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## State's bond sale proves successful

By Louis Porter Vermont Press Bureau

MONTPELIER — The state successfully sold about \$50 million in new bonds this week in order to finance everything from transportation projects to work on state buildings.

The bond sale was delayed from last fall because the state did not need the money then and because the debt markets have been in such turmoil.

"This time as a result of the dysfunctional bond markets last fall and the fact that we didn't need the money right away we decided to wait until the spring," State Treasurer Jeb Spaulding said.

And instead of selling the bulk of the new debt through one investment bank, then offering a smaller number of bonds to individuals, the state targeted the \$50 million primarily at individual investors — especially Vermonters.

"That is sort of a different approach," Spaulding said.

As part of that "retail" approach to offering the bond, the state did some advertising, and in the end there were about \$123 million in requests for \$50 million in bonds. That means that some who wanted to invest in the state-backed debt did not get the chance.

At the same time, it was a good sign for the state's bond issue, and helped keep the interest rate on the debt low — at about 3.82 percent overall. The interest rate varied from .62 percent for one year to 4.6 percent for bonds maturing in 20 years.

It was the first time in his recollection that an entire state bond issue was offered to individual investors and was required because the investment banks are not active given the debt market trouble, Spaulding said.

"The traditional approach wasn't available to states," he said.

The low interest on the bonds means investors who buy them do not make as much, and state bonds — although they are tax free — are not the right investments for everyone, Spaulding said.

Still, Vermonters do seem interested in using their investments to also help the state and Vermont does have the highest bond rating — similar to an individual's credit rating score.

"It's a very safe investment that pays for infrastructure in the state of Vermont," Spaulding said. "Increasingly there is an interest by Vermonters in keeping their money at home."