

# Montgomery County taxpayers save \$4.5 M in bond sale



Written by

**Jimmy Settle**  
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County Director of Accounts and Budgets Erinne Hester spoke Wednesday about a realized savings to taxpayers of just over \$ 4.5 million from this week's \$65 million general obligation revenue bond sale.

The County Commission passed the \$65 million bond issue in June as part of the broader approval of a \$370 million combined county and school system budget, which included a 26-cent property tax increase. The tax hike raised the rate to \$3.14 per \$100 assessed value.

A separate resolution during budget season authorized \$65 million in bonds. The bonds were issued to generate money for capital improvements in various public works projects, including new schools, new school buses and other school equipment, in addition to a new facility for Emergency Medical Services, county buildings and parks. The bonds also will cover equipping a new terminal at Outlaw Field Airport, the county's \$750,000 share of the veterans

nursing home project and more.

This week, Hester and other county officials took the bond issue to bid after a credit rating call last week reconfirmed the county's AA+ long-term bond rating.

"That reconfirmed bond rating was good news for our county at a time when state and federal governments are seeing their bond ratings drop," Hester told the county's Budget Committee Wednesday afternoon.

Following up that good news, she said, was the county's ability to resize the principal bid of \$65 million down to just over \$62.3 million.

"It sold at a premium of just under \$3.1 million, which meant the bidder paid more than par to own our bonds," Hester said. "We chose to pay closing costs and lowered principal payments in several bond maturities after the (credit rating) call date, which resulted in an overall net savings of (just over \$4.5 million)."

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The true interest cost was reduced from 3.57 to 3.55, reflected in the savings.

"This is a sizeable amount of taxpayer money saved that can go toward a significant project that the county is undertaking," she said.

In other matters before the Budget Committee, commissioners John Gannon, Joe Creek and Tommy Vallejos heard of a possible Corporate Business Park access road to accommodate a potential new industry for Clarksville-Montgomery County.

At the most recent city-county Industrial Development Board meeting, it was announced that an undisclosed company is considering Clarksville and two other communities as a potential plant site. IDB Executive Director Mike Evans came before the Budget Committee Wednesday to share details about a possible road project to help lure the company here.

"With the layout for what they're (the company) proposing, they will need access into the back side of their building," Evans explained.

A new access road, which would become a dedicated county road, would be built off of International Boulevard — also a county road — at the northwest corner of the industrial park where it lies south of that main boulevard.

Evans said the state has agreed to fund up to \$1.3 million for building the access

road, if the company selects Clarksville. Negotiations continue.

County Director of Administration and Development Phil Harpel led the Budget Committee meeting Wednesday in the absence of County Mayor Carolyn Bowers, who continues to recover from knee surgery.

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