



### City Council Item Routing Sheet

Division Finance Committee Budget Hearing Date August 9, 2022


District \_\_\_\_\_ Super District \_\_\_\_\_

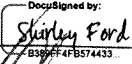
- Ordinance
- Resolution
- Grant Acceptance
- Budget Amendment
- Commendation
- Other:


Item Description : Report on Debt Obligation for the issuance of the \$167,555,000 General Improvement Refunding Bonds, Series 2022 (Federally Taxable Convertible to Tax-Exempt).	
Recommended Council Action: N. A.	
Status of MWBE planned expenditures funding, if applicable:	
Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken: N. A.	
<b>Does this item require city expenditure? No</b>  \$ Amount _____  \$ Revenue to be received _____	<b>Source and Amount of Funds</b>  \$ Operating Budget  \$ CIP Project #  \$ Federal/State/Other

#### Approvals

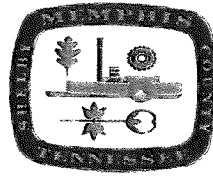
Director \_\_\_\_\_ Date \_\_\_\_\_

Budget Manager  Date 7/28/2022 **Chief Administrative Officer**

Chief Financial Officer  Date 8/2/2022 \_\_\_\_\_ Date \_\_\_\_\_

Deputy CFO  Date 7-26-22 **Council Committee Chair**

Chief Legal Officer \_\_\_\_\_ Date \_\_\_\_\_ Date \_\_\_\_\_



## Memphis City Council Summary Sheet

**1. Description of the Item (Resolution, Ordinance, etc.)**

Report on Debt Obligation for the issuance of the \$167,555,000 General Improvement Refunding Bonds, Series 2022 (Federally Taxable Convertible to Tax-Exempt).

**2. Initiating Party (e.g. Public Works, at request of City Council, etc.)**

The Finance Division is the initiating party.

**3. State whether this is a change to an existing ordinance or resolution, if applicable.**

There is no change to an existing ordinance or resolution.

**4. State whether this will impact specific council districts or super districts.**

This does not impact specific council districts or super districts.

**5. State whether this requires a new contract, or amends an existing contract, if applicable.**

N/A

**6. State whether this requires an expenditure of funds/requires a budget amendment**

N/A

**7. If applicable, please list the MWBE goal and any additional information needed**

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-134)

**1. Public Entity:**  
 Name: Memphis, Tennessee  
 Address: 125 North Main Street  
Memphis, Tennessee 38103  
 Debt Issue Name: General Improvement Refunding Bonds, Series 2022 (Federally Taxable Convertible to Tax- Exempt)  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ 167,555,000.00  
 Premium/Discount: \$ 0.00

**3. Interest Cost:** 3.2656 %  Tax-exempt  Taxable  
 TIC  NIC  
 Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or  
 Variable: Remarketing Agent \_\_\_\_\_  
 Other: \_\_\_\_\_

**4. Debt Obligation:**  
 TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Financing Lease  
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Division of Local Government Finance ("LGF").

**5. Ratings:**  
 Unrated  
 Moody's \_\_\_\_\_ Standard & Poor's \_\_\_\_\_ Fitch \_\_\_\_\_

**6. Purpose:**

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input type="checkbox"/> Utilities	_____ %	_____
<input type="checkbox"/> Other	_____ %	_____
<input checked="" type="checkbox"/> Refunding/Renewal	<u>100.00</u> %	<u>Refund a portion of the 2014B Bonds &amp; 2015C Bonds</u>

**7. Security:**  
 General Obligation  General Obligation + Revenue/Tax  
 Revenue  Tax Increment Financing (TIF)  
 Annual Appropriation (Financing Lease Only)  Other (Describe): \_\_\_\_\_

**8. Type of Sale:**  
 Competitive Public Sale  Interfund Loan Direct purchase sale  
 Negotiated Sale  Loan Program \_\_\_\_\_  
 Informal Bid \_\_\_\_\_

**9. Date:**  
 Dated Date: 07/13/2022 Issue/Closing Date: 07/13/2022

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-134)

