

# **Bond Case Briefs**

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## **Hartford Bond Insurers Hire Long-Time Public Finance Turnaround Pro.**

NEW YORK, Sept 28 (Reuters) – Bond insurers for the city of Hartford, Connecticut’s cash-strapped capital city, have hired a financial advisor with decades of experience working with the state’s most distressed municipalities.

Assured Guaranty Ltd and Build America Mutual Assurance Company (BAM), which together insure at least \$414 million of the city’s roughly \$530 million of debt, hired Robert Lamb, who founded Lamont Financial Services Corp in 1987, Lamb confirmed to Reuters on Thursday.

In those cities, Lamb said he created a credit “that we could use to fund a deficit, and use that as a baseline for turning the city around.”

Governor Dannel Malloy has proposed a fiscal oversight board for Hartford, where city officials have said they will seek approval for a bankruptcy filing if they do not get enough state aid.

But the state itself is mired in a budget impasse that could delay or slash monetary aid to municipalities. That threat grew on Thursday with Malloy’s veto of a Republican-backed budget, putting the state closer to severe automatic spending cuts on Oct. 1.

Earlier this week, Assured Guaranty and BAM offered to help relieve Hartford’s mounting annual debt service payments by refinancing existing bonds.

Currently, the city is to pay about \$48 million in fiscal 2019, but the costs are on course to rise significantly in several following years.

The proposed refinancing could create breathing room for the city by leveling out debt payments to \$40 million annually for the next 15 years under a new state law.

Such a “scoop and toss” refinancing would also extend the full term of the bonds from 20 years to 30 years.

By Hilary Russ