

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)

1. Public Entity:

Name City of Franklin, Tennessee
 Address P.O. Box 305
Franklin, Tennessee 37065
General Obligation Public Improvement Bonds, Series 2013A

2. Debt Obligation:

- a. Bond
- b. CON
- c. BAN
- d. GAN
- e. TRAN
- f. CRAN
- g. Capital Lease
- h. Loan Agreement

Note: Enclose a copy of the executed NOTE FORM if applicable.

5. Face Amount of Debt Obligation: \$7,405,000.00

Premium/Discount: \$90,943.00

6. Type of Sale:

- a. Competitive Public Sale
- 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

9. Issue Date (Closing Date): 12/20/2013

4. Purpose of Issue:

<input checked="" type="checkbox"/>	a. General Government	<u>77.31</u>	%
<input type="checkbox"/>	b. Education		%
<input checked="" type="checkbox"/>	c. Highways and Streets	<u>22.69</u>	%
<input type="checkbox"/>	d. Public Safety		%
<input type="checkbox"/>	e. Solid Waste Disposal		%
<input type="checkbox"/>	f. Industrial Park		%
<input type="checkbox"/>	g. Manufacturing Facilities		%
<input type="checkbox"/>	h. Health Facilities		%
<input type="checkbox"/>	i. Airports		%
<input type="checkbox"/>	j. Utilities		%
<input type="checkbox"/>	i. Water		%
<input type="checkbox"/>	ii. Sewer		%
<input type="checkbox"/>	iii. Electric		%
<input type="checkbox"/>	iv. Gas		%
<input type="checkbox"/>	k. Refunding or Renewal		%
<input type="checkbox"/>	l. Other _____		%

specify

10. Ratings:

- a. Moody's Aaa
- b. Standard & Poor's AAA
- c. Fitch _____
- d. Unrated _____

11. Interest Cost:

3.016800 % a. TIC
 b. NIC
 c. Variable: Index _____ plus _____ bps
 d. Other _____

12. Recurring Costs:

- 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 %			%
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
1	\$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		

15. Itemized Description of the Cost of Issuance

(Round 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. Remarketing Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees	\$12,976.30	Moody's and S&P
h. Credit Enhancement Fees		
i. Underwriter's Discount <u>0.28</u> %		
i. Take Down		
ii. Management Fee		
iii. Risk Premium		
iv. Underwriter's Counsel		
v. Other Expenses		
j. Printing and Advertising Fees	\$1,063.63	lpreo
k. Issuer Fees		
l. Real Estate Fees		
m. Bank Closing Costs		
n. Other Costs	\$1,489.08	Travel, copy, etc.
Total Costs	\$45,719.85	

*If other costs are included, please itemize

Note: Enclose a copy of the DISCLOSURE DOCUMENT/ OFFICIAL STATEMENT if applicable. See Exhibit A

16. Description of Continuing Disclosure Obligations

(Use additional pages if necessary)

Individual Responsible for Completion:
Date Annual Disclosure is due:

Assistant City Administrator/CFO
June 30

The City will file its Audit and financial information annually and notices of material events when and as described in its Continuing Disclosure Certificate, the form of which is attached as Exhibit C to the Official Statement.

17. Description of Compliance with Written Debt Management Policy:
(Use additional pages if necessary)

The Amended Debt Management Policy is attached as Exhibit B.

1. The amount of the debt is within the debt affordability ratios set out in Section 1.

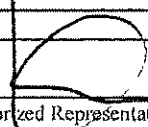
2. The term of the debt does not exceed its useful life; debt service is relatively level, and the redemption date is within 10 years as provided in Section VI.

3. The debt is fixed rate general obligation debt (Section VII).

4. The debt was sold at competitive sale (Section X) and the City was assisted by a financial advisor (Section XII) and bond counsel (Section XII) and all conflicts of interest were disclosed (Section XII).

18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:
(Use additional pages if necessary)

N/A

<p>19.</p> <p></p> <p>_____ Authorized Representative Mayor</p> <p>_____ Title 12/20/2013 Date</p> <p>_____ ken.moore@franklin.tn.gov Email</p>	<p>_____ Karen S. Neal Preparer</p> <p>_____ Member</p> <p>_____ Title Bass, Berry & Sims PLC Firm</p> <p>_____ 12/20/2013 Date</p> <p>_____ kneal@bassberry.com Email</p>
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20.
Submitted to Governing Body on 01/14/2014 and presented at its public meeting held on 01/14/2014

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600,
James K. Polk State Office Building, Nashville TN 37243-1402

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 (Federally Taxable)

2. Debt Obligation:

<input checked="" type="checkbox"/>	a. Bond
<input type="checkbox"/>	b. CON
<input type="checkbox"/>	c. BAN
<input type="checkbox"/>	d. GAN
<input type="checkbox"/>	e. TRAN
<input type="checkbox"/>	f. CRAN
<input type="checkbox"/>	g. Capital Lease
<input type="checkbox"/>	h. Loan Agreement

Note: Enclose a copy of the executed NOTE FORM if applicable.

