

Missoula County Media Release

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S&P Reaffirms Missoula County's AA Bond Rating; Advance Sale of Bonds Financing New Library Starts Soon

S&P Global recently reaffirmed its AA rating on Missoula County's general obligation bond issuance supporting construction of the new Missoula Public Library and Montana residents will soon have the first opportunity to purchase the bonds that will help finance the project.

S&P's credit analysis cited several factors in reaffirming the rating, including the county's "very strong budgetary flexibility . . . very strong liquidity, with total government cash at 1.8 times total government funding expenditures and 21.1 times governmental debt service." The analysis continues, "total government funded debt services is 8.6 percent of total governmental fund expenditures, and net direct debt is 116.4 percent of total governmental revenue. Overall net debt is low at 2.1 percent of 2018 market value, which is in our view a positive credit factor."

"I am very excited to have our bond rating reaffirmed. We anticipate a smooth issuance with our underwriters working aggressively to deliver the best possible interest rates in the market today," said Andrew Czorny, Missoula County chief financial officer. "We are using the same team of bankers as we did on the very successful Fort Missoula Regional Park bond issuance."

Montana residents will be able to purchase the certified tax-exempt AA library bonds starting Tuesday, Aug. 28 one day prior to opening sales to institutional buyers on Wednesday, Aug. 29. The bonds will be available in \$5,000 increments, with a variety of maturities and tax-exempt fixed interest rates. Missoula residents will have the ability to invest in a project they voted to put on their tax rolls, and all Montana residents can exclude the income from both gross federal and state taxation.

The \$23.75 million in bonds will help cover the cost to design, construct, furnish, landscape and buy equipment for the new library-museum complex. Voters approved the \$30 million bond issue in 2016, which will pay for the majority of the \$36.7 million project. The library and its partners broke ground on the new structure, located at 401. E. Main St. in downtown Missoula, earlier this month.

As a result of community interest in purchasing a portion of the bonds, the Missoula Board of County Commissioners asked the underwriters to provide a preferential order period for Missoula County retail investors. The agreement reached with the underwriting team is that there will be a priority sale on Aug. 28 until 4:00 p.m. MST, a day prior to institutional buyer sales on Wednesday Aug. 29. On Aug. 28 first priority sales will be given to Missoula County individual retail buyers, second priority sales will be given

to Montana individual retail buyers, third priority sales will be slated for national individual retail buyers, and last priority sales will be to the national professional retail buyers.

Interested buyers can contact the following firms for more information on purchasing the bonds:

- Bank of America Merrill Lynch: Missoula office, 406-829-2440; Whitefish office, 406-863-1510; Billings office, 406-255-5500 or 800-937-0617.
- D.A. Davidson and Co., 406-543-8244 or 800-332-1615.
- Fidelity Capital Markets: 800-544-5372 or www.fidelity.com/newissuemunis.

For more information, call Czorny at 406-258-4919 or email aczorny@missoulacounty.us.

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