hartsook made a motion that the county pay Thirty-Two Thousand Dollars (\$32,000.00) of revenue sharing funds to the Loudon County Memorial Hospital at the end of Five (5) months. The motion was then seconded by Squire Williams and received unanimous approval.

REPORT FOR TASS BIDS

Judge Russell reported that bids would now be received for the Tellico Area Service System Project. There were no bids.

TASS RESOLUTIONS

Attorney Harvey Sproul, of Lenoir City, reported on the resolutions concerning the Tellico Area Service System Project. Squire J. G. Hudson made a motion to approve all resolutions, the motion was seconded by Squire Hamilton and resulted in the following roll call vote:

<u>Aye</u>	<u>Nay</u>
J. J. Blair	None
R. P. Hamilton	
I. D. Conner	
J. G. Hudson	
James Hartsook	
Curtis Williams	
Roy Bledsoe	
Boyd Duckworth	

The unanimous roll call vote resulted in approval of all resolutions which are attached hereto as Resolution Nos. 21, 22, 23, 24, 25, 26, 27, 28 and Exhibits 4.

COUNTY BUILDING INSPECTOR

Upon motion of Squire Williams, seconded by Squire Hartsook, the Court unanimously voted to place the discussion of County Building Inspector on the agenda for the September court meeting.

NOTARY PUBLICS

Squire Williams requested election of Deborah Thompson and William Harrison Crabtree as Notary Publics. The motion to approve was

seconded by Squire Hartsook and received unanimous approval.


RESCHEDULING OF
SEPTEMBER COURT MEETING

Squire Boyd Duckworth made a motion that the September Court meeting be held on September 8, instead of the scheduled first Monday of September, due to the Labor Day Holiday, he also moved that the time of the meeting be set for 7:00 p.m., his motion was seconded by Squire Blair and received unanimous approval.

It was moved by Squire Hartsook to rescind the previous motion setting the date and time of the September Court meeting. Squire Blair seconded the motion and it then received unanimous approval of the Court.

It was then moved by Squire Blair to set the next meeting of the Quarterly County Court at 9:00 a.m. on the second Monday of September. The motion was then seconded by Squire Hartsook and received unanimous approval of the Court.

Squire Jim Blair then moved that the Court adjourn, seconded by Squire Hartsook, and received unanimous approval.


William H. Russell
COUNTY JUDGE

Edward Alexander
COUNTY COURT CLERK

RESOLUTION OF COMMENDATION TO
SQUIRE HENRY C. FOSTER

19-75'

WHEREAS, the Honorable Henry C. Foster has served faithfully and well the citizens of Loudon County and;

WHEREAS, the said Henry C. Foster has sacrificed his personal life and dedicated his time to the public good and;

WHEREAS, the said Henry C. Foster has now retired after a quarter century of honorable public service;

BE IT THEREFORE RESOLVED that this Loudon County Court be noted of record as commending the said Henry C. Foster and in wishing him and his family many years of a happy and peaceful retirement and that the clerk of this Court be directed to spread this resolution on the minutes of said Court and that copies be provided to Henry C. Foster and his family.

This the _____ day of August, 1975.



County Judge

Attest:

County Court Clerk

exhibit A

127

RESOLUTION NO.

20-75

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-405 OF THE TENNESSEE CODE ANNOTATED, TO REZONE PARCEL 148-4, TAX MAP 17, FROM R-1, SUBURBAN RESIDENTIAL, TO C-2, GENERAL COMMERCIAL

WHEREAS, the Loudon County Quarterly Court, in accordance with Chapter Four, Section 13-405 of the Tennessee Code Annotated, may, from time to time, amend the number, shape, boundary, area, or any regulation of or within any district or districts, or any other provision of any zoning resolution, and

WHEREAS, the Loudon County Regional Planning Commission has forwarded its recommendations regarding the amendment of the Zoning Map of Loudon County, Tennessee, and the necessary public hearing called for and held;

NOW, THEREFORE, BE IT RESOLVED by the Loudon County Quarterly Court that the Zoning Map of Loudon County, Tennessee be amended as follows:

- I. That parcel 148-4, Tax Map 17 be rezoned from R-1, Suburban Residential to C-2, General Commercial; said property being located in the 2nd Civil District on Martel Road.

BE IT FINALLY RESOLVED, that this resolution shall take effect immediately, the public welfare requiring it.

DATE: _____

Loudon County Judge

Attested by: _____

Loudon County Court Clerk

Exhibit AA

LOUDON COUNTY
CENTRAL ACCOUNTING DEPARTMENT

P. O. BOX 376

LOUDON, TENN. 37774

TELEPHONE 458-4619

August 4, 1975

BUDGET AMENDMENT
General Fund

<u>Acct. No</u>			<u>Dr.</u>	<u>Cr.</u>
41	Estimated Revenue			
	142.9 (Law Enforcement Grants)	272.96	272.96	
81	Appropriations	Kent 4.00		
		Proaps 268.96		272.96
	(501-03) Travel for Deputies			
	Attending Law Enforcement Academy			
41	Estimated Revenue			
	(142.9) Law Enforcement Grant)	1452.94	1452.94	
81	Appropriations			
	(501-02) Other Salaries			1452.94
41	Estimated Revenue			
	State Dental Fund		132.00	
81	Appropriations			
	(805-08) State Dental Funds			132.00
97	Unappropriated Surplus		1465.43	
81	Appropriation			
	(807.1-14) Loudon Co. Health Dept.			1465.43

E. Hunt B

Gentlemen:

The following general comment is presented for your information and as further justification for the budgetary requests contained herein:

In addition to other anticipated revenues the proposed budget will require a current tax rate of for the General Purpose School Fund, 3.55 Fund and _____ for the _____ Fund.

Superintendent of Schools

120

ACCT. NO.	ESTIMATED REVENUES	(1) Actual for Preceding Year 19 <u>73</u> 19 <u>74</u>		(2) Estimate for Current Year 19 <u>74</u> 19 <u>75</u>		(3) Total Current Budget 19 <u>72</u> 19 <u>76</u>	
111	City or Special District Taxes and Appropriations						
112	Tuition from Patrons						
114	Other Revenues from Local Sources (Other than County)	764	93	32,008	08		
121	Revenue from County Taxes and Appropriations	938,707	94	1,036,451	54	1,228,560	12
131	State Funds for Operation and Maintenance	1,172,386	59	1,378,340	94	1,369,816	63
132	State Funds for Capital Outlay	79,042	51	83,593	54	64,984	21
133	Federal Money Received Through the State	667	50	9,161	27		
140	Revenues Received Directly from Federal Sources	43,771	00	51,613	00	43,746	00
150	Proceeds From Sale of Bonds						
160	Loans or Notes (Long Term)			33,333	33		
170	Sale of School Property and Insurance Adjustments						
180	Amounts Received from Other School Systems in Tennessee			16,666	67		
190	Amounts Received from School Systems in Other States						
41	Total Revenue (Estimated Revenues)	2,235,340	47	2,641,163	37	2,707,106	96
3500-4100	Clearing Accounts	141,335	32	175,384	12	160,650	00
	Total Revenue and Clearing Accounts	2,376,675	79	2,816,552	49	2,867,756	96
	SURPLUS-RESERVES AT BEGINNING OF FISCAL YEAR:						
94	Reserve for Authorized Expenditures (Bond Funds)	22,396	23				
97	Unappropriated Surplus	120,871	43	178,747	40	89,694	62
98.1	Reserve for Purchase of Textbooks						
98.2	Reserves for Bldg. Construction & Other Capital Exp.						
98.3	Reserve for State Capital Outlay					13,472	62
98.4	Reserve for Neighborhood Youth Corp. Program						
98.5	Reserve for Headstart Program						
98.6	Reserve for MDTA Program					1,785	00
98.7	Reserve for Public Law 89-10 Program						
	TOTAL SURPLUS & RESERVES AT BEGINNING OF FISCAL YEAR (Sum of 94, 97 & 98.1 - 98.7)	143,267	66	178,747	40	104,952	24
	TOTAL FUND AVAILABILITY FOR FISCAL YEAR	2,519,943	45	2,995,299	89	2,972,709	20
	BUDGETED EXPENDITURES						
2100	Administration	53,714	35	79,635	74	80,590	00
2200	Instruction	1,477,083	97	1,722,619	16	1,823,722	91
2300	Attendance Services	9,000	00	11,692	00	12,113	00
2400	Health Services	710	00	551	00	900	00
2500	Pupil Transportation Services	197,830	47	238,870	94	238,600	00
2600	Operation of Plant	173,801	48	211,123	42	201,754	05
2700	Maintenance of Plant	45,270	27	68,197	89	74,507	00
2800	Fixed Charges	59,493	24	81,588	32	86,420	00
2900	Food Services	10,856	47	20,095	66	14,950	00
3000	Student Body Activities						
3100	Community Services						
3200	Capital Outlay	42,463	73	124,915	46	48,226	00
3300	Debt Services From Current Funds	61,468	03	65,759	56	72,148	11
3400	Outgoing Transfer Accounts	17,443	77	88,295	70	74,100	00
3500	Adult Education	1,183	76	1,618	68	1,550	00
361	Total Expenditures (Appropriations)	2,150,319	61	2,714,963	53	2,729,581	07
3600-3699	Clearing Accounts	141,335	32	175,384	12	160,650	00
	TOTAL EXPENDITURE & CLEARING ACCOUNTS	2,291,654	93	2,890,347	65	2,890,231	07

ACCT. NO.	DESCRIPTION	(1) Actual Receipts Preceding Year 1972 1974		(2) Total Estimated Receipts Current 1974 1975		(3) Total Estimates All Funds 1972 1976	
	CITY OR SPECIAL SCHOOL DISTRICT FUNDS - 111						
111.1	Taxes from School Levies—Current Year						
111.2	Taxes from School Levies of Prior Years						
111.3	Pick-Up Property Taxes for School Funds						
111.4	Interest and Penalties on Delinquent Taxes						
111.5	Payments in Lieu of City or Special District Taxes						
111.6	Privilege Taxes, Licenses, Fines and Fees						
111.7	Appropriations from the City General Fund						
111.8	Local Sales Tax (City)						
	TOTAL FROM CITY OR SPECIAL SCHOOL DISTRICT						
	TUITION FROM PATRONS - 112						
112.1	Tuition for Regular Day Schools						
112.2	Tuition for Adult Education						
112.3	Tuition for Summer School						
112.9	Other Tuition Received						
	TOTAL TUITION FROM PATRONS						
	OTHER REVENUE FROM LOCAL SOURCES - 114						
114.1	Earnings from Permanent Funds and Endowments						
114.2	Earnings from Temporary Deposits and Investments						
114.3	Net Receipts from Clearing Accounts	764	93	1,072	27		
114.4	Rent for Use of School Facilities						
114.5	Rent from Property Other Than School Facilities						
114.6	Gifts and Bequests			26,290	00		
114.7	Contributions by Civic Clubs and other Local Groups						
114.8	Funds Paid by Individuals for Food Service						
114.9	Miscellaneous Revenues from Local Sources			4 645	81		
	TOTAL OTHER REVENUES FROM LOCAL SOURCES	764	93	32,008	08		
	COUNTY SCHOOL SYSTEM REVENUE - 121						
121.1	Taxes from County School Levies—Current Year	619,472	78	685,247	64	865,771	33
121.21	County Trustee	29,214	14	27,398	67	28,000	00
121.22	Clerk and Master or Circuit Court Clerk	7,892	12	10,049	60	10,000	00
121.3	Pick-Up County School Taxes						
121.4	Interest and Penalties on Delinquent School Taxes	2,855	86	3,622	20	4,000	00
121.51	In-Lieu Tax Payments by TVA						
121.52	In-Lieu Tax Payments by local Electric System			5,285	21	1,688	79
121.6	County Privilege Taxes, Licenses, Fines, Fees	17,846	52	19,853	72	20,000	00
121.7	County Wholesale Beer Tax						
121.8	County Revenues from Federal Funds						
121.91	Appropriations from State Income Tax	4,474	15	4,455	92	4,500	00
121.92	Appropriations from State Beer Tax	9,074	45	9,514	09	9,600	00
121.93	Wheel Tax						
121.94	Mobile-Home Tax	84	07				
121.95	Local Sales Tax	247,793	85	271,024	49	285,000	00
121.99	Lump Sum Appropriations						
	TOTAL REVENUES FROM COUNTY SOURCES	938,707	94	1,036,451	54	1,228,560	12

DETAILED REVENUE ESTIMATES OF THE LOUGHRAN COUNTY PUBLIC SCHOOL SYSTEM—ALL FUNDS—GRADES K
THROUGH TWELVE FOR THE FISCAL YEAR BEGINNING ON JULY 1, _____ AND ENDING ON JUNE 30, _____

