



Livonia Public Schools

Finance Office

Date: February 18, 2026

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Update on Refunding of Prior Bonds

I would like to update the Board of Education on the bond refunding discussed with the Board at the December 1st study session, December 8th Committee of the Whole meeting, and ultimately authorized by the Board at the December 15, 2025, Regular meeting.

As you'll recall, a refunding program is a cost saving measure that would pay off the current debt by issuing the sale of new bonds at a lower interest rate, in this case saving taxpayers millions of dollars. Similar to how a homeowner may refinance their mortgage to secure a lower interest rate, that is what we are seeking to do with this transaction.

Since the December 15, 2025, Regular meeting, I had a call with a ratings agency on January 14, 2025. S&P Global Ratings assigned its 'A+' rating to this transaction and re-affirmed its 'A+' rating on all our current outstanding debt. S&P sited that this rating reflects Livonia Public Schools' wealthy and growing tax base, maintenance of reserves at its 15% target, and manageable debt burden.

On February 10, 2025, bond pricing took place. We successfully sold our 2026 Refunding Bonds in the amount of \$53,615,000. The 2026 Bonds are being issued for the purpose of refunding the School District's outstanding 2016 School Building and Site Series II Bonds. The School District's 2026 Bonds were sold at a tax-exempt interest rate of 3.69% with a final maturity of 2045. **By issuing the 2026 Bonds, the School District will realize interest cost savings of \$8,271,851.39 (present value savings of \$6,698,063.31 or 11.03% of the 2016 School Building and Site Series II Bonds).** I am very pleased with the results.

The next step of the process is for the Board of Education to vote to ratify and affirm the sale. Bond counsel has prepared the attached resolution for the Board's consideration. If approved, the bond closing will take place on March 3, 2026.

Please let me know if you have any questions.