

## News Release

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**Bond refinance decisions save nearly \$7 million over eight years  
*Standard and Poor's upgrades Everett Public Schools' credit rating***

At their board meeting Tuesday night, the Everett Public Schools board of directors authorized bond refinancing that will save taxpayers \$530,000. This bond refinancing brings total savings from school district refinance actions over the last eight years to nearly \$7 million for local taxpayers.

Refinancing allows the district to issue lower interest rate bonds and to put the money generated from new bonds into an escrow account to make payments on old bonds. The difference between the interest rates saves taxpayers money.

Associate Superintendent of Finance and Operations Bob Collard explains how the district decides when it is time to refinance: "Everett Public Schools has usually refinanced bonds when the savings exceeds 4 to 5 percent of the principal amount being refinanced. Each time we refinance bonds, we are able to reduce the tax burden for local residents."

"Because we have a practice of keeping a 5 percent reserve fund balance, we earn lower interest rates and a high credit rating from Moody's and from Standard and Poor's," noted Collard. "The rating agencies favor us because we have a savings account for emergencies and future needs. That translates into lower interest payments for residents."

With this most recent bond issue, the district's credit rating was upgraded by Standard and Poor's from AA- to AA. Financial analysts note that the district's well-planned reserve amount, stable history, management practices, student academic success and strong community support have preserved the district's historic high rating and are behind this recent ratings increase.

At Tuesday's meeting, Jack Eaton of D.A. Davidson congratulated the board for all that is behind the ratings boost. "Standard and Poor's rating increase places you among the six highest-ranked districts in the state. Issaquah, Lake Washington, Mercer Island, Seattle and now Everett are all AA ranked districts. Only Bellevue has a higher ranking at AA+."

"Congratulations to staff for the work you've done to ensure that the board's financial directives are followed. We appreciate the monthly updates you share with us and the details we have access to about district financial operations and investments," said Board President, Karen Madsen. "As board members we thank you, and as tax payers we thank you."