



NEWS

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Montco Will Save More Than \$2.9 Million on Latest Bond Refinancing

Norristown, PA (March 23, 2015) – Using a competitive bidding process and the county’s stable fiscal condition, Montgomery County today refinanced \$27.7 million in bonds issued in 2006 at an interest rate of 2.61 percent, which will save county taxpayers more than \$2.9 million from now through 2031.

The refinancing became possible last week after the county extricated itself from a risky “swaps” transaction a previous administration had entered into.

“Our financial experts had projected an interest rate, including fees, of 2.85 percent,” said Josh Shapiro, chair of the county commissioners, “but the actual figure came in just under 2.61 percent. That is a significant difference, and it can be attributed to the competitive bidding process we established and the strong fiscal standing of the county we have worked hard to re-establish over the last three years.” The competitive process drew 11 bids, a significant number for an offering of this size.

Uri Monson, Montgomery County chief financial officer, said that a bond refinancing is considered worthwhile if it achieves a savings of three percent. “This will achieve a savings of nearly 8.1 percent,” Monson said.

The confirmation was signed today, and will formally close on April 21.