



CITY OF KINGSPORT, TENNESSEE

April 8, 2016

Ms. Sandra Thompson, Director
Division of State and Local Finance
James K. Polk Office Building - Suite 1600
505 Deaderick Street
Nashville, Tennessee 37243-1402

Re: *City of Kingsport Refunding Plan - 2016*

Dear Ms. Thompson:

For your review, consideration and action, we have prepared a refunding report entitled *City of Kingsport Refunding Plan - 2016* (the "Plan"). This Plan is being delivered to you to comply with applicable sections of Title 9, Chapter 21, Parts 1, 2 and 9, Tennessee Code Annotated (the "Act") pertaining to the proposed sale and issuance of approximately \$34,000,000* General Obligation Refunding Bonds, Series 2016 (the "Bonds") of the City of Kingsport, Tennessee (the "City"). The City is seeking a *Report of Review of the Plan* from your office consistent with the provisions of the Act.

As our Financial Advisor, Raymond James & Associates, Inc. ("Raymond James") has provided us assistance in the development and preparation of the Plan including the associated schedules and exhibits. Rick Dulaney is serving as our Raymond James representative. He is specifically authorized to discuss this transaction with you and the staff on our behalf. His contact information and a list of all other key participants established up to this point is attached as a separate attachment (Exhibit II) for your convenience.

The Bonds

Information relating to the Bonds is as follows:

General Obligation Refunding Bonds, Series 2016

- | | |
|---|--|
| a. Maximum Size Authorized (Resolution Sizing): | ✓ Not to exceed \$34,000,000* |
| b. Anticipated Size: | ✓ Approximately \$28,595,000 (after estimated premiums, etc.)* |
| c. Anticipated Final Maturity; Weighted Average Maturity: | ✓ Final maturity date: March 1, 2029;
✓ Weighted average maturity ("WAM") is 8.898 years;
✓ The Refunded Bonds (defined herein) are being advanced refunded;
✓ The overall strategy is to reduce interest rates in order to strengthen the City's financial position and achieve debt service savings over the remaining life of the transaction;
✓ The final maturities are <u>not</u> being extended beyond their originally scheduled final amortization dates; and
✓ The proposed payment dates match up with current maturity dates of the Refunded Bonds. |
| d. Estimated Costs of Issuance: | ✓ See Attached Detailed Schedule – Exhibit IV |
| e. Projected Sources and Uses of Funds: | ✓ See Attached Detailed Schedule – Exhibit IV |

*Subject to adjustment and revision

Refunded Bonds

The proposed debt to be refinanced includes the following issues which have a combined average rate of 4.470%:

<u>Data Required</u>	<u>Series 2009A Bonds</u>	<u>Series 2009B Bonds</u>	<u>Series 2009C Bonds</u>
a. Type of Debt; Original Terms; Tax Status:	<p>✓ The Bonds will refinance the callable balance of the City's \$12,160,000 General Obligation Public Improvement Bonds, Series 2009A (the "Series 2009A Bonds");</p> <p>✓ Series 2009A Bonds that are being refunded mature on March 1, 2020 through March 1, 2022, on March 1, 2024, on March 1, 2025 and on March 1, 2026 through March 1, 2029;</p> <p>✓ Series 2009A Bonds are callable on March 1, 2019 and at any time thereafter at par and accrued interest;</p> <p>✓ Weighted average maturity is <u>8.611</u> years; and</p> <p>✓ Average rate is <u>4.682%</u>.</p>	<p>✓ The Bonds also will refinance the callable balance of the City's \$7,100,000 General Obligation Bonds, Series 2009B (the "Series 2009B Bonds");</p> <p>✓ Series 2009B Bonds that are being refunded mature on March 1, 2020 through March 1, 2027 and on March 1, 2029;</p> <p>✓ 2009B Bonds are callable on March 1, 2019 and at any time thereafter at par and accrued interest;</p> <p>✓ Weighted average maturity is <u>8.613</u> years; and</p> <p>✓ Average rate is <u>4.664%</u>.</p>	<p>✓ The Bonds also will refinance the callable balance of the City's \$15,180,000 Local Option Sales Tax Revenue and Tax Bonds, Series 2009C (the "Series 2009C Bonds");</p> <p>✓ Series 2009C Bonds that are being refunded mature on March 1, 2020 through March 1, 2022, on March 1, 2024 and on March 1, 2024 and on March 1, 2025 through March 1, 2027 and on March 1, 2029;</p> <p>✓ 2009C Bonds are callable on March 1, 2019 and at any time thereafter at par and accrued interest;</p> <p>✓ Weighted average maturity is <u>8.603</u> years; and</p> <p>✓ Average rate is <u>4.609%</u>.</p>
b. Date of Issue - (CT-O253 Attached):	✓ February 3, 2009	✓ February 3, 2009	✓ February 3, 2009
c. Date of Authorization by Governing Body:	✓ November 18, 2008	✓ November 18, 2008	✓ November 18, 2008
d. Bank Qualified:	✓ No	✓ No	✓ No
e. Projects Funded; Extension of Debt:	<p>✓ Series 2009A Bonds were issued to finance public art and for improvements and extensions to the City's public buildings including schools, the library, justice center and parking garage and to pay associated costs of issuance; and</p> <p>✓ <u>No</u> extension of debt.</p>	<p>✓ Series 2009B Bonds were issued to finance public art and for the renovation, construction and expansion of the V.O. Dobbins Community Center and to pay associated issuance costs; and</p> <p>✓ <u>No</u> extension of debt.</p>	<p>✓ Series 2009C Bonds were issued to finance public art and for the construction, expansion, improvement and equipping of the Meadowview Conference and Convention Center and to pay associated issuance costs; and</p> <p>✓ <u>No</u> extension of debt.</p>
f. Derivative Products:	✓ None	✓ None	✓ None

Data Required

Series 2009E Bonds

- a. Type of Debt; Original Terms; Tax Status: ✓ The Bonds will refinance the callable balance of the City's \$14,225,000 General Obligation Bonds, Series 2009E (the "Series 2009E Bonds");
- ✓ Series 2009E Bonds that are being refunded mature on March 1, 2021 through March 1, 2023, on March 1, 2025, on March 1, 2027 and on March 1, 2028 through March 1, 2030;
- ✓ Series 2009E Bonds are callable on March 1, 2020 and at any time thereafter at par and accrued interest;
- ✓ Weighted average maturity is 9.566 years; and
- ✓ Average rate is 4.099%.
- b. Date of Issue - (CT-O253 Attached): ✓ December 8, 2009
- c. Date of Authorization by Governing Body: ✓ October 20, 2009
- d. Bank Qualified: ✓ No
- e. Projects Funded; Extension of Debt: ✓ Series 2009E Bonds were issued to finance public art and for construction of improvements and extensions to a City recreation center and public swimming pool and to pay associated costs of issuance; and
- ✓ No extension of debt.
- f. Derivative Products: ✓ None

Interest Rate Swaps; Consistency with Established Municipality Debt Policy and Practices

There are no interest rate swaps or other hedging instruments in place pertaining to the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C Bonds or the Series 2009E Bonds (collectively, the "Refunded Bonds").

The City has adopted a formal debt policy (the "Policy") in compliance with State requirements. The goals and objectives of this Plan are consistent with the Policy. For example, the proposed refunding is being pursued with the objective of achieving net present value savings greater than 3% of refunded principal. Furthermore, the Plan calls for no extension of debt beyond the originally scheduled fiscal years resulting in a composite structure that does not exceed the useful life of the projects originally funded. Additionally, all financial professionals will have written agreements and all official meetings will be fully advertised.

