



TOWN OF HAMDEN

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Curt Balzano Leng
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Media Release

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Investment Community Shows Strong Interest in Hamden

Cost Savings Realized Due to Town's Strengthening Financial Position

HAMDEN –Mayor Curt Balzano Leng and Finance Director Sal DeCola are very pleased to report that the Town of Hamden has recently completed a series of Bond & BAN sales, on previously approved projects and equipment. The sale resulted in a strong level of investor interest and an impressively low interest rate of 3.33% on the combined True Interest Cost (TIC) for the Bonds and BANs. The TIC for just the Bonds was 3.70%.

This strong level of interest, according to the Town's Financial Advisor, Barry Bernabe, of Pheonix Advisors, results in lower borrowing costs for the Town. The results of the sale demonstrated a growing approval of the Town's financial standing from the investment community.

Standard & Poor's recently upgraded the Town's credit rating to A+ and maintained Hamden's "stable" outlook. They maintained the rating after a rating review with the Town for this issuance and upgraded the Town's BAN rating to "SP-1+".

Standard and Poor's note in their rating report:

- that Hamden has a "strong economy";
- "in recent years, management has taken a more conservative approach toward its budget assumptions";

- "We believe the town's budgetary performance and flexibility will remain stable given management's demonstrated willingness and ability to make the necessary revenue and cost adjustments."

Regarding the credit rating and successful sales, Mayor Leng remarked, "I am proud of the work we've done over the last several years to secure the Town's financial future and strengthen our overall position. Seeing these results and the trust in the Town's financial future that the investment community is showing makes all the hard work worthwhile."

In addition, it was a big net positive that the Town did not insure the bonds for this financial transaction, something Hamden had chosen to do for other Bond transactions. According to the Town's Financial Advisor, Barry Bernabe, of Pheonix Advisors, Hamden saved approximately \$100,000 by not needing to insure the bonds, which further illustrates the Town's improved financial position. Previously, the insurance was needed to ensure a discounted interest rate, which was accomplished without it for this sale.

"Investors recognize the progress the Town has made in drafting structurally balanced budgets and the progress made in addressing the pension funding. As the Town's finances continue to improve its borrowing costs will remain favorable - mitigating the impact of future capital investments." added Mr. Bernabe.

Hamden Finance Director Salvatore DeCola commented on the sale, "On August 11th, the Town of Hamden successfully sold \$17,960,000 in General Obligation Bonds (Bonds) and \$23,350,000 in General Obligation Anticipation Notes (BANS). Watching the sale transpire on the web was very interesting. It was great to see that the investor demand for Hamden Bonds and Bans is remaining strong and I am very pleased the Town was able to successfully sell the Bonds and BANS without Bond Insurance."

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