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**PORT OF MANCHESTER**

# Press Release

**To:** Port Orchard Independent (876-4458)  
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**From:** Alan Fletcher, Contract Administrator

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FOR IMMEDIATE RELEASE

Port of Manchester Saves Money on Behalf of the Community

- *Port took advantage of historically low interest rates.*
- *Bond sale saves \$15,000 in the general fund for 2010.*
- *\$25,000 in savings over life of bond issue.*
- *Fixes long-term, low cost interest rates over 20 years.*

Manchester, WA – Today, the Port of Manchester (Port) completed work to refinance existing debt and provides new funds for pre-planned and approved capital improvements.

In March, the Port began work to obtain a bond (credit) rating for refinancing existing bonds and securing permanent financing for its cash-match portion of a new parking lot expansion. Working with Martin Nelson & Company, Seattle, the Port applied to Standard & Poor's for rating a \$484,000 bond issue. Monies from the issue will be used to refinance existing debt and provide approximately \$50,000, in additional monies to bolster reserves and pay for approved Capital Projects. These actions resulted in garnering a strong first-time rating of "A" by Standard and Poor's and thanks to this rating, the Port was able to lock-in extremely low interest rates for refinancing its debt. Martin Nelson & Company issued the bonds in a negotiated sale.

The complete bond sale yielded an average interest rate of 4.31% to be paid over 20 years and replaces the Port's outstanding 1997, 1998, and 2009 Limited Tax General Obligation Bonds. This action saves \$25,000 in the Port's general operating funds over the eight-year life of the refinancing portion of the debt issue. Similar to a home mortgage, the Port was paying an average interest rate of 5.74% on the 1997 and 1998 bond issues and now has dropped the rate by 2.36% and will pay an average rate of 3.38%. The complete financing included the replacement of a short-term, variable rate, line of credit secured in 2009 for the purchase and acquisition of additional public parking.

"The Port continues to find ways to capitalize on market conditions, reduce costs, and operate more efficiently," said, Alan Fletcher, Port Manager. The Standard & Poor's "A" Rating was a big factor in receiving such favorable financing. It is remarkable that this small Port district, with a modest annual budget of  $\pm$ \$95,000 year, was able to garner the third highest credit rating and it is a testament to prudent financial management by current and past Port Commissions.