



Legislation Details (With Text)

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Title: Water & Sewer Revenue Bond Sale Status
Sponsors: Kristine Brock
Indexes:
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Date	Ver.	Action By	Action	Result
2/9/2017	1	Budget & Finance Committee	approved	

DATE: February 3, 2017

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator

SUBJECT:
Water & Sewer Revenue Bond Sale Status

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the recent Water & Sewer Revenue Bond Sale

Background

The City previously approved the issuance of \$12 million of revenue bonds to fund improvements to its Water Filtration Plant. This 2017 issuance is the first time the City has issued bonds backed solely by net revenues of the water and sewer utility. Previously, water and sewer revenue bonds would include a pledge of repayment, if needed, by the general government. On January 19, Moody's Investors Service assigned the new credit a long term rating of "Aa3". Bids to purchase the bonds as a whole were taken from underwriters in the format of a competitive sale on the morning of January 25th. We received 6 bids with interest rates ranging from 3.277629% to 3.425809%, a tight spread of 14.8 basis points. The low bid from First Tennessee Bank was accepted and the financing team is preparing for closing on February 16th.

Financial Impact

Report only