Security Pledged

The Bonds are payable from funds of the Municipality legally available therefore and the extent necessary from unlimited ad valorem taxes to be levied on all taxable property within the City without limitation as to time, rate or amount. For the prompt payment of principal of and interest on the Bonds, as the same shall become due, the full faith and credit of the City is irrevocably pledged.

Purpose of the Refinancing

Consistent with the City's Policy, the Refunded Bonds will be refinanced to achieve net present value debt service savings of not less than 3% of refunded principal through a traditional "high-to-low" interest rate refunding (i.e., the purpose is an economic refunding for cost savings). As part of this strategy, the transaction is designed to strengthen the overall financial position of the City. The existing amortization periods for the Refunded Bonds will not be

extended beyond their originally established dates scheduled of March 1, 2029 for the Series 2009A Bonds, Series 2009B Bonds and the Series 2009C Bonds or March 1, 2030 for the Series 2009E Bonds.

Market Rates; Competitive Public Sale; Refunding Escrow; Other

Exhibit IV included in the required attachments to this Plan outlines the projected structure and rates based upon current market conditions for similarly structured, fixed rate debt. The Bonds are expected to carry credit ratings of “Aa2” and “AA” from Moody’s and Standard & Poor’s, respectively. Accordingly, rates and yields (see Exhibit IV of the Plan) carry projections based on those assumptions which reflect a “snap-shot” of current estimated market conditions as of their dated date.

The capital markets remain very volatile and hard to predict, but expectations are that the goals of the Plan can be met if current or similar conditions prevail at the time of the sale. Naturally, actual results will be determined on the date of the competitive public sale. If the City’s basic goals and objectives cannot be achieved, then the refinancing will not proceed at that time or portions of the Refunded Bonds deferred. As is standard practice, the City will reserve the right to reject all bids in the notice of sale.

If the Bond sale proceeds as anticipated, then proceeds from the transaction will be used to retire the Refunded Bonds on their first optional redemption dates of March 1, 2019 for the Series 2009A Bonds, the Series 2009B Bonds and the Series 2009C Bonds and on March 1, 2020 for the Series 2009E Bonds. Individual maturities for each of the Series 2009A Bonds, Series 2009B Bonds, the Series 2009C Bonds and the Series 2009E Bonds which are not subject to optional redemption will remain in place and be paid as scheduled by the City. Since the Refunded Bonds are being advance refunded, there will be an irrevocable escrow established and held by the Escrow Agent. Net proceeds from the Bonds together with other available dollars, if any, will be invested in U.S. Treasury Obligations - State and Local Series (“SLGS”) or, if there proves to be greater value, in open market securities acquired pursuant to applicable regulations by a bidding agent. The sufficiency of funds deposited to the escrow together with interest earnings on the SLGS or open market instruments will be independently verified by the Verification Agent who will provide a final report and opinion supporting their conclusions.

Lastly, we believe that the Plan and associated Exhibits meets the requirements of Section 9-21-134 of the Act and the Funding Board’s related regulations. Therefore, a request for approval pursuant to that section of the Act is sought by a separate request which is incorporated herein by reference and accompanies this Plan.

Exhibits

Please find attached several exhibits to the Plan which include:

- I. A copy of the CT-0253 Forms for of the Refunded Bonds (Note: Series 2009D Bonds and Series 2009E Bonds are together on one form);
- II. A copy of the Initial Distribution List;
- III. A projected timetable and calendar of events;
- IV. Detailed schedules relating to the transaction including, but not limited to, projected yields, transaction costs and other statistical data

Proposed Schedule

Once the *Report of Review of Plan* has been received from your office, the Board of Mayor and Aldermen of the City (the “Board”) will consider a formal detailed resolution authorizing the sale and issuance of the Bonds at their regular meeting on Tuesday, May 3, 2016 at 7:00 p.m., EDT. The agenda deadline for May 3rd meeting is April 26, 2016.

If you have any questions or need any additional information with respect to the Plan, please do not hesitate to contact us at your earliest convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Demming", with a stylized flourish at the end.

James H. Demming, CPA
Chief Financial Officer

Copies: Rick Dulaney - Raymond James
Cindy Barnett, Esq. – Adams and Reese LLP

Attachments: Exhibits I through IV



**REFUNDING PLAN ATTACHMENTS
I - IV**

Issuer's No. _____
(To be filled out by State)

REPORT ON DEBT OBLIGATION
(Pursuant to Chapter 402, Public Acts of 1989)

1. Issuer:

Name City of Kingsport, Tennessee

Address Attention: Mr. James H. Demming, Chief Financial Officer
225 West Center Street
Kingsport, TN 37660-4285

2. Debt Obligation:

<input checked="" type="checkbox"/>	a. Bond
<input type="checkbox"/>	b. CON
<input type="checkbox"/>	c. BAN
<input type="checkbox"/>	d. GAN
<input type="checkbox"/>	e. Lease/Lease Purchase
<input type="checkbox"/>	f. Loan Agreement

5. Face Amount of Debt Obligation **\$12,160,000**

6. Type of Sale:

<input checked="" type="checkbox"/>	a. Competitive Public Sale
<input type="checkbox"/>	b. Negotiated
<input type="checkbox"/>	c. Loan Program _____

specify

3. Security for Debt Obligation:

<input checked="" type="checkbox"/>	a. General Obligation
<input type="checkbox"/>	b. General Obligation Revenue and Tax
<input type="checkbox"/>	c. Revenue
<input type="checkbox"/>	d. Annual Appropriations

7. Tax Status

a. Tax Exempt b. Taxable

8. Dated Date: February 3, 2009

9. Issue Date (Closing Date): February 3, 2009

4. Purpose of Issue **Percent of Issue:**

<input checked="" type="checkbox"/>	a. General Government	48%
<input checked="" type="checkbox"/>	b. Education	9%
<input checked="" type="checkbox"/>	c. Highways and Streets	41%
<input checked="" type="checkbox"/>	d. Public Safety	2%
<input type="checkbox"/>	e. Solid Waste Disposal	_____
<input type="checkbox"/>	f. Industrial Park	_____
<input type="checkbox"/>	g. Manufacturing Facilities	_____
<input type="checkbox"/>	h. Health Facilities	_____
<input type="checkbox"/>	i. Airports	_____
<input type="checkbox"/>	j. Utilities	_____
<input type="checkbox"/>	i. Water	_____
<input type="checkbox"/>	ii. Sewer	_____
<input type="checkbox"/>	iii. Electric	_____
<input type="checkbox"/>	iv. Gas	_____
<input type="checkbox"/>	k. Refunding or Renewal	_____
<input type="checkbox"/>	l. Other _____	_____

specify

10. Rating

a. Moody's: Aa2 (AG) (A1 underlying)

b. Standard & Poor's: AAA (AG) (AA- underlying)

c. Unrated _____

11. Interest Cost:

4.3091%

<input checked="" type="checkbox"/>	a. TIC
<input type="checkbox"/>	b. NIC
<input type="checkbox"/>	c. Variable
<input type="checkbox"/>	d. Other

12. Recurring Costs:

a. Remarketing Agent Fees \$N/A

b. Liquidity Fees \$ _____

c. Credit Enhancement Fees \$ _____

SEE REVERSE SIDE

13. Maturity Dates, Amounts and Interest Rates

Year	Amount	Interest Rate
2011	475,000	2.000%
2012	480,000	2.500%
2013	495,000	2.500%
2014	505,000	3.000%
2015	520,000	3.000%
2016	540,000	3.000%
2017	555,000	3.000%
2018	570,000	3.000%
2019	590,000	4.000%
2020	610,000	4.000%

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Year	Amount	Interest Rate
2021	635,000	4.000%
2022	660,000	4.000%
2024	1,405,000	4.500%
2025	750,000	4.500%
2026	785,000	4.625%
2027	820,000	5.000%
2028	860,000	5.000%
2029	905,000	5.000%

If additional space is needed, attach additional sheet.