ACCT. NO.	DESCRIPTION	(1) Actual Receipts Preceding Year 19 <u>73</u> 19 <u>74</u>		(2) Total Estimated Receipts Current 19 <u>74</u> 19 <u>75</u>		(3) Total Estimate All Funds 19 <u>73</u> 19 <u>76</u>	
	STATE FUNDS — 131						
131.1	Equalizing Funds	1,042,165	64	1,319,200	28	1,322,226	
131.12	Handicapped Education Funds (839)	14,439	99				
131.2	School Food Service Funds	3,144	44	10,839	60	3,800	
131.4	Textbook Funds	23,190	00	23,270	00	23,270	
131.5	"Excess Cost" Funds for Special Education	6,193	32	2,210	00		
131.6	Driver Education Funds	10,045	00	10,902	50	11,300	
131.7	Sick-Leave Funds	7,120	70	8,685	00	7,120	
131.81	Salary for Regular Vocational Teachers			564	50		
131.82	Travel for Regular Vocational Teachers	722	25	1,149	04		
131.83	Salary for Adult Program Teachers						
131.84	Travel for Adult Program Teachers						
131.85	Construction and Initial Equipment						
131.86	Supplies and Minor Equipment						
131.89	Other Vocational Funds	8,854	53				
131.91	Adult Basic Education Funds	1,034	55	1,520	02	1,500	
131.99	Miscellaneous State Funds	55,476	17				
	TOTAL STATE FUNDS	1,172,386	59	1,378,340	94	1,369,816	
	STATE CAPITAL OUTLAY FUNDS — 132						
132.1	Regular Capital Outlay	51,014	70	55,679	55	55,679	
132.2	Kindergarten Capital Outlay	28,027	81	27,913	99	9,304	
	TOTAL STATE CAPITAL OUTLAY FUNDS	79,042	51	83,593	54	64,984	
	FEDERAL MONEY RECEIVED THROUGH THE STATE						
133.11	Public Law 89-10 Funds - Title I			1,520	49		
133.12	Public Law 89-10 Funds - Title II						
133.13	Public Law 89-10 - Title III			5,573	28		
133.14	Public Law 91-230 - Title VI						
133.21	Funds for Other Current Expenses (Title V ESEA, EPDA, etc.)						
133.22	U. S. D. A. Food Service Funds	667	50	2,067	50		
133.3	Funds for Purchase of Equipment						
133.4	Funds for School Plant Construction						
133.5	Federal Title III Funds (NDEA)						
133.6	Federal Title V Funds (NDEA)						
133.7	Area Redevelopment Fund (ARA)						
133.8	Manpower Development Funds (MDTA)						
133.91	Funds for Work Study Program						
133.99	Miscellaneous Federal Funds						
	TOTAL FEDERAL MONEY RECEIVED THROUGH THE STATE	667	50	9,161	27	-0-	
	REVENUE REC'D. DIRECTLY FROM FEDERAL SOURCES						
141	Funds for Maintenance and Operation (P.L. No. 874)	43,771	00	51,613	00	43,746	00
142	Funds for Other Current Expenses						
143	Funds for Purchase of Equipment						
144	Funds for School Plant Construction (P.L. No. 815)						
145	Funds for Education of Veterans						
146	Funds for Neighborhood Youth Corp. Program						
147	Funds for Headstart Program						
148	Funds for P.L. 89-10 - Title III						
149	Miscellaneous Federal Funds						
	TOTAL REVENUE RECEIVED DIRECTLY FROM FEDERAL SOURCES	43,771	00	51,613	00	43,746	00
	PROCEEDS FROM SALE OF BOND — 150						
151	Proceeds from the Sale of City or Special District Bonds						
152	Proceeds from the Sale of County Bonds						
	TOTAL PROCEEDS FROM THE SALE OF BONDS						

DETAILED REVENUE REPORT FOR PUBLIC SCHOOL SYSTEMS GRADES K THROUGH TWELVE FOR THE FISCAL YEAR BEGINNING ON JULY 1, AND ENDING ON JUNE 30,

ACCT. NO.	DESCRIPTION	(1) Actual Receipts Preceding Year 1973 1974		(2) Total Estimated Receipts Current 1974 1975		(3) Total Estimated All Funds 1975 1976
	LOANS OR NOTES (LONG TERM) - 160					
161	Proceeds from Long-Term Notes			33,333	33	
	TOTAL FROM LONG-TERM LOANS OR NOTES			33,333	33	
	SALE OF PROPERTY & INSURANCE ADJUSTMENTS - 170					
171	Sale of Real Property					
172	Sale of Equipment					
173	Net Insurance Recovery					
174	Payments Received from Damage to School Property					
175	Judgments Recovered					
	TOTAL FROM SALES & INSURANCE ADJUSTMENTS					
	FROM OTHER SCHOOL SYSTEMS IN TENNESSEE - 180					
181	Tuition					
182	Transportation					
184	Public Law 89-10 Funds Title III					
189	Miscellaneous			16,666	67	
	TOTAL FROM OTHER SCHOOL SYSTEMS IN TENNESSEE					
	FROM SCHOOL SYSTEMS IN OTHER STATES - 190					
191	Tuition					
192	Transportation					
199	Miscellaneous					
	TOTAL FROM SCHOOL SYSTEMS IN OTHER STATES			16,666	67	
41	TOTAL ESTIMATED REVENUES			2,641,168	37	2,707,106
	CLEARING ACCOUNTS 3600 - 4100					
3600	Current Loans-Tax Anticipation Notes	112,533	52	133,551	78	125,000
3700	Food Service Program					
3710	Salaries from Cafeterias	11,906	66	14,269	46	12,000
3730	Social Security from Cafeterias	9,341	21	11,070	81	10,000
3751	Withholding from Cafeterias	2,665	08	3,771	64	3,300
3752	Transportation Funds from School Cafeterias	3,158	84	9,943	48	7,000
3800	Milk Program	1,730	01	2,716	95	2,600
3900	Student Body Activities					
3920	Material for Resale					
4000	Insurance Adjustments					
4040	Interfund Transfers					
4090	Other Misc. Clearing Accounts e.g. Refunds			60	00	750
4100	Special Adult Education Programs					
	TOTAL CLEARING ACCOUNT (MEMO)	141,335	32	175,384	12	160,650
	GRAND TOTAL ESTIMATED REVENUES AND CLEARING ACCOUNTS	2,376,675	79	2,816,552	49	2,867,756

FUNDING OF ALL
FUND FOR THE FISCAL YEAR BEGINNING ON JULY 1, AND ENDING ON JUNE 30, COMPARED
WITH THE CURRENT YEAR'S BUDGET AND EXPENDITURES OF THE PRECEDING YEAR

ACCT. NO.	PRIMARY AND SECONDARY CLASSIFICATION	(1) Actual Expenditures Preceding Fiscal Year 1973-1974		(2) Estimated Expenditures Current Fiscal Year 1974-1975		(3) Total Current Budget 1975-1976
	ADMINISTRATION SERIES—2100 SERIES					
2110.1	Board of Education	4,100	00	5,000	04	3,500
2110.2	Secretary to Board of Education					
2110.3	Superintendent of Schools	14,830	00	15,862	00	15,840
2110.4	Personnel Assisting Supt. in General Administration	6,000	00	6,600	00	7,200
2110.5	Purchasing Office					
2110.6	Accounting Personnel			900	00	
2110.7	Salaries of Clerks in Administration					
2110.9	Other Salaries for Administration					
2120.1	County Trustee's Commissions Deducted	26,410	91	31,233	79	45,000
2120.2	Travel Expenses of Administrative Personnel	750	00	482	76	500
2120.8	Telephone and Telegraph	383	42	1,332	69	1,200
2120.9	Other Contracted Services	4,000	00	16,353	13	5,000
2130.1	Office Supplies and Stationery	490	05	915	85	900
2130.2	Data Processing Supplies					
2130.9	Other Supplies for Administration	241	20	164	08	250
2190.9	Miscellaneous Administrative Expenses	508	77	791	40	1,200
	TOTAL EXPENDITURES FOR ADMINISTRATION	57,714	35	79,635	74	80,590

Under "Total Detailed Expenditures" on pages 10 through 21 of this document used to support the totals of the primary or major purpose series in the budget, the amounts of all secondary items under the primary classifications Administration, Instruction, Attendance Services, Health Services, Pupil Transportation Services, Operation of Plant, Maintenance of Plant, Fixed Charges, Food Services, Student Body Activities, Community Service, Capital Outlay, Debt Service, Outgoing Transfer Accounts, Adult Education and Total Clearing Accounts are hereby declared to be included herein as a memorandum for informational purposes only; therefore, in order to make a transfer between such secondary items, it is not considered necessary to secure the approval of the Governing Body. Such transfers may be made by the Board of Education alone, provided, in so doing, no law or regulation governing the Minimum School Program is violated.

ACCT. NO.	PRIMARY AND SECONDARY CLASSIFICATION	Actual Expenditures Preceding Fiscal Year 19 <u>72</u> 19 <u>74</u>		Estimated Expenditures Current Fiscal Year 19 <u>74</u> 19 <u>75</u>		Budget 19 <u>72</u> 19 <u>76</u>	
INSTRUCTION SERIES—2200 SERIES							
2210.1	Principals	60,112	25	79,233	53	80,352	5
2210.2	Consultants or Supervisors	11,968	00	12,903	00	19,800	0
2210.31	Regular Teachers	1,241,303	34	1,444,136	09	1,510,242	9
2210.32	Substitute Teachers	20,097	92	22,469	04	23,000	0
2210.41	Materials Clerk						
2210.42	Audio Visual Personnel						
2210.43	Guidance Personnel					19,404	0
2210.44	Psychological Personnel						
2210.45	Television Instructional Personnel						
2210.51	Principal's Office , Clerks	8,560	00	7,400	00	11,700	0
2210.52	Consultants or Supervisors*, Clerks						
2210.53	Teachers*, Clerks						
2210.54	Other Clerical Assistants						
2210.9	Other Salaries for Instruction	30,610	83	32,357	00	37,297	2
2220.11	Travel Expenses for System-Wide Teachers	1,933	65	2,100	00	4,100	0
2220.12	Travel Expenses for Home-Bound Teachers	450	00	450	00	500	0
2220.13	Travel Expenses for Vocational Teachers			552	50	1,700	0
2220.19	Travel Expenses for Other Instruction Personnel	2,250	00	4,050	00	6,000	0
2220.2	Consultant Fees			170	95		
2220.9	Other Contracted Services for Instruction	48,820	91	40,319	20	32,276	0
2230.1	Teaching Supplies	16,365	39	19,307	04	20,900	0
2230.9	Other Supplies for Instruction			11,285	25	8,000	0
2241.1	Textbooks Purchased	20,331	62	26,045	36	26,500	0
2241.2	Binding and Repair of Textbooks						
2242.1	School Library Books					7,600	0
2242.2	Periodicals and Newspapers	4,123	36	4,413	64	4,000	0
2242.3	Audio-Visual Materials	3,107	15	1,862	48	1,800	0
2242.9	Other School Library Expenses	487	02	483	04	950	0
2243.1	Title III Materials (NDEA)			4,054	17		
2243.2	Title V Materials (NDEA)						
2243.9	Other Materials for Instruction	1,717	25	1,646	33	2,000	0
2290.9	Miscellaneous Instructional Expenses	4,845	28	5,601	29	5,600	0
	TOTAL EXPENDITURES FOR INSTRUCTION	1,477,083	97	1,722,619	16	1 823,722	9
ATTENDANCE SERVICES—2300 SERIES							
2310.1	Attendance Personnel	8,074	00	10,713	00	10,863	0
2310.9	Other Salaries for Attendance Services						
2320.1	Travel Expenses of Attendance Personnel	750	00	750	00	1,000	0
2320.9	Other Contracted Services						
2330.1	Office Supplies and Forms	176	07	229	00		
2330.2	Supplies for Operation of Vehicles and Equipment					250	0
2390.9	Miscellaneous Expenses for Attendance Services	9,000	07	11,692	00	12,113	0
	TOTAL EXPENDITURES FOR ATTENDANCE SERVICES						
HEALTH SERIES—2400 SERIES							
2410.1	Professional and Technical Health Personnel						
2410.2	Non-Professional Health Personnel						
2420.1	Travel Expense for Health Services						
2420.9	Other Contracted Services	710	00	551	00	900	0
2430.1	Medical and Surgical Supplies						
2430.9	Other Supplies for Health Services						
2440	Materials for Health Services						
2490.9	Miscellaneous Health Service Expenses						
	TOTAL EXPENDITURES FOR HEALTH SERVICES	710	00	551	00	900	0

