

NEWS RELEASE

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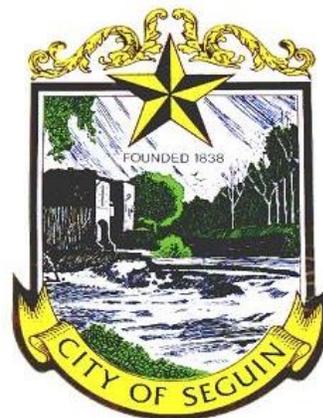
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Bond Refunding Nets City Significant Savings ***More than \$1,000,000 Saved***

SEGUIN, Texas – The recent sale of City of Seguin general obligation refunding bonds resulted in a substantial financial savings for the city.

“Refunding bonds is much like refinancing your home,” Seguin City Manager Doug Faseler said. “The goal is to reduce the amount of interest you are obligated to pay. We were able to accomplish that while not extending the life of the loan.”

Eight bids were received for the sale of the General Obligation Series 2005, 2006 and 2007 Bonds. UBS Financial Services submitted the best bid with an effective interest rate of 2.188% (Net Interest Cost). This resulted in a total savings to the City of \$1,061,275.53 and a net present value savings percentage of 11.23%. The sale was completed on October 14.

About the City of Seguin

Seguin, Texas is located off Interstate 10, about 35 miles east of San Antonio. Seguin is big enough to boast a top-rated university and a state-of-the-art hospital. More than 25,000 residents enjoy a range of cultural, recreational and employment opportunities. Seguin’s robust diversified economy features a steelmaker, a manufacturer of automotive parts and plants making roadside mowing equipment and building materials. In 2009, Seguin was proud to be selected by Caterpillar as the site of a major new engine manufacturing facility.

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