

## News release



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### **School board actions since 2000 have saved taxpayers more than \$24 million**

***Careful management and strategic timing of bond sales reduce public cost of quality schools***

Yesterday, Everett Public Schools refinanced a portion of its voter-approved bonds and secured more than \$1.7 million in savings for local taxpayers. "Refinancing capital bonds at lower interest rates is similar in concept to the action many homeowners have taken recently to refinance homes at lower interest rates. Reduced interest rates mean savings for our public," noted Board of Directors Vice President Carol Andrews.

The district has a strong history of such savings. [On October of 2009](#), school board action generated \$15 million in local savings. A year earlier, in [September 2008](#), the district bond refinancing saved more than a half million dollars, bringing the total bond refinancing savings between 2000 and 2008 to more than \$7 million.

The most recent Oct. 15, 2013 bond refinancing action took advantage of lower market interest rates for outstanding bonds of 2003 and 2006. "This saves the district taxpayers more than \$1.7 million over the next seven years. These savings flow directly to taxpayers through reduced tax levies and are not funds available for district use," explained Andrews.

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*Refinancing capital bonds at lower interest rates is similar ... to the action many homeowners have taken recently to refinance homes at lower interest rates," noted School Board Vice President Carol Andrews who is also a licensed CPA.*

***\$ 7.0 million in bond savings between 2000 and 2008***

***\$ .5 million in bond savings in 2008***

***\$15.0 million in bond savings in 2009***

***\$ 1.7 million in bond savings, Oct. 15, 2013***

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***\$24.2 million saved for taxpayers since 2000***

Today's refinanced bonds total \$34,165,000. D.A. Davidson & Co. of Seattle acted as bond underwriter, and Martin Nelson and Company, also of Seattle, acted as financial advisor.

Superintendent Gary Cohn notes how closely the district and board watch the market for bond savings. "The district has been monitoring bond market conditions closely over the last year. That careful eye on the rates made it possible to exceed the savings target we set. The interest we will pay on the refinanced bonds averages 1.88 percent compared to 5.0 percent on the old bonds."

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Executive Director of Finance and Business Services Jeffrey Moore said, "It is our responsibility to prudently manage the resources the community has entrusted to us. Refinancing debt at lower interest rates is one way of upholding that responsibility. Our timing in the market was very good, given the recent volatility in interest rates. That careful timing means the net savings were greater than what we set as a savings goal."

***Everett Public Schools is one of the top seven rated districts in the state, resulting in lower bond costs for district taxpayers.***

In this process, the district maintained its excellent underlying credit ratings of "AA" from Standard and Poor's (S&P) and "Aa2" from Moody's Investors Service ("Moody's"). The two rating agencies cited, among the district's credit strengths, consistent voter support for the district's replacement educational program and operations levies, strong financial management, and a rapid debt repayment structure. The bonds also carried enhanced ratings of "AA+" from S&P and "Aa1" from Moody's, because the bonds were sold using the [State School District Credit Enhancement Program](#).

Moore explained, "The ratings reports are reviewed by major investors to determine the level of risk for a given issuer. Everett Public Schools is one of the top seven rated districts in the state, resulting in lower bond costs for district taxpayers. The district was recognized for good stewardship through difficult economic times, with one agency noting, *The district's demonstrated ability to operate within a narrow band of fluctuation in fund balance, albeit at a relatively low level, and to stay above the adopted policy level is indicative of a strong management team.*"

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