ACCT. NO.	PRIMARY AND SECONDARY CLASSIFICATION	(1) Actual Expenditures Preceding Fiscal Year 1973-1974		(2) Estimated Expenditures Current Fiscal Year 1974-1975		(3) Total Current Budget 1973-1974	
PUPIL TRANSPORTATION SERVICES—2500 SERIES							
2510.1	Supervisors						
2510.2	Bus Drivers						
2510.3	Mechanics and Other Garage Employees						
2510.4	Clerks and Other Employees						
2520.1	Contracts with Vehicle Owners for Pupil Transportation	185,873	10	225,070	06	225,100	00
2520.2	Contracts with Public Carriers for Pupil Transportation	6,983	37	9,323	88	9,000	00
2520.3	Repair and Maintenance of Vehicles by Private Garages						
2520.4	Repairs to Garage & Garage Equipment by Outside Agencies ..						
2520.5	Utilities						
2520.8	Telephone and Telegraph						
2530.1	Gasoline and Lubricants						
2530.2	Tires and Tubes						
2530.3	Repair Parts for Vehicles						
2530.4	Repair Parts for Garage Equipment						
2530.5	Supplies for Garage Operation						
2530.9	Other Supplies for Operation and Maintenance						
2550.1	Rent						
2550.2	Insurance on Vehicles						
2550.3	Insurance on Buildings and Equipment						
2550.4	Liability Insurance	4,974	00	4,477	00	4,500	00
2580.1	Replacement of Vehicles						
2580.2	Replacement of Garage Equipment						
2590.9	Miscellaneous Expenses for Pupil Transportation	197,830	47	238,870	94	238,600	00
TOTAL EXPENDITURES FOR PUPIL TRANSPORTATION ..							
OPERATION OF PLANT—2600 SERIES							
2610.1	Plant Engineers						
2610.2	Custodial Services	68,902	45	85,664	88	89,066	00
2610.3	Care of Grounds						
2610.9	Other Salaries for Plant Operation						
2620.11	Water and Sewerage Charges	9,091	44	11,374	70	10,000	00
2620.12	Electric Light and Power	47,352	22	46,826	97	42,000	00
2620.8	Telephone and Telegraph	4,572	50	6,639	25	6,500	00
2620.9	Other Contracted Services for Plant Operation	2,720	75	4,813	05	2,500	00
2630.1	Heat for Buildings	30,461	32	45,263	52	42,438	00
2630.2	Custodial Supplies	10,051	47	10,236	05	9,000	00
2630.3	Supplies for Operation of Vehicles						
2630.4	Supplies for Care of Grounds			305	00	250	00
2630.9	Other Supplies for Plant Operation	721	33				
2690.9	Miscellaneous Expenditures for Plant Operation						
TOTAL EXPENDITURES FOR OPERATION OF PLANT ..		173,801	48	211,123	42	201,754	00

FUNDS FOR THE FISCAL YEAR BEGINNING ON JULY 1, _____ AND ENDING ON JUNE 30, _____ COMPARED
WITH THE CURRENT YEAR'S BUDGET AND EXPENDITURES OF THE PRECEDING YEAR

Acct. No.	PRIMARY AND SECONDARY CLASSIFICATION	(1) Actual Expenditures Preceding Fiscal Year 1973 19 74		(2) Estimated Expenditures Current Fiscal Year 1974 19 75		(3) Total Current Budget 19 75 19 76	
MAINTENANCE OF PLANT-2700 SERIES							
2710.1	Salaries for Upkeep of Grounds	16,320	39	19,991	23	47,007	00
2710.2	Salaries for Repair of Buildings						
2710.3	Salaries for Repair of Equipment	12,003	67	7,566	00		
2710.4	Salaries of Plant Supervisors			6,290	00		
2720.1	Grounds						
2720.2	Buildings	1,830	78	3,560	44	1,500	00
2720.3	Repair of Equipment						
2720.8	Telephone and Telegraph	1,938	28	2,479	64	2,000	00
2730	Supplies for Plant Maintenance	10,537	13	23,274	32	20,000	00
2740	Materials and Repair Parts for Plant Maintenance						
2780.1	Replacement of Instructional Equipment						
2780.2	Replacement of Non-Instructional Equipment	2,640	02	5,036	26	4,000	00
2790	Other Expenses of Plant Maintenance	45,270	27	68,197	89	74,507	00
TOTAL EXPENDITURES FOR MAINTENANCE OF PLANT							
FIXED CHARGES-2800 SERIES							
2851.1	Contributions to Local Retirement Funds	9,263	15	10,608	20	12,000	00
2851.21	Contributions to Social Security System	99	60	101	20	110	00
2851.22	Social Security Handling Charges						
2851.3	Pension Payments	25,547	17	28,255	16	24,000	00
2851.4	Contributions to State Retirement Fund	14,338	00	17,975	00	18,000	00
2852.1	Insurance on Buildings	1,759	00	2,932	91	3,000	00
2852.2	Insurance on Building Contents and Equipment	942	00			1,000	00
2852.3	Liability Insurance	14,685	00	6,752	00	9,000	00
2852.4	Workmen's Compensation Insurance						
2852.5	Boiler Insurance					500	00
2853	Premium on Fidelity Bonds						
2854	Judgments						
2855	Rentals on Land and Buildings						
2856	Interest on Revenue-Anticipation Notes	2,859	32	14,963	85	18,810	00
2859	Other Fixed Charges	59,493	24	81,588	32	86,420	00
TOTAL EXPENDITURES FOR FIXED CHARGES							
FOOD SERVICES - 2900 SERIES							
2910.1	Salary of Supervisor	4,478	98	5,902	20	7,000	00
2910.9	Other Salaries for Food Services	1,516	80	1,441	50	1,000	00
2920	Contracted Services (Not Reimbursed)	679	65	700	00	700	00
2920.1	Travel of Supervisor	1,950	00	2,100	00	2,000	00
2920.2	Hauling Commodities	281	94	372	12	400	00
2920.9	Other Contracted Services						
2930.1	Fuel for Cooking	75	78	38	00	50	00
2930.9	Other Supplies for Food Services	1,873	32	9,541	84	3,800	00
2990	Other Food Services Expenses (Not Reimbursed)	10,856	47	20,095	66	14,950	00
TOTAL EXPENDITURES FOR FOOD SERVICES							

FUND FOR THE FISCAL YEAR BEGINNING ON JULY 1, 19__ AND ENDING ON JUNE 30, 19__ COM.
WITH THE CURRENT YEAR'S BUDGET AND EXPENDITURES OF THE PRECEDING YEAR

ACCT. NO.	PRIMARY AND SECONDARY CLASSIFICATION	(1) Actual Expenditures Preceding Fiscal Year 19__19__	(2) Estimated Expenditures Current Fiscal Year 19__19__	(3) Total Current Budget 19__19__
STUDENT-BODY ACTIVITIES-3000 SERIES				
3010	Salaries for Student-Body Activities			
3020	Contracted Services			
3030	Supplies			
3040	Materials			
3050	Fixed Charges			
3090	Other Expenditures for Student-Body Activities			
	TOTAL EXPENDITURES FOR STUDENT-BODY ACTIVITIES			
COMMUNITY SERVICES-3100 SERIES				
3110	Salaries for Community Services			
3120	Contracted Services			
3130	Supplies			
3140	Materials			
3150	Fixed Charges			
3170	Capital Outlay			
3180	Replacement of Fixed Assets			
3190	Other Expenses for Community Services			
	TOTAL EXPENDITURES FOR COMMUNITY SERVICES ..			
CAPITAL OUTLAY-3200 SERIES				
3271.1	Professional Services for Sites	4,649	00	
3271.2	Site Acquisition		75,000	00
3271.3	Site Development			
3272.1	Professional Services for Building			
3272.2	New Buildings and Building Additions			
3272.3	Remodeling of Buildings	10,109	55	10,225 09 22,776 00
3272.4	Renovation of Buildings	5,147	67	9,745 41 2,000 00
3273.1	Professional Services for Equipment			
3273.2	Equipment for Administration		655	00 450 00
3273.31	Regular Instruction Equipment	10,083	09	11,756 11 10,000 00
3273.32	Title III Equipment (NDEA)		7,092	37 7,500 00
3273.33	Title V Equipment (NDEA)			
3273.34	Technical Education Program Equipment			
3273.4	Equipment for Attendance and Health Services			
3273.5	Equipment for Pupil Transportation			
3273.6	Equipment for Operation of Plant	3,948	77	512 00 500 00
3273.7	Equipment for Maintenance of Plant		6,724	14 2,000 00
3273.8	Equipment for Food Services and Student-Body Activities ..	890	00	3,205 34 3,000 00
3273.9	Other Equipment	7,635	65	
3274	Professional Services for Sale of Bonds			
	TOTAL EXPENDITURES FOR CAPITAL OUTLAY	42,463	73	124,915 46 48,226.00
DEBT SERVICE FROM CURRENT FUNDS-3300 SERIES				
3361.1	Principal on Bonds			
3361.2	Principal on Long-Term Notes	9,333	33	9,333 34 14,095 25
3362.1	Interest on Bonds			
3362.2	Interest on Long Term Notes	1,120	00	746 67 2,373 33
3363	Amounts Paid into Sinking Funds for Bonds and Interest	51,014	70	55,679 55 55,679 55
3369.1	Bank Service Charges			
	TOTAL DEBT SERVICE FROM CURRENT FUNDS	61,467	03	65,759 56 72,148 11

THE _____ PUBLIC SCHOOL SYSTEM—TOTAL DETAILED EXPENDITURE BUDGET OF ALL FUNDS FOR THE FISCAL YEAR BEGINNING ON JULY 1, _____ AND ENDING ON JUNE 30, _____ COMPARED WITH THE CURRENT YEAR'S BUDGET AND EXPENDITURES OF THE PRECEDING YEAR

ACCT. NO.	PRIMARY AND SECONDARY CLASSIFICATION	(1) Actual Expenditures Preceding Fiscal Year 19 <u>73</u> 19 <u>74</u>	(2) Total Estimated Receipts Current 19 <u>74</u> 19 <u>75</u>	(3) Total Current Budget 19 <u>75</u> 19 <u>76</u>
	OUTGOING TRANSFER ACCOUNTS—3400 SERIES			
3491	Expenditures to Other School Systems in Tennessee			
3491.1	Tuition (in-state) D.A.		30,360 00	30,000 00
3491.2	Transportation (in-state) I.C.		9,016 00	9,100 00
3491.9	Miscellaneous (in-state) Voc.		48,909 70	35,000 00
3492.1	Tuition (out-of-state)			
3492.2	Transportation (out-of-state)			
3492.9	Miscellaneous (out-of-state)			
3499	Tuition to Other Than Public Schools	17,443 77		
	TOTAL OUTGOING TRANSFER ACCOUNTS	17,443 77	88,295 70	74,100 00
	ADULT EDUCATION—3500 SERIES			
3510	Salaries for Adult Education	1,005 00	1,095 00	
3520	Contracted Services for Adult Education			
3530	Supplies for Adult Education	51 34	156 13	
3540	Materials for Adult Education			
3550	Fixed Charges for Adult Education	127 42	180 68	
3570	Capital Outlay Expenditures for Adult Education			
3590	Other Expenses for Adult Education		185 87	
	TOTAL EXPENDITURES FOR ADULT EDUCATION	1,183 76	1,618 58	1,550 00
81	TOTAL EXPENDITURES	2,154,319 61	2,714,963 53	2,729,581 07
	CLEARING ACCOUNTS—3600-4100 SERIES			
3600	Current Loans-Tax Anticipation Notes			
3700	Food Service Program	112,533 52	133,551 78	125,000 00
3710	Salaries from Cafeterias			12,000 00
3730	Social Security from Cafeterias	11,906 66	14,259 46	10,000 00
3751	Withholding from Cafeterias	9,341 21	11,070 81	3,300 00
3752	Transportation Funds from School Cafeterias	2,665 08	3,771 64	7,000 00
3800	Milk Program	3,158 84	9,943 48	2,600 00
3900	Student Body Activities	1,730 01	2,716 95	
3920	Material for Resale			
4000	Insurance Adjustments			
4040	Interfund Transfers			
4090	Other Miscellaneous Clearing Accounts, e.g. Refunds		60 00	750 00
4100	Special Adult Education Programs			
	TOTAL CLEARING ACCOUNTS	141,335 32	175,384 12	160,650 00
	GRAND TOTAL—ALL EXPENDITURES AND CLEARING ACCOUNTS	2,295,654 93	2,890,347 65	2,890,231 07