**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
See attached	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
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	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT <small>(Round to nearest \$)</small>	FIRM NAME
Financial Advisor Fees	\$ 150,000	ComCap Partners/PFM Financial Advisors, LLC
Legal Fees	\$ 0	
Bond Counsel	\$ 180,000	Butler Snow LLP/Ahmad Zaffarese LLC
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 45,000	Chapman and Cutler
Disclosure Counsel	\$ 88,200	Bass Berry and Sims PLC/Bruce Turner PLLC
	\$ 0	
Paying Agent Fees	\$ 2,900	Regions Bank
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 97,583	S&P Rating/Moody's Rating
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____%		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 12,628	Verification Agent; miscellaneous
<b>TOTAL COSTS</b>	<b>\$ 576,311</b>	

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-134)

<b>12. Recurring Costs:</b>																	
<input type="checkbox"/> No Recurring Costs																	
	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:40%; text-align:center;">AMOUNT <small>(Basis points/\$)</small></th> <th style="width:60%; text-align:center;">FIRM NAME <small>(If different from #11)</small></th> </tr> </thead> <tbody> <tr> <td>Remarketing Agent</td> <td></td> </tr> <tr> <td>Paying Agent / Registrar</td> <td><u>Regions Bank</u></td> </tr> <tr> <td>Trustee</td> <td></td> </tr> <tr> <td>Liquidity / Credit Enhancement</td> <td></td> </tr> <tr> <td>Escrow Agent</td> <td></td> </tr> <tr> <td>Sponsorship / Program / Admin</td> <td></td> </tr> <tr> <td>Other _____</td> <td></td> </tr> </tbody> </table>	AMOUNT <small>(Basis points/\$)</small>	FIRM NAME <small>(If different from #11)</small>	Remarketing Agent		Paying Agent / Registrar	<u>Regions Bank</u>	Trustee		Liquidity / Credit Enhancement		Escrow Agent		Sponsorship / Program / Admin		Other _____	
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Escrow Agent																	
Sponsorship / Program / Admin																	
Other _____																	
<b>13. Disclosure Document / Official Statement:</b>																	
<input checked="" type="checkbox"/> None Prepared																	
<input type="checkbox"/> EMMA link _____ or																	
<input type="checkbox"/> Copy attached																	
<b>14. Continuing Disclosure Obligations:</b>																	
Is there an existing continuing disclosure obligation related to the security for this debt? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																	
Is there a continuing disclosure obligation agreement related to this debt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																	
If yes to either question, date that disclosure is due <u>See attachment</u>																	
Name and title of person responsible for compliance <u>André D. Walker, Deputy Chief Financial</u>																	
<b>15. Written Debt Management Policy:</b>																	
Governing Body's approval date of the current version of the written debt management policy <u>02/02/2021</u>																	
Is the debt obligation in compliance with and clearly authorized under the policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																	
<b>16. Written Derivative Management Policy:</b>																	
<input checked="" type="checkbox"/> No derivative																	
Governing Body's approval date of the current version of the written derivative management policy _____																	
Date of Letter of Compliance for derivative _____																	
Is the derivative in compliance with and clearly authorized under the policy? <input type="checkbox"/> Yes <input type="checkbox"/> No																	
<b>17. Submission of Report:</b>																	
To the Governing Body: on _____ and presented at public meeting held on _____																	
Copy to Director, Division of Local Govt Finance: on _____ either by:																	
<input type="checkbox"/> Mail to: _____ OR <input checked="" type="checkbox"/> Email to: <u>LGF@cot.tn.gov</u>																	
Cordell Hull Building 425 Rep. John Lewis Parkway N., 4th Floor Nashville, TN 37243-3400																	
<b>18. Signatures:</b>																	
	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%; text-align:center;">AUTHORIZED REPRESENTATIVE</th> <th style="width:50%; text-align:center;">PREPARER</th> </tr> </thead> <tbody> <tr> <td>Name <u>Jim Strickland</u></td> <td><u>Geoffrey Morris</u></td> </tr> <tr> <td>Title <u>Mayor</u></td> <td><u>Attorney</u></td> </tr> <tr> <td>Firm <u>City of Memphis</u></td> <td><u>BUTLER SNOW LLP</u></td> </tr> <tr> <td>Email <u>mayor@memphistn.gov</u></td> <td><u>geoffrey.morris@butlersnow.com</u></td> </tr> <tr> <td>Date _____</td> <td>_____</td> </tr> </tbody> </table>	AUTHORIZED REPRESENTATIVE	PREPARER	Name <u>Jim Strickland</u>	<u>Geoffrey Morris</u>	Title <u>Mayor</u>	<u>Attorney</u>	Firm <u>City of Memphis</u>	<u>BUTLER SNOW LLP</u>	Email <u>mayor@memphistn.gov</u>	<u>geoffrey.morris@butlersnow.com</u>	Date _____	_____				
AUTHORIZED REPRESENTATIVE	PREPARER																
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Date _____	_____																