14. Itemized Description of the Cost of Issuance

	Amount	Name of Firm
a. Financial Advisor Fees	\$12,500	Morgan Keegan & Company, Inc.
b. Legal Fees		
i. Bond Counsel	\$19,057	Adams & Reese, LLP
ii. Issuer's Counsel		
iii. Trustee's Counsel		
iv. Verification Fee		
c. Paying Agent Fees and Registration Fees	\$250	Regions Bank
d. Trustee Fees		
e. Remarketing Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees	\$4,298	Moody's Investor's Service
Rating Agency Fees	\$5,929	Standard & Poor's
h. Credit Enhancement Fees	\$50,000	Assured Guaranty (Paid by Underwriter)
i. Underwriter's Discount(%)	\$139,214	UBS Financial Services, New York, NY
i. Take Down		
ii. Management Fee		
iii. Risk Premium		
iv. Underwriter's Counsel		
v. Other Expenses		
j. Printing and Advertising Fees	\$3,176	Morgan Keegan/IDeal Prospectus
k. Issuer Fees		
l. Real Estate Fees		
m. Other Costs	\$635	CUSIPs; Travel; Fed Ex, Misc., Etc.

* If other costs are included, please itemize.

Note: Please enclose a copy of the DISCLOSURE DOCUMENT or OFFICIAL STATEMENT if one was developed.

15.

Jan H. Davis
 Authorized Representative
 Chief Financial Officer
 Title
 3-Feb-09
 Date

[Signature]
 Preparer
 Managing Director
 Title
 Morgan Keegan & Company, Inc.
 Firm
 3-Feb-09
 Date

SEND TO: Director-Division of Local Finance-Suite 1600-James K. Polk State Office Building-Nashville, Tennessee 37219-5051

Issuer's No. _____
 (To be filled out by State)

REPORT ON DEBT OBLIGATION
 (Pursuant to Chapter 402, Public Acts of 1989)

1. Issuer:

Name City of Kingsport, Tennessee
 Address Attention: Mr. James H. Demming, Chief Financial Officer
225 West Center Street
Kingsport, TN 37660-4285

2. Debt Obligation:

<input checked="" type="checkbox"/>	a. Bond
<input type="checkbox"/>	b. CON
<input type="checkbox"/>	c. BAN
<input type="checkbox"/>	d. GAN
<input type="checkbox"/>	e. Lease/Lease Purchase
<input type="checkbox"/>	f. Loan Agreement

5. Face Amount of Debt Obligation **\$7,100,000**

6. Type of Sale:

<input checked="" type="checkbox"/>	a. Competitive Public Sale
<input type="checkbox"/>	b. Negotiated
<input type="checkbox"/>	c. Loan Program _____ specify

3. Security for Debt Obligation:

<input checked="" type="checkbox"/>	a. General Obligation
<input type="checkbox"/>	b. General Obligation Revenue and Tax
<input type="checkbox"/>	c. Revenue
<input type="checkbox"/>	d. Annual Appropriations

7. Tax Status
 a. Tax Exempt b. _____ Taxable

8. Dated Date: February 3, 2009

9. Issue Date (Closing Date): February 3, 2009

4. Purpose of Issue **Percent of Issue:**

<input checked="" type="checkbox"/>	a. General Government	<u>100%</u>
<input type="checkbox"/>	b. Education	_____
<input type="checkbox"/>	c. Highways and Streets	_____
<input type="checkbox"/>	d. Public Safety	_____
<input type="checkbox"/>	e. Solid Waste Disposal	_____
<input type="checkbox"/>	f. Industrial Park	_____
<input type="checkbox"/>	g. Manufacturing Facilities	_____
<input type="checkbox"/>	h. Health Facilities	_____
<input type="checkbox"/>	i. Airports	_____
<input type="checkbox"/>	j. Utilities	_____
	<input type="checkbox"/> i. Water	_____
	<input type="checkbox"/> ii. Sewer	_____
	<input type="checkbox"/> iii. Electric	_____
	<input type="checkbox"/> iv. Gas	_____
<input type="checkbox"/>	k. Refunding or Renewal	_____
<input type="checkbox"/>	l. Other _____	_____

specify

10. Rating

a. Moody's :	<u>Aa2 (AG) (A1 underlying)</u>
b. Standard & Poor's:	<u>AAA (AG) (AA- underlying)</u>
c. Unrated	_____

11. Interest Cost:
4.3604%

<input checked="" type="checkbox"/>	a. TIC
<input type="checkbox"/>	b. NIC
<input type="checkbox"/>	c. Variable
<input type="checkbox"/>	d. Other

12. Recurring Costs:

a. Remarketing Agent Fees	<u>\$N/A</u>
b. Liquidity Fees	<u>\$</u>
c. Credit Enhancement Fees	<u>\$</u>

SEE REVERSE SIDE

13. Maturity Dates, Amounts and Interest Rates

Year	Amount	Interest Rate
2011	275,000	2.000%
2012	280,000	2.500%
2013	290,000	2.500%
2014	295,000	3.000%
2015	305,000	3.000%
2016	315,000	3.000%
2017	325,000	3.000%
2018	335,000	3.250%
2019	345,000	4.000%
2020	355,000	4.000%

Year	Amount	Interest Rate
2021	370,000	4.000%
2022	385,000	4.000%
2023	400,000	4.250%
2024	420,000	4.500%
2025	440,000	4.500%
2026	455,000	4.625%
2027	480,000	5.000%
2029	1,030,000	5.000%

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If additional space is needed, attach additional sheet.

14. Itemized Description of the Cost of Issuance

		Name of Firm
a. Financial Advisor Fees	\$12,500	Morgan Keegan & Company, Inc.
b. Legal Fees		
i. Bond Counsel	\$3,805	Adams & Reese, LLP
ii. Issuer's Counsel		
iii. Trustee's Counsel		
iv. Verification Fee		
c. Paying Agent Fees and Registration Fees	\$250	Regions Bank
d. Trustee Fees		
e. Remarketing Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees	\$858	Moody's Investor's Service
Rating Agency Fees	\$1,184	Standard & Poor's
h. Credit Enhancement Fees	\$28,000	Assured Guaranty (Paid by Underwriter)
i. Underwriter's Discount(%)	\$122,641	UBS Financial Services, New York, NY
i. Take Down		
ii. Management Fee		
iii. Risk Premium		
iv. Underwriter's Counsel		
v. Other Expenses		
j. Printing and Advertising Fees	\$634	Morgan Keegan/IDeal Prospectus
k. Issuer Fees		
l. Real Estate Fees		
m. Other Costs	\$127	CUSIPs; Travel; Fed Ex, Misc., Etc.

* If other costs are included, please itemize.

Note: Please enclose a copy of the DISCLOSURE DOCUMENT or OFFICIAL STATEMENT if one was developed.

15.

