

Bond Refinancing Saves Taxpayer Dollars

The Savanna School District Board of Trustees' recent action to refinance the District's 2009 general obligation bonds will save taxpayers over \$850,000.

Based on Board approval, the District refinanced \$6 million of its outstanding general obligation bonds from Series A of the Measure N authorization on December 28, 2017. The original bonds, which were sold in 2009 to fund facilities enhancements at our four District schools as well as districtwide technology infrastructure, were refinanced from a 4.95 percent interest rate to 2.33 percent.

"The District is committed to meeting the facility needs of our students and community while also being a good steward of taxpayer funds," said Superintendent, Dr. Johnson. "The Board was able to act quickly to take advantage of this refunding opportunity before it was eliminated as a part of the Tax Cuts and Jobs Act."

Similar to refinancing a home mortgage, the prime benefit of bond refinancing is to save borrowing costs by taking advantage of current lower interest rates. The difference is the District is not permitted to extend the period of the borrowing.

The bond refinancing did not generate any new money for the District. It will, however, allow the District's taxpayers to experience property tax savings in 2019 through 2030.