



## **Bonds sales save taxpayers more than \$13M over earlier estimates**

January 25, 2018

At its January 25 meeting, the School Board approved the award of sale for two school bond issues, resulting in more than \$13 million in savings for tax payers over 20 years, compared with the estimates the district publicized prior to the election.

Bids were received on January 18 from a total of six investment firms for the 2018A bond issue, with the award of sale going to the lowest bidder, Morgan Stanley & Co.

Bids were received on January 18 from a total of seven investment firms for the 2018B bond issue, with the award of sale going to the lowest bidder, Wells Fargo Bank.

“Because of the district’s sound financial management, large tax base, and growing enrollment, you were able to maintain your high Aa2 bond rating from Moody’s. The high rating and favorable bond market conditions attracted a large pool of competitive bids,” said Gary Olsen, Senior Municipal Advisor with Ehler’s, the district’s financial advisors. “We were pleased to see the lower interest rates, which will result in savings for tax payers.”

Interest rates on January 18 were lower than they were when the Pre-Sale Report was prepared in early December, 2017. As a result, for the 2018A issue, the True Interest Cost of 3.1695% was substantially lower than the estimate of 3.69% used for the estimates in the Pre-Sale Report.

For the 2018B issue, the True Interest Cost of 2.7661% was substantially lower than the estimate of 3.35% used in the Pre-Sale Report.

As a result, total tax levies from the combination of the 2018A and 2018B issues will be \$13.45 million less than in the estimates prepared prior to the election. Updated estimates of tax rates are lower every year than in the pre-election estimates. The total repayment of the bond is 20 years.

“I would like to thank Ehlers, Inc., our Executive Director of Business Affairs, Julie Cink, and her staff for their hard work and for being wise financial stewards of tax payer dollars,” said Rich Wolf, School Board Chair. “We have sound financial operating conditions and tonight we have received validation from financial experts that we are working in the best interest of our stakeholders and lowering the tax impact to residents.”

With the bond sale complete, the district will now invest the money until construction costs are incurred. The money will be used to address enrollment, safety and academic needs by building a new elementary school, additions to almost all schools and addressing traffic and high school entrance safety concerns, as approved by voters on November 7.

For more details, view the Sale Day Report, prepared by

Ehlers: <https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000315&mk=50251551>

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