



Legislation Details (With Text)

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Title: Update of Water and Wastewater Project Financing
Sponsors: Eric Stuckey, Russ Truell
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Attachments: 1. 2012.01.13 Subordination Policy, 2. 2012.06.08 Intent on Parity Status, 3. Proposed SRF Policy Guidance Draft for Public Comment, 4. Moody's Sector In-depth - Green Bonds

Date	Ver.	Action By	Action	Result
8/18/2016	1	Budget & Finance Committee	acknowledged	

DATE: August 11, 2016

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Russell Truell, Assistant City Administrator

SUBJECT:
Update of Water and Wastewater Project Financing

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the issuance of bonds for the water plant improvements project and the renovation & expansion of the wastewater plant project.

Background

Since August, 2015, City staff has been working with our financial advisor and our bond counsel to encourage the Tennessee Local Development Authority (TLDA) to update its policies regarding parity liens on loans from the State Revolving Fund (SRF). TLDA is now circulating for comment their revised policy.

Financial Impact

The timing of bond issuance and the method of bond issuance may be dramatically affected by the policy. Our goal is to combine low-cost SRF funding with revenue bond issuance at the lowest overall cost to the rate payers of our Water Management system.

Recommendation

Staff makes no recommendation at this time. This agenda item is to provide a periodic update on the status of the City's interaction with SRF and TLDA.