

MARYSVILLE JOINT UNIFIED SCHOOL DISTRICT
PRESS RELEASE ON BOND SALE

Marysville Joint Unified School District Refinances Existing Bonds for Taxpayer Savings

Yesterday [October 25, 2016], the Marysville Joint Unified School District sold approximately \$28.5 million of refunding general obligation bonds for the Measure P general obligation bond measure that was passed by voters in 2008. This sale of refunding bonds was pursued by the District in an effort to generate savings for taxpayers. The financing will close on November 10, 2016.

Due to historically low interest rates in the municipal bond market, combined with high investor demand for the District's bonds, the refinancing resulted in savings greater than expected. Through this refinancing, property owners in the District will save nearly \$4,600,000 over the remaining term of the bonds, which equates to approximately \$172 over the same period for the average homeowner in the District.

In a school district general obligation bond refunding, similar to refinancing a home mortgage to a lower interest rate, proceeds of the new bonds are used to retire the older bonds. Unlike refinancing a mortgage, the term of the original debt is not extended. With municipal bond rates near historic lows, the District was able to refinance at an all-in cost of 2.97 percent compared to the prior average interest rate of 5.17 percent on the original bonds issued in 2009. The lower interest rates reduce the debt service payments, which results in savings to taxpayers.

The refunding reflects the commitment of the Board of Trustees to effectively manage its bond program, which is funded by taxpayer dollars. As the prior bonds are paid off in the next 18 years, this refunding is a prudent step to ensure remaining payments are as low as possible. The result of this bond sale highlights the District's sound financial management and its stewardship of the taxpayers' interests.