



Legislation Text

File #: 15-0690, **Version:** 1

DATE: July 29, 2015

TO: Board of Mayor and Aldermen

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

SUBJECT:

Consideration of Resolution 2015-85, a Resolution Authorizing the Issuance, Sale and Payment of up to \$12,000,000 in Aggregate Principal Amount of Water and Sewer System Revenue Bonds of the City of Franklin, Tennessee and Making Provision for the Operation of the Municipality and the Collection and Disposition of its Revenues (08/13/15 Finance 4-0; Deferred from 08/25/15 WS)

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a Resolution authorizing the issuance and sale of water and sewer revenue bonds.

Background

The City of Franklin has previously financed projects in the Water and Sewer fund in two ways: 1) with bonds backed by the revenue of the water management system AND the taxing power of the City, or 2) the State Revolving Fund program. In order to take advantage of alternate financing methods and to better diversify our sources of funding, revenue bonds are being considered for the water plant upgrades.

In order to adequately protect buyers of previously issued bonds and bonds issued in the future, a master resolution is required to define the guarantees provided by the City water system, the parity of liens affecting existing bondholders, and the parameters upon which future financing will be made.

Financial Impact

Adoption of a master resolution will allow more choice when financing is needed for water and wastewater projects, which theoretically will reduce the cost of borrowing.

Recommendation

Staff recommends adoption of the Resolution.