



## NEWS RELEASE

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PUBLIC INFORMATION

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**FOR IMMEDIATE RELEASE:** Sept. 4, 2020

### **City saves by refinancing debt service issuances**

**MURFREESBORO, Tenn.** — It is the City of Murfreesboro's practice to consistently monitor and scrutinize all expenses. This effort incorporates careful management of the City's debt. With interest rates at historic lows, the City recognized an opportunity to reduce the amount of money used to make its debt payments.

"With interest rates so low, this is the ideal time to capitalize on refinancing long-term obligations," said Mayor Shane McFarland. "We have a diligent budgeting staff working with our financial consultant to prudently take advantage of current opportunities in financial markets."

In the most current refinancing, City debt that carried a 2.17% rate of interest was reduced making the net effective interest rate on this debt .58%. An earlier refinancing also presented an opportunity to eliminate the City's variable rate debt, which increases expenses when interest rates rise.

Since May, the City has refinanced three outstanding bond issuances. This refinancing reduces the City debt by \$3.65 million over the remaining term of the bonds. Additionally, the City's annual debt expenses are reduced \$380,000 thru FY24 and \$173,000 reduction thru FY28 and Water Resources Department will see an average annual savings of \$208,000.

Cumberland Securities Co., Inc. serves as the City's financial advisor for its debt funding and provided financial advice for this beneficial transaction. Bass Berry & Sims, PLC serves as the City municipal bond counsel.

For City News online, visit [www.Murfreesborotn.gov](http://www.Murfreesborotn.gov).

1. *City of Murfreesboro Logo.jpg*
2. *Mayor Shane McFarland addresses gathering for Swearing-in Ceremony in City Hall Rotunda, Sept. 3, 2020 (Photo by Jim Davis).jpg*

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