ANNUAL SCHOOL BUDGET OF THE Loudon County PUBLIC SCHOOL SYSTEM
GRADES K THROUGH TWELVE
FOR THE FISCAL YEAR BEGINNING ON JULY 1, 1975 AND ENDING ON JUNE 30, 1976

WORKSHEETS FOR ESTIMATING REVENUES FOR THE VARIOUS SCHOOL FUNDS

ALLOCATION OF ESTIMATED REVENUES BETWEEN COUNTY AND CITY SCHOOL SYSTEMS IN COUNTY
(GENERAL PURPOSE SCHOOL FUND)

Average Daily Attendance:

	(1) Average Daily Attendance	(2) Per Cent of Total Average Daily Attendance
County of <u>Loudon</u>	<u>3620</u>	<u>66.89</u> %
Cities and/or Special Districts Within County having Separate School Systems:		
<u>Lenoir City</u>	<u>1792</u>	<u>33.11</u> %
		%
		%
		%
		%
		%
		%
		%
		100,000 %

Distribute Revenues Allocable to School System:

Item		Total Amount of Distributable Revenues	Percentage Allocable to This School System (Shown in Col. 2 Above)	Amount Allocable to School System	
121	County Revenues Allocated to the School System		%		
121.1	Taxes from County School Levies-Current Year		66.89 %		
121.22	County Trustee		%	28,000	00
121.22	Clerk and Master of Circuit Court Clerk		%	10,000	00
121.3	Pick-Up County School Taxes		%	4,000	00
121.4	Interest and Penalties on Delinquent School Taxes		%	1,688	79
121.51	In-Lieu Tax Payments by TVA		%		
121.52	In-Lieu Tax Payments by Local Electric Systems		%	20,000	00
121.6	County Privilege Taxes, Licenses, Fines, Fees		%		
121.7	County Wholesale Beer Tax		%		
121.8	County Revenues from Federal Forestry Funds		%		
121.91	Appropriations from State Income Tax		%	-4,500	00
121.92	Appropriations from State Beer Tax		%	9,600	00
121.93	Wheel Tax		%		
121.94	Mobile-Home Tax		%		
121.95	Local Sales Tax		%	285,000	00
121.99	Lump Sum Appropriations		%		
Total Distributable Revenues		\$	%	\$ 362,788	79

County, City, or Special School District

ESTIMATED COST OF MINIMUM PROGRAM OF THIS SCHOOL SYSTEM

SALARIES (Include only the salaries under State Salary Schedules)

2110.3	Superintendent of Schools: County, City, or Special School District ..	\$	12,645.00
2110.7	Clerks (applies to county systems only)	\$	4,500.00
	Clerical Supplement (applies to all systems)	\$	947.00
	Total Salary for Secretaries or Clerks	\$	5,447.00
2120.2	Travel of Administrative Personnel (applies to county systems only)....	\$	500.00
2210.2	Supervisors of Instruction, Materials Supervisor - Salaries..	\$	9,835.00

EDUCATION FOR HANDICAPPED FUNDS

		\$	162,700.00
--	--	----	------------

2	Supervising Principals
124	Regular Classroom Teachers & Teaching Principals
11	Kindergarten
4	1 1/2 2 1/2 Other (Guidance, Librarians, etc.)

Total: Teachers and Principals - 141.5 X Avg. Sal. \$7,462.64 = \$1,055,963.56

2210.1	Supervising Principals Salaries	\$	14,925.20
2210.31	Teachers' Salaries (Total salary minus supv. principals & guidance)....	\$	1,029,844.60
2210.43	Guidance Counselors' Salaries	\$	11,193.60
2220.1	Travel Expense for Supervising Teachers (county systems only).....	\$	450.00

2242-2243	Learning and Instructional Materials and/or Health Services		
	1975-76 ADA 3650 x \$ 2.00	\$	7,300.00

2310.1	Personnel assisting Superintendent in administration-Attendance Teacher	\$	8,590.00
2320.1	Travel expense of Attendance Teacher (county systems only)	\$	450.00

2500 Pupil Transportation (county systems only)

a. Estimated 19 ADT X \$10.00 = \$

b. Amount based on density formula: \$

Total Transportation Funds \$ 79,645.00

2100-2600-2700-2800	Administration, Operation, Maintenance, Fixed Charges		
	1975-76 ADA 3650 x 11.00	\$	40,150.00

TOTAL COST OF MINIMUM SCHOOL PROGRAM FOR THIS SCHOOL SYSTEM \$ 1,383,675.56

Formulae for determining amount of local funds to be charged to this system based on estimated ADA for grades K-12 in school year 19

ADA 3620
Total of this system

+ X \$ 91,868.40 = Amount charged to this system \$ 61,448.92
(Amount charged to county as determined by law)

ADA 5412
(Total of all systems
in county)

ESTIMATED AMOUNT OF STATE EQUALIZING FUNDS---SUBTRACT AMOUNT CHARGED TO SYSTEM FROM TOTAL COST OF MINIMUM PROGRAM \$ 1,322,226.64

(143)

ACCT. NO.	Description	Total Budget 19 19	Minimum Program (State and Local)	Other State Funds	Federal Funds	Local Suppl. Above Minimum Program Reserves & Surpluses
		(1)	(2)	(3)	(4)	(5)
2110.1	Per Diem of Board Members	3,500.00				3,500.00
2110.3	Superintendent's Salary	15,840.00	12,645.00			3,195.00
2110.7	Adm. Clerk's Salary	7,200.00	5,447.00			1,753.00
2110.9	Other Adm. Salaries					
2120.1	Trustee's Commission	45,000.00				45,000.00
2120.2	Travel Expenses of Adm.	500.00	500.00			-0-
2130.1	Office Supplies	900.00				900.00
	All Other Adm. Expenditures	7,650.00	-0-			7,650.00
2100	Total Adm. Expenditures	80,590.00	18,592.00			61,998.00
2210.1	Principals' Salaries	80,352.53	44,775.84			35,576.69
2210.2	Supervisor's Salary	19,800.00	9,835.00			9,965.00
2210.31	Regular Teachers' Salaries	1,529,646.98	1,091,137.72		33,267.00	405,242.26
2210.32	Substitute Teachers' Salaries	23,000.00		11,500.00		11,500.00
2210.41	Material Clerk's Salary					
2210.5	Secretarial Salaries	11,700.00				11,700.00
2220.1	Travel Expenses	12,300.00	3,450.00			8,850.00
	Supplies	36,500.00	12,083.77			24,416.23
2230	Textbooks	26,500.00		23,270.00		3,230.00
2242	Libraries Supplies	14,350.00	6,700.00		7,600.00	50.00
	All Other Instruction Exp.	69,573.40	55,319.43	-0-	-0-	14,253.97
2200	Total Instruction Exp.	1,823,722.91	1,223,301.78	34,770.00	40,867.00	524,784.15
2300	Attendance Services	12,113.00	9,040.00			3,073.00
2400	Health Services	900.00	600.00			300.00
2500	Transportation					
2600	Operation	238,600.00	89,339.80			149,260.20
2700	Maintenance	201,754.05	13,383.33			188,370.72
2800	Fixed Charges	74,507.00	13,383.33			61,123.67
2900	Food Services	86,420.00	13,383.33			73,036.66
3000	Student Body Activities	14,950.00	252.00	3,800.00		10,898.00
3100	Community Services					
3200	Capital Outlay	48,226.00	2,400.00	9,303.38		36,522.62
3300	Debt Service	72,148.11		55,679.55		16,468.56
3400	Outgoing Transfers	74,100.00			10,000.00	64,100.00
3500	Adult Education	1,550.00		1,550.00		50.00
3700	School Lunch	125,000.00			125,000.00	-0-
3800	School Milk	2,600.00			2,600.00	-0-
	All Other Clearing Accts.	33,050.00				33,050.00
	GRAND TOTAL	2,890,231.07	1,383,675.56	105,052.93	178,467.00	1,223,035.58
1.	Total Funds Needed (Total Column 1)	2,890,231.07				
2.	Total Minimum Program (Total Column 2)	1,383,675.56				
3.	Less: System's Part Minimum Program (See Opp. page)	61,448.93				
4.	State's Part Minimum Program (Line 2 minus Line 3)	1,322,226.63				
5.	Plus: Other State Funds (Total Column 3)		105,052.93			
6.	Total State Funds (Line 4 plus Line 5)		1,427,279.56		178,467.00	
7.	Total Federal Funds (Total Column 4)				1,605,746.56	
8.	Total State and Federal Funds (Line 6 plus Line 7)					
9.	Total Local Funds Needed (Line 1 minus Line 8)					1,284,484.51
LOCAL FUNDS AVAILABLE INCLUDING RESERVES AND SURPLUS (See Page 2 of this Budget)						
111	City or Special District Taxes and Appropriations					
112	Tuitions from Patrons					
114	Other Revenues from Local Sources (Other than County)					
121	Revenue from County Taxes and Appropriations					1,228,560.12
160	Loans or Notes (Long Term)					
170	Sale of School Property and Insurance Adjustments					
180	Amounts Received from Other School Systems in Tennessee					
190	Amounts Received from School Systems in Other States					
200	Local Clearing Accounts (Same as Column 5 above)					33,050.00
97	Unappropriated Surplus					89,694.62
98.1	Reserve for Purchase of Textbooks					
98.2	Reserve for Building Construction & Other Capital Expenditures					13,472.62
98.3	Reserve for Capital Outlay					1,785.00
	TOTAL LOCAL FUNDS AVAILABLE (Should be equal to or greater than amount in Line 9 above, including Reserves & Surplus)					1,366,562.36

County
City
Special School District

CERTIFICATE OF COUNTY COURT CLERK,
CITY RECORDER OR FISCAL AGENT

This is to certify that this Budget was approved by _____
the legally constituted fiscal body of this school system, on _____
Date

Signature of County Court Clerk or
City or Special School District Fiscal Agent

(S E A L)

(Official Title)

To the State Commissioner of Education, Nashville, Tennessee

Dear Sir:

The within Budget having been approved by the Board of Education and adopted by the legally constituted fiscal body of this school system, I am submitting to you as the law required. *

Superintendent of Schools

Date

Name of School System

*Section 11 of General Education Act of 1971, requires each equalizing and non-equalizing county, city, and special school district to submit within thirty (30) days after the beginning of each of its fiscal school years, to the State Commissioner of Education, on forms prescribed by him, a complete and certified copy of its entire school budget for the current school year.

LOUDON COUNTY PURCHASING COMMITTEE MINUTES

The Loudon County Purchasing Committee met July 8 and July 22, 1975 to open and award bids on the following:

- ✓ 1. Tennis Court for the Eaton Ruritan Park. Bid was awarded to Warren Brothers Company.
2. Restroom fixtures for the Eaton Ruritan Park. Awarded to Modern Supply Company of Knoxville.
3. Bid on the renovation of Glendale School was awarded to Buck Russell.
- ✓ 4. Books, Binders and Ledgers for the various offices. Mathis Company of Knoxville was lowest and best bidder.
5. The partitioning off for classrooms at Philadelphia School. Awarded to R. G. Sherrill of Loudon.

Exhibit D

EXHIBIT _____

LAW ENFORCEMENT AGENCY REPORT

THE LOUDON COUNTY LAW ENFORCEMENT AGENCY MET SATURDAY, AUGUST 2, AT THE LOUDON COUNTY JUSTICE CENTER. MR. MORRIS BEST, OF THE EAST TENNESSEE DEVELOPMENT DISTRICT, ATTENDED THE MEETING TO REQUEST USE OF ONE OF OUR RADIO FREQUENCIES BY ROANE COUNTY.

REPORT ON THE COMMUNICATIONS SYSTEM INDICATE THAT ALL EQUIPMENT HAS ARRIVED AND THAT FINAL INSTALLATION SHOULD BE COMPLETED BY THURSDAY OF THIS WEEK.

PLANS ARE STILL BEING MADE FOR THE FORMAL DEDICATION OF THE JUSTICE CENTER. WE HOPE TO BE ABLE TO ANNOUNCE THE FEATURED SPEAKER THIS WEEK.

Exhibit E

21-75

The Quarterly County Court of Loudon County, Tennessee, met in a regular session on August 4, 1975, at the County Courthouse with William H. Russell, County Judge, presiding and the following Squires were present:

J. J. Blair	James Hartsook
R. P. Hamilton	Curtis Williams
I. D. Conner	Roy Bledsoe
J. G. Hudson	Boyd Duckworth

There following Squires were absent: none

It was acknowledged that public notice of the time, place and purpose of the meeting had been given, upon the coming together at the appointed time at 10:00 o'clock, a.m., at County Courthouse, Loudon, Tennessee.

