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**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE—November 20, 2014**

## **State Treasurer Pearce Announces Successful Bond Sale**

MONTPELIER, Vt.— Bond buyers responded positively to this week's Vermont bond sale. State Treasurer Beth Pearce announced today that \$110 million in bonds were successfully sold in three different offerings. Vermont has maintained the highest overall bond rating of all New England states – two triple-A ratings and one double-A plus rating – since early 2010.

"Bond buyers recognize Vermont bonds as a solid, quality investment," said Pearce. "A bond rating is an independent assessment of the creditworthiness of a borrowing instrument like a bond. A higher rating leads to a more favorable effect on the marketing of a bond and leads to reduced interest rates and debt service for the entity selling the bond. Vermont has had the highest bond rating in New England for almost five years, a favorable position that has allowed the State to reduce its borrowing costs for funding a wide range of capital projects."

The bonds settle, or close, on December 9, 2014. Yields ranged from 0.12 percent for bonds maturing in one year to 2.87 percent for bonds maturing in 20 years. The average maturity for the bonds was 9.1 years. A bond is said to mature on the date when the final debt and interest payment is paid in full. The State received an overall borrowing cost of 2.69 percent.

The Series A Vermont Citizen Bonds were offered on Monday, with a first priority given to Vermont residents and businesses. The \$20.3 million in bonds were sold by the afternoon. The bonds were sold on a negotiated basis with Morgan Stanley as the senior manager, with Bank of America Merrill Lynch, Citi, and J.P. Morgan serving as co-managers, and seven more firms participating in the selling group.

The State also sold \$53.2 million of Series B bonds and \$36.2 million of Series C refunding bonds on November 19 using two competitive internet-based sales. The State received bids from eight different banks for the Series B bonds, with the winning bid coming from Wells Fargo. The Series C bonds received 10 bids, with Morgan Stanley as the winner.

"The bond sale provides the funding for capital projects that include major maintenance to state buildings, school construction and individual projects such as the new Vermont State Hospital in Berlin," explained Pearce.

The Series A and B bonds will be used to finance approved capital projects. The Series C bonds will be used to refinance existing bonds sold in 2005 and 2007 and will save the State almost \$3.5 million in interest costs over the next 13 years.

Vermont bonds are rated triple-A by Moody's Investor Service and Fitch Ratings, the highest rating available to government issuers. Vermont bonds also are rated AA+ by Standard & Poor's Ratings Service.