

## MIDDLETOWN

## Township seeks savings through refinancing

*The township might be able to save even more by getting a better credit rating from a different agency, an advisor said.*

By **CHRIS ENGLISH**  
STAFF WRITER

Middletown will save about \$165,000 this year if a proposed refinancing of \$7.75 million from a 2004 bond issue goes through.

Scott Shearer of the township's financial advising firm Public Financial Management of Harrisburg said at Tuesday night's township supervisors meeting that the refinance would bring the average interest rate on the issue from 4 percent to 3.28 percent. If the bonds are successfully sold during a competitive sale before May 11, this year's payment on the bond issue will be reduced by about \$165,000, Shearer said.

Shearer said interest rates on bonds haven't been this low since 2003.

Supervisor Robert McMonagle asked if the township could save even more by delaying the action two weeks to a month.

"There is no way to accurately predict that," Shearer answered. "Interest rates were really low in January, then went back up for two or three months, and now they are back down again. But they could go back up again just as quickly."

Moving ahead with the refinance was approved 5-0 by Supervisors McMonagle, George Leonhauser, Jasper Caro, Kathy Heuer and Chuck Thompson.

Shearer said he might be able to save another \$10,000 to \$15,000 by switching the township's credit rating agency from Moody's to Standard and Poor. The township has a good credit rating but Standard and Poor might be more inclined to upgrade it, he said.

"Standard and Poor seems to be in the mode of doing a lot more credit upgrades," Shearer said.

Township resident Andy Warren said that if PFM was recommending the refinance, it must be a good move.

"They do good work," Warren said.

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