



OFFICE OF THE CITY MANAGER

PRESS RELEASE

FOR IMMEDIATE RELEASE

CITY OF ATHENS RECEIVES BOND MARKET RESULTS

Athens will finance \$7.7 Million at a rate of 1.85% over 25 Years

ATHENS, TENNESSEE – October 08, 2021 – On September 22nd, Cumberland Securities, the city's financial securities consultant, went to market to solicit bids on interest rates for financing the city's capital improvement projects that are nearing completion of their respective design phases. Currently referred to as The Big Five, they include oversight of the new Animal Shelter and City Annex campus, renovation of the Public Works Building, renovation of and addition to City Hall, and the Transportation Improvements in conjunction with the new Athens City School campus and the Main Street Downtown Improvement Plan. Six firms bid on the \$7.7 Million General Obligations Bonds, Series 2021. The lowest Total Interest Cost (TIC) received was from FHN Financial Capital Markets out of Memphis, Tennessee offering an interest rate of 1.85%. The next lowest TIC offered was at 1.90% and the highest offered overall was 1.98%.

City Manager C. Seth Sumner stated, "I could not be more pleased with this astonishingly low rate that will cover the cost of the top five capital improvements as approved by the Athens City Council. The financial stability provided by previous staff and councils has allowed our team to be aggressive in pursuing a myriad of community altering improvement projects and to prepare our city for the next generation of Athenians. We were prepared for this success and have been blessed beyond measure to secure funding for all of our top projects at once, and at an historically low cost to the taxpayers. The Friendly City is moving forward like never before!"

This extremely low rate comes after the city received its latest investment rating assessment from Moody's Investment Services which placed Athens in the 'very high grade' category of Aa3. The rating indicates that the city's financial stability is sound, that investing in the city presents a low



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risk to investors, and that as a general obligation bond, the city would meet payments. For Fiscal Year 2022, the City Council approved raising the city's property tax rate by eight cents to meet the debt service for funding the Athens school building transportation improvement project. The increase in property tax revenue would also suffice to help fund the debt service for the Big Five capital projects currently underway. The city council, in addition, issued a resolution stating that the increase is intended to be temporary, to give leeway for whomever sat on the council in the future to roll back the debt service amount from the property tax, once the current projects are paid off. The City of Athens will close on the bonds on October 15, 2021.

For questions regarding the Big Five or the bond results, please contact the Office of the City Manager at (423) 744-2700 Option 9.

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