John H. De...
Authorized Representative

Chief Financial Officer
Title

3-Feb-09
Date

[Signature]
Preparer

Managing Director
Title

Morgan Keegan & Company., Inc.
Firm

3-Feb-09
Date

SEND TO: Director-Division of Local Finance-Suite 1600-James K. Polk State Office Building-Nashville, Tennessee 37219-5051

Issuer's No. _____
(To be filled out by State)

REPORT ON DEBT OBLIGATION
(Pursuant to Chapter 402, Public Acts of 1989)

1. Issuer:

Name City of Kingsport, Tennessee

Address Attention: Mr. James H. Demming, Chief Financial Officer
225 West Center Street
Kingsport, TN 37660-4285

2. Debt Obligation:

a. Bond
 b. CON
 c. BAN
 d. GAN
 e. Lease/Lease Purchase
 f. Loan Agreement

5. Face Amount of Debt Obligation **\$15,180,000**

6. Type of Sale:

a. Competitive Public Sale
 b. Negotiated
 c. Loan Program _____
specify

3. Security for Debt Obligation:

a. General Obligation
 b. General Obligation Revenue and Tax
 c. Revenue
 d. Annual Appropriations

7. Tax Status

a. Tax Exempt b. _____ Taxable

8. Dated Date: February 3, 2009

9. Issue Date (Closing Date): February 3, 2009

4. Purpose of Issue **Percent of Issue:**

<input checked="" type="checkbox"/> a. General Government	<u>100%</u>
<input type="checkbox"/> b. Education	_____
<input type="checkbox"/> c. Highways and Streets	_____
<input type="checkbox"/> d. Public Safety	_____
<input type="checkbox"/> e. Solid Waste Disposal	_____
<input type="checkbox"/> f. Industrial Park	_____
<input type="checkbox"/> g. Manufacturing Facilities	_____
<input type="checkbox"/> h. Health Facilities	_____
<input type="checkbox"/> i. Airports	_____
<input type="checkbox"/> j. Utilities	_____
<input type="checkbox"/> i. Water	_____
<input type="checkbox"/> ii. Sewer	_____
<input type="checkbox"/> iii. Electric	_____
<input type="checkbox"/> iv. Gas	_____
<input type="checkbox"/> k. Refunding or Renewal	_____
<input type="checkbox"/> l. Other _____	_____
	specify

10. Rating

a. Moody's: Aa2 (AG) (A1 underlying)
b. Standard & Poor's: AAA (AG) (AA- underlying)
c. Unrated _____

11. Interest Cost:

4.3501%

a. TIC
 b. NIC
 c. Variable
 d. Other

12. Recurring Costs:

a. Remarketing Agent Fees \$N/A
b. Liquidity Fees \$ _____
c. Credit Enhancement Fees \$ _____

SEE REVERSE SIDE

13. Maturity Dates, Amounts and Interest Rates

Year	Amount	Interest Rate
2011	585,000	2.000%
2012	600,000	2.500%
2013	615,000	2.500%
2014	630,000	3.000%
2015	645,000	3.000%
2016	665,000	3.000%
2017	685,000	3.250%
2018	710,000	4.000%
2019	735,000	4.000%
2020	765,000	4.000%

Year	Amount	Interest Rate
2021	800,000	4.000%
2022	830,000	4.000%
2024	1,765,000	4.375%
2025	940,000	4.500%
2026	980,000	4.625%
2027	1,025,000	4.625%
2029	2,205,000	5.000%

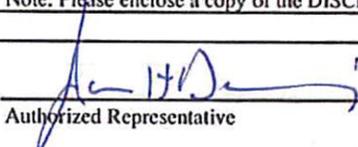
If additional space is needed, attach additional sheet.

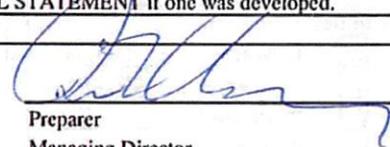
14. Itemized Description of the Cost of Issuance

		Name of Firm
a. Financial Advisor Fees	\$12,500	Morgan Keegan & Company, Inc.
b. Legal Fees		
i. Bond Counsel	\$22,138	Adams & Reese, LLP
ii. Issuer's Counsel		
iii. Trustee's Counsel		
iv. Verification Fee		
c. Paying Agent Fees and Registration Fees	\$250	Regions Bank
d. Trustee Fees		
e. Remarketing Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees	\$4,993	Moody's Investor's Service
Rating Agency Fees	\$6,887	Standard & Poor's
h. Credit Enhancement Fees	\$60,000	Assured Guaranty (Paid by Underwriter)
i. Underwriter's Discount(%)	\$240,900	UBS Financial Services, New York, NY
i. Take Down		
ii. Management Fee		
iii. Risk Premium		
iv. Underwriter's Counsel		
v. Other Expenses		
j. Printing and Advertising Fees	\$3,690	Morgan Keegan/IDeal Prospectus
k. Issuer Fees		
l. Real Estate Fees		
m. Other Costs	\$738	CUSIPs; Travel; Fed Ex, Misc., Etc.

* If other costs are included, please itemize.

Note: Please enclose a copy of the DISCLOSURE DOCUMENT or OFFICIAL STATEMENT if one was developed.

15. 
 Authorized Representative
Chief Financial Officer
 Title
3-Feb-09
 Date


 Preparer
Managing Director
 Title
Morgan Keegan & Company., Inc.
 Firm
3-Feb-09
 Date

Issuer's No. _____
 (To be filled out by State)

REPORT ON DEBT OBLIGATION
(Pursuant to Chapter 402, Public Acts of 1989)

1. Issuer:

Name City of Kingsport, Tennessee

Address Attention: Mr. James H. Demming, Chief Financial Officer
225 West Center Street
Kingsport, TN 37660-4285

2. Debt Obligation:

a. Bond
 b. CON
 c. BAN
 d. GAN
 e. Lease/Lease Purchase
 f. Loan Agreement

5. Face Amount of Debt Obligation **\$26,415,000**

6. Type of Sale:

a. Competitive Public Sale
 b. Negotiated
 c. Loan Program _____
 specify

3. Security for Debt Obligation:

a. General Obligation
 b. General Obligation Revenue and Tax
 c. Revenue
 d. Annual Appropriations

7. Tax Status

a. Tax Exempt b. _____ Taxable

8. Dated Date: December 8, 2009

9. Issue Date (Closing Date): December 8, 2009

4. Purpose of Issue **Percent of Issue:**

<input checked="" type="checkbox"/> a. General Government	<u>50.80%</u>
<input checked="" type="checkbox"/> b. Education	<u>7.67%</u>
<input checked="" type="checkbox"/> c. Highways and Streets	<u>2.10%</u>
<input type="checkbox"/> d. Public Safety	_____
<input checked="" type="checkbox"/> e. Solid Waste Disposal	<u>1.15%</u>
<input type="checkbox"/> f. Industrial Park	_____
<input type="checkbox"/> g. Manufacturing Facilities	_____
<input type="checkbox"/> h. Health Facilities	_____
<input type="checkbox"/> i. Airports	_____
<input checked="" type="checkbox"/> j. Utilities	_____
<input checked="" type="checkbox"/> i. Water	<u>15.31%</u>
<input checked="" type="checkbox"/> ii. Sewer	<u>22.96%</u>
<input type="checkbox"/> iii. Electric	_____
<input type="checkbox"/> iv. Gas	_____
<input type="checkbox"/> k. Refunding or Renewal	_____
<input type="checkbox"/> l. Other _____	_____

specify

10. Rating

a. Moody's : _____
 b. Standard & Poor's: AA-
 c. Unrated _____

11. Interest Cost:

3.3141%

a. TIC (Net BABs TIC)
 b. NIC
 c. Variable
 d. Other

12. Recurring Costs:

a. Remarketing Agent Fees \$N/A
 b. Liquidity Fees \$ _____
 c. Credit Enhancement Fees \$ _____

SEE REVERSE SIDE



CITY OF KINGSPORT, TENNESSEE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016

DISTRIBUTION LIST
(April 7, 2016)

