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CROMWELL, CT— On December 28th, the Town of Cromwell successfully closed their \$6,540,000 General Obligation Refunding Bond Issue of 2017. The transaction, which yielded the Town over \$370,000 in savings, was accelerated to close prior to the 12/31/2017 effective date of the new federal tax law which has since eliminated the ability for municipalities to refund debt on a tax-exempt basis. Despite historic volume in the municipal market during December, the Town was able to achieve a true interest cost (TIC) of 2.19%.

“This transaction is a great example of why we keep such a close eye on our existing debt and are always tracking the market in search of opportunities to provide substantial savings for Cromwell,” said Town Manager Anthony Salvatore. “If we had waited even one more week, these savings would have evaporated.”

“It takes a lot to put a successful transaction together,” said Marianne Sylvester, the Town’s Finance Director and Treasurer. “From identifying the opportunity itself, to receiving authorization from the Council, to getting a bond rating, all the way through to the sale of the bonds themselves and then closing. The Town of Cromwell was able to move swiftly and, ultimately, secure an exceptional rate for our taxpayers while generating substantial savings.”

In early December, Standard & Poor’s once again affirmed the Town’s rating of ‘AAA Stable’ – the highest rating it can award. This is especially significant given the negative headwinds against Connecticut cities and towns due to the financial crises of both the State itself, as well as the City of Hartford. During the recent state budget stalemate, dozens of Connecticut municipalities were either downgraded or placed on negative watch because of their dependence on state aid to fund portions of their budgets.

“Cromwell has taken the proactive approach of trying to reduce our already modest reliance on funding from the state,” said Ms. Sylvester. “We will continue to budget conservatively, achieving savings wherever possible, with the goal of keeping Cromwell’s finances as stable and predictable as possible. Not only does that benefit our residents, but it continues to make Cromwell an extremely attractive place for businesses to locate.”

Mesirow Financial, Inc. acted as underwriter on this transaction. Day Pitney, LLP served as bond counsel.