

Darien Board of Finance – Press Release

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Darien issues \$4.2 million of top rated ‘Aaa’ municipal bonds at a blended interest cost of 2.673%.

Moody’s assigns its highest rating to the current issue and reaffirms its ‘Aaa’ rating on \$56 million of outstanding town bonds.

On Tuesday, March 19, the Town of Darien successfully priced \$4.185 million in general obligation bonds, with Roosevelt & Cross, Inc. submitting the winning competitive bid. The fixed rate municipal bonds have a final maturity of April 1, 2039 with a weighted average life of 12.3 years. Coupons on the serial maturities ranged from 2.0% to 5.0% with yields ranging from 1.49% to 3.00%, producing blended interest rate of 2.67%. The bond structure was designed to defer principal payments for 3 years and to generate level debt service for the remaining 17 years “in order to smooth the town’s near term debt service and spread the tax burden of the projects over the term of the borrowing,” according to Board of Finance member Jim Palen. Bond proceeds will be used to fund the renovation of the town’s maintenance and operations facility, the expansion of the cafeteria at the Darien High School, the replacement of the roof and skylight at Holmes Elementary School and the remaining portions of prior year’s capital projects.

The bond offering, which was awarded an ‘Aaa’ rating from Moody’s Investor Service, generated significant interest from investors, including both retail investors and larger Wall Street banks. Moody’s cited Darien’s sound financial position with its formalized reserve policy, conservative budgetary practices, strong Pension and OPEB funding practices and very manageable debt burden as the basis for awarding and reaffirming its highest bond rating.

Jayme Stevenson, Darien’s First Selectman, stated “Darien’s conservative financial policies, strategic long-term planning and a portfolio of attractive public assets including a top-ranked school system, supports a robust local economy. We are very pleased that Darien taxpayers continue to benefit from our healthy fiscal condition and a favorable interest rate environment in light of the continued elimination of state aid and shifting of tax burdens onto local municipalities.”

Jon Zagrodzky, chairman of Darien’s Board of Finance, said that careful debt management is a critical part of town governance. “We spend considerable time analyzing the town’s total debt and required debt service. Jim Palen and Jennifer Charneski did a great job reviewing multiple maturity and repayment scenarios to help us select the one that minimized taxpayer impact while ensuring responsible debt repayment.” Like Jayme Stevenson, he worries about the impact of the State’s

continuing budget crisis. "Darien has managed its finances carefully for decades. But there is a real possibility that in the process of resolving its budget problems, the State could impose costs on the Town large enough to impair our strong credit rating."