



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPPIER**

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# NEWS

**FOR IMMEDIATE RELEASE**  
**Thursday, October 31, 2002**

## **General Obligation Bond Sale Provides Additional \$10.5 Million to Help Alleviate State Budget Pressure; Total Reaches \$54 Million**

State Treasurer Denise L. Nappier announced today that the Treasury's \$231 million general obligation bond issue, which concluded yesterday, will provide an additional \$5.8 million in debt service relief in the current FY2003 state budget and another \$4.7 for the FY2004 budget. The Treasury's general obligation bond issues during the past year have now produced almost **\$40 million of budget relief** for the current 2003 fiscal year and another **\$14 million** for the 2004 fiscal year.

"These substantial savings were not budgeted, and not anticipated by the legislature and Governor's Office, and will help them to address the challenge of achieving a balanced budget in the midst of the current economic slowdown and market volatility. I am pleased that our ongoing efforts to manage bond issues in a prudent and professional manner and save taxpayers money will once again help in the budget process," Nappier said.

The Treasury received strong support in the bond sale from institutional investors, including insurance companies and bond funds, and sold over \$90 million to individual retail investors. A retail order period was Monday and Tuesday with final pricing yesterday. The bonds offered maturities from 2003 to 2022 and were rated Aa2, AA and AA.

### **RECORD LOW RATE**

The overall interest cost of the issue was 4.20%, among the lowest in recent state history and the lowest on a new money 20-year bond issue in over thirty years. Revenue from the bond issue will fund local school construction projects, investments in the state university system, and other state grant and building projects.

This bond sale was senior managed by Siebert Brandford Shank & Co., LLC; the top-ranked minority-woman-owned senior managing underwriter in the nation for negotiated municipal bond issues since 1998.

### **MOST COMPREHENSIVE REFINANCING EFFORT IN STATE HISTORY**

Over the last four years through refinancing and defeasing outstanding debt, the Treasurer's Office has reduced current and future debt service requirements by \$225

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million. Of this amount, \$121 million was the result of the most aggressive debt-refinancing program in state history, with \$2.1 billion of outstanding debt refinanced to lower rates. Refinancings were completed for General Obligation Bond, Special Tax Obligation Bonds, Clean Water Fund Bonds, Bradley Airport Bonds, and UCONN Student fee revenue bonds.

### **ADDITIONAL REFUNDING OPPORTUNITIES WILL BE PURSUED**

Earlier this fall, the Treasurer's Office received approval from the State Bond Commission to refinance up to \$1 billion in state transportation debt, and will continue to evaluate additional General Obligation refundings, as well as opportunities in any of the other bonding programs managed by the Treasury.

"We will continue to take advantage of falling interest rates to lock in low cost financing for approved state projects and to refinance existing bonds for added savings for taxpayers," Nappier said. "Actively managing the State's debt helps to relieve pressure on the state budget, both now and in the future."

"While I firmly believe that Connecticut must rein in the amount of debt that it issues, we will continue to meet our statutory obligations prudently and effectively, and work to lessen the burden on taxpayers wherever possible," Nappier said.