

Bonds and Debt (Updated 5/21/2020)

Council Member inquiries regarding bond issuance and debt service.

1. Do you have the newest schedule of total debt service payments?

Finance Response: [Annual Debt Service Projections](#)

2. Can you estimate what the anticipated fall bond issue will add each year?

Finance Response:

Based on the most recent estimate for a November bond issue, debt service would be about \$44 million annually beginning FY22 through FY41.

3. Can we re-negotiate and re-structure debt payments?

CM Mendes response: about renegotiating the debt structure...Finance has been exploring this in detail. The short answer is that there are no options that can materialize before June 30 when the budget is due. I think the admin will provide more details about this option in the coming days. It may be possible later this year or next year, but it is not a reliable option today.

4. We are now \$4B in debt.

- a. What is the source of that debt? What are the specific projects that put us in the position?

CM Mendes response: Finance's info about debt is gathered here: <https://www.nashville.gov/Finance/Office-of-the-Treasurer/Debt.aspx>

Finance response: Bonds are issued to provide long-term funding of Council approved capital spending plans. The caption of the resolutions approving these spending plans states "Initial resolution determining to issue general obligation bonds". Details of the capital spending process and status reports are found at the below link. <https://www.nashville.gov/Finance/Management-and-Budget/Capital-Budget-and-Planning.aspx>

- b. Is there an opportunity to privatize and sell any assets without losing value for Nashville?

Finance response: Privatization and/or selling assets is a public policy decision involving more than recouping value. It is not something that could have an impact on the current budget process.