



To: Board of Education  
Dr. Jon Bartelt  
From: Mr. John T. Reiniche *John Reiniche*  
Re: Refinancing of District Debt  
Date: March 21, 2019

---

Bloomington  
School District 13  
164 Euclid Avenue  
Bloomington, Illinois  
60108-2604

John T. Reiniche  
Director of Finance  
630-671-5035

Janice Konchar  
Administrative  
Assistant/Bookkeeper  
630-671-5031

Geri Zanoni  
Payroll  
630-671-5032

Fax  
630-893-1818

E-mail  
jreiniche@sd13.org

### **EXECUTIVE SUMMARY**

Tonight's presentation will review the current debt structure and rationale for refinancing our debt. The presentation will also include a timeline with all the relevant dates. For your convenience, I have attached a PDF of the PowerPoint presentation to this memo.

#### **Background:**

Currently, the District has two types of outstanding bond debt. One series of debt is in the form of DESB (Debt Extension Service Base). This type of debt allows the District to levy without voter approval, as determined by the tax cap legislation. The second type of debt the district maintains is referendum debt. In 1991, the voters approved \$8.5 million debt issuances. Both series (2009A and 2009B) were refinanced in 2009 and are callable on November 1, 2019. Most debt certificates cannot be refinanced or paid off within 10 years of being issued.

#### **Situation:**

The District has an opportunity to refinance and extend the current debt on the Series 2009A. We are completing a cost benefit analysis for refinancing the 2009B series. If the market conditions are favorable for a savings to the taxpayers, the 2009B series will be included in this process. The purpose of this refinancing is to obtain a lower interest rate and to produce funds to support the current recommend facilities projects. The District is anticipating a source of revenue of approximately \$1.0 million from this financial transaction.

#### **Recommendation:**

There is not recommendation at this time, but the administration is seeking a consensus to move forward with the process of refinancing of the District's debt. Formal approval will be sought through a series of actions at future board meetings.