After the meeting was duly called to order, bids were received for the purchase of \$350,000 Water Revenue and Tax Bonds (Tellico Area Services System), pursuant to advertisement of sale. It being determined that no bids were received other than the offer of the Farmers Home Administration to purchase all of the bonds at par at a 5% interest rate, the following resolution was introduced by Squire J.G. Hudson and seconded by Squire Hamilton,

A RESOLUTION confirming the sale of \$350,000 Water Revenue and Tax Bonds (Tellico Area Services System) of Loudon County, Tennessee.

Exp. L. L. H. F.

22-75

Be it resolved by the Quarterly County Court of Loudon County, Tennessee that no other acceptable bid having been received at the public sale of \$350,000 Water Revenue and Tax Bonds (Tellico Area Services System) that such bonds be and they are hereby sold to the United States of America, acting through the Farmers Home Administration, at par at a 5% interest rate pursuant to the Loan Agreement with such Agency.

Upon the question being called, all those present voted aye. Whereupon the County Judge declared the Ayes to have it, the motion carried, and the resolution adopted.

The following resolution was introduced by Squire J.G. Hudson, seconded by Squire Hamilton and after due deliberation, was adopted by the following vote:

AYE: J.J. Blair
R.P. Hamilton
I.D. Conner
J.G. Hudson
James Hartsook
Curtis Williams
Roy Bledsoe
Boyd Duckworth

NAY: none

A RESOLUTION AUTHORIZING THE ISSUANCE OF A THREE HUNDRED FIFTY THOUSAND (\$350,000) DOLLAR WATER REVENUE AND TAX BOND (TELLICO AREA SERVICES SYSTEM) OF LOUDON COUNTY, TENNESSEE; PROVIDING FOR THE COLLECTION AND DISPOSITION OF THE REVENUES FROM THE WATER SYSTEM; AND MAKING PROVISIONS FOR THE OPERATION OF SAID SYSTEM, THE ISSUANCE AND SALE OF SAID BOND, AND THE LEVY OF TAX UNDER CERTAIN CONDITIONS.

Exp. List 7

WHEREAS, the Quarterly County Court of Loudon County, Tennessee has by Initial Resolution dated April 7, 1975 approved the issuance of \$350,000 Water Revenue and Tax Bonds of the county; and

WHEREAS, no proceedings or petitions have been threatened or instituted opposing or contesting the validity of the proposed bonds; and

WHEREAS, it is necessary and advisable to authorize the issuance of revenue and tax deficiency bonds of the county for the purpose of obtaining funds to aid in financing the construction of a water-works system to be operated jointly with Monroe County as Tellico Area Services System.

NOW, THEREFORE, BE IT RESOLVED by the Quarterly County Court of Loudon County, Tennessee, as follows:

Section 1. Authority. The bond authorized by this resolution is issued pursuant to Sections 5-1101 to 5-1125, inclusive, of Tennessee Code Annotated and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "the county" shall mean Loudon County, Tennessee;

(b) "the bond" shall mean the \$350,000 Water Revenue and Tax Bond (Tellico Area Services System) of the county, authorized to be issued by this resolution, or the serial bonds for which the installment bond may be exchanged pursuant to Section 3 hereof; "parity bonds" shall mean bonds issued on a parity with the bond herein authorized in accordance with the restrictive provisions of Section 10 hereof;

(c) "the system" and "the project" shall each mean the complete water system, which is to be constructed in part from the proceeds of the bond in accordance with an engineering report as revised April 19, 1974, and plans and specifications prepared by John Coleman Hayes, Jr. and Associates, Nashville, Tennessee, (herein sometimes called "the Consulting Engineers"), and all waterworks properties of every nature hereafter owned by Loudon and Monroe Counties and operated as the Tellico Area Services System by the Tellico Area Services Board, (established pursuant to Contract dated December 3, 1970 between Loudon County and Monroe County, Tennessee,) including all improvements and extensions to the system by either Loudon or Monroe County while the bond or parity bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the waterworks system, and including all appurtenances, contracts, leases, franchises and other intangibles;

(d) "net revenues" shall mean gross earnings of the system from all sources after deduction of current expenses. "Current expenses" shall include the reasonable and necessary cost of operating, maintaining, repairing and insuring the system, including cost of water at wholesale, salaries, wages, cost of material and supplies and insurance, but shall exclude depreciation and payments into the Bond and Interest Sinking Fund, including the debt service reserve, and the Repair and Extension Fund;

(e) "fiscal year" shall mean the twelve months' period beginning July 1 of each year and ending June 30 of the following year;

(f) "the original purchasers" shall mean the purchaser of the bond as specified in Section 11 hereof;

(g) "the Government" shall mean Farmers Home Administration, United States Department of Agriculture.

Section 3. Authorization and Terms of the Bond. For the purpose of procuring funds to pay part of the cost of constructing the system, including the payment of legal, fiscal and engineering costs incident thereto, and interest during construction of the system and for six months thereafter, there is hereby authorized to be issued a revenue and tax deficiency bond of the county in the principal amount of not to exceed \$350,000. The bond shall in the form of a fully registered installment bond, without coupons, shall be known as "Water Revenue and Tax Bond (Tellico Area Services System)", and shall be dated as of the date of delivery thereof unless interim certificates are issued as hereinafter authorized, in which event the bond shall be dated the date of delivery of the first interim certificate. The bond shall be payable as to principal in installments on January 1, as follows:

<u>Years</u> <u>(Inclusive)</u>	<u>Amount</u>
1978-1995	\$ 5,000
1996-2005	10,000
2006-2013	15,000
2014-2015	20,000

The bond shall bear interest at the rate of five (5%) percent per annum, payable semi-annually on January 1 and July 1 of each year, with the first interest payment due on January 1 or July 1 next following delivery of the bond. All payments in respect of such bond, principal and interest, shall be made directly to the registered owner at his address shown on the Bond Registration Book of the county, without, except for final payment, the presentation or surrender of such registered bond, and all such payments shall discharge the obligation of the county in respect of such bond.

The county shall have the right, at its option, to prepay the bond or any installments or any installment thereof, in whole or in part, at any time, without penalty. Any partial prepayment shall be applied on installments in inverse order of maturity. Notice of prepayment shall be given to the registered holder of the bond not less than thirty (30) days prior to the date of prepayment.

The bond shall be signed by the County Judge of the county, shall be attested by the County Court Clerk, and shall have impressed thereon the corporate seal of the county.

At the request of the holder of the installment bond the county shall cause to be prepared, executed and delivered to the holder, in exchange for such installment bond, serial bonds in an aggregate principal amount equal to the principal amount of such installment bond then unpaid, having maturities corresponding to the maturities of the installments of principal of such installment bond then unpaid, and bearing interest at the same rate or rates as

provided in such installment bond. Upon any such exchange, such installment bond shall be cancelled. The reasonable expenses in connection with such exchange shall be paid by the holder of the installment bond.

Section 4. Source of Payment. The bond shall be payable primarily from and be secured by a pledge of the net revenues to be derived from the operation of the system as hereinafter provided; and in the event such revenues are insufficient therefor, the bond shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the county without limitation as to time, rate or amount.

Section 5. Form of Bond. The bond, the registration provisions and form of assignment to appear on the reverse side thereof, and the payment record and schedule of principal installments on which payments have been made prior to maturity shall be in substantially the following form, the omissions to be appropriately completed when the bonds are printed:

(Form of Fully Registered Bond)

UNITED STATES OF AMERICA

STATE OF TENNESSEE

COUNTY OF LOUDON

WATER REVENUE AND TAX BOND

(Tellico Area Services System)

R-1

\$350,000

KNOW ALL MEN BY THESE PRESENTS: That Loudon County, Tennessee, for value received hereby promises to pay to the registered owner

hereof, or its registered assigns, in the manner and from the revenues hereinafter provided, the sum of Three Hundred Fifty Thousand (\$350,000) Dollars on the first day of January in years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1978	\$ 5,000	1997	\$10,000
1979	5,000	1998	10,000
1980	5,000	1999	10,000
1981	5,000	2000	10,000
1982	5,000	2001	10,000
1983	5,000	2002	10,000
1984	5,000	2003	10,000
1985	5,000	2004	10,000
1986	5,000	2005	10,000
1987	5,000	2006	15,000
1988	5,000	2007	15,000
1989	5,000	2008	15,000
1990	5,000	2009	15,000
1991	5,000	2010	15,000
1992	5,000	2011	15,000
1993	5,000	2012	15,000
1994	5,000	2013	15,000
1995	5,000	2014	20,000
1996	10,000	2015	20,000

and to pay interest on the unpaid balance hereof at the rate of Five Per Cent (5%) per annum from the date hereof until the principal amount hereof shall have been fully paid, said interest being payable on the first day of January or July next following the date hereof, and semi-annually thereafter on the first day of January and July in each year. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on the bond registration book, and such payments shall discharge the obligation of the issuer hereof to the extent of the payments so made. Upon final payment this bond shall be submitted to the Registrar for cancellation.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the county. Any such

prepayment shall, after payment of interest, be applied to the installments last to become due under this bond and shall not affect the obligation of the county to pay the remaining installments as scheduled herein. Notice of prepayment shall be given to the registered holder hereof not less than thirty (30) days prior to the date of prepayment.

This bond is transferable by the registered holder hereof, or by his attorney duly authorized in writing, on the registration books of the county at the office of the County Court Clerk of the county, as Bond Registrar, upon presentation hereof at such office for verification of the endorsements made on the Payment Record attached hereto of the principal hereof and interest hereon paid or prepaid, and the notation of such registration by the Bond Registrar. All assignees shall take this bond subject to such condition. The county may treat the registered owner as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary whether or not any payments due on this bond shall be overdue.

This bond is issued by Loudon County, Tennessee, for the purpose of paying part of the cost of constructing a water system for said county to be owned and operated jointly with Monroe County, Tennessee, as Tellico Area Services System under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 5-1101 to 5-1125, inclusive, of Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Quarterly County Court of Loudon County on the _____ day of _____, 1975.

This bond is payable primarily from and secured by a pledge of the income and revenues to be derived from the operation of

the Tellico Area Services System, subject only to the payment of the reasonable and necessary cost of operating and maintaining said system. Said county has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by said system and will collect and account for sufficient revenues to pay promptly the principal of and interest on this bond as each becomes due. In the event of a deficiency of such revenues, this bond, and the issue of which it is a part, are payable from unlimited ad valorem taxes to be levied on all taxable property within said county. For the prompt payment of such principal and interest in the event of a deficiency of such revenues, the full faith, credit, and resources of said county are irrevocably pledged. For a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the general covenants and provisions pursuant to which this bond is issued and the terms upon which the above described resolution may be modified, reference is hereby made to said resolution.

This bond is exchangeable for serial coupon bonds at the expense of the holder as more fully provided in the resolution authorizing this bond.

This bond and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed

precedent to and in the issuance of this bond exist, have happened, and have been performed in due time, form, and manner as required by law, and that the amount of this bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, Loudon County, Tennessee, has caused this bond to be signed by its County Judge and attested by its County Court Clerk under the corporate seal of the county, all as of this _____ day of _____, 1975.

Loudon County, Tennessee

BY: _____
County Judge

(SEAL)

ATTEST:

County Court Clerk

(Form of Assignment)

For Value Received, the undersigned sells, assigns,
and transfers unto _____
the within bond of Loudon County, Tennessee, and does hereby
irrevocably appoint _____ attorney to
transfer the said bond on the books of the County Court Clerk
of Loudon County, Tennessee, as Bond Registrar, with full
power of substitution in the premises.

Dated: _____

WITNESS:

(Form of Registration Provisions)

(No writing in this blank except by the Registrar).

Date of Registration	:	In Whose Name Registered	:	Signature of Registrar
	:		:	
	:		:	
	:		:	
	:		:	
	:		:	

(Form of Payment Record)

PAYMENT RECORD

<u>Due Date</u>	<u>Principal Payment</u>	<u>Principal Balance Due</u>	<u>Interest Payment (%)</u>	<u>Date Paid</u>	<u>Signature Agent</u>

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity.

