

# CITY OF NEW BRITAIN



Office of the Mayor

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## **New Britain sees strong market interest during recent municipal bond sale**

*City attracts a number of new investors; sign of growing fiscal stability*

**NEW BRITAIN**—New Britain’s financial stability is continuing to gain ground with Mayor Stewart announcing today that the recent sale of the city’s bonds has attracted a number of new investors, most notably the city of Waterbury.

“The market competitiveness and the attraction of new investors that we saw during the recent sale of these bonds are evidence that we are making strides in bringing the city back to normalcy,” said Mayor Stewart. “It is proof that more investors believe in us and see that we are taking prudent financial steps to put the city back on the right track.”

The sale of the bonds is part of a restructuring process that the city has undertaken during the last two years. Upon taking office in November 2013, Mayor Stewart was faced with a \$30 million budget deficit, which was closed through several difficult decisions, including adopting \$16 million in budget reductions in the 2014-15 budget, implementing a tax increase, and through the issuance of tax anticipation notes (TANs). Over the last year, the city put in place several other steps to restore fiscal stability. These have included:

- Converting \$40 million in outstanding general obligation bonds from a variable rate to a fixed rate
- Eliminating a previously issued letter of credit
- Adopting a structurally balanced budget
- Eliminating vacant positions
- Achieving savings through high-deductible health plans for employees

The news follows the recent announcements that Standard and Poor’s increased the city’s bond rating by another notch to “A+” and that the city ended the 2014-15 fiscal year with a \$14.9 million surplus.

“When I began my first term as Mayor, I was immediately faced with a financial crisis. My team and I put together a detailed plan to help bring the city back from financial turmoil. These successes will only continue in the coming months with the strong leadership of our new finance director, Lori Granato,” said Mayor Stewart. “I’m proud of the steps my team and I have taken to bring New Britain from the brink of bankruptcy to a place where investors want to be.”

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