

ITEM #37 BOMA 01/14/14

Dr. Ken Moore Mayor

Eric S. StuckeyCity Administrator

HISTORIC
FRANKLIN
TENNESSEE

January 2, 2014

To:

Board of Mayor and Aldermen

From:

Eric Stuckey, City Administrator

Russell Truell, ACA/CFO

Subject:

The purpose of this agenda item is to present the State of Tennessee Public Debt report to the Board of Mayor and Aldermen (BOMA) to satisfy legal requirements and to provide transparency to the citizens of Franklin.

Background:

In December, the City of Franklin issued its 2013A and 2013B bonds. Pursuant to TCA 9-21-151, the State Funding Board requires filing a Report on Public Debt, Form CT-0253.

Form CT-0253 must be filed with the governing body of the public entity issuing the debt not later than forty-five (45) days following the issuance or execution of a debt obligation by or on behalf of any public entity, with a copy filed with the Director of the Office of State and Local Finance at the State Comptroller's office.

Public Entities that fail to comply with the requirements of TCA Section 9-21-151 will not be allowed to enter into any further debt obligations or derivatives until they have complied with the law.

Financial Impact:

There is no direct financial impact for acknowledgment of these reports.

Recommendation:

No action is required.

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

| Name City of Franklin, Tennessee Address P.O. Box 305 Franklin, Tennessee 37065 General Obligation Public Improvement Bo | nds, Series 2013A |
|--|---|
| 2. Debt Obligation: | 5. Face Amount of Debt Obligation: \$7,405,000.00 |
| ✓ a. Bond b. CON c. BAN | Premium/Discount: \$90,943.00 |
| d. GAN e. TRAN f. CRAN g. Capital Lease h. Loan Agreement Note: Enclose a copy of the executed NOTE FORM if applicable. | 6. Type of Sale: A. Competitive Public Sale b. Informal Bid c. Negotiated Sale d. Loan Program |
| 3. Security For Debt Obligation: | 7. Tax Status: |
| a. General Obligation b. General Obligation+Revenue+Tax c. Revenue d. TIF e. Annual Appropriations | a. Tax Exempt b. Tax Exempt - Bank Qualified c. Taxable 8. Dated Date: 12/20/2013 |
| 4 7 | 0. Leave Data (Clasica Data): 12/20/2013 |
| 4. Purpose of Issue: | 9. Issue Date (Closing Date): 12/20/2013 10. Ratings: a. Moody's Aaa b. Standard & Poor's AAA c. Fitch d. Unrated |
| j. Utilities %6 i. Water %6 ii. Sewer %6 iii. Electric %6 iv. Gas %6 k. Refunding or Renewal %6 l. Other %9 specify | 11. Interest Cost: 3.016800 % |
| CT-0253 (Rev. 12/11) | a. Remarketing Agent (bps) 0 b. Liquidity (bps) 0 c. Credit Enhancements (bps) 0 |

13. Maturity Dates, Amounts and Interest Rates Weighted Average Maturity = 11.5713 yrs.

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|--------|-----------|---------------|------|-----------|---------------|
| 2015 - | \$255,000 | 2.00 % | 2026 | \$375,000 | 2.75 % |
| 2016 | \$300,000 | 2.00 % | 2034 | \$485,000 | 4.00 % |
| 2017 | \$305,000 | 2.00 % | | | 9/0 |
| 2018 | \$315,000 | 2.00 % | | | % |
| 2019 | \$320,000 | 2.00 % | | | % |
| 2020 | \$325,000 | 2.00 % | | | % |
| 2021 | \$330,000 | 2.00 % | | | % |
| 2022 | \$340,000 | 2.50 % | | | % |
| 2023 | \$350,000 | 2.50 % | | | % |
| 2024 | \$355,000 | 2.50 % | | | % |
| 2025 | \$365,000 | 2.60 % | | | % |

If additional space is needed, attach additional sheet.