Issuer: City of Kingsport, Tennessee 225 West Center Street Kingsport, TN 37660-4285	Financial Advisor: Raymond James One Burton Hills Blvd., Suite 225 Nashville, TN 37215-6299
Honorable John Clark Mayor Phone: 423-229-9412 Fax: 423-229-9350 Email: johnclark@kingsporttn.gov	Rick Dulaney Managing Director Phone: 800.764.0096 or 615.665-6918 Fax: 615.665.6925 Email: richard.dulaney@raymondjames.com
Jeff Fleming City Manager Phone: 423.229.9309 Fax: 423.229.9350 Email: jefffleming@kingsporttn.gov	Elizabeth Zuelke Public Finance Analyst Phone: 901.579.2739 Email: elizabeth.zuelke@raymondjames.com
James H. Demming, Jr., CPA City Recorder/CFO Phone: 423.224-2520 Fax: 423.224.2566 Email: jamesdemming@kingsporttn.gov	Tracy Johnson Administrative Assistant Phone: 800.764.1002 or 615.665.6920 Fax: 615.665.6925 Email: tracy.johnson@raymondjames.com
Chris McCartt Assistant City Manager – Administration Phone: 423.229.9430 Email: chrismccartt@kingsporttn.gov	Bond Counsel: Adams & Reese LLP 424 Church Street, Suite 2700 Nashville, TN 37219
Ryan McReynolds Assistant City Manager – Operations Phone: 423.229.9470 Email: ryanmcreynolds@kingsporttn.gov	Cindy Barnett Phone: 615.259.1454 Fax: 615.687.1499 Email: cindy.barnett@arlaw.com
J. Michael Billingsley, Esq. City Attorney Phone: 423.229.9464 Fax: 423.224.2417 Email: mikebillingsley@kingsporttn.gov	



**CITY OF KINGSPORT, TENNESSEE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**DISTRIBUTION LIST
(April 7, 2016)**

<p>Judy Smith Budget Director Phone: 423.224.2828 Email: judysmith@kingsporttn.gov</p>	<p>Registration, Paying, Escrow & Dissemination Agent: Regions Bank Corporate Trust Services 150 4th Avenue North – Suite 900 Nashville, TN 37219</p>
<p>Lisa E. Winkle, CPA Comptroller Phone: 423.229.9335 Email: lisawinkle@kingsporttn.gov</p>	<p>Caroline Oakes Phone: 615.770.4354 Fax: 615.770.4350 Email: caroline.oakes@regions.com</p>
<p>Executive Secretary, Finance Department Phone: 423.224.2520 Email:</p>	<p>Elizabeth Lance Phone: 615.770.4362 Fax: 615.770.4350 Email: elizabeth.lance@regions.com</p>
<p>Rating Agency: Moody's Investor's Service, Inc. 7 World Trade Center at 250 Greenwich Street Public Finance Group - 23rd Floor New York, NY 10007</p>	<p>Rating Agency: Standard & Poor's Corporation Public Finance Department 500 North Akard Lincoln Plaza, Suite 3200 Dallas, Texas 75201</p>
<p>Christopher Coviello Public Finance Group Phone: 212.553.0575 Fax: 212.298.7042 Email: christopher.coviello@moodys.com</p>	<p>Sarah Smaardyk Phone: 214.871.1428 Fax: Email: sarah.smaardyk@standardandpoors.com</p>
	<p>Lauren Spalten Associate Phone: 214.871.1421 Fax: 214.871.1409 Email: lauren.spalten@standardandpoors.com</p>
<p>Underwriter:</p>	<p>Verification Agent: Grant Thornton LLP 200 South 6th Street – Suite 1400 Minneapolis, MN 55402</p>
	<p>Stephanie Seroogy, Director Phone: 612-677-5109 Fax: 612-332-8984 Email: Stephanie.seroogy@us.gt.com</p>

CITY OF KINGSPORT, TENNESSEE

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016



TENTATIVE CALENDAR
09/30/2015 (Revised)

April							May							June							July							
S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S	S	M	T	W	R	F	S	
					1	2	1	2	3	4	5	6	7	1	2	3	4	1	2	3	4	5	6	7				
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	
24	25	26	27	28	29	30	29	30	31	26	27	28	29	30	24	25	26	27	28	29	30	24	25	26	27	28	29	30
																					31							

Date		PARTIES
Completed	Begin Collection of Data; Calendar of Events; Distribution List	All
Completed	Confirm "Sunshine" Notice Regarding Board of Mayor and Aldermen ("BOMA") Meetings	All
Pending	Confirm Status of Continuing Disclosure Filings on EMMA	All
Completed	Drafts Refunding Plan and Request for Approval for Balloon Indebtedness for Review	RJ
Pending	City Finalizes and Submits Refunding Plan and Balloon Approval Request to the Director of State and Local Finance	City
	First Draft of the Preliminary Official Statement ("POS"); Send to City for Review, Comments & Revisions	All
	Comments Due on POS From All Parties; If Desired, Conduct a Page by Page Discussion on POS	All
	Draft Version of the Detailed Resolution	BC
	City Receives Refunding Report from the Director of State and Local Finance	All
26-Apr-16	BOMA Agenda Deadline	All
2-May-16	BOMA Workshop	All
3-May-16	BOMA Meeting	All
	Second Draft of POS Sent for Comments and Review	All
	Credit Review Request and Documentation to Moody's and Standard & Poor's (September 24, 2015)	RJ
	Rating Agency "Due Diligence" Calls	City/RJ
	All Comments on POS Due; Final Sign-off; Receive "Deemed Final" POS Certificate from City	All
9-May-16	Distribute POS through I-Deal Prospectus; Legal Advertising*	RJ
	Receive Credit Ratings	All
16-May-16	Conduct Competitive Public Sale using Parity; Tweak Structure as Required*	RJ/City
	Escrow Verification	RJ/VA
	Subscribe for US Treasury - State and Local Obligation Series or Execute Bidding Process for Open Market Securities	All
	Distribute Draft Closing Documents	BC
	Distribute <i>Official Statement</i> to Underwriters and Investors	RJ
30-May-16	MEMORIAL DAY HOLIDAY	All
31-May-16	Pre-Closing*	All
1-Jun-16	Closing*	All
TBD	Present State Form CT-0253 to BOMA; BC Files with Comptroller's Office	All

Participants:

Issuer:	City of Kingsport, TN (the "City")
Financial Advisor:	Raymond James & Associates, Inc., Nashville, TN ("RJ")
Bond Counsel:	Adams and Reese LLP ("BC")
Issuer's Counsel:	Mike Billingsley, Esq.
Registrar, Escrow A	Regions Corporate Trust ("EA")
Dissemination Agent:	Regions Corporate Trust
Verification Agent:	Grant Thornton LLP, Minneapolis, MN. ("VA")
Bidding Agent:	TBD
Ratings:	Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's ("S&P")
Underwriter:	TBD

* Tentative, Subject to Change.

