



## Legislation Text

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**File #:** 17-0308, **Version:** 1

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**DATE:** April 4, 2017

**TO:** Board of Mayor and Aldermen

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

**SUBJECT:**

\*Consideration of Resolution 2017-25, an Initial Resolution authorizing the City to issue General Obligation Bonds in an amount not to exceed \$28,500,000. (04/13/17 Finance 3-0)

**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. Included in the model was the expectation that approximately \$15 million in bonds would be required in the fiscal years ending June 2017. Moreover, the proposed 2017 Bonds reimburses the Capital Project Fund for \$6.5 million of prior expenditures for approved road projects as well as provides future funding for the Public Safety Communications Project (\$4.6 million), Sanitation Facility Improvements (\$1.5 million) and a replacement piece of Fire Apparatus (\$1.05 million). 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 and the principal repayment structure. At current market rates, the estimated debt service is would be \$1.8 million per year.

**Recommendation**

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