



## Legislation Details (With Text)

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**Type:** Resolution      **Status:** Passed

**File created:** 2/8/2019      **In control:** Board of Mayor & Aldermen

**On agenda:** 3/12/2019      **Final action:** 3/12/2019

**Title:** Consideration of Resolution 2019-12, An Initial Resolution Authorizing The City To Issue General Obligation Bonds In An Amount Not To Exceed \$34,500,000. (2/14/19 FINANCE 4-0, 02/26/19 WS)

**Sponsors:** Kristine Brock

**Indexes:**

**Code sections:**

**Attachments:** 1. 2019-12 Resolution\_Franklin 2019 GO PI I\_Initial Resolution\_Law Approved, 2. 2019-12 RES\_Assistant City Recorder affidavit 03.12.19\_Law Approved, 3. affidavit 3-12-19 boma.pdf, 4. affidavit RES 2019-12.pdf

Date	Ver.	Action By	Action	Result
3/12/2019	1	Board of Mayor & Aldermen	approved	Pass
2/26/2019	1	Work Session	referred	
2/14/2019	1	Budget & Finance Committee	referred	Pass

**DATE:** February 8, 2019

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Kristine Tallent, Assistant City Administrator/Chief Financial Officer

**SUBJECT:**  
Consideration of Resolution 2019-12, An Initial Resolution Authorizing The City To Issue General Obligation Bonds In An Amount Not To Exceed \$34,500,000. (2/14/19 FINANCE 4-0, 02/26/19 WS)

### Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the intent to issue General Obligation Bonds for funding of approved capital projects.

### Background

With the adoption of Phase I of the Capital Investment Program, the Board recognized the parameters of the debt capacity model prepared by Public Financial Management, our financial advisory firm. The proposed 2019 Bonds funds capital projects in the areas of road construction, major road resurfacing, police vehicles and fire apparatus and improvements to the sanitation facility. In order to begin the issuance process, an initial resolution is required declaring the intention of the City to issue debt and allow for publication in a newspaper of record.

**Financial Impact**

The financial impact of issuing these bonds is incorporated in the debt capacity model and Phase I of the Capital Investment Program. The precise numbers that would accrue to annual debt service will be determined by the prevailing interest rates at the time of issuance. At current market rates, the average annual debt service would be \$2.3 million per year. Average life of the principal is 10.69 years with final maturity occurring in 2039. The amortization for projects within the issue is tailored to the life of the asset. For example, amortization for funding of the police vehicles is four years.

**Recommendation**

Staff recommends approval of the initial resolution, as prepared by our bond counsel