CITY OF KINGSPORT, TENNESSEE



PRELIMINARY REFUNDING SCHEDULES

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A, B, C & E

Revised - April 7, 2016

RAYMOND JAMES®
Public Finance // Debt Investment Banking
One Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800.764.1002

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

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Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Sources & Uses

Dated 06/01/2016 | Delivered 06/01/2016

Sources Of Funds

Par Amount of Bonds	\$28,595,000.00
Reoffering Premium	5,398,477.85

Total Sources

\$33,993,477.85

Uses Of Funds

Deposit to Net Cash Escrow Fund	33,593,538.82
Total Underwriter's Discount (0.850%)	243,057.50
Costs of Issuance	155,500.00
Rounding Amount	1,381.53

Total Uses

\$33,993,477.85

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Detail Costs Of Issuance

Dated 06/01/2016 | Delivered 06/01/2016

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$47,500.00
Bond Counsel	\$45,000.00
Verification Agent	\$7,500.00
Rating Agency Fee (S&P)	\$25,000.00
Rating Agency Fee (Moody's)	\$26,000.00
POS/Official Statement	\$1,500.00
Registrar Paying & Escrow Agent	\$2,500.00
Miscellaneous	\$500.00
TOTAL	\$155,500.00

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Savings Report

Date	Principal	Coupon	Interest	Total P+I	Refunded D/S	Savings
06/30/2016	-	-	-	-	-	-
06/30/2017	-	-	990,375.00	990,375.00	1,317,662.52	327,287.52
06/30/2018	-	-	1,320,500.00	1,320,500.00	1,317,662.52	(2,837.48)
06/30/2019	-	-	1,320,500.00	1,320,500.00	1,317,662.52	(2,837.48)
06/30/2020	1,585,000.00	5.000%	1,320,500.00	2,905,500.00	3,047,662.52	142,162.52
06/30/2021	2,370,000.00	5.000%	1,241,250.00	3,611,250.00	3,813,462.52	202,212.52
06/30/2022	2,485,000.00	5.000%	1,122,750.00	3,607,750.00	3,810,862.52	203,112.52
06/30/2023	2,605,000.00	5.000%	998,500.00	3,603,500.00	3,808,212.52	204,712.52
06/30/2024	2,740,000.00	5.000%	868,250.00	3,608,250.00	3,814,018.78	205,768.78
06/30/2025	2,870,000.00	5.000%	731,250.00	3,601,250.00	3,809,543.78	208,293.78
06/30/2026	3,015,000.00	5.000%	587,750.00	3,602,750.00	3,808,693.78	205,943.78
06/30/2027	3,165,000.00	4.000%	437,000.00	3,602,000.00	3,809,418.76	207,418.76
06/30/2028	3,285,000.00	4.000%	310,400.00	3,595,400.00	3,804,012.50	208,612.50
06/30/2029	3,430,000.00	4.000%	179,000.00	3,609,000.00	3,815,400.00	206,400.00
06/30/2030	1,045,000.00	4.000%	41,800.00	1,086,800.00	1,123,375.00	36,575.00
Total	\$28,595,000.00	-	\$11,469,825.00	\$40,064,825.00	\$42,417,650.24	\$2,352,825.24

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	2,040,640.31
Net PV Cashflow Savings @ 1.995%(Bond Yield)	2,040,640.31
Contingency or Rounding Amount	1,381.53
Net Present Value Benefit	\$2,042,021.84
Net PV Benefit / \$30,115,000 Refunded Principal	6.781%
Net PV Benefit / \$28,595,000 Refunding Principal	7.141%
Bond Year Dollars	\$255,541.25
Average Coupon	4.4884436%
Average Life	8.937 Years

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2016	-	-	-	-
09/01/2016	-	-	330,125.00	330,125.00
03/01/2017	-	-	660,250.00	660,250.00
09/01/2017	-	-	660,250.00	660,250.00
03/01/2018	-	-	660,250.00	660,250.00
09/01/2018	-	-	660,250.00	660,250.00
03/01/2019	-	-	660,250.00	660,250.00
09/01/2019	-	-	660,250.00	660,250.00
03/01/2020	1,585,000.00	5.000%	660,250.00	2,245,250.00
09/01/2020	-	-	620,625.00	620,625.00
03/01/2021	2,370,000.00	5.000%	620,625.00	2,990,625.00
09/01/2021	-	-	561,375.00	561,375.00
03/01/2022	2,485,000.00	5.000%	561,375.00	3,046,375.00
09/01/2022	-	-	499,250.00	499,250.00
03/01/2023	2,605,000.00	5.000%	499,250.00	3,104,250.00
09/01/2023	-	-	434,125.00	434,125.00
03/01/2024	2,740,000.00	5.000%	434,125.00	3,174,125.00
09/01/2024	-	-	365,625.00	365,625.00
03/01/2025	2,870,000.00	5.000%	365,625.00	3,235,625.00
09/01/2025	-	-	293,875.00	293,875.00
03/01/2026	3,015,000.00	5.000%	293,875.00	3,308,875.00
09/01/2026	-	-	218,500.00	218,500.00
03/01/2027	3,165,000.00	4.000%	218,500.00	3,383,500.00
09/01/2027	-	-	155,200.00	155,200.00
03/01/2028	3,285,000.00	4.000%	155,200.00	3,440,200.00
09/01/2028	-	-	89,500.00	89,500.00
03/01/2029	3,430,000.00	4.000%	89,500.00	3,519,500.00
09/01/2029	-	-	20,900.00	20,900.00
03/01/2030	1,045,000.00	4.000%	20,900.00	1,065,900.00
Total	\$28,595,000.00	-	\$11,469,825.00	\$40,064,825.00

Yield Statistics

Bond Year Dollars	\$255,541.25
Average Life	8.937 Years
Average Coupon	4.4884436%
Net Interest Cost (NIC)	2.4709923%
True Interest Cost (TIC)	2.2419901%
Bond Yield for Arbitrage Purposes	1.9948941%
All Inclusive Cost (AIC)	2.3038106%

IRS Form 8038

Net Interest Cost	2.0072063%
Weighted Average Maturity	8.898 Years

REF-2009AB&CE 4.4.16 | Issue Summary | 4/7/2016 | 3:40 PM

RAYMOND JAMES

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
03/01/2020	Serial Coupon	5.000%	1.160%	1,585,000.00	114.049%	-	-	-	1,807,676.65
03/01/2021	Serial Coupon	5.000%	1.280%	2,370,000.00	117.088%	-	-	-	2,774,985.60
03/01/2022	Serial Coupon	5.000%	1.440%	2,485,000.00	119.575%	-	-	-	2,971,438.75
03/01/2023	Serial Coupon	5.000%	1.580%	2,605,000.00	121.812%	-	-	-	3,173,202.60
03/01/2024	Serial Coupon	5.000%	1.740%	2,740,000.00	123.537%	-	-	-	3,384,913.80
03/01/2025	Serial Coupon	5.000%	1.860%	2,870,000.00	125.244%	-	-	-	3,594,502.80
03/01/2026	Serial Coupon	5.000%	1.970%	3,015,000.00	126.756%	-	-	-	3,821,693.40
03/01/2027	Serial Coupon	4.000%	2.270%	3,165,000.00	115.052%	c 2.403%	03/01/2026	100.000%	3,641,395.80
03/01/2028	Serial Coupon	4.000%	2.350%	3,285,000.00	114.299%	c 2.581%	03/01/2026	100.000%	3,754,722.15
03/01/2029	Serial Coupon	4.000%	2.430%	3,430,000.00	113.553%	c 2.734%	03/01/2026	100.000%	3,894,867.90
03/01/2030	Serial Coupon	4.000%	2.560%	1,045,000.00	112.352%	c 2.904%	03/01/2026	100.000%	1,174,078.40
Total	-	-	-	\$28,595,000.00	-	-	-	-	\$33,993,477.85

Bid Information

Par Amount of Bonds	\$28,595,000.00
Reoffering Premium or (Discount)	5,398,477.85
Gross Production	\$33,993,477.85
Total Underwriter's Discount (0.850%)	\$(243,057.50)
Bid (118.029%)	33,750,420.35
Total Purchase Price	\$33,750,420.35
Bond Year Dollars	\$255,541.25
Average Life	8.937 Years
Average Coupon	4.4884436%
Net Interest Cost (NIC)	2.4709923%
True Interest Cost (TIC)	2.2419901%

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
03/01/2027	-	-	3,776,371.13	No
03/01/2027	03/01/2026	100.000%	3,724,848.50	Yes
03/01/2028	-	-	3,971,976.14	No
03/01/2028	03/01/2026	100.000%	3,866,074.98	Yes
03/01/2029	-	-	4,200,962.52	No
03/01/2029	03/01/2026	100.000%	4,036,723.65	Yes
03/01/2030	-	-	1,295,913.04	No
03/01/2030	03/01/2026	100.000%	1,229,847.29	Yes

