



# