Metropolitan Nashville and Davidson County, TN

Legislation Details (With Text)

File #:	BL2023-1872	**Name:**	
Type:	Bill (Ordinance)	**Status:**	Passed
File created:	5/5/2023	**In control:**	Metropolitan Council
On agenda:	6/13/2023	**Final action:**	6/13/2023
Title:	An ordinance adopting the revised Debt Management Policy for The Metropolitan Government of Nashville and Davidson County.		
Sponsors:	Kevin Rhoten, Jennifer Gamble		
Indexes:			
Code sections:			
Attachments:	1. Exhibit A - Debt Management Policy		

Date	Ver.	Action By	Action	Result
6/15/2023	1	Mayor	approved	
6/13/2023	1	Metropolitan Council	passed on third reading	
6/6/2023	1	Metropolitan Council	passed on second reading	
6/5/2023	1	Budget and Finance Committee	approved	
5/16/2023	1	Metropolitan Council	passed on first reading	
5/9/2023	1	Metropolitan Council	filed	

An ordinance adopting the revised Debt Management Policy for The Metropolitan Government of Nashville and Davidson County.

WHEREAS, Tenn. Code Ann. § 9-21-134(b) authorizes the Tennessee State Funding Board (the "Board") to develop model financial transaction policies to be used by public entities, and such Board previously adopted a statement that all public entities incurring or issuing debt are required to adopt a debt management policy with certain required provisions; and,

WHEREAS, on December 6, 2011, the Metropolitan Council adopted Resolution No. RS2011-94 that approved the Debt Management Policy of The Metropolitan Government of Nashville and Davidson County; and,

WHEREAS, on July 6, 2017, the Metropolitan Council adopted Substitute Ordinance No. BL2017-726, that amended the Metropolitan Code of Laws to add Section 5.04.105 to also require the Metropolitan Government to maintain at all times a debt management policy with certain provisions in addition to those required by the Board; and,

WHEREAS, on December 5, 2017, the Metropolitan Council enacted BL2017-949, that adopted a revised Debt Management Policy based on the requirements of the Board and Metropolitan Code of Law 5.04.105; and,

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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.

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