



FOR IMMEDIATE RELEASE

Thursday, August 15, 2019 – Greene County, NY

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Greene County Jail Facility Bond Sale, Favorable Interest Rates and Investor Confidence

Greene County Awards Bond Sale with Low Interest Rate Resulting in Significant Savings.

On Thursday, August 15th, 2019, Greene County sold a Public Improvement (Serial Bond) in the amount of \$39,000,000 for the construction of the County's Jail Facility. The bonds will provide \$39,000,000 in new monies for the Jail Facility, combined with \$8,100,000 from the County's fund balance, for a total project construction cost of \$47,100,000.

Fiscal Advisors & Marketing, Inc. assisted Greene County with the preparation of materials for the bond issuance and conducted the sale on behalf of the County.

The results of the sale were very strong. A total of seven (7) bids were received, with the winning bidder at a net interest rate of 2.49% on an amortization amount of principal and interest totaling \$55,474,535.

The County had been guaranteed a 3.50% interest rate from the USDA. By successfully selling bonds in the open market at 2.49%, interest savings will total \$7,667,000 over the life of the bonds, which is about \$255,000 per year.

Prior to issuance of the bonds, the County was able to secure an upgraded bond rating of Aa2 from Moody's Investors Services. The higher bond rating allowed the County to sell the bond at the lower interest rate. It is estimated that the higher bond rating resulted in an additional \$500-\$550,000 of interest savings over the term of the bond.

The successful bidder of the County's Bond was Robert W. Baird & Co. Inc., a privately held, employee owned financial company, with more than 100 offices in the United States, Europe and Asia.

County Administrator Shaun Groden noted, "The County's finances are very strong. We have been budgeting funds for the jail for several years, and when you factor the low cost of borrowing money with competitive construction costs, it's the perfect time to build a public facility. The County's decision to issue the bond sale was timed to be the most advantageous to the existing bond and investment market."

County Chairman Patrick S. Linger agreed, "The low interest rate exceeded our expectations, and will result in significant savings for the taxpayer. Public safety is the county's first priority and the Jail and Sheriff's Office will provide modern and efficient essential services."

Peter Markou, County Treasurer, added, "Due diligence resulted in over 7 million dollars of savings in interest costs on this project. We received 7 strong bids from well respected financial institutions. The recent credit rating upgrade made a considerable difference in the rate and savings."

On Thursday, August 8, 2019, Greene County issued a press release related to the issuance of debt for the Jail, as Moody's Investors Service upgraded Greene County's bond rating to Aa2, an improvement over the previous rating of Aa3, citing strong financial management as evidenced by consistently sound reserves, conservative budget management and a formal policy to maintain reserves.

Moody's is a globally-recognized financial research and analytics firm that rates debt and equity securities for government entities and commercial businesses. Their rating system indicates degrees of creditworthiness, including financial strength of the issuing entity and risks to investors. Aa2 is the credit rating agency's third highest rating for fixed-rate debt such as long-term municipal bonds. It indicates that Moody's finds the County's debt to be of high quality and subject to very low credit risk.

Moody's noted the County's financial operations, writing "The County's recently improved reserves and liquidity will remain sound given conservative budgeting of revenues and expenses. The growth in reserves over the past several years, including unaudited 2018, is largely driven by conservative budgeting of sales tax revenues and strong expenditure controls.

This rating puts Greene County among eight non-NYC counties, including: Orange, Putnam, Dutchess, and Saratoga. Of those counties with the rating of Aa2 or higher, only two are considered rural, non-metro counties – Steuben and Greene.

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