



Ericks Russell

CONNECTICUT STATE TREASURER

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Contact: Tyler Van Buren
tyler.vanburen@ct.gov | (959) 529-2468

Treasurer Russell Announces Competitive Bond Refunding Sale Produces Savings of \$23.4 Million Over Ten Years

Hartford, CT – Connecticut Treasurer Erick Russell announced the results of a highly successful competitive online bond sale this week that will save taxpayers \$23.4 million over the next ten years.

“We had tremendous interest from investors for this competitive refunding sale,” said **Treasurer Russell**. “By leveraging competition among qualified financial institutions, we were able to drive down interest costs and produce significant savings for taxpayers by refunding existing bonds. My office is always looking for ways to lower long-term costs, reduce debt, and capitalize on Connecticut’s growing financial strength. The results of this sale show a continuation of strong investor confidence in the state that will allow us to fund future projects at lower costs and free up critical resources for other taxpayer priorities.”

The sale, which took place online on Tuesday, offered \$214.2 million of General Obligation (“GO”) 2024 Series E Refunding bonds to qualified underwriters. In total, 12 entities submitted bids. The awardee was Wells Fargo Bank, National Association, which led a two-firm syndicate and submitted the lowest overall interest cost.

The ten-year bond issue was sold at a borrowing cost of 2.92%. This low rate outpaced projections, demonstrating high demand for the offering. The result of this refunding is a savings to Connecticut taxpayers of \$23.4 million over the next ten years.

Connecticut periodically offers a competitive bond sale as an opportunity to measure how the market values the State’s credit. During a competitive sale, bond underwriting firms compete head-to-head by simultaneously bidding on an online platform to purchase municipal securities, often in syndicated groups.

Prior to the bond sale, all four credit rating agencies affirmed the State’s GO credit ratings.

- Moody’s Investors Service affirmed its “Aa3” rating, with a Positive Outlook;
- S&P Global Ratings affirmed its “AA-” rating with a Stable Outlook;
- Fitch Ratings affirmed its “AA-” rating, with a Positive Outlook;
- Kroll Bond Ratings affirmed its “AA+” rating with a Stable Outlook.

Interest rates for State bonds are based on an index for the highest-rated bonds, those rated “AAA.” Since the beginning of the year, all Connecticut bond sales have produced improved pricing spreads, pulling interest rates closer to that index, which equates to lower borrowing costs for taxpayers. This week’s refunding sale showed even further improvement.

“Our Debt Management team is doing phenomenal work to squeeze interest rates and maximize savings,” said **Treasurer Russell**. “I’m extraordinarily proud of the commitment throughout the agency to shape a financially strong and responsible future for Connecticut, and to serve in state government during this period of unified fiscal discipline. All the hard work to get us to this point continues to pay off and has us well-positioned for the future.”

The 2024 Series E bonds are scheduled to close on August 8, 2024. The syndicate of Wells Fargo Bank, National Association and Backstrom McCarley Berry & Co., LLC was the winning bidder. Co-Disclosure Counsel is Day Pitney LLP and Law Offices of Ernest M. Lorimer, LLC.; Tax Counsel is Robinson & Cole LLP; Financial Advisors are Acacia Financial Group, Inc. and TKG & Associates, LLC.

More information on the State’s bonding programs is available at buyctbonds.com.

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About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut’s financial resources through prudent cash and debt management, with the State Treasurer serving as principal fiduciary for six state pension and twelve state trust funds. Additionally, the Office enhances the state’s fiscal stability through programs promoting financial literacy and college savings, and it leverages business partnerships to support the advancement of Connecticut’s social and policy priorities, including combating gun violence and protecting our environment. The Office of the Treasurer is led by State Treasurer Erick Russell, the only Black elected state treasurer in the country. To learn more, visit portal.ct.gov/ott.