

FOR IMMEDIATE RELEASE
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City of Warren Saves \$1.1 Million On Refinancing of Bonds

Warren, MI – By refinancing a bond issue for the construction of the city's Community Center, the city has saved \$1,130,547.

Warren Mayor Jim Fouts said the savings is the result of the city's AA/Stable bond ratings by Standard & Poor's, a bond rating company. "Our city's strong financial condition has created healthy fund balances in the General Fund Budget and the Water and Sewer Budget," said Fouts, who said the interest rate on the new refinancing is 2.35% percent, well below the original bond interest rating.

Fouts said the city refused to refinance six months ago because interest rates were "too high." Fouts also said the original savings of the refinancing were \$500,000. "Timing is everything in refinancing, and, because we waited, we saved taxpayers over \$600,000," he said.

Other savings for the city from bond re-issues are \$1.6 million in 2013 and \$3.2 million in 2012 for a 3-year total savings of \$5.9 million. "We expect more savings with bond refinancings this year," said Fouts.