

**ORDINANCE NO. BL2019-1487**

**An Ordinance amending Section 5.04.110 of the Metropolitan Code of Laws to require the Director of Finance to submit an annual report regarding lending fund transactions to the Metropolitan Council.**

WHEREAS, Section 5.04.110 of the Metropolitan Code of Laws currently requires the Metropolitan Director of Finance to submit an annual debt report to the Metropolitan Council summarizing the metropolitan government's outstanding debt; and

WHEREAS, on January 15, 2019, the Metropolitan Council adopted Resolution No. RS2019-1545 authorizing the issuance of interfund tax anticipation notes on a retroactive basis in the amount of three hundred ninety one million six hundred sixty-six thousand twenty dollars (\$391,666,020); and

WHEREAS, the adoption of Resolution No. RS2019-1545, authorized under Tennessee Code Annotated Sections 9-21-101 *et seq.*, was the first occasion upon which the Metropolitan Government authorized the issuance of interfund tax anticipation notes; and it is anticipated that similar authorizations will be requested from the Metropolitan Council in the future; and

WHEREAS, it is therefore necessary and appropriate that annual reports be submitted to the Metropolitan Council summarizing all Lending Fund transactions in the previous fiscal year involving an appropriation of funding from one Metropolitan Government fund to the other.

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

Section 1. That Section 5.04.110 of the Metropolitan Code of Laws is hereby amended by deleting it in its entirety and substituting in lieu thereof the following:

**5.04.110 – Annual reports to the metropolitan council.**

A. The director of finance shall submit annual reports to the metropolitan council as follows:

1. Not later than May 1 of each year, the director of finance shall submit a report to the metropolitan council providing a summary of the metropolitan government's outstanding debt. Such report shall be presented to the metropolitan council in conjunction with the presentation of the mayor's proposed operating budget, and shall, at a minimum, include the following information:
  - a. The total amount of outstanding general obligation and revenue bonds compared to the amount outstanding on June 30 of the previous year.
  - b. The amount of contingent liability of the general fund (including all sources of revenue like sales taxes, property taxes and non-tax revenue) that arises from a pledge of any source(s) of revenue contributing to the general fund.
  - c. The anticipated debt service requirements for the next fiscal year.
  - d. The estimated percentage of the operating budget required to meet debt service obligations in the next fiscal year.
  - e. A summary of all outstanding bonds, including identification of the bonds as taxable or tax-exempt, the date of maturity, interest rate, projects funded with the bond proceeds, the amount of principal and interest to be paid on each bond in the

upcoming fiscal year, and the bond ratings on outstanding debt from the applicable bond rating agencies.

- f. A summary of commercial paper activity for the previous twelve month period, including each date commercial paper was taken out, the interest rate, and the maturity date of the commercial paper.
  - g. The gross and present value savings for any debt refunded since July 1 of the current fiscal year.
2. Not later than November 30 of each year, the director of finance shall submit a report to the metropolitan council providing a summary of all Lending Fund transactions involving an appropriation of funding from one such fund to the other.
- a. For purposes of this Section, "Lending Funds" means funds of the Metropolitan Government designated as any of the following: Water & Sewerage Services Fund, Education Services Special Revenue Fund, Event and Marketing Fund, Farmers Market Non-Bonded Capital Project Fund, General Fund Reserve Fund, General Government Self Insurance Fund, Hotel Occupancy General Fund, Hotel Tourist Promotion Fund, Information Technology Services Fund, Injured on Duty Fund, Municipal Auditorium Fund, Office of Fleet Management Fund, Government Services Special Revenue Fund, School Self Insurance Fund, Solid Waste Operations Fund, Stormwater Operations Fund, Surplus Property Auction Fund.
  - b. Such report shall, at a minimum, include the following information:
    - i. the total amount(s) borrowed from each Lending Fund in the preceding fiscal year;
    - ii. the identity of the specific Lending Fund(s) that received funding borrowed from other such funds;
    - iii. the total amount(s) reimbursed to the any Lending Funds in the preceding fiscal year; and
    - iv. whether any balance remains owed or outstanding to any Lending Fund as of June 30<sup>th</sup> of the reporting calendar year.

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

INTRODUCED BY:

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Bob Mendes  
Member of Council, At-Large