



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

**NEWS RELEASE**

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**Successful Bond Sales Indicates Strong Support for Investing in Vermont**

MONTPELIER, Vt.—State Treasurer Jeb Spaulding announced today that Vermont successfully sold \$20 million of Vermont Citizen bonds and another \$38.83 million of general obligation refunding bonds on February 25. The sale was planned as a two-day process; however, the bonds sold out entirely by the middle of the first day.

“We are extremely pleased by the response to our bond offering,” said State Treasurer Jeb Spaulding. “We received approximately \$90 million of orders for the almost \$60 million in bonds that were available. The strong response indicates Vermont investors and brokers are eager to invest in the State and support badly needed capital projects.”

The bonds settled, or closed, on March 11, 2010. The State was able to lock in a total interest cost of 2.5 percent. The yield investors received on their bond purchases ranged from 0.25 percent for bonds maturing in one year to 3.08 percent for bonds maturing in twelve years. The Citizen Bonds were offered in amounts as small as \$1,000, with maturities ranging from one to ten years and targeted to retail investors.

The refunding bond maturities range from one to twelve years, corresponding with the maturity dates of the older bonds that were being refinanced, and were offered in standard \$5,000 amounts. The refunding produced cash flow savings of more than \$2.6 million from fiscal years 2011 through 2022, with approximately \$409,000 in savings for fiscal year 2011 alone. The savings comes from the State securing a lower interest rate through the refinancing process.

Demand for the State’s bonds was enhanced by the State’s strong credit ratings. The bonds are rated Aaa by Moody’s Investors Service, and AA+ by both Standard & Poor’s Ratings Service and Fitch Ratings. The Aaa rating reflects the highest rating available to government issuers, and the AA+ ratings the second-highest. High demand for the bonds allowed the State to offer a lower rate of return and consequently, lower the cost to the State for borrowing money for capital projects. Costs to the State would have been higher if Vermont’s bond ratings were lower.

Proceeds raised by the sale in February of Vermont Citizen bonds go toward funding projects that were authorized by the State Legislature in the last legislative session. As part of the annual approval of capital bonding projects, the State is expecting to again offer bonds for sale in October and November of 2010.