



CITY OF PORTLAND

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City Saves Portland Ratepayers \$70.3 Million through Bond Refinancing

The City of Portland's Bureau of Revenue and Financial Services, Debt Management Division, announces that the City recently closed two series of sewer revenue refunding bonds. This action will reduce future debt payments by about \$70.3 million over the next 17 years.

The City issued \$319.1 million of new bonds to refinance \$345.5 million of outstanding sewer project bonds.

"The bond market presented the opportunity to refinance bonds issued in 2008 in a higher interest rate environment. Demand for the bonds was strong as shown by the number of bids received" said Eric Johansen, City Debt Manager.

Two series of bonds were issued, both through competitive bidding. The Series A bonds were rated by Moody's/S&P at Aa2/AA; eight underwriters bid on those bonds, which were won by Morgan Stanley. The Series B Bonds were rated by Moody's/S&P at Aa3/AA-; seven underwriters bid on those bonds, which were won by Citigroup Capital Markets.

The combined financing cost of the new bonds is about 1.75%; the average interest rate on the refinanced bonds was 4.83%.

Bureau of Environmental Services bureau director Michael Jordan said, "This savings will improve our capacity to address current and future system needs, and we look forward to determining how the savings can best be applied to benefit ratepayers during the upcoming budget development cycle."

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