Principal Due

<u>Date</u>	<u>Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Signature of Paying Agent</u>
-------------	---------------	------------------------------	----------------	----------------------	--------------------------------------

Section 6. Application of Revenues. From and after the delivery of the bond hereunder, and as long as the bond shall be outstanding and unpaid either as to principal or as to interest, or until there shall have been accumulated in the Sinking Fund hereinafter provided an amount sufficient to retire the bond and any outstanding parity bonds, including interest accrued and to accrue thereon to such retirement date, the entire income and revenues of the system shall be deposited as collected with a bank or trust company which is a member of the Federal Deposit Insurance Corporation, in a fund to be known as "1975 Tellico Area Services System Water Revenue Fund", hereinafter sometimes called the "the Revenue Fund". This fund shall be subject to withdrawals upon the order of the county, shall be subject to the supervision of the County Judge and County Trustee, and shall be used only as follows:

(a) The money in the Revenue Fund shall be disbursed first from month to month for the payment of current expenses in the manner herein provided. There is hereby established a fund to be designated "1975 Tellico Area Services System Water System Operation and Maintenance Fund". The first available money in the Revenue Fund shall be used to deposit in the Operation and Maintenance Fund on or before the fifteenth day of each month an amount which, together with any money already on deposit in said fund, will equal one-fourth of the amount budgeted and approved for current expenses for the current fiscal year by the governing body of the county as provided in Section 8(f) hereof. Provided, however, that in no event shall the amount on deposit in the Operation and Maintenance Fund exceed one-fourth of the amount budgeted for current expenses for the current fiscal year, and any excess over such amount at

the end of any fiscal year shall be returned to the Revenue Fund. Money on hand in the Operation and Maintenance Fund shall be kept on deposit with a bank or trust company which is a member of the Federal Deposit Insurance Corporation and shall be used only for the payment of current expenses as the same become due.

(b) The money remaining in the Revenue Fund after transfers to the Operation and Maintenance Fund shall have been so made shall next be used to make deposits into a separate and special fund held by a bank or trust company which is a member of the Federal Deposit Insurance Corporation, to pay principal of and interest on the bond and parity bonds as the same become due, which deposits shall be made at least quarterly. Said fund shall be known as the "1975 Tellico Area Services System Water Bond and Interest Sinking Fund", herein sometimes referred to as "the Sinking Fund". Such transfers shall be made on or before the fifteenth day of each month, the first such transfer to be made in the month during which interest shall last be payable from the proceeds of the bond. The minimum amount to be deposited into the Bond and Interest Sinking Fund in any such month shall be a sum equal to one-sixth of the interest coming due on the next succeeding interest payment date on the bond and any parity bonds then outstanding plus one-twelfth of the principal of all such bonds coming due on January 1 next succeeding. Money in the Sinking Fund shall be used solely and is hereby expressly and exclusively pledged for the purpose of paying principal of and interest and redemption premiums on the bond and parity bonds.

(c) The next available money in the Revenue Fund shall be used to create and maintain a debt service reserve of at least \$ 21,000 . Until the debt service reserve equals at least \$ 21,000 , there shall be transferred into the Sinking Fund from

the Revenue Fund, in addition to the transfers required by subsection (b) hereof, on or before the fifteenth day of each month, the sum of \$ 175.00 per month. The total amount in such fund need not exceed \$ 21,000 unless parity bonds are issued, in which event the debt service reserve shall in like manner be built up and maintained in an amount equal to at least the maximum annual debt service requirements on the bond and parity bonds. Money in the debt service reserve shall be held as a part of the Sinking Fund and used solely for the purpose of paying principal of or interest on the bond and parity bonds for the payment of which no other money is available in the Sinking Fund. All money so taken from the debt service reserve to pay principal and interest shall be replaced therein from the first money in the Revenue Fund thereafter received which shall not then be required to be transferred into the Operation and Maintenance Fund or the Sinking Fund under subsections (a) and (b) hereof.

(d) All the next available money in the Revenue Fund shall be deposited monthly on or before the fifteenth day of each month into a fund, hereby created and designated as the "Tellico Area Services System Water Repair and Extension Fund", until there shall be on deposit in such fund the sum of at least \$ 21,000 , and thereafter in such amounts as will maintain such fund at a level of at least \$ 21,000 . There shall also be deposited in the Repair and Extension Fund the proceeds of the sale of any equipment no longer usable or needed, fees or charges collected from potential customers to aid in the financing of the cost of extensions and improvements and the proceeds of any property damage insurance not immediately used to replace the damaged or destroyed property. Money in such fund shall be held in a bank or trust company which is a member of the Federal Deposit

Insurance Corporation and shall be used for the payment of principal of and interest on the bond or parity bonds for the payment of which money is not available in the Sinking Fund, including the debt service reserve, or to make up any deficiency in the Sinking Fund, including the debt service reserve, on any June 15 or December 15, or for extraordinary maintenance, repairs, renewals or replacements to the system which shall be necessary to keep the system in operating condition and for the making of which money shall not have been included in the annual budget, or for paying the cost of constructing improvements or extensions to the system which will either enhance its revenue-producing capacity or provide a higher degree of service. Money taken from the Repair and Extension Fund for any of the above purposes shall be replaced therein from the first available money in the Revenue Fund thereafter received. Money in the Repair and Extension Fund may be withdrawn by the Tellico Area Services Board for such extraordinary repairs or replacements or for improvements or extensions upon filing with the depository for said fund a certificate stating fully the necessity therefor, subject only to approval of the County Judge and County Trustee.

(e) Money thereafter remaining in the Revenue Fund may be used to pay principal of and interest on (including reasonable reserves therefor) any bonds payable from the revenues of the system but junior and subordinate in all respects to the bond authorized by this resolution.

(f) All remaining revenues in the Revenue Fund at the end of each fiscal year shall be regarded as surplus and such surplus shall within sixty days after the end of such fiscal year be transferred into a special account in the Sinking Fund to be known as the Bond Redemption Account. The money in the Bond Redemption Account shall be used for the purpose

of prepaying the bond or a portion thereof, or of retiring parity bonds, either or both, by prepayment or redemption or by purchase of such bonds on the open market or upon receipt of tenders at the best prices obtainable, provided that the price for bonds so purchased shall at no time exceed the price at which such bonds could be called for redemption on the next succeeding call date. All bonds so purchased or redeemed shall be cancelled.

(g) The money in the Revenue Fund shall be allotted and paid into the various funds hereinbefore established in the order in which said funds are listed on a cumulative basis, and if in any month the money in the Revenue Fund shall be insufficient to place the required amount in any of said funds the deficiency shall be made up in the following month or months after payment into all funds enjoying a prior claim to the revenues shall have been met in full.

(h) The debt service reserve in the Sinking Fund shall at the request of the Tellico Area Services Board be invested by the depository in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government. All income derived from such investments shall be regarded as revenues of the system and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective funds were created.

(i) All money in excess of \$20,000 in the various funds hereinbefore established shall be continuously secured by a pledge of direct obligations of the United States Government having an equivalent market value or shall be secured by surety bond written by a solvent surety company or companies of recognized standing.

(j) Funds corresponding to those established pursuant to this Section 6 are established pursuant to Resolution of the Quarterly County Court of Monroe County authorizing a \$350,000 Water Revenue and Tax Bond (Tellico Area Services System) which funds shall be combined under the supervision of the Tellico Area Services Board and operated jointly as provided in this Section 6, without reducing the payment requirements herein provided. All payments into the various funds herein provided shall be for the joint use and benefit of Loudon and Monroe Counties and the holders of bonds relating to the Tellico Area Services System. The ratio of the outstanding Tellico Area Services System bonds of either of said counties to the total outstanding Tellico Area Services System bonds of both counties at any one time shall determine the division of such funds for the benefit of the bondholders and/or the counties respectively.

Section 7. Charges for Services Supplied by the System.

While the bond remains outstanding and unpaid the county covenants and agrees that it will permit no free services to be furnished to any consumer or user whatsoever, and the charges for all services supplied through the medium of the system to the county and its residents and to all consumers shall be reasonable and just, taking into account and consideration the cost and value of the system and the cost of maintaining and operating the system, and the proper and necessary allowances for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on the bonds payable from such revenues, and there shall be charged against all users of water service such rates and amounts as shall be fully adequate to meet the requirements of Section 6 of this resolution together with the requirements of

bond resolution(s) of Monroe County authorizing Tellico Area Services System bonds.

The county will cause the Tellico Area Services Board to bill its customers on a monthly basis and to discontinue service to any customer whose bill remains unpaid sixty days following the mailing of such bill, until such bill and penalties shall have been paid in full.

Section 8. Covenants Regarding the Operation of the System. The county hereby covenants and agrees with the holder of the bond:

(a) That it will cause the Tellico Area Services Board or similar authority to operate and maintain the system good condition in an efficient manner and at reasonable cost;

(b) That it will cause the Tellico Area Services Board or similar authority to maintain insurance on the properties of the system for the benefit of the holder of the bond of a kind and in an amount which would normally be carried by private companies engaged in a similar type of business. The proceeds of any such insurance, except public liability insurance, received by the Tellico Area Services Board or similar authority shall be used to replace the part or parts of said system damaged or destroyed, or if not so used shall be placed in the Repair and Extension Fund above created;

(c) That the Tellico Area Services Board will cause to be kept proper books and accounts adapted to the system, and will cause the books and accounts to be audited at the end of each fiscal year by a recognized independent firm of certified public accountants, and will file copies of such audit with the original purchasers, and will make generally available to the holder of the bond the balance sheet and the profit and loss statement of the

system as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall include the following:

1. The accountant's comment regarding the manner in which the county has carried out the requirements of this resolution, and the Loan Agreement with the Government.
2. A statement of operating income and expenses.
3. A statement showing analysis of each fund including deposits, withdrawals, and beginning and ending balances.
4. A general balance sheet.
5. A statement showing the schedule of rates charged for each class of service as of the close of the fiscal year, the gross revenues received and the number of connections.
6. A schedule of insurance policies and fidelity bonds in force, showing with respect to each policy and bond the nature and amount of risk covered, the expiration date and the name of the insurer.
7. A list of names and titles of the principal officers of the county.
8. A general comment concerning any events or circumstances which possibly might affect the financial status of the project.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as current expenses. The county further agrees to furnish copies of such audits to the holder of the bond at his request within ninety days after the close of each fiscal year, and in addition thereto to furnish to such holder of the bond at his request, quarterly operating statements covering the operation of the system for such quarter. The holder of the bond shall have at all reasonable times the

right to inspect the system and the records, accounts and data of the county relating thereto. It is further agreed that if the county fails to provide the audits and reports required by this subsection, the original purchaser or the holder of the bond may cause such audits and reports to be prepared at the expense of the county.

(d) That the county and the Tellico Area Services Board will faithfully and punctually perform all duties with reference to the system required by the constitution and laws of the State of Tennessee, including the making and collecting of reasonable and sufficient rates for services rendered by the system as above provided, and will segregate the revenues of said system and apply said revenues to the funds specified in this resolution.

(e) That the county will not permit the sale, lease, mortgage or other disposition of the system, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof, so long as the bond is outstanding. Provided however, it may at any time permanently abandon the use of, or sell at fair market value, any of the system facilities, provided that:

(1) It is in full compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system and the debt service reserve for such bonds has been fully established;

(2) It will, in the event of sale, apply the proceeds to either (a) redemption of outstanding bonds in accordance with the provisions governing repayment of bonds in advance of maturity, or (b) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the system as hereinafter provided;

(3) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(4) It certifies that the estimated net revenues of the remaining system facilities for the then next succeeding

fiscal year, plus the estimated net revenues of the facility, if any, to be added to the system satisfy the earnings test provided in Section 10 hereof governing issuance of additional bonds.

(f) That the governing body of the county will, prior to the initial operation of the system improvements, prepare and adopt a budget of estimated gross earnings and current expenses for the remainder of the then current fiscal year, and thereafter prior to the beginning of each fiscal year will prepare and adopt a budget of estimated gross earnings and current expenses for the system for the ensuing fiscal year, and will undertake to operate the system within such budget to the best of its ability through the Tellico Area Services Board or other authority. Copies of such budgets and amendments thereto will be filed with the original purchaser, and will be made available to any bondholder upon request. The county covenants that current expenses incurred in any year will not exceed the reasonable and necessary amounts therefor and that it will not expend any amounts or incur any obligations therefor in excess of the amounts provided for current expenses in that budget except upon resolution by its governing body filed with the original purchaser determining that such additional expenses are necessary to operate and maintain the system. It is further covenanted that if the estimated gross earnings for the succeeding fiscal year shall be insufficient to make in full the payments required to be made in such fiscal year into the various funds provided in Section 6 hereof, then the county will promptly revise water rates to provide gross earnings sufficient to make such payments.

(g) That no change orders in the construction contract for the construction of the system improvements in accordance with the plans and specifications prepared therefor by the Consulting Engineers, aforesaid, which will reduce the number of customers

or the revenues therefrom, will be permitted unless approved by the original purchaser.

(h) That each officer of the county or Tellico Area Services Board or person other than banks or trust companies having custody of funds of the system shall be under fidelity bond at all times in an amount not less than the total funds in the custody of such officer or person at any one time.