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
06/01/2016	-	-	-
09/01/2016	-	330,125.00	330,125.00
03/01/2017	-	660,250.00	660,250.00
09/01/2017	-	660,250.00	660,250.00
03/01/2018	-	660,250.00	660,250.00
09/01/2018	-	660,250.00	660,250.00
03/01/2019	-	660,250.00	660,250.00
09/01/2019	-	660,250.00	660,250.00
03/01/2020	1,585,000.00	660,250.00	2,245,250.00
09/01/2020	-	620,625.00	620,625.00
03/01/2021	2,370,000.00	620,625.00	2,990,625.00
09/01/2021	-	561,375.00	561,375.00
03/01/2022	2,485,000.00	561,375.00	3,046,375.00
09/01/2022	-	499,250.00	499,250.00
03/01/2023	2,605,000.00	499,250.00	3,104,250.00
09/01/2023	-	434,125.00	434,125.00
03/01/2024	2,740,000.00	434,125.00	3,174,125.00
09/01/2024	-	365,625.00	365,625.00
03/01/2025	2,870,000.00	365,625.00	3,235,625.00
09/01/2025	-	293,875.00	293,875.00
03/01/2026	13,940,000.00	293,875.00	14,233,875.00
Total	\$28,595,000.00	\$10,501,625.00	\$39,096,625.00

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Proof Of Bond Yield @ 1.9948941%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/01/2016	-	1.0000000x	-	-
09/01/2016	330,125.00	0.9950498x	328,490.80	328,490.80
03/01/2017	660,250.00	0.9852227x	650,493.28	978,984.09
09/01/2017	660,250.00	0.9754927x	644,069.03	1,623,053.12
03/01/2018	660,250.00	0.9658587x	637,708.23	2,260,761.35
09/01/2018	660,250.00	0.9563200x	631,410.25	2,892,171.60
03/01/2019	660,250.00	0.9468754x	625,174.46	3,517,346.07
09/01/2019	660,250.00	0.9375241x	619,000.26	4,136,346.33
03/01/2020	2,245,250.00	0.9282651x	2,084,187.25	6,220,533.58
09/01/2020	620,625.00	0.9190976x	570,414.95	6,790,948.53
03/01/2021	2,990,625.00	0.9100206x	2,721,530.44	9,512,478.96
09/01/2021	561,375.00	0.9010333x	505,817.57	10,018,296.53
03/01/2022	3,046,375.00	0.8921347x	2,717,776.92	12,736,073.45
09/01/2022	499,250.00	0.8833240x	440,999.52	13,177,072.98
03/01/2023	3,104,250.00	0.8746004x	2,714,978.17	15,892,051.15
09/01/2023	434,125.00	0.8659628x	375,936.12	16,267,987.27
03/01/2024	3,174,125.00	0.8574106x	2,721,528.49	18,989,515.76
09/01/2024	365,625.00	0.8489429x	310,394.74	19,299,910.49
03/01/2025	3,235,625.00	0.8405587x	2,719,732.87	22,019,643.36
09/01/2025	293,875.00	0.8322574x	244,579.65	22,264,223.00
03/01/2026	14,233,875.00	0.8240381x	11,729,254.85	33,993,477.85
Total	\$39,096,625.00	-	\$33,993,477.85	-

Derivation Of Target Amount

Par Amount of Bonds	\$28,595,000.00
Reoffering Premium or (Discount)	5,398,477.85
Original Issue Proceeds	\$33,993,477.85

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
06/01/2016	-	-	-	1.82	-	1.82
09/01/2016	589,622.00	0.210%	69,210.81	658,832.81	658,831.26	3.37
03/01/2017	519,180.00	0.490%	139,649.32	658,829.32	658,831.26	1.43
09/01/2017	521,048.00	0.600%	137,783.54	658,831.54	658,831.26	1.71
03/01/2018	522,623.00	0.680%	136,208.02	658,831.02	658,831.26	1.47
09/01/2018	524,413.00	0.740%	134,418.68	658,831.68	658,831.26	1.89
03/01/2019	21,601,376.00	0.800%	132,453.40	21,733,829.40	21,733,831.26	0.03
09/01/2019	137,336.00	0.880%	44,658.37	181,994.37	181,993.75	0.65
03/01/2020	9,177,939.00	0.960%	44,054.10	9,221,993.10	9,221,993.75	-
Total	\$33,593,537.00	-	\$838,436.24	\$34,431,975.06	\$34,431,975.06	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	1.82
Cost of Investments Purchased with Bond Proceeds	33,593,537.00
Total Cost of Investments	\$33,593,538.82
Target Cost of Investments at bond yield	\$32,524,050.04
Actual positive or (negative) arbitrage	(1,069,488.78)
Yield to Receipt	0.8593729%
Yield for Arbitrage Purposes	1.9948941%
State and Local Government Series (SLGS) rates for	4/06/2016

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
09/01/2016	SLGS-CI	0.210%	0.210%	100.0000000%	312,070	312,070.00	-	312,070.00
09/01/2016	SLGS-CI	0.220%	0.220%	100.0000000%	277,552	277,552.00	-	277,552.00
03/01/2017	SLGS-CI	0.470%	0.470%	100.0000000%	247,068	247,068.00	-	247,068.00
03/01/2017	SLGS-CI	0.490%	0.490%	100.0000000%	272,112	272,112.00	-	272,112.00
09/01/2017	SLGS-NT	0.600%	0.600%	100.0000000%	273,110	273,110.00	-	273,110.00
09/01/2017	SLGS-NT	0.610%	0.610%	100.0000000%	247,938	247,938.00	-	247,938.00
03/01/2018	SLGS-NT	0.680%	0.680%	100.0000000%	273,929	273,929.00	-	273,929.00
03/01/2018	SLGS-NT	0.690%	0.690%	100.0000000%	248,694	248,694.00	-	248,694.00
09/01/2018	SLGS-NT	0.740%	0.740%	100.0000000%	274,860	274,860.00	-	274,860.00
09/01/2018	SLGS-NT	0.760%	0.760%	100.0000000%	249,553	249,553.00	-	249,553.00
03/01/2019	SLGS-NT	0.800%	0.800%	100.0000000%	7,705,877	7,705,877.00	-	7,705,877.00
03/01/2019	SLGS-NT	0.820%	0.820%	100.0000000%	13,895,499	13,895,499.00	-	13,895,499.00
09/01/2019	SLGS-NT	0.880%	0.880%	100.0000000%	137,336	137,336.00	-	137,336.00
03/01/2020	SLGS-NT	0.960%	0.960%	100.0000000%	9,177,939	9,177,939.00	-	9,177,939.00
Subtotal	-	-	-	-	\$33,593,537	\$33,593,537.00	-	\$33,593,537.00
Total	-	-	-	-	\$33,593,537	\$33,593,537.00	-	\$33,593,537.00

Escrow

Cash Deposit	1.82
Cost of Investments Purchased with Bond Proceeds	33,593,537.00
Total Cost of Investments	\$33,593,538.82

