

Trumbull Bond Sale Produces Nearly Half a Million in Savings for Taxpayers And Lowest Interest Rates Seen in Connecticut in Years

First Selectman Vicki Tesoro today announced exceptional results from a recent series of bond and note sales, with interest rates under 2% for 20-year bonds that will provide financing for various school projects and renovations to the Police Department.

The bond sales included refinancing of a series of bonds issued in 2009 and 2011 at a remarkable 0.90% interest rate that will save taxpayers \$472,000 over the next five years.

"These results were even better than we could have imagined," Tesoro said. "We are very pleased with this outcome because it keeps the burden on the taxpayers, related to interest costs, as low as possible."

Added Matthew Spoerndle, senior managing director of Phoenix Advisors and Trumbull's municipal advisor, "It couldn't have come together better. This is the first 20-year bond we have seen sell below 2% in Connecticut in years. Trumbull's financial health remains strong and continues to improve."

The sales and refinancing results, completed last month, were driven by the town's strong credit rating, which is a direct result of the prudent and conservative long term financial management of the Town, Spoerndle noted.

In the sale of the new 20-year bonds, the town raised \$9.6 million. In the refinancing, the town sold \$7.9 million to refinance bonds originally issued a decade ago at higher rates. Finally, the town also sold \$8.7 million in short term, one-year notes at an interest rate of 1.13%. Proceeds will provide initial financing for a number of school, sewer and general purpose projects.

Meanwhile, the global credit-ratings agencies S&P and Fitch both affirmed Trumbull's rating at AA+. This is the second highest rating available, only one notch below the most coveted AAA. The agencies referred to Trumbull's "very strong economy" and "strong budgetary flexibility," while also noting a number of the projects that are underway in town. The town's "strong management" and various prudent fiscal practices were noted as having a positive effect on credit.

The agencies also underscored the town's continued commitment to funding long-term liabilities, notably the pension funds that had gone underfunded for many years. This commitment, along with having fully funded the annual actuarial required amount in recent years, is something "which we view positively" according to S&P.

"I couldn't be happier with this outcome, and I thank our bond counsel Joseph Fasi and our partners at Phoenix Advisors for their exceptional work," Tesoro said. "This process illustrates what sound financial management of our town can produce. We've gotten our fiscal house in order. We're paying far less to fund more critical community improvements, and the burden on our taxpayers is lower as well."