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## **Citizen's Bonds Expected to Sell Quickly**

by Steve Zind

More than \$20 million dollars in Citizens Bonds go on sale Monday.

The tax-exempt Citizens Bond are one of three different series of general obligation bonds the state is selling next week to fund construction projects, but the only ones that give priority to individual Vermont 'retail' investors. The bonds can be purchased in increments of \$1,000, with maturity dates from one to 20 years.

The other two bond series, which go on sale Wednesday attract large institutional investors.

The Citizens Bonds sales began in the 1990s. They often sell out very quickly, but Deputy State Treasurer Steve Wisloski says some years are better than others.

"We've done sales where the bonds have sold out in just a few hours, but we've done other sales where we've struggled to place all of the bonds with Vermont retail," he says.

Citizens Bonds not sold to individual Vermont investors can be offered to professional investors in Vermont or to out-of-state retail investors.

Allowing individual Vermonters to invest in capital construction projects has symbolic value, but Wisloski says it can also be an important hedge when institutional investments falter, as they did during the recent recession. This presented challenges, in spite of Vermont's high credit ratings.

"There was a lot less liquidity in the municipal market and lower rated issuers were simply not able to sell their bonds in the marketplace. Vermont was able to but a big reason that we were is we were able to tap into the retail investors we were able to cultivate over a period of time," Wisloski says.

He says while the Citizens Bonds are available for investments as small as \$1,000 most Vermont retail investors who participate buy larger blocks of bonds. The bonds have to be purchased through one of the large investment firms participating in the sale.

The money raised will be used to fund fiscal 2014 construction projects including the Waterbury Office Complex and the new state hospital.