14. Repayment Schedule

| | This Issue | - | | Total Debt Outstanding | |
|------|----------------------------|---------|------|----------------------------|---------|
| Year | Cum. Principal Redeemed | % Total | Year | Cum. Principal Redeemed | % Total |
| 4 | \$0 | 0.00 | 1 | \$6,665,000 | 4.90 |
| 5 | \$315,000 | 15.90 | 5 | \$6,633,000 | 26.00 |
| 10 . | \$350,000 | 38.40 | 10 | \$7,030,000 | 51.20 |
| 15 | \$400,000 | 63,70 | 15 | \$7,000,000 | 81.30 |
| 20 | \$470,000 | 93.50 | 20 | \$2,120,000 | 94.30 |
| 25 | \$0 | 100.00 | 25 | \$0 | 100.00 |
| 30 | | | 30 | | |

| | Description of the Cost of Issuance | | |
|--------------------|---|--|-----------------------------------|
| (R | ound to Nearest Dollar) | | |
| | | | Name of Firm |
| a. | Financial Advisor Fees* | \$14,890.84 | PFM Financial Management, Inc. |
| b. | Legal Fees: | | |
| | i, Bond Counsel | \$15,000.00 | Bass, Berry & Sims PLC |
| | ii. Issuer's Counsel | | |
| | iii. Trustee's Counsel | | |
| | | | |
| | | | |
| | - | | |
| c, | Paying Agent Fees and | | · |
| | Registration Fees & Escrow Agt. | \$300.00 | U.S. Bank, N.A. |
| d. | Trustee Fees | | |
| e, | Remarking Agent Fees | | |
| f. | Liquidity Fees | | |
| g. | Rating Agency Fees | \$12,976.30 | Moody's and S&P |
| | Credit Enhancement Fees | | |
| i. | Underwriter's Discount 0.28 % | | |
| -1 | i. Take Down | | |
| | ii. Management Fee | | |
| | iii. Risk Premium | | |
| • | iv. Underwriter's Counsel | | |
| | v. Other Expenses | | |
| j. | Printing and Advertising Fees | \$1,063.63 | Ipreo |
| • | Issuer Fees | ······································ | |
| 1. | Real Estate Fecs | | |
| m. | Bank Closing Costs | ************************************** | |
| n. | Other Costs | \$1,489.08 | Travel, copy, etc. |
| , | Total Costs | \$45,719.85 | |
| | *If other costs are included, pleat | | |
| | | | ee Exhibit A |
| Note: Enclose a co | py of the DISCLOSURE DOCUMENT/ OFFICIAL S | TATEMENT if applicable. | CC EXIMON A |
| | (4) | | |
| 16. Description | of Continuing Disclosure Obligations | | |
| | se additional pages if necessary) | | |
| ζ- | | | · , . |
| | Individual Responsible for Completion: | Α | Assistant City Administrator/CFO |
| | Date Annual Disclosure is due: | J | une 30 |
| | | | |
| The City will file | e its Audit and financial information annually | and notices of material eve | ents when and as described in its |
| Continuing Disc | closure Certificate, the form of which is attac | hed as Exhibit C to the Offi | cial Statement. |
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| 17. Description of Compliance with Written Debt Man | nagement Policy: |
|---|---|
| (Use additional pages if necessary) | • |
| The Amended Debt Management Policy is attached as Ex | xhibit B. |
| 1. The amount of the debt is within the debt affordability ra | atios set out in Section 1. |
| The term of the debt does not exceed its useful life; det | bt service is relatively level, and the redemption date is within |
| 10 years as provided in Section VI. | |
| 3. The debt is fixed rate general obligation debt (Section \ | /II). |
| The debt was sold at competitive sale (Section X) and to | the City was assisted by a financial advisor (Section XII) and |
| bond counsel (Section XII) and all conflicts of interest v | |
| | |
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| 18. (If any) Description of Derivative and Compliance (Use additional pages if necessary) | with Written Derivative Management Policy; |
| N/A | |
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| | |
| 19. | |
| | Karen S. Neal |
| Authorized Representative Mayor | Preparer Member |
| Title | Title |
| 12/20/2013 Date | Bass, Berry & Sims PLC Firm |
| ken.moore@franklintn.gov | 12/20/2013 |
| Email | Date |
| | kneal@bassberry.com Email |
| .0, | |
| | sented at its public meeting held on 01/14/2014 |
| COPY TO: Director - Office of State and Local Finance, 5 | i05 Deaderick Street, Suite 1600 |
| ames K. Polk State Office Building, Nashville TN 37243- | |

EXHIBIT A

City of Franklin, Tennessee General Obligation Public Improvement Bonds, Series 2013A

FINAL OFFICIAL STATEMENT

The Final Official Statement is available at http://emma.msrb.org/ER728940-ER565117-ER966259.pdf

EXHIBIT B

City of Franklin, Tennessee General Obligation Public Improvement Bonds, Series 2013A

