

## **PRESS RELEASE**

Grand Haven Charter Township  
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## **FOR IMMEDIATE RELEASE**

### **TOWNSHIP'S PATHWAY BOND SALE**

**Grand Haven Township, Michigan, March 14, 2017.**

“Grand Haven Charter Township received seven (7) electronic bids on Monday for the Pathway Bond sale and had very favorable results,” Township Manager Bill Cargo announced.

“The Grand Haven Charter Township Board approved the 20-year term bond sale of \$4.5 million to **FTN Financial Capital Markets** at a true interest cost of 3.088930% during the Regular Board meeting on Monday night” Cargo continued. “This true interest cost is about 23% lower than the 4.0% used for planning purposes.”

The seven bids ranged from a high bid with a true interest cost of 3.358582% to the low bid with a true interest cost of 3.088930%.

“The winning bid also provided a premium of about \$70,173, which acts to lower the true interest cost of the bid and will be utilized by the Township to pay the initial interest payment,” Cargo explained.

“Given current growth trends, the Township’s 0.45 mills pathway millage will repay the

bonds over the next twenty years while still providing about \$1.8 million for on-going pathway maintenance,” Cargo noted.

The Township will begin construction on a ten-mile expansion of its 28-mile pathway system starting in the Summer of 2017. The capital project is scheduled to be completed by the Fall of 2019.

“As part of the bid sale process, Standard and Poors provided a “**AA stable**” credit rating for the Township last Thursday,” Cargo noted. Some of the assessments that led to the “**AA stable**” credit rating from Standard and Poors included the following:

- ✓ Strong management, with "good" financial policies and practices under Standard and Poors’ Financial Management Assessment methodology;
- ✓ Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level;
- ✓ Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 50% of operating expenditures;
- ✓ Very strong liquidity, with total government available cash at 98.5% of total governmental fund expenditures and 25.4x governmental debt service;
- ✓ Adequate debt and contingent liability position, with debt service carrying charges at 3.9% of expenditures and net direct debt that is 138.3% of total governmental fund revenue;
- ✓ Low overall net debt at less than 3% of market value;
- ✓ No pension debt and very limited OPEB (i.e., retiree health care) liability; and
- ✓ Strong institutional framework score.

“The closing on the \$4.5 million bond sale is scheduled for Tuesday, April 4<sup>th</sup>,” Cargo concluded.

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