RESOLUTION 2026-643

ADOPTING A DEBT MANAGEMENT POLICY FOR THE TOWN OF WALDEN, TENNESSEE

WHEREAS, Tennessee Code Annotated § 9-21-134 requires local governments issuing debt to adopt a debt management policy; and

WHEREAS, the Board of Mayor and Aldermen finds it in the best interest of the Town to adopt the attached Debt Management Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Walden, Tennessee, that the attached Debt Management Policy is hereby adopted.

3/10/2026
Yea: 3
Nay: 0

Lee Davis

Mayor Lee Davis

S E Stewart

Recorder Stacy Stewart

TOWN OF WALDEN, TENNESSEE DEBT MANAGEMENT POLICY

This Debt Management Policy is adopted in accordance with Tennessee Code Annotated § 9-21-134 and guidance issued by the Tennessee Comptroller of the Treasury.

I. Purpose

The purpose of this Policy is to establish guidelines for the issuance and management of debt by the Town of Walden to ensure transparency, prudence, and compliance with applicable state and federal law.

II. Objectives

The Town shall:

- Issue debt only for lawful public purposes.
- Structure debt conservatively to minimize financial risk.
- Maintain transparency and public accountability.
- Comply with all applicable state and federal laws.

III. Authorization of Debt

All debt shall be authorized by the Board of Mayor and Aldermen in compliance with Tennessee Code Annotated, Title 9, Chapter 21, and reviewed by the Town Attorney prior to issuance.

IV. Types of Debt Permitted

The Town may utilize capital outlay notes, general obligation bonds, bank-qualified tax-exempt loans, or other lawful municipal financing instruments.

The Town shall avoid variable-rate debt, rate reset provisions, put options, balloon structures, and other heightened-risk features unless specifically approved in accordance with state law.

V. Debt Structure Guidelines

- Debt shall generally be fixed-rate.
- Maturity shall not exceed the useful life of the financed asset.
- Amortization shall comply with statutory requirements.
- Prepayment flexibility shall be considered when feasible.

VI. Professional Services

The Town may engage bond counsel, financial advisors, municipal advisors, or banking institutions as appropriate. Selection shall comply with applicable procurement and ethics laws.

VII. Post-Issuance Compliance

The Town shall monitor compliance with debt covenants, file required reports with the Tennessee Comptroller, and maintain records necessary for federal tax compliance where applicable.

VIII. Policy Review

This Policy shall be reviewed periodically and may be amended by resolution of the Board of Mayor and Aldermen.