



THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

HOME OF THE BASKETBALL HALL OF FAME

PRESS RELEASE

FOR IMMEDIATE RELEASE

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Mayor Domenic J. Sarno and Chief Administrative and Financial Officer, Timothy J. Plante Announce Springfield's Recent Refunding Bond Sale will Save the City \$3,806,717

Springfield, MA – Mayor Domenic J. Sarno and Chief Administrative and Financial Officer (CAFO) Timothy J. Plante announce that the City received competitive bids from bond underwriters on Tuesday, March 7, 2017, for a \$27,080,000 20-year general obligation state qualified bond issue. Morgan Stanley & Co, LLC bought the bonds at an average interest rate of 2.0063%. The City received 10 bids on the bonds. Bond proceeds will be used to refinance bonds issued in 2007 and to finance the City's Union Station project.

The refunding bonds will generate total net savings of \$3,806,717 through the remaining life of the bonds refunded. In connection with the refunding the City elected to receive a lump sum payment from the Massachusetts School Building Authority (MSBA) associated with the remaining grant payments on the Frederick Harris, Edward P. Boland and Van Sickle Middle Schools. On average, the City will realize savings of over \$630,000 a year for the next six years, beginning in fiscal year 2018.

Prior to the sale, S&P Global Ratings, another municipal bond credit rating agency, affirmed the City's rating of 'AA-'. The rating agency cited the City's very strong management with strong financial policies and practices, strong budgetary flexibility, very strong liquidity and strong institutional framework as positive credit factors. Standard & Poor's also affirmed the 'AA' enhanced rating on the Bonds as debt service is secured by the State Qualified Bond Act local state aid intercept program.

The bids for the bonds were accepted at the offices of the City's financial advisor, FirstSouthwest, a Division of Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts.

Mayor Domenic Sarno stated, "I am excited with the results of the bond sale and the affirmations of the City's credit rating from both Standard and Poors' and Moody's. We continue to maintain the highest bond ratings in the City's history. I would like to thank my financial team for all their hard work and dedication to the City of Springfield."

CAFO Timothy Plante stated, "This is the City's second time going to Wall Street within a few weeks, both of which had tremendous results. It is exciting to be able to save the City \$3.8M from refinancing our debt from 2007 at amazing low rates. The original bonds were issued at 4.263% and the results of this sale were 2.0063%. This is a testament to the City's strong financial management and great bond rating."

For further information please contact CAFO TJ Plante at tplante@springfieldcityhall.com.

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