Delivery Date

6/01/2016

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
09/01/2016	-	658,831.26	658,831.26	-	658,831.26	658,831.26
03/01/2017	-	658,831.26	658,831.26	-	658,831.26	658,831.26
09/01/2017	-	658,831.26	658,831.26	-	658,831.26	658,831.26
03/01/2018	-	658,831.26	658,831.26	-	658,831.26	658,831.26
09/01/2018	-	658,831.26	658,831.26	-	658,831.26	658,831.26
03/01/2019	21,075,000.00	658,831.26	21,733,831.26	-	658,831.26	658,831.26
09/01/2019	-	181,993.75	181,993.75	-	658,831.26	658,831.26
03/01/2020	9,040,000.00	181,993.75	9,221,993.75	1,730,000.00	658,831.26	2,388,831.26
09/01/2020	-	-	-	-	624,231.26	624,231.26
03/01/2021	-	-	-	2,565,000.00	624,231.26	3,189,231.26
09/01/2021	-	-	-	-	572,931.26	572,931.26
03/01/2022	-	-	-	2,665,000.00	572,931.26	3,237,931.26
09/01/2022	-	-	-	-	521,606.26	521,606.26
03/01/2023	-	-	-	2,765,000.00	521,606.26	3,286,606.26
09/01/2023	-	-	-	-	464,509.39	464,509.39
03/01/2024	-	-	-	2,885,000.00	464,509.39	3,349,509.39
09/01/2024	-	-	-	-	402,271.89	402,271.89
03/01/2025	-	-	-	3,005,000.00	402,271.89	3,407,271.89
09/01/2025	-	-	-	-	336,846.89	336,846.89
03/01/2026	-	-	-	3,135,000.00	336,846.89	3,471,846.89
09/01/2026	-	-	-	-	267,209.38	267,209.38
03/01/2027	-	-	-	3,275,000.00	267,209.38	3,542,209.38
09/01/2027	-	-	-	-	192,006.25	192,006.25
03/01/2028	-	-	-	3,420,000.00	192,006.25	3,612,006.25
09/01/2028	-	-	-	-	110,200.00	110,200.00
03/01/2029	-	-	-	3,595,000.00	110,200.00	3,705,200.00
09/01/2029	-	-	-	-	24,187.50	24,187.50
03/01/2030	-	-	-	1,075,000.00	24,187.50	1,099,187.50
Total	\$30,115,000.00	\$4,316,975.06	\$34,431,975.06	\$30,115,000.00	\$12,302,650.24	\$42,417,650.24

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/01/2016
Average Life	8.895 Years
Average Coupon	4.4695219%
Weighted Average Maturity (Par Basis)	8.895 Years
Weighted Average Maturity (Original Price Basis)	8.897 Years

Refunding Bond Information

Refunding Dated Date	6/01/2016
Refunding Delivery Date	6/01/2016

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Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Summary Of Bonds Refunded

Part 1 of 2

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 2/03/2009 Delivered 2/03/2009							
2009A GO ADV	03/01/2020	Serial	Coupon	4.000%	610,000	03/01/2019	100.000%
2009A GO ADV	03/01/2021	Serial	Coupon	4.000%	635,000	03/01/2019	100.000%
2009A GO ADV	03/01/2022	Serial	Coupon	4.000%	660,000	03/01/2019	100.000%
2009A GO ADV	03/01/2023	Term 1	Coupon	4.500%	685,000	03/01/2019	100.000%
2009A GO ADV	03/01/2024	Term 1	Coupon	4.500%	720,000	03/01/2019	100.000%
2009A GO ADV	03/01/2025	Serial	Coupon	4.500%	750,000	03/01/2019	100.000%
2009A GO ADV	03/01/2026	Serial	Coupon	4.625%	785,000	03/01/2019	100.000%
2009A GO ADV	03/01/2027	Serial	Coupon	5.000%	820,000	03/01/2019	100.000%
2009A GO ADV	03/01/2028	Serial	Coupon	5.000%	860,000	03/01/2019	100.000%
2009A GO ADV	03/01/2029	Serial	Coupon	5.000%	905,000	03/01/2019	100.000%
Subtotal					\$7,430,000		
Dated 2/03/2009 Delivered 2/03/2009							
2009B GO ADV	03/01/2020	Serial	Coupon	4.000%	355,000	03/01/2019	100.000%
2009B GO ADV	03/01/2021	Serial	Coupon	4.000%	370,000	03/01/2019	100.000%
2009B GO ADV	03/01/2022	Serial	Coupon	4.000%	385,000	03/01/2019	100.000%
2009B GO ADV	03/01/2023	Serial	Coupon	4.250%	400,000	03/01/2019	100.000%
2009B GO ADV	03/01/2024	Serial	Coupon	4.500%	420,000	03/01/2019	100.000%
2009B GO ADV	03/01/2025	Serial	Coupon	4.500%	440,000	03/01/2019	100.000%
2009B GO ADV	03/01/2026	Serial	Coupon	4.625%	455,000	03/01/2019	100.000%
2009B GO ADV	03/01/2027	Serial	Coupon	5.000%	480,000	03/01/2019	100.000%

Preliminary

\$28,595,000

City of Kingsport, Tennessee

General Obligation Refunding Bonds, Series 2016

(Refunding Series 2009 A,B,C & E Bonds)

Summary Of Bonds Refunded

Part 2 of 2

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
2009B GO ADV	03/01/2028	Term 1	Coupon	5.000%	500,000	03/01/2019	100.000%
2009B GO ADV	03/01/2029	Term 1	Coupon	5.000%	530,000	03/01/2019	100.000%
Subtotal	-	-	-	-	\$4,335,000	-	-
Dated 2/03/2009 Delivered 2/03/2009							
2009C GO ADV	03/01/2020	Serial	Coupon	4.000%	765,000	03/01/2019	100.000%
2009C GO ADV	03/01/2021	Serial	Coupon	4.000%	800,000	03/01/2019	100.000%
2009C GO ADV	03/01/2022	Serial	Coupon	4.000%	830,000	03/01/2019	100.000%
2009C GO ADV	03/01/2023	Term 1	Coupon	4.375%	865,000	03/01/2019	100.000%
2009C GO ADV	03/01/2024	Term 1	Coupon	4.375%	900,000	03/01/2019	100.000%
2009C GO ADV	03/01/2025	Serial	Coupon	4.500%	940,000	03/01/2019	100.000%
2009C GO ADV	03/01/2026	Serial	Coupon	4.625%	980,000	03/01/2019	100.000%
2009C GO ADV	03/01/2027	Serial	Coupon	4.625%	1,025,000	03/01/2019	100.000%
2009C GO ADV	03/01/2028	Term 2	Coupon	5.000%	1,075,000	03/01/2019	100.000%
2009C GO ADV	03/01/2029	Term 2	Coupon	5.000%	1,130,000	03/01/2019	100.000%
Subtotal	-	-	-	-	\$9,310,000	-	-
Dated 12/08/2009 Delivered 12/08/2009							
2009E GO ADV	03/01/2021	Serial	Coupon	4.000%	760,000	03/01/2020	100.000%
2009E GO ADV	03/01/2022	Serial	Coupon	3.500%	790,000	03/01/2020	100.000%
2009E GO ADV	03/01/2023	Serial	Coupon	3.500%	815,000	03/01/2020	100.000%
2009E GO ADV	03/01/2024	Term 1	Coupon	4.000%	845,000	03/01/2020	100.000%
2009E GO ADV	03/01/2025	Term 1	Coupon	4.000%	875,000	03/01/2020	100.000%
2009E GO ADV	03/01/2026	Term 2	Coupon	4.000%	915,000	03/01/2020	100.000%
2009E GO ADV	03/01/2027	Term 2	Coupon	4.000%	950,000	03/01/2020	100.000%
2009E GO ADV	03/01/2028	Serial	Coupon	4.250%	985,000	03/01/2020	100.000%
2009E GO ADV	03/01/2029	Serial	Coupon	4.250%	1,030,000	03/01/2020	100.000%
2009E GO ADV	03/01/2030	Serial	Coupon	4.500%	1,075,000	03/01/2020	100.000%
Subtotal	-	-	-	-	\$9,040,000	-	-
Total	-	-	-	-	\$30,115,000	-	-

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