

Legislation Details (With Text)

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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 2019-13, a Resolution to Issue General Obligation Improvement and Refunding Bonds in an Amount Not To Exceed \$61,500,000. (2/14/19 FINANCE 4-0; 02/26/19 WS)

Sponsors: Kristine Brock

Indexes:

Code sections:

Attachments: 1. Summary of Series 2019 GO New Money and Refunding Bonds_revised Feb 18 2019, 2. 19-0179 Comptroller's Approval of Plan of Refunding for 2019B Refunding Bonds_Recd Feb 14 2019.pdf, 3. Summary of 2017 and 2019 GO Bond Projects_Feb 8 2019, 4. Summary of 2019 General Obligation Bonds_Feb 8 2019, 5. 2019-13 RES Franklin GO PI__with Exhibits A B C and D.Law Approved, 6. affidavit 3-12-19 boma.pdf, 7. 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 2019-13, a Resolution to Issue General Obligation Improvement and Refunding Bonds in an Amount Not To Exceed \$61,500,000. (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 funding of previous approved capital projects and refunding of the Series 2009 B Build America Bonds with general obligation bonds Series 2019.

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 Series 2019 Bonds issues general obligation bonds not to exceed \$34.5 million for new capital projects and a maximum of \$27 million for refinancing of the outstanding 2019 B Build America Bonds for savings.

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 additional debt service for the Series A new money bonds is \$2.3 million per year.

The estimated annual debt service savings resulting from refinancing of the 2009 B Build America Bonds is \$200,000 per year for the next 10 years. In accordance with requirements of the State of Tennessee Comptroller of the Treasury, the City has submitted a Plan of Refunding and a letter of response from Ms. Sandi Thompson, Director of State and Local Finance, dated February 12, 2019 is attached.

Recommendation

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