

Salina Unified School District No. 305

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MEDIA RELEASE

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Salina USD 305 Refinances Bonds, Saves District \$5,086,727

At the September 10 meeting, the Salina USD 305 Board of Education unanimously approved refinancing bonds that will save the school district \$5,086,727.

The district's old bonds had an average interest rate of 4.28 percent that is being replaced with an interest rate of 2.47 percent. The lower rate saves the district \$5,086,727 over the remaining life of the bonds. The District has always looked for opportunities to lower the interest expense and generate a savings for the taxpayers in the District. Since 2001 the District has completed several bond refinancings that have resulted in the cumulative savings for the taxpayers in the District of \$10,342,397. The bonds are related to a 2014 bond issue to fund construction and renovation of schools throughout the district. The bond refinancings and resulting savings have allowed the District to set the mill levy for the repayment of the bonds well below the estimated mill levy shared with voters during the bond election campaign.

"We strive to be good stewards of public funds. Improvement in the bond market and better interest rates allow us to achieve significant savings," said Linn Exline, superintendent. "Bond refinancing at strategic times provides us an opportunity to save dollars in a way that doesn't affect people or services."

Moody's Investors Service assigned a bond rating of "Aa2" to the District. The strong credit rating is a result of the district's cash reserves and its moderately sized tax base serving as economic center for the region. Maintaining a favorable bond rating is important for the district as it helps to lower the interest rate on the bonds and, in turn, reduces the interest expense for the taxpayers in the district.

According to Greg Vahrenberg, Managing Director at Raymond James, Salina USD 305's bond rating of "Aa2" is well above average for school districts in Kansas and nationally. In Kansas there are only two school districts with a bond rating in a higher rating category.

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