

Report to Commission 6-27-16

I'm sure you have followed the Market turmoil created by the Brexit. This past Tuesday, because of Market conditions, we made the decision to move our bond sale up one day, to today at 11:30am. Surprisingly, the vote in Britain contributed to unexpectedly favorable conditions for the refinancing of the \$130 million debt from 2007. Washington County's deal is the second largest municipal bond offering this week, as such we had some major banks lined up to bid. On the tax exempt piece, Citigroup came in with the lowest True Interest Cost of 2.44%. On the taxable piece, Robert W. Baird & Co. came in with a TIC of 1.42%. These rates compare to a True Interest Cost of 4.44% on the original debt from 2007.

Obviously these results exceeded our expectations for the potential savings they will generate. Over the next few days our Financial Advisors will provide us updated Debt Service schedules that will factor in the savings from the refunding. We'll pass along for your review so you can see how this transaction strongly benefits Washington County over the long term. Our timing was good!