

MIDDLETOWN

Supervisors OK \$10M bond to pay for repaving

An estimated \$4.35 million of the \$10 million bond issue will be used to repave the remaining roads in the township's Levittown sections.

By CHRIS ENGLISH COURIER TIMES

The Middletown supervisors approved a \$10 million bond issue Tuesday night that will pay for repaving more roads in the Levittown sections and other projects.

Floating the bond that will be repaid over 20 years was approved 5-0 by Supervisors Lisa Pflaumer, Jasper Caro, Robert McMonagle, George Leonhauser and Chuck Thompson.

In addition to providing the estimated \$4.35 million needed to repave the remaining 23.3 miles of road in the township's Levittown sections, the new bond will help pay for a new township community center, improvements at two township parks and at the township-owned Middletown Country Club. That part of the bond used for country club improvements will be repaid by the club's new operator Rick Begley.

Scott Shearer of Public Financial Management, the township's financial advisor, said the bond will be repaid at interest rates averaging 3.99 percent, one of the lowest rates in 40 years.

He said Moody's Investors Service recently upgraded Middletown's bond rating to AA3. Only about a dozen of the more than 1,500 municipalities in the state have a higher rating, Shearer said.

The new rating lowered interest rates and the cost of bond insurance, he added.

"Overall, everything was extremely favorable to the township on this," Shearer said.

The average annual payments on the bond will be about \$720,000, he said.

Township Finance Director Betsy Reukauf said repaying the bond will probably require another property tax increase in 2009 but she hadn't yet estimated the amount.

The supervisors had first thought about borrowing money from the \$41 million the township has in the bank from the sale of its water and sewer systems.

They changed their minds on advice from the financial advisory board, whose members said it would be better to leave the water and sewer money intact.

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