



# NEWS

## MONTGOMERY COUNTY BOARD OF COMMISSIONERS

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### **Montgomery County Sells Series A and B Notes of 2018 Transaction to Yield \$400,000 Savings and Terminate Swap Agreement**

**Norristown, PA (May 18, 2018)** – Montgomery County announced the results of a competitive bond refinancing of \$43.97 million in Series A and B notes at Thursday’s Board of Commissioners meeting. Financial institutions were invited to submit offers on Tuesday, May 15, 2018.

Eleven bidders offered submissions with Raymond James & Associates, Inc. offering the lowest rate of 2.127 percent. The difference between the highest and lowest bids was only 0.126 percent.

The sale came on the heels of Moody’s upgrading Montgomery County to Aaa bond rating noting, “the county’s financial position is the strongest it’s been in at least the last six years, with improvement in 2017 that has well exceeded expectations.” With more than 3,000 counties nationwide, Montgomery County is one of only 106 rated Aaa by Moody’s.

“The high level of interest in investing in Montgomery County is the result of the County’s sound fiscal management policies and smart capital planning and is a direct reflection of Montgomery County’s vibrant and growing economy,” said Valerie A. Arkoosh, MD, Chair, Montgomery County Board of Commissioners. “These are the same strategies and assets that led to our upgrade to a Aaa bond rating.”

The financial markets responded favorably, which provided the opportunity to refinance outstanding debt at lower interest rates and eliminate an interest rate swap agreement. Overall, the county saved \$3.6 million in future General Fund debt service and related expenses. Of that savings, \$3.2 million will be used to offset the debt service costs of financing the swap termination. The remaining \$400,000 of savings will be realized over the next seven years. Terminating the fifth and final swap that the county had in its debt portfolio eliminates the risks associated with those structures.