



## Legislation Text

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**File #:** 17-0138, **Version:** 1

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**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 25<sup>th</sup>. 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 16<sup>th</sup>.

**Financial Impact**

Report only