

Village looks to cash in on low interest

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Financial advisers say bond refinancing could save more than \$150,000

Wallowing interest rates have been aggravating for investors, but Village of Saukville officials were told last week that the lagging market offers the opportunity to save a considerable amount of money.

Phil Cosson, executive vice president of Ehlers, the village's financial adviser, told the village's Finance Committee it could save more than \$150,000 by refinancing \$2.2 million in general-obligation bonds.

The bonds include a 2004 issue for \$1.7 million and a 2005 issue for \$545,000. The debt runs through 2024.

The proposed financing would not change the maturity schedules of either of the bonds.

In the last two or three weeks Cosson said the bond market has recently experience a bit of "interest rate creep," with historically low rate showing signs of a small rebound. As the rates increase, the potential for savings by the village drops.

Even with the latest estimates, Cosson said the village can expect to reduce its borrowing costs by 6.2% by completing the refinancing.

At the current rates, that would come to a savings of \$153,602.

To avoid dealing with further interest rate increases, Cosson recommended scheduling the refinancing sale in May.

"Obviously, if interest rates go significantly higher you could always pull the sale," he said.

The recommendation was unanimously approved by the Village Board.