



# Nashua City Hall Press Release

**For Immediate Release: February 16, 2016**

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## **Nashua, New Hampshire \$16,920,000 Bonds Net 2.23%. Refunding saves \$157,178**

(Nashua) Mayor Jim Donchess, announced that the city received competitive bids for a \$16,920,000, 20-year new bond issue on Thursday, February 11, 2016. Roosevelt & Cross, Inc. was the winning bidder of the Bonds with an average interest rate of 2.23%. The City received a total of 7 bids on the Bonds. Bond proceeds, including the premium received, will finance \$15,380,223 of project costs associated with school roofs, Sunset Heights Elementary School, road and traffic improvements at Amherst and Charron Ave., acquisition of Burke Street property, and a new fire pumper truck as well as refinance bonds of the city originally issued on March 15, 2005.

The refinancing will generate total savings of \$157,178 over the remaining life of the bonds. Over the last several years the city has been aggressive in refinancing bonds and loans, which has saved the city over \$4 million in interest payments.

Prior to the sale, Fitch Ratings, a municipal bond credit rating agency, affirmed the City's underlying bond rating of 'AAA', the highest rating attainable. The rating agency cited the City's diverse and expanding economic base, strong financial management, above average wealth indicators and low debt burden as positive credit factors.

Also prior to the sale, Standard and Poor's Rating Services, another municipal bond credit rating agency, assigned a rating of 'AA+' positive outlook to the Bonds. The rating agency cited the City's strong economy and debt and contingent liability position, very strong liquidity and budgetary flexibility, strong budgetary performance with consistent operating results and very strong management conditions with strong financial policies and practices as positive credit factors.

Reacting to the sale, City Treasurer David Fredette said, “I’m pleased we were able to sell these bonds at a very competitive rate. Over the last six years the city has been able to sell bonds with a rate under 3%, which allows us to save millions in interest costs, which is certainly important to our property owners. This year’s rate of 2.23% is the lowest the city has seen in over 20+ years. As we stated earlier the city’s near perfect bond ratings creates a high demand for our bonds and allows for highly competitive bids. I am also pleased with the rating’s analysis that speaks to our strong commitment to reasonable budget increases along with our use of committed reserves and our increase in the unassigned fund balance. The excellent rating received reflects the City’s sound financial management practices and the overall good health of Nashua.”

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