(i) That the county will levy and collect such ad valorem taxes as may be necessary, together with other available funds after payment of the reasonable expense of operating and maintaining the system, to provide for debt service on the bonds and parity bonds and to build up and maintain the reserves required by Section 6 hereof.

(j) That as long as the bonds are outstanding the county will operate the system to be known as the "Tellico Area Services System" jointly with Monroe County, Tennessee through the Tellico Area Services Board which has been established pursuant to contract with Monroe County, Tennessee dated December 3, 1970, and that it will not construct or finance the development of facilities that compete for service with the services to be provided by the system.

Section 9. Remedies of Bondholders. Any holder of the bond may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the county by the provisions of this resolution, including the making and collecting of sufficient rates, the segregation of the income and and revenues of the system and proper application thereof, and the levy and collection of ad valorem taxes, without limitation as to

rate or amount, to meet the obligations of the county under this resolution.

If any default be made in the payment of principal of or interest on the bond or parity bonds, then upon the filing of suit by any holder of said bonds or coupons appertaining thereto, any court having jurisdiction of the action may appoint a receiver to administer the system in behalf of the county with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the system and for the payment of operating expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

Section 10. Equality of Lien; Prohibition of Prior Lien; Parity Bond. The county will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the system having priority over the bond herein authorized although the bond herein authorized shall have a pro rata position as to such revenues with the bond(s) authorized by Resolution of the Quarterly County Court of Monroe County, Tennessee dated _____, 1975.

Additional bonds may hereafter be issued on a parity with the bond herein authorized under the following conditions but not otherwise:

(a) The bond herein authorized or any part thereof may be refunded with the consent of the holder thereof and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the bond which is not refunded, if any there be, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues that may have been enjoyed by the bond, provided, however, that if only a portion of the bond shall be so refunded and if such portion

shall be refunded in such manner that the interest rate on the refunded portion shall be increased or that any refunding bond shall mature at a date earlier than the maturity date of the corresponding portion of the bond refunded thereby, then such portion may not be refunded without the consent of the holder of the bond issued hereunder.

(b) Additional bonds may also be issued on a parity with the bond herein authorized if all of the following conditions are met:

(i) The net revenues of the system for the fiscal year next preceding the issuance of such additional bonds, as certified by an independent public accountant, must have been equal to at least one and one-half times the average annual requirements for principal and interest on all obligations then outstanding payable from the revenues of the system; and the estimated annual net revenues of the system, plus the estimated average annual net revenues to be derived from the improvements to be financed by such additional bonds, all as forecast over a period not exceeding ten years from the date of such additional bonds, estimated in writing by an independent consulting engineer and approved by the County Judge of the County must be equal to at least one and one-half times the average annual requirements for principal and interest, and one and one-fifth times the highest future annual requirement for principal and interest on all obligations then outstanding payable from the revenues of the system and the bonds so proposed to be issued.

(ii) The payments required to be made into the various funds provided in Section 6 hereof must be current;

(iii) The additional bonds must be payable as to principal on January 1 of each year in which principal falls due and payable

as to interest on January 1 and July 1 of each year;

(iv) The proceeds of the additional bonds must be used solely for the purpose of completing the system improvements or for the purpose of making improvements, extensions, renewals or replacements to the system.

(c) Additional bonds may also be issued on a parity with the bond herein authorized without regard to the requirements of subsection (b) of this section, but solely for the purpose of completing the system, if the holders of not less than seventy-five per cent in principal amount of the then outstanding bond and parity bonds shall have consented thereto in writing. The provisions of Section 14 hereof shall govern the manner of determining the amount of bonds outstanding, the manner of giving notice of intention to issue such bonds, the time and manner for filing and revoking consents and the effect thereof, and the manner of proof of the ownership of bonds and of the execution of any instrument.

(d) If parity bonds issued hereunder are subject to redemption prior to maturity, and if the county undertakes to prepay or redeem the bond or any parity bonds in advance of maturity, the bond and parity bonds will be prepaid or called for redemption on a pro rata basis; i.e., in proportion to the principal amount of the bond and parity bonds outstanding at the time of call. However, the county shall have the right, subject to the call provisions of the respective bond series, to prepay or redeem any portion or all of the outstanding bond or parity bonds which may be prepaid or called at par prior to calling any parity bonds which are callable at a premium.

Section 11. Sale of Bond. The bond shall be sold to the Government at a price of par and accrued interest.

Pending delivery of the bond, interim certificates of indebtedness ("interim certificates") or bond anticipation notes ("bond anticipation notes") may be issued for the purpose of providing funds in anticipation of the issuance of the bond. Interim certificates may be issued to the original purchaser to evidence receipt of partial advances of the purchase price of the bond, and bond anticipation notes may be issued to evidence funds obtained on an interim basis from sources other than the original purchaser. The interim certificates and bond anticipation notes shall be payable from the same funds and secured in the same manner as the bond, shall be payable within two (2) years from their date of issuance, shall be executed by the officials authorized to execute the bond, and shall be in such form as said officials shall approve, their execution thereof being conclusive evidence of their approval. The interim certificates shall bear interest from their date at the bond rate, and the bond anticipation notes shall bear interest at such rate or rates as may be negotiated with the purchaser thereof, not to exceed 8% per annum.

The combined principal amount of interim certificates and bond anticipation notes authorized hereby shall be an amount equal to the principal amount of the bond authorized by this resolution.

The bond purchase price paid by the Government shall be reduced by the principal amount of interim certificates held by it, including accrued interest thereon, and such interim certificates shall be delivered by the Government to the County at the time of delivery of the bond.

The proceeds of the sale of interim certificates or bond anticipation notes shall be deposited in the Construction Fund hereinafter created.

Section 12. Disposition of Bond Proceeds. From the proceeds of the sale of the bond all accrued interest and the sum of

\$ 25,000.00 shall be deposited in the Bond and Interest Sinking Fund and shall be used to pay interest on the bond during the period of the construction of the system improvements and for six months thereafter, including interest on interim certificates and bond anticipation notes issued pursuant to Section 11 hereof.

Any amounts necessary to pay outstanding bond anticipation notes, including interest accrued thereon for which money is not available pursuant to the preceding paragraph, shall be used for such purpose.

The balance of the proceeds of the sale of the bonds and any grant funds received by the county and similar amounts received by Monroe County pursuant to Resolution dated _____, 1975 authorizing \$350,000 Water Revenue and Tax Bonds shall be deposited with a bank or trust company which is a member of the Federal Deposit Insurance Corporation, in a special fund known as the "Tellico Area Services System Water System Construction Fund" and shall be disbursed solely for the payment of the costs of constructing the water system and placing same in operation, including costs of construction, cost of necessary engineering services, legal, administrative and clerical costs, cost of land acquisition, interest during construction, and other necessary miscellaneous expenses. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any proceeds from the sale of the bonds remaining in the Construction Fund after the system improvements shall have been completed in accordance with the plans and specifications of the Consulting Engineers, aforesaid, shall be used at

the earliest practicable date for the prepayment of the bond as herein provided. Any excess Farmers Home Administration grant funds shall be returned to the FHA Finance Office. The amount of any excess bond sale proceeds and grant funds shall be in direct proportion to the amounts obtained from each source.

Section 13. Resolution a Contract. The provisions of this resolution shall constitute a contract between the county and the holder of the bond, and after the issuance of the bond, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in the following section, until such time as the bond and interest due thereon shall have been paid in full.

Section 14. Modification of Resolution. The holders of three-fourths in principal amount of the bond and parity bonds at any time outstanding (not including in any case any bonds which may then be held or owned by or for the account of the county but including such refunding bonds as may have been issued for the purpose of refunding any of such bonds if such refunding bonds shall not then be owned by the county) shall have the right from time to time to consent to and approve the adoption by the governing body of the county of a resolution or resolutions modifying any of the terms or provisions contained in this resolution, subject to the approval of the governing body of Monroe County, provided however, that this resolution may not be so modified or amended in such manner as to:

- (a) Make any change in the maturity of the bond;
- (b) Make any change in the rate of interest borne by the bond;
- (c) Reduce the amount of the principal payable on the bond;
- (d) Modify the terms of payment of principal of or of interest on the bond or impose any conditions with respect to such

payment;

(e) Affect the rights of the holder of the bond;

(f) Reduce the percentage of the principal amount of bonds the consent of the holders of which is required to effect a further modification.

Whenever the county shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be filled with the County Court Clerk for Monroe County, Tennessee, with the original purchasers and the registered holders of the bond and parity bonds, if any, and to be published one time in a financial newspaper or journal published in the City of New York, New York. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Registrar for public inspection.

Whenever at any time within one year from the date of the publication of said notice there shall be filed with the Registrar an instrument or instruments executed by the holders of at least three-fourths in aggregate principal amount of the bonds then outstanding as in this section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the county may adopt such amendatory resolution and such resolution shall become effective.

If the holders of at least three-fourths in aggregate principal amount of the bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such holders, shall have

consented to and approved the adoption thereof as herein provided, no holder of any bond whether or not such holder shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the County from taking any action pursuant to the provisions thereof.

Any consent given by the holder of a bond pursuant to the provisions of this section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future holders of the same bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Registrar, but such revocation shall not be effective if the holders of three-fourths in aggregate principal amount of the bonds outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgements of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the bonds held by any person executing such instrument and the date of his holding the same


may be proved by an affidavit by such person or by a certificate executed by any responsible bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the bonds described in such certificate.

Section 15. Monroe County. The Quarterly County Court of Monroe County, Tennessee is to authorize funds in an amount of \$350,000 to develop the system. All obligations of the county pursuant to this Resolution are expressly conditioned upon the adoption of a Resolution by the Quarterly County Court of Monroe County, Tennessee authorizing \$350,000 Water Revenue and Tax Bonds upon the terms and conditions of this Resolution.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity of unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or part thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this _____ day of _____, 1975.

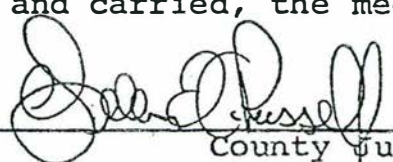

County Judge

ATTEST:


County Court Clerk

* * * *

Pursuant to motion duly made and carried, the meeting adjourned.


County Judge

ATTEST:


County Court Clerk

LOUDON COUNTY QUARTERLY COURT

RESOLUTION NO. 23-75

RESOLUTION AUTHORIZING TRANSFER OF \$350,000.00 BOND PROCEEDS
TO TELlico AREA SERVICES SYSTEM WATER SYSTEM CONSTRUCTION FUND
AND AUTHORIZATION OF DISBURSEMENT

WHEREAS, the Loudon County Court has issued \$350,000.00 in bonds which have been sold to the United States of America, acting through the Farmers Home Administration, to obtain funds to be used in the construction of a water treatment plant for the Tellico Area Services System in conjunction with a joint project with Monroe County; and

WHEREAS, by previous resolutions and agreements between the two Counties and the Boards of Public Utilities for the two Counties, the construction is to be handled in a supervised bank account as required by Farmers Home Administration regulations, to be disbursed solely for the payment of costs in the construction of said water plant, waterlines, and for other authorized purposes in connection with the project; and

WHEREAS, this resolution is adopted for the purpose of clarifying and itemizing some of the procedures and authorizations involved in the handling of the bond funds, grant funds, and other construction monies coming into the hands of Loudon County and the Tellico Area Services System from Farmers Home Administration, Department of Housing and Urban Development, Appalachian Regional Commission, Tennessee Valley Authority, and other sources;

NOW, THEREFORE, BE IT RESOLVED by the Quarterly Court of Loudon County, Tennessee, in regular session assembled on this the 4th day of August, 1975, as follows:

1. The County Judge is hereby authorized and directed to receive \$350,000.00 bond funds from the Farmers Home Administration and any of the other funds coming from the

E. L. L. Y.

Department of Housing and Urban Development, Appalachian Regional Commission, Tennessee Valley Authority, and possibly others, in such manner as is directed and provided for under previous resolutions of this Court and in accordance with the agreement with the Farmers Home Administration. Upon receipt of the funds aforesaid, and after depositing same with the County Trustee if necessary, the County Judge will transfer the funds as soon as possible directly to the Tellico Area Services System to be deposited in the bank designated by proper action of the Tellico Area Services Board in an account to be designated the Tellico Area Services System Water System Fund, with such funds as necessary to be withdrawn from that fund to pay for the construction of the Tellico Area Services System water plant, lines and other related purposes as authorized by other resolutions of the Quarterly Court and as authorized by law, such funds to be combined with the Monroe County funds under the supervision of the Tellico Area Services System Board.

2. The Tellico Area Services System Board will designate a proper officer or officers to withdraw and disburse the money in the account established together with the designated representative of the Farmers Home Administration, such officials to be properly and sufficiently bonded.

