



Erick Russell
CONNECTICUT STATE TREASURER

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 27, 2023

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

**TREASURER RUSSELL, MAYOR BRONIN, TREASURER
SIERRA ANNOUNCE \$13.9 MILLION IN SAVINGS AFTER
REFUNDING SALE OF CITY OF HARTFORD GENERAL
OBLIGATION BONDS**

Hartford, CT – Connecticut State Treasurer Erick Russell, Hartford Mayor Luke Bronin and Hartford Treasurer Carmen Sierra announced a successful \$124.9 million refunding sale of City of Hartford bonds today, saving state taxpayers \$13.9 million over the next ten years.

“This bond sale was the result of months of hard work by many professionals in both state and city government and will result in significant savings for taxpayers,” said **Treasurer Russell**. “I’m grateful for the efforts of Mayor Bronin, Hartford Treasurer Sierra, and their staffs. The city was an excellent partner in securing documentation and meeting the requirements necessary to successfully bring this first refunding bond sale to market.”

“This is a straightforward, common sense refunding that saves money for the state both short-term and long-term,” said **Mayor Bronin**. “Along with substantial labor concessions, contributions from our corporations, and deep cuts and restructuring, the state’s assumption of Hartford’s legacy debt obligations was a critical part of addressing Hartford’s historic fiscal crisis, and we’re glad to partner with Treasurer Russell to reduce the state’s costs under that agreement.”

“I am proud to be a key part of the team that brought about the refunding of these bonds. This transaction demonstrates Hartford’s responsive and cooperative partnership with the State,” **Treasurer Sierra** said. “Notably, this transaction, which will save over \$13 million in taxpayer dollars, was done without extending the maturity dates of the bonds or pledging property tax revenues of the City. This transaction represents what I fight for every day as the people’s Treasurer, sound fiscal policies.”

“We appreciate the collaboration with the city and the Treasurer. We expect that this bond sale will reduce fixed costs for state taxpayers. I want to thank all of those who have helped to bring today to fruition, including the staff of the Office of Policy and Management, the Treasurer’s office, and city leaders,” said **Jeffrey Beckham, Secretary of the Office of Policy and Management**.

This is the first sale of City of Hartford bonds under the contract assistance agreement Hartford entered into with the state in 2018. This sale of tax-exempt City of Hartford Special Obligation (State Contract Assistance) bonds will refinance six series of existing higher-interest City of Hartford general obligation bonds for debt service savings of \$13.9 million over the next ten years.

Hartford and the state collaborated to identify bonds that could be refunded for savings. By refunding existing debt at lower rates, the state’s fixed costs will be lower, generating savings for taxpayers for years to come.

Orders and Interest Cost

Orders from investors on the bond offering totaled \$380.9 million, exceeding the amount of bonds offered and contributing to the 2.74% borrowing cost on the ten-year bond sale.

“This sale reflects Connecticut’s positive standing with investors. Efforts in recent years to strengthen our fiscal health, build reserves, and enact and maintain budgetary guardrails continue to pay dividends for taxpayers,” said **Treasurer Russell**. “I look forward to continuing to leverage our improved financial position to produce more long-term savings for the people of our state.”

Prior to the sale, both Moody’s Investors Service and S&P Global Ratings assigned their ratings for these bonds. Moody’s rating is “Aa3” with a Stable Outlook and S&P’s is “AA-” with a Stable Outlook. This reflects the State of Connecticut’s credit ratings, which are the security for these bonds.

Siebert Williams Shank and Raymond James co-led the bond underwriting syndicate that sold the bonds. The bonds are scheduled to close on May 10, 2023.

About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut’s financial resources through prudent cash management and debt management, with the State Treasurer serving as principal fiduciary for six state pension and nine 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.