

WHEREAS, the Department of Finance has now reviewed and revised the Debt Management Policy; and,

WHEREAS, it is fitting and proper that the Metropolitan Government adopt the revised Debt Management Policy, a copy of which is attached as Exhibit A.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council hereby approves and adopts the revised Debt Management Policy for The Metropolitan Government of Nashville and Davidson County, attached as Exhibit A and incorporated herein by reference.

Section 2. This Ordinance shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This ordinance will adopt a revised Debt Management Policy for the Metropolitan Government.

State law requires Metro to adopt a debt management policy consistent with provisions set forth in the model policy developed by the TN State Funding Board. Metro first adopted its debt management policy in RS2011-94, which was revised by adoption of BL2017-949.

The debt management policy provides the guidelines to manage the various debt programs operated by Metro - general obligation debt and revenue debt. The policy applies to all debt issued by Metro with the exception of debt issued on behalf of NES. The Sports Authority and the Convention Center Authority are authorized to issue their own debt and will have authority specific debt management policies. Metro's debt management policy will also not apply to its instrumentalities (IDB and HEFB) which will adopt their own policies.

The revised policy adds three new sections: Bond Rating Agency Strategy, Reporting Schedule, and a Glossary; and two new subsections: Legal Requirements Regarding the Authorization, Use and Administration of Debt and a section on Security and Source of Payment for Debt. Sections that are now covered in the State's Debt Manual were removed: Selection of an Underwriting Team, Credit Quality, and Debt Administration.

The policy now addresses governmental financing programs like WIFIA. The professional service category of Disclosure Counsel is added. Under the debt refinancing section, the targeted debt services savings was reduced to align with market conditions.