3. The Tellico Area Services System Board is instructed and directed to comply in all respects with all resolutions authorizing the issuance of \$350,000.00 water revenue and tax bond, with particular reference to Resolution No. _____ authorizing the issuance of \$350,000.00 water revenue and tax bonds, providing for the collection and disposition of revenues from the water system, and making provisions for the operation of said system.

4. The Tellico Area Services System and Loudon County

Board of Public Utilities is authorized to receive, invest and disburse said funds to the best benefit of the System so as to best conserve and utilize the funds made available to the said System.

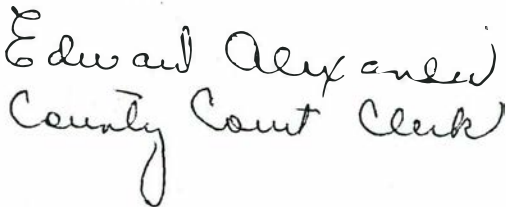
5. The Tellico Area Services System will assure that funds in the construction account shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, or by a pledge of readily marketable securities having at all times a market value of not less than the amount in said construction fund.

6. Any proceeds from the sale of the bonds remaining in the construction fund after the System improvements shall have been completed in accordance with the plans and specifications shall be used at the earliest practicable date for the prepayment of the bonds as provided in resolutions previously adopted.

This the 4th day of August, 1975.



County Judge


County Court Clerk

LOUDON COUNTY QUARTERLY COURT

RESOLUTION NO. 24-75

RESOLUTION AUTHORIZING TRANSFER OF \$350,000.00 BOND PROCEEDS
TO TELlico AREA SERVICES SYSTEM WATER SYSTEM CONSTRUCTION FUND
AND AUTHORIZATION OF DISBURSEMENT

WHEREAS, the Loudon County Court has issued \$350,000.00 in bonds which have been sold to the United States of America, acting through the Farmers Home Administration, to obtain funds to be used in the construction of a water treatment plant for the Tellico Area Services System in conjunction with a joint project with Monroe County; and

WHEREAS, by previous resolutions and agreements between the two Counties and the Boards of Public Utilities for the two Counties, the construction is to be handled in a supervised bank account as required by Farmers Home Administration regulations, to be disbursed solely for the payment of costs in the construction of said water plant, waterlines, and for other authorized purposes in connection with the project; and

WHEREAS, this resolution is adopted for the purpose of clarifying and itemizing some of the procedures and authorization involved in the handling of the bond funds, grant funds, and other construction monies coming into the hands of Loudon County and the Tellico Area Services System from Farmers Home Administration, Department of Housing and Urban Development, Appalachian Regional Commission, Tennessee Valley Authority, and other sources;

NOW, THEREFORE, BE IT RESOLVED by the Quarterly Court of Loudon County, Tennessee, in regular session assembled on this the 4th day of August, 1975, as follows:

1. The County Judge is hereby authorized and directed to receive \$350,000.00 bond funds from the Farmers Home Administration and any of the other funds coming from the

Exhibit 4

186

Department of Housing and Urban Development, Appalachian Regional Commission, Tennessee Valley Authority, and possibly others, in such manner as is directed and provided for under previous resolutions of this Court and in accordance with the agreement with the Farmers Home Administration. Upon receipt of the funds aforesaid, and after depositing same with the County Trustee if necessary, the County Judge will transfer the funds as soon as possible directly to the Tellico Area Services System to be deposited in the bank designated by proper action of the Tellico Area Services Board in an account to be designated the Tellico Area Services System Water System Fund, with such funds as necessary to be withdrawn from that fund to pay for the construction of the Tellico Area Services System water plant, lines and other related purposes as authorized by other resolutions of the Quarterly Court and as authorized by law, such funds to be combined with the Monroe County funds under the supervision of the Tellico Area Services System Board.

2. The Tellico Area Services System Board will designate a proper officer or officers to withdraw and disburse the money in the account established together with the designated representative of the Farmers Home Administration, such officials to be properly and sufficiently bonded.

3. The Tellico Area Services System Board is instructed and directed to comply in all respects with all resolutions authorizing the issuance of \$350,000.00 water revenue and tax bond, with particular reference to Resolution No. _____ authorizing the issuance of \$350,000.00 water revenue and tax bonds, providing for the collection and disposition of revenues from the water system, and making provisions for the operation of said system.

4. The Tellico Area Services System and Loudon County

Board of Public Utilities is authorized to receive, invest and disburse said funds to the best benefit of the System so as to best conserve and utilize the funds made available to the said System.

5. The Tellico Area Services System will assure that funds in the construction account shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, or by a pledge of readily marketable securities having at all times a market value of not less than the amount in said construction fund.

6. Any proceeds from the sale of the bonds remaining in the construction fund after the System improvements shall have been completed in accordance with the plans and specifications shall be used at the earliest practicable date for the prepayment of the bonds as provided in resolutions previously adopted.

This the _____ day of August, 1975.



County Judge

Edward Alexander
County Court Clerk

Position 5

(25-75)

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Quarterly County Court
OF THE Loudon County, Tennessee
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF
PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING,
AND/OR EXTENDING ITS water service (Tellico Area Services System)
SYSTEM TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Loudon County Quarterly County Court
(Public Body)
(herein after called association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal
amount of Five Hundred Thousand Dollars (\$500,000.00)
pursuant to the provisions of _____

WHEREAS, the association intends to obtain assistance from the Farmers Home Administration, United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and to purchase the bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the association:

NOW THEREFORE, in consideration of the premises the association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds and containing such items and in such forms as are required by STATE statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form FmHA 400-4, "Nondiscrimination Agreement"; and Form FmHA 400-1, "Equal Opportunity Agreement", including an "Equal Opportunity Clause", which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the association.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government, at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the association incur and pay reasonable expenses for repair, maintenance, and operation of the system and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the system, repair, maintain, and operate or rent it. Default under the provisions of this Resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the system or any portion thereof, or interest therein, not permit others to do so, without the prior written consent of the Government.
7. Not to borrow any money from any source, enter into any contract or agreement, or incur any other liabilities in connection with making enlargements, improvements or extensions to, or for any other purpose in connection with, the system (exclusive of normal maintenance) without the prior written consent of the Government.
8. To place the proceeds of the bonds on deposit in an account, in a bank, and in a manner approved by the Government.

Exhibit 7

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the system in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. No free service or use of the system will be permitted.
11. To acquire and maintain such insurance coverage including fidelity bonds as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the system and its financial affairs and to provide for the annual audit thereof in such a manner as may be required by the Government, to provide the Government without its request, copy of each such audit, and to make and forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the system and access to the property of the system so that the Government may ascertain that the association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. To serve any applicant within the service area who desires service and can be feasibly and legally served, and to obtain the concurrence of the Farmers Home Administration prior to refusing service to such applicant.

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall be binding upon the association as long as the bonds are held or insured by the Government. The provisions of sections 7 through 13 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling as between the association and the Government.

IN WITNESS WHEREOF, the Quarterly County Court of the County of Loudon, Tennessee has duly adopted this Resolution and caused executed by the officers below in duplicate on this 4th day of August, 19 75.

(SEAL)

Attest:

Edward Alexander
Edward Alexander
Title County Court Clerk

County of Loudon
By William H. Russell
Title County Judge

CERTIFICATION

I, the undersigned, as ~~xxxxxx~~ County Court Clerk hereby certify that the County Court of such Association or Corporation is composed of nine (9) members, of whom _____, constituting a quorum, were present at a meeting thereof duly called and held on the 4th day of August, 19 75; that the foregoing resolution was adopted at such meeting by the vote shown above; and that said resolution has not been rescinded or amended in any way.

Dated, this _____ day of _____, 19 ____.

~~Secretary of~~

Edward Alexander
County Court Clerk

U.S. GOVERNMENT PRINTING OFFICE: 1974-665-596/1741 Region 6

Resolution 26-75

The Quarterly County Court of Loudon County, Tennessee,
met in _____ session at the regular meeting place at

7:00 o'clock, P.M., on August 4, , 1975, with William

H. Russell, County Judge, presiding, and the following

members present:	J.J. Blair	James Hartsook
	R.P. Hamilton	Curtis Williams
	I.D. Conner	Roy Bledsoe
	J.G. HUDson	Boyd Duckworth

There were absent: none

Edward Alexander, County Court Clerk, was also present.

The meeting was called to order by the County Judge
and the following proceedings were had, to-wit:

The following resolution was introduced and read in
full:

INITIAL RESOLUTION authorizing the issuance
of \$500,000 Water Revenue and Tax Bonds,
Series 1975 (Tellico Area Services System)
of Loudon County, Tennessee.

BE IT RESOLVED by the Quarterly County Court
of Loudon County, Tennessee that for the
purpose of financing in part the construc-
tion of essential public works or facilities
consisting of improvements and extensions
to the Tellico Area Services System water-
works system, a joint project with Monroe
County, there shall be issued bonds of said
county in the aggregate principal amount
not to exceed \$500,000, which shall bear
interest at a rate or rates not to exceed five
(5%) per cent per annum, and which shall
be payable from revenues of the waterworks
system, subject to prior lien bonds, and, in
the event such revenues are insufficient
therefor, from ad valorem taxes to be levied
without limitation as to time, rate or amount
on all taxable property within the county.

After consideration and discussion of the foregoing
proposed resolution it was moved by Squire J.G. Hudson
and seconded by Squire Hamilton that said resolution
be adopted as read, and upon the question being put the
following voted:

AYE:	J.J. Blair	James Hartsook
	R.P. Hamilton	Curtis Williams
	I.D. Conner	Roy Bledsoe
	J.G. Hudson	Boyd Duckworth

NAY: None

Ed. Alexander

27-75

AYE:

NAY:

Thereupon, the County Judge declared said resolution to have been duly and regularly adopted and said resolution was signed and approved by the County Judge and County Court Clerk in open meeting.

The following resolution was then introduced and read in full:

BE IT RESOLVED by the Quarterly County Court of Loudon County, Tennessee that the County Judge and County Court Clerk be, and they are, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of \$500,000 Water Revenue and Tax Bonds, Series 1975 (Tellico Area Services System) to be published in full in the Loudon County Herald a newspaper published in Loudon County and having a general circulation in Loudon County, Tennessee, for one issue of said paper followed by the statutory notice, to-wit:

N O T I C E

The foregoing resolution has been adopted. Unless within ten (10) days from the date of the publication hereof a petition signed by at least ten (10%) per cent of the registered voters of the county shall have been filed with the County Court Clerk or County Judge protesting the issuance of the bonds, such bonds will be issued as proposed.

William H. Russell, County Judge
Edward Alexander, County Court Clerk

After a consideration and discussion of the foregoing proposed resolution it was moved by Squire J.G. Hudson and seconded by Squire Hamilton that said resolution be adopted as read, and upon the question being put the following voted:

AYE: J.J. Blair	James Hartsook
R.P. Hamilton	Curtis Williams
I.D. Conner	Roy Bledsoe
J.G. Hudson	Boyd Duckworth
NAY: none	

27-75

Thereupon the County Judge declared said resolution to have been duly and regularly adopted and said resolution was signed and approved by the County Judge and County Court Clerk in open meeting.

The following resolution was then introduced and read in full, and after motion for its adoption being made and seconded, was unanimously adopted:

BE IT RESOLVED by the Quarterly County Court of Loudon County, Tennessee, that if no petition is filed with the County Judge or County Court Clerk protesting the issuance of such bonds within ten days after publication of the foregoing Initial Resolution and statutory notice, the County Court Clerk be, and he is, hereby directed and instructed to publish a Notice of Sale of such bonds, in substantially the form presented to this meeting, in


Loudon County Herald,
a newspaper published in Loudon County and having a general circulation therein, and in such other newspapers as the County Court Clerk may determine; and that following receipt of bids this Board shall adopt a resolution providing bond details in accordance with the terms of the notice and the requirements of Farmers Home Administration, if it is the successful purchaser of the bonds.

* * * *

(Other Business)

* * * *

There being no further business, the County Judge, upon motion duly made, seconded and passed, declared the meeting adjourned.



County Judge

ATTEST:



County Court Clerk

STATE OF TENNESSEE)

COUNTY OF LOUDON)

I, Edward Alexander, hereby certify that I am the duly qualified and acting County Court Clerk of Loudon County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of the meeting of the Quarterly County Court of said county held on Aug 4, 1975; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to \$500,000 Water Revenue and Tax Bonds, Series 1975 (Tellico Area Services System) of said county.

Witness my official signature and seal of said county on this the 6th day of Aug, 1975.

Edward Alexander
County Court Clerk

(SEAL)