

Successful State Bond Sale Saves Taxpayers Over \$8M

Wilmington, DE – Finance Secretary Thomas J. Cook announced today that Delaware successfully sold \$236 million in triple-A-rated general obligation bonds in Tuesday's annual bond sale, effectively netting a savings of over \$8 million for Delaware taxpayers.

With triple-A ratings recently re-affirmed by Moody's Investors Service, Fitch Ratings, and Standard & Poor's Rating Services, Delaware was able to obtain some of the best pricing relative to the triple-A index in recent history, even in a volatile market. "Credit quality matters and translates into reduced interest costs to taxpayers," said Cook. "In this case, the triple-A rating saved Delaware taxpayers \$5.8 million when compared to double-A rates."

Of the \$236 million of bonds sold, \$36 million sold as Series C represents a refinancing at lower rates, saving taxpayers more than an additional \$3 million.

"It is our responsibility to ensure we are using taxpayer dollars efficiently and maximizing the return on our investments," said Governor Jack Markell. "Our triple-A rating, and the benefits that come with it, are the result of the fiscal discipline and prudent financial management that have become Delaware's hallmark."

Delaware's combined cost of capital on this loan was 2.32%. "While not the lowest ever, it is lower relative to other high quality issuers that have been in the market recently," said Cook. The state received seven bids; awarding Morgan Stanley & Co., LLC as the highest bidder on Series A, J.P. Morgan Securities LLC on Series B, and Bank of America Merrill Lynch on Series C.

The remaining \$200 million, Series A and B, represents various capital projects – including over \$100 million in school construction projects, improvements to the Veteran’s Home, National Guard readiness facilities, the Port of Wilmington, libraries around the state, and the rehabilitation of park and wildlife areas.

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