AMENDED DEBT MANAGEMENT POLICY

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

| 1. Public Entity: Name City of Franklin, Tennessee Address P.O. Box 305 Franklin, Tennessee 37065 General Obligation Bonds, Series 2013B (F | ederally Taxable) |
|---|---|
| 2. Debt Obligation: a. Bond b. CON c. BAN d. GAN e. TRAN | 5. Face Amount of Debt Obligation: \$10,000,000.00 Premium/Discount: \$84,694.85 6. Type of Sale: |
| f. CRAN g. Capital Lease h. Loan Agreement Note: Enclose a copy of the executed NOTE FORM if applicable. | b. Informal Bid c. Negotiated Sale d. Loan Program |
| 3. Security For Debt Obligation: a. General Obligation b. General Obligation+Revenue+Tax c. Revenue d. TIF e. Annual Appropriations | 7. Tax Status: a. Tax Exempt b. Tax Exempt - Bank Qualified c. Taxable 8. Dated Date: 12/20/2013 |
| 4. Purpose of Issue: a. General Government % | 9. Issue Date (Closing Date): 12/20/2013 |
| b. Education % c. Highways and Streets % d. Public Safety % e. Solid Waste Disposal % f. Industrial Park % g. Manufacturing Facilities % h. Health Facilities % i. Airports % | a. Moody's Aaa b. Standard & Poor's AAA c. Fitch d. Unrated |
| j. Utilities % i. Water % ii. Sewer % iii. Electric % iv. Gas % k. Refunding or Renewal % J. Other Pension 100.00 % | 11. Interest Cost: 2.708000 % |
| specify **C (0253 / Bay 12/11) | 12. Recurring Costs: a. Remarketing Agent (bps) |

Page 1 of 4

13. Maturity Dates, Amounts and Interest Rates Weighted Average Maturity = 5.435 yrs.

| Year | Amount | Interest Rate | Year | Amount | Interest Rate |
|------|-------------|---------------|------|--------|---------------|
| 2015 | \$885,000 | 1.00 % | | | 9/ |
| 2016 | \$940,000 | 1.00 % | | | 9/ |
| 2017 | \$945,000 | 1.05 % | | | % |
| 2018 | \$955,000 | 1.55 % | | | % |
| 2019 | \$970,000 | 3.00 % | | | . % |
| 2020 | \$1,000,000 | 3.00 % | | | % |
| 2021 | \$1,030,000 | 2.70 % | | | % |
| 2022 | \$1,060,000 | 3.00 % | | | % |
| 2023 | \$1,090,000 | 3.25 % | - | | % |
| 2024 | \$1,125,000 | 3.50 % | | | % |
| | | % | | | % |

If additional space is needed, attach additional sheet.

14. Repayment Schedule

| | This Issue | | | Total Debt Outstanding | | |
|------|-------------------------|---------|------|----------------------------|---------|--|
| Year | Cum. Principal Redeemed | % Total | Year | Cum. Principal Redeemed | % Total | |
| 1 | \$0 | 0.00 | 1 | \$6,665,000 | 4.90 | |
| 5 | \$955,000 | 37.30 | 5 | \$6,633,000 | 26.00 | |
| 10 | \$1,090,000 | 88.80 | 10 | \$7,030,000 | 51.20 | |
| 15 | \$0 | 100.00 | 15 | \$7,000,000 | 81.30 | |
| 20 | | | 20 | \$2,120,000 | 94.30 | |
| 25 | | | 25 | \$0 | 100.00 | |
| 30 | | | 30 | | | |

