



## Legislation Text

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**DATE:** November 20, 2018

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Kristine Tallent, Assistant City Administrator/CFO

**SUBJECT:**

Report in Regards to \$20 million 2007 Series 101-A-1 Local Government Public Improvement Bond Issued by the Public Building Authority

**Purpose**

The purpose of this memo is to provide information to the Budget and Finance Committee concerning the actions required in late calendar year 2019 as related to variable rate bonds issued in 2007.

**Background**

In 2007, the Public Building Authority issued \$20 million of variable rate bonds on behalf of the general obligation credit of the City of Franklin. The interest rate on the bonds was swapped to a fixed rate with final maturity of both the swap and the bonds occurring in 2037. In 2014, PNC Bank became the holder of the loan with a mandatory tender date of December 2019.

**Financial Impact**

Staff and the City's professional advisors, PFM and Bass Berry & Sims, regularly monitor outstanding debt and look for opportunities to reduce risk to the City and/or effect interest expense reductions. In the second half of calendar year 2019, the Budget & Finance Committee will be presented an analysis of options and a staff recommendation for the 2007 Series 101-A-1 Bonds. An action will be required by BOMA in the second half of calendar year 2019, and subsequently by the PBA, even if the desired outcome is to extend the loan with PNC Bank. This presentation is to provide background to the Committee of the Series 101-A-1 Bonds and the options to be analyzed as we approach the mandatory tender date. A similar presentation will be given at the annual meeting of the Public Building Authority on Friday, November 30<sup>th</sup> at 8:00am.

**Recommendation**

No action is required.