



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2021-991, **Version:** 1

Resolution authorizing the extension of the Metropolitan Government's water and sewer revenue commercial paper program and the amendment of the terms of the credit facility related thereto.

WHEREAS, pursuant to Substitute Resolution No. RS2018-1254, adopted by the Metropolitan County Council on July 3, 2018 (the "CP Resolution"), The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") authorized a water and sewer revenue commercial paper program in a maximum principal amount of \$200 million (the "CP Program"); and

WHEREAS, the CP Program is scheduled to expire on July 10, 2021, and the Metropolitan County Council has determined that it is in the Metropolitan Government's best interest to extend the term of the CP Program; and

WHEREAS, State Street Bank and Trust Company (the "Bank") was designated by the CP Resolution to serve, and such firm has served, as the liquidity bank for the CP Program during the term of the Program, with the Bank providing credit and liquidity for up to \$183 million in principal amount of commercial paper; and

WHEREAS, the Bank has indicated that it is willing to extend its credits and liquidity for the CP Program through March 31, 2022, on the terms and conditions set forth herein; and

WHEREAS, the Metropolitan County Council has determined that it is in the best interest of the Metropolitan Government to extend CP Program for one additional year, with the Bank continuing to serve and credit and liquidity provider on the terms and conditions set forth herein; and

WHEREAS, the Metropolitan Government desires to authorize the execution and delivery of agreements and the taking of actions necessary to extend the CP Program on the terms and conditions set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan County Council of The Metropolitan Government of Nashville and Davidson County, as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed by the CP Resolution.
2. Extension of CP Program. The Metropolitan County Council hereby approves the extension of the CP Program from July 10, 2021 to March 31, 2022.
3. Amendment of Initial Facility. The Metropolitan County Council hereby approves the amendment of the Initial Facility pursuant to the terms set forth in the forms of First Amendment to Reimbursement Agreement attached hereto as Exhibit A and Amended and Restated Fee Letter attached hereto as Exhibit B.
4. Affirmation of CP Resolution. Except as expressly set forth herein, the terms and conditions of the CP Program shall otherwise remain in full force and effect as set forth in the CP Resolution.
5. Authorization to Execute Facility and Related Agreements. The Metropolitan Mayor, Clerk and Finance Director, or any of them, are authorized and directed to execute the First Amendment to Reimbursement Agreement and Amended and Restated Fee Letter, in substantially the form attached hereto, and to execute such other documents and agreements, and take such actions, as may be

necessary or advisable to effect the extension of the CP Program.

6. Effective Date. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government requiring it.

Analysis

This resolution extends the duration of Metro's water and sewer extendable commercial paper program. Resolution No. RS2018-1254 authorized the issuance and sale of revenue bond anticipation notes not to exceed \$200 million in the form of extendable commercial paper for the short term financing of water and sewer capital projects. State Street Bank and Trust Company has served as the credit facility for these notes. The maximum duration of the notes is 270 days.

The current program is scheduled to expire on July 10, 2021. This resolution simply extends the program through March 31, 2022, and authorizes the execution of a new fee letter. The facility fee is tied to Metro's bond rating, and the fee to be paid during the extension period (0.42%) will be slightly lower than the previous fee (0.44%).