



CASE STUDY

March 2021

ROSCOMMON COUNTY ROAD COMMISSION USES UNIQUE FINANCING TO SAVE \$114,000

\$1,950,000

Roscommon County Road Commission

Refunding Bonds



Finance Team Seizes Opportunity with Unique Structure – Roscommon County Road Commission (the “Commission”) finance team, consisting of Bill Roche as Placement Agent and Mika Meyers as Bond Counsel, announced that on November 28, 2017, the Commission had successfully sold \$1.95 million of Refunding Bonds at very favorable interest rates. The Commission will realize over \$114,000 in savings over the next ten years.

The Commission had a 2009 Bond issue that had interest rates higher than today’s market but had a very short life, with a final maturity of February 1, 2027. A normal bond sale - with all the inherent cost of a bond rating, an official statement, underwriter’s fees, and the other associated costs - made it difficult to economically sell new bonds to refinance the 2009 Bonds.

Mr. Roche, working with Mika Meyers as Bond Counsel, proposed selling bonds through a private placement with a large sophisticated investor or a local bank. A private placement of the Bonds would not require a bond rating or an official statement. Eliminating these costs saved the Commission over \$14,000 in expenses along with numerous hours updating and preparing an official statement by a very busy Commission staff. Mr. Roche prepared a Private Placement Memorandum and contacted over 40 local and national institutional investors who had a track record of buying tax exempt bonds with a similar rating and maturity. Seven bids were received from local banks and national buyers ranging from 1.98% to 2.75%.

The Refunding was successfully completed for the Commission at an interest rate of 1.98%, minimizing cost and maximizing savings to the taxpayers. Final savings totaled over \$114,000 which will free up funds in the Commissions budget.

Finance Team Moves Quickly To take Advantage of a Strong Market – The Commission engaged Mr. Roche to work with the Commission’s legal team to complete this important refinancing. “The Roscommon County Road Commission saved over \$114,000, because the Board and Administration had the forethought to look at all refinancing options available to them,” said Bill Roche, Managing Director.

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