5. Face Amount of Debt Obligation: \$10,000,000.00
Premium/Discount: \$84,694.85

6. Type of Sale:

<input checked="" type="checkbox"/>	a. Competitive Public Sale
<input type="checkbox"/>	b. Informal Bid
<input type="checkbox"/>	c. Negotiated Sale
<input type="checkbox"/>	d. Loan Program

3. Security For Debt Obligation:

<input checked="" type="checkbox"/>	a. General Obligation
<input type="checkbox"/>	b. General Obligation+Revenue+Tax
<input type="checkbox"/>	c. Revenue
<input type="checkbox"/>	d. TIF
<input type="checkbox"/>	e. Annual Appropriations

7. Tax Status:

<input type="checkbox"/>	a. Tax Exempt
<input type="checkbox"/>	b. Tax Exempt - Bank Qualified
<input checked="" type="checkbox"/>	c. Taxable

8. Dated Date: 12/20/2013

4. Purpose of Issue:

<input type="checkbox"/>	a. General Government	_____ %
<input type="checkbox"/>	b. Education	_____ %
<input type="checkbox"/>	c. Highways and Streets	_____ %
<input type="checkbox"/>	d. Public Safety	_____ %
<input type="checkbox"/>	e. Solid Waste Disposal	_____ %
<input type="checkbox"/>	f. Industrial Park	_____ %
<input type="checkbox"/>	g. Manufacturing Facilities	_____ %
<input type="checkbox"/>	h. Health Facilities	_____ %
<input type="checkbox"/>	i. Airports	_____ %
<input type="checkbox"/>	j. Utilities	_____ %
<input type="checkbox"/>	i. Water	_____ %
<input type="checkbox"/>	ii. Sewer	_____ %
<input type="checkbox"/>	iii. Electric	_____ %
<input type="checkbox"/>	iv. Gas	_____ %
<input type="checkbox"/>	k. Refunding or Renewal	_____ %
<input checked="" type="checkbox"/>	l. Other <u>Pension</u>	<u>100.00</u> %

specify

9. Issue Date (Closing Date): 12/20/2013

10. Ratings:

a. Moody's	<u>Aaa</u>
b. Standard & Poor's	<u>AAA</u>
c. Fitch	_____
d. Unrated	_____

11. Interest Cost:
2.708000 % a. TIC
 b. NIC
 c. Variable: Index _____ plus _____ bps
 d. Other _____

12. Recurring Costs:

a. Remarketing Agent (bps)	<u>0</u>
b. Liquidity (bps)	<u>0</u>
c. Credit Enhancements (bps)	<u>0</u>

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 %			%
2016	\$940,000	1.00 %			%
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		

15. Itemized Description of the Cost of Issuance

(Round to Nearest Dollar)

		Name of Firm
a. Financial Advisor Fees*	\$20,109.16	PFM Financial Management, Inc.
b. Legal Fees:		
i. Bond Counsel	\$20,000.00	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	\$17,523.70	Moody's and S&P
h. Credit Enhancement Fees		
i. Underwriter's Discount <u>0.475 %</u>	\$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
k. Issuer Fees		
l. Real Estate Fees		
m. Bank Closing Costs		
n. Other Costs	\$2,010.92	Acuff & Associates Pension
Total Costs	\$108,880.15	Study, misc. costs

*If other costs are included, please itemize

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16. Description of Continuing Disclosure Obligations

(Use additional pages if necessary)

Individual Responsible for Completion:
Date Annual Disclosure is due:

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June 30

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1. The amount of the debt is within the debt affordability ratios set out in Section 1.

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3. The debt is fixed rate general obligation debt (Section VII).

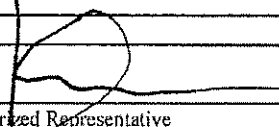
4. The debt was sold at competitive sale (Section X) and the City was assisted by a financial advisor (Section XII) and bond counsel (Section XII) and all conflicts of interest were disclosed (Section XII).

5. The Debt Management Policy specifically permits the City to issue bonds for certain unfunded pension obligations as permitted by Tennessee Code Annotated.

18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:
(Use additional pages if necessary)

N/A

19.

	Karen S. Neal
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

20.
Submitted to Governing Body on 01/14/2014 and presented at its public meeting held on 01/14/2014

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600,
James K. Polk State Office Building, Nashville TN 37243-1402

EXHIBIT A

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

FINAL OFFICIAL STATEMENT

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EXHIBIT B

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

AMENDED DEBT MANAGEMENT POLICY

