



News Release

CITY OF MOUNTLAKE TERRACE

610 219TH STREET SW, SUITE 200
MOUNTLAKE TERRACE, WASHINGTON 98043

FOR MORE INFORMATION CONTACT:

Scott Hugill, Assistant City Manager, (425) 744-6208
Sonja Springer, Finance Director, (425) 744-6204

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Council Approves Sale of Utility Revenue Bonds

MOUNTLAKE TERRACE — On Monday, August 16, the City of Mountlake Terrace entered the bond market with a \$6.25 million water and sewer revenue bond, the proceeds of which will be used to fund construction projects for the water, sewer and storm water utilities over the next two years.

"Due to the City Council's strong financial policies put in place in 2006, that include quarterly financial reviews, a multiyear utility rate structure, along with the high S & P bond rating, the city was in excellent position to enter the bond market," said Scott Hugill, Assistant City Manager.

The city recently achieved a high "AA" bond rating from Standard and Poor's, which indicates the city is a quality borrower with very strong capacity to meet its financial commitments.

The tax-exempt bonds were sold by Piper Jaffray & Company. "It was a successful sale," said Jane Towery, Managing Director of Piper Jaffray & Company. "The city achieved a rate that I haven't seen in 25 years in the market, 20 years at 3.48%." Towery added, "The city's credit is very strong, the high credit rating report, a fresh name in the market, no outstanding debts, along with a scarcity of tax-exempt bonds in the market made investors hungry for your bonds."

"It is a positive reflection that the sale was fast and our rates were low," Hugill said. "Council's soundness and timing to go to the market saved the citizens of

Mountlake Terrace \$920,000 in interest over the next 20 years when compared with our original forecast.”

Nancy Neraas, Bond Council from Foster Pepper, explained that City Council needed to adopt the Ordinance to ratify the sale of the bonds. “You would have to go back 50 years to find interest rates as low as these,” Neraas said.

Mayor Pro Tem Laura Sonmore thanked the staff for doing such a fine job on the Utility Rate Study.

“Since the fall of 2008, only solid rated municipalities like Mountlake Terrace have had very good access to the market. It’s important that you are well managed and run,” Neraas said.

For more information on the Utility Revenue Bonds, please contact Assistant City Manager Scott Hugill at (425) 744-6208.

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