



**Report on General Obligation Refunding Bonds, Series 2024
The City of Dyersburg, Tennessee**

This report is being issued pursuant to Tenn. Code Ann. § 9-21-903 and is based upon information as presented in a plan of refunding (the “Plan”) received by our office on February 26, 2024, from the City of Dyersburg, Tennessee (the “City”). Our report provides information to assist the governing body in its responsibility to understand the nature of the refunding transaction, including the costs and benefits, prior to approving the issuance of the refunding bonds and is designed to provide consistent and comparable information for all local governments in Tennessee. This report does not constitute approval or disapproval of the Plan or a determination that a refunding is advantageous or necessary. This report and the City’s Plan must be presented to the governing body prior to the adoption of a resolution authorizing the refunding bonds.

TRANSACTION:

The City plans to issue \$9,915,000 General Obligation Refunding Bonds, Series 2024, with a planned premium of \$977,803, to current refund the following:

- \$6,930,000 General Obligation School Bonds, Series 2013; and
- \$4,475,000 Variable Rate Local Government Loan Program Bond, Series 2018.

The total refunded principal is \$11,405,000.

COSTS:

Estimated costs of issuance are summarized below and based upon the principal amount of \$9,915,000 of the Series 2024 Refunding Bonds:

	Refunding of Series 2013 Bonds		Refunding of Series 2018 Bonds		Total for All Refunding	
	Amount	Price per \$1,000 Bond	Amount	Price per \$1,000 Bond	Amount	Price per \$1,000 Bond
Underwriter's Discount	\$ 41,503	\$ 6.50	\$ 22,945	\$ 6.50	\$ 64,448	\$ 6.50
Bond Counsel (Bass, Berry, and Sims)	16,099	2.52	8,901	2.52	25,000	2.52
Rating Fee	12,879	2.02	7,121	2.02	20,000	2.02
Miscellaneous (including paying agent)	4,186	0.66	2,314	0.66	6,500	0.66
	<u>\$ 74,667</u>	<u>\$ 11.70</u>	<u>\$ 41,280</u>	<u>\$ 11.70</u>	<u>\$ 115,948</u>	<u>\$ 11.70</u>

The City plans to contribute \$750,000 from its Debt Service Fund to help fund the transaction.

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BENEFITS:

The City stated the following objections for the refunding transaction:

- The Series 2013 Bonds are being refunded to achieve net present value savings of \$314,122, achieved by reducing the average interest rate on the debt.
- The Series 2018 Bonds are being refunded to reduce interest rate exposure.

Balloon Indebtedness

The proposed structure of the Series 2024 Refunding Bonds is not balloon indebtedness as defined in Tenn. Code Ann. § 9-21-133, because debt service is level or declining. If the structure is revised, the City should determine if the new structure complies with state law balloon indebtedness. If it is determined that the revised bond structure constitutes balloon indebtedness, the City must submit a Plan of Balloon Indebtedness to our office for approval prior to the City adopting the resolution authorizing the issuance of the debt.

Effective Date for this Report

This report is effective for a period of ninety (90) days from the date of the report. If the refunding transaction has not been priced during this ninety (90) day period, a new plan of refunding, with new analysis and estimates based on market conditions at that time, must be submitted to our office. We will then issue a report on the new plan for the City's governing body to review prior to adopting a new authorizing resolution for the refunding bonds.



Steve Osborne
Assistant Director of the Division of Local Government Finance
Date: March 4, 2024