| | | | | Name of Film |
|---------------|----------|--|--|---|
| | a. | Financial Advisor Fees* | \$20,109.16 | PFM Financial Management, Inc. |
| | b. | Legal Fees: | | - |
| | | i. Bond Counsel | \$20,000.00 | Bass, Berry & Sims PLC |
| | | iì, Issuer's Counsel | | |
| | | iii. Trustee's Counsel | | |
| | | | | |
| | | | | |
| | | | | |
| | c. | Paying Agent Fees and | | |
| | | Registration Fees & Escrow Agt. | \$300.00 | U.S. Bank, N.A. |
| | d. | Trustee Fees | ************************************** | *************************************** |
| | e. | Remarking Agent Fees | | |
| | f. | Liquidity Fees | | |
| | _ | Rating Agency Fees | \$17,523.70 | Moody's and S&P |
| | | Credit Enhancement Fees | | |
| | i. | Underwriter's Discount 0.475 % | \$47,500.00 | BMO Capital Markets |
| | | i. Take Down | | |
| | | ii. Management Fee | | |
| | | iii. Risk Premium | | |
| | | iv. Underwriter's Counsel | | |
| | | v. Other Expenses | | |
| | j. | Printing and Advertising Fees | \$1,436.37 | ipreo |
| | | Issuer Fees | | |
| | I. | Real Estate Fees | <u> </u> | |
| | m. | Bank Closing Costs | A. O. I. O. O. | Acuff & Associates Pension |
| | n. | Other Costs | \$2,010.92 | Study, misc. costs |
| | | Total Costs | \$108,880.15 | Study, misc. costs |
| | | *If other costs are included, plea | | |
| Note: Enclose | е а сор | y of the DISCLOSURE DOCUMENT/ OFFICIAL S | STATEMENT if applicable. S | ee Exhibit A |
| | | ······································ | | |
| 16 Decario | ntion | of Continuing Disclosure Obligations | | |
| io. Descri | | e additional pages if necessary) | | |
| | (US | e additional pages if necessary) | | |
| | | Individual Responsible for Completion: | Δ | ssistant City Administrator/CFO |
| | | Date Annual Disclosure is due: | | une 30 |
| | | THE FIRMER ENDINGEROUS IS ADD. | | |
| The City w | ill file | its Audit and financial information annually | and notices of material eve | nts when and as described in its |
| | | losure Certificate, the form of which is attac | | |
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15. Itemized Description of the Cost of Issuance (Round to Nearest Dollar)

| 17. De | escription of Compliance with Written Debt Mai | nagement Policy |
|---------|--|---|
| | (Use additional pages if necessary) | melomons a Artel 1 |
| 1 | (One additional pages it necessary) | |
| Amen | ded Debt Management Policy is attached as Exhibi | J D |
| Fancik | ded Debt Wallagement Tolley is allactied as Exhibi | (D) |
| 1 The | amount of the debt is within the debt affordability r | rillian not out in Coation 4 |
| 1. 1116 | amount of the dept is within the dept anordapinty n | allos set out in Section 1. |
| 2 The | town of the debt dear not ground in small life. | |
| | | bt service is relatively level, and the redemption date is within |
| yea | rs as provided in Section VI. | |
| 2 7- | debite for Justin and the state of the state of | A113 |
| 3. THE | debt is fixed rate general obligation debt (Section \ | VII) |
| 4 Ti | A-5-1 | |
| 4. Ine | deot was soid at competitive sale (Section X) and t | the City was assisted by a financial advisor (Section XII) and |
| bon | d counsel (Section XII) and all conflicts of interest v | were disclosed (Section XII). |
| | | |
| 5. Ine | Debt Management Policy specifically permits the C mitted by Tennessee Code Annotated. | City to issue bonds for certain unfunded pension obligations as |
| · hen | nitted by rennessee Code Annotated. | |
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| 18. (If | any) Description of Derivative and Compliance | with Written Derivative Management Policy: |
| | (Use additional pages if necessary) | |
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| N/A | | |
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| 9. | | |
| 13. | | Karen S. Neal |
| | Authorita I Parametri | |
| | Authorized Representative | Preparer |
| | Mayor | Member |
| | Title | Title |
| | 12/20/2013 | Bass, Berry & Sims PLC |
| | Date | Firm |
| | ken.moore@franklintn.gov | 12/20/2013 |
| | Email | Date |
| | | kneal@bassberry.com |
| | | Email |
| | | |
| 0. | | |
| | ed to Governing Body on 01/14/2014 and pres | ented at its public meeting held on 01/14/2014 |
| | the state of the s | 1 |
| ору т | O: Director - Office of State and Local Finance, 5 | 05 Deaderick Street, Suite 1600 |
| | Polk State Office Building, Nashville TN 37243- | |
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EXHIBIT A

City of Franklin, Tennessee General Obligation Bonds, Series 2013B (Federally Taxable)

FINAL OFFICIAL STATEMENT

The Final Official Statement is available at http://emma.msrb.org/ER728940-ER565117-ER966259.pdf

EXHIBIT B

City of Franklin, Tennessee General Obligation Bonds, Series 2013B (Federally Taxable)

AMENDED DEBT MANAGEMENT POLICY

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