



OFFICE OF THE MAYOR  
WOONSOCKET, RHODE ISLAND

**PRESS RELEASE**

March 10, 2016

Contact: Mayor Lisa Baldelli-Hunt  
767-9205  
Christine Chamberland, Director of Finance  
767-9259

**CITY OF WOONSOCKET COMPLETES BOND REFUNDING**

*City's second refunding in less than a year saves City \$444,300*

**WOONSOCKET, RI:** Mayor Lisa Baldelli-Hunt announced today that the City has now completed anticipated bond refunding. The City issued new bonds to fully retire bonds from 1998 and 2000, and partially retire bonds from 2005. All bonds the City refunded were issued at higher rates than current market rates.

The Mayor stated, "We addressed one of my goals with this refunding; we lowered the City's debt payments by \$444,300 over the next 10 years without extending the maturity. We simply issued new bonds at a lower rate to retire the older, higher rate bonds."

The City, along with its bond counsel Locke Lord LLP and its financial advisor FirstSouthwest, worked with Webster Bank to accomplish the refunding. "The old bonds had interest rates between 4 and 6 percent," said Maureen Gurghigian of FirstSouthwest, "The new bonds have a rate of 2.25 percent. The interest rate differential provided savings to the City. In addition, the City has the option to redeem the bonds at any time after August 1, 2018, which provides the City with added flexibility as its bond rating improves. According to Ms. Gurghigian, that future flexibility is important considering the strides the City has made in improving its financial position."

The City is benefiting from the upgrades by both Moody's and Fitch last year. "The rating upgrades and the positive trend of continued financial improvements were important components of the low rate the City received on this refunding," said the Mayor. "Without those improvements, it would have been harder to get a bank on board and the rates would likely have been higher. As we continue to move forward, preserving future financial flexibility is as important to me as near-term budgetary savings."

This is the second refunding the City's Administration has undertaken in the past year to provide budgetary savings for the City. In March of 2015 the City successfully issued refunding bonds through the Rhode Island Health and Educational Building Corporation that reduced the City's debt payments on school bonds by \$540,000. The City's Administration has now refunded all of the 1998 and 2000 bonds as well as the economically advantageous portion of three of the City's seven outstanding 2005 bond issues. This has amounted to over \$980,000 in budgetary savings.

**###END###**