



# MEDIA RELEASE

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FOR IMMEDIATE RELEASE

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## **Refinanced county bonds go to market, means big savings**

*Lower interest rates will save taxpayers \$3.8M*

*Knoxville, Tenn.* — Knox County Mayor Tim Burchett will be saving taxpayer money, even after he's left office, now that refinanced bonds are being issued at a new, lower interest rate.

As one of his first major acts after taking office, Mayor Burchett moved to refinance millions in county debt, which exists in the form of bonds sold on the open market. Those bonds went to market today, and the official savings to the county will be \$3,841,923 thanks to lower interest rates. The actual savings are approximately \$340,000 more than the \$3.5 million projected savings announced earlier this month.

"It's my job to do the right thing with taxpayer money, and the right thing to do, in this case, was to get a better rate on some of our debt," Mayor Burchett said. "These are real, meaningful savings for Knox County."

In 2008 and early 2010, Knox County undertook a total of \$35,693,339 in debt.

The county was locked into a 3.85 percent interest rate for the 2008 bonds, and a 4.60 percent interest rate for 2010 bonds. The new interest rate for all of the bonds is 2.51 percent. Mayor Burchett accepted the low-bid interest rate today.

"That means that these savings are locked in. They are a reality for taxpayers." Mayor Burchett said. "This is a great beginning, but we will continue to focus on our core principles of service, efficiency and savings for Knox County."

Two-thirds of the refinanced debt is related to schools.

"Through this sale, we were able to take advantage of the current low interest rates to benefit Knox County and Knox County Schools," Mayor Burchett said.

The bonds were put out to bid on September 30, after commission voted, at the mayor's request, to refinance the debt. Financial services firm Morgan Stanley will purchase the bonds from the county as the low bidder. Other bidders were Hutchinson, Shockley, Erley (2.59%); Morgan Keegan (2.59%); Bank of America (2.65%); and Stifel Nicolaus (2.67%).

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