**ATTACHMENT TO FORM CT-0253 REPORT ON DEBT OBLIGATION**

Relating to

**\$167,555,000**

**City of Memphis, Tennessee**

**General Improvement Refunding Bonds**

**Series 2022 (Federally Taxable Convertible to Tax-Exempt)**

3. **Interest Cost:** As noted in the City's "Plan of Refunding – Request for Extension," dated May 26, 2022, the Bonds will initially bear interest at a taxable interest rate, then, beginning ninety (90) days prior to the April 1, 2024, call date of the Refunded Bonds, the Bonds, subject to meeting certain requirements to ensure compliance with federal tax law, will bear interest at a tax-exempt interest rate.
5. **Ratings:** The Bonds were issued directly to a purchaser and not rated. The rating agency costs set forth in Item 11 are costs incurred when it was still envisioned that the Bonds would be publicly offered in a negotiated sale.
10. **Maturity Dates, Amounts and Interest Rates:** See attached. Bond Pricing schedule showing Maturity Dates, Amounts and initial taxable Interest Rates. Also attached is Exhibit A from the Bond Purchase Agreement, which shows future tax-exempt rates on or after January 3, 2024, subject to meeting certain requirements to ensure compliance with federal tax law.
14. **Continuing Disclosure Obligations:** Some continuing disclosure obligations relating to outstanding general obligation debt of the City require annual filings by December 27 of each year. Other continuing disclosure obligations relating to outstanding general obligation debt of the City, including this debt, require annual filings by April 30 of each year.

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2026:	04/01/2026	1,225,000	3.750%	3.271%	100.000
2027:	04/01/2027	9,730,000	3.730%	3.185%	100.000
2028:	04/01/2028	10,010,000	3.790%	3.195%	100.000
2029:	04/01/2029	10,310,000	3.820%	3.187%	100.000
2030:	04/01/2030	10,620,000	3.810%	3.154%	100.000
2031:	04/01/2031	10,930,000	3.800%	3.126%	100.000
2032:	04/01/2032	11,255,000	3.810%	3.130%	100.000
2033:	04/01/2033	11,595,000	3.890%	3.174%	100.000
2034:	04/01/2034	11,945,000	3.910%	3.184%	100.000
2035:	04/01/2035	12,310,000	3.970%	3.228%	100.000
2036:	04/01/2036	12,695,000	3.980%	3.222%	100.000
2037:	04/01/2037	13,085,000	4.050%	3.278%	100.000
2038:	04/01/2038	13,500,000	4.150%	3.355%	100.000
2039:	04/01/2039	13,945,000	4.200%	3.392%	100.000
2040:	04/01/2040	14,400,000	4.270%	3.440%	100.000
		167,555,000			

**EXHIBIT A**

**SERIES 2022 BONDS**

<b><u>Maturity</u></b>	<b><u>Principal Amount</u></b>	<b><u>Taxable Rate</u></b>	<b><u>Tax-Exempt Rate</u></b>
4/1/2026	\$ 1,225,000	3.75%	2.94%
4/1/2027	9,730,000	3.73%	2.92%
4/1/2028	10,010,000	3.79%	2.97%
4/1/2029	10,310,000	3.82%	2.99%
4/1/2030	10,620,000	3.81%	2.98%
4/1/2031	10,930,000	3.80%	2.97%
4/1/2032	11,255,000	3.81%	2.99%
4/1/2033	11,595,000	3.89%	3.04%
4/1/2034	11,945,000	3.91%	3.06%
4/1/2035	12,310,000	3.97%	3.11%
4/1/2036	12,695,000	3.98%	3.11%
4/1/2037	13,085,000	4.05%	3.17%
4/1/2038	13,500,000	4.15%	3.25%
4/1/2039	13,945,000	4.20%	3.29%
4/1/2040	<u>14,400,000</u>	4.27%	3.34%
	<b>\$167,555,000</b>		