

BOROUGH OF SOUTH PLAINFIELD

OFFICE OF THE MAYOR

MATTHEW P. ANESH, MAYOR



PRESS RELEASE

FOR IMMEDIATE RELEASE

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Borough Secures Low Interest Rate, as S&P Affirms Rating

South Plainfield—A firms' credit rating is typically the benchmark used to value the financial health of an organization. South Plainfield in the past has obtained favorable credit ratings, but the value of these ratings are not economically felt until an organization actually goes to the financial markets to borrow money. South Plainfield announces obtaining an incredibly low interest rate of 2.62% on the rollover sale of \$5,580,000 in General Obligation Bonds.

"I could not believe how low the final interest rate cost of these bonds were," said Glenn Cullen South Plainfield's Administrator. "I have been with the Borough 16 years and the Borough has never received a long-term interest rate under 3%. When the South Plainfield BOE obtained a 2.94% rate in January I thought that was incredible, but to secure a long-term rate of 2.62% is really amazing."

Mayor Matthew P. Anesh points to the Borough's financial health in being the key factor in securing great interest rates. "S&P Global issued an outstanding credit report regarding South Plainfield's financial health on March 16th," said Anesh. "Strong management, strong budgetary performance and a very strong economy are the words S&P used to describe South Plainfield's finances. These were their words, I'm just happy to be able to chime in and agree with them."

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The winning bid was from Robert W. Baird & Co. at 2.62%. Baird narrowly beat out Roosevelt & Cross Inc. who had bid 2.63%.

“We knew the BOE had secured a 2.94% rate back in January so we were estimating a rate of 3%,” said South Plainfield Council President Robert Bengivenga. “To get such a great report from S&P and a rate of 2.62% is really humbling.”

The Borough received bids on March 28th and is expected to close on the bonds April 13th. The bonds being sold are for previous ordinances.

Bengivenga noted S&P’s view is the Borough has strong management with good financial policies and practices. “It is great to see the rating agencies notice the hard work of Borough, its employees and our CFO.” “A few years’ ago I remember Mayor Anesh stating the Borough’s success is really a shared success for all the departments, the same holds true today” said Bengivenga.

“I’d like to say the report from S&P speaks for itself, but I do not need to” said Mayor Anesh. “The proof is in the results, and the Borough obtained a borrowing rate of 2.62%. I will put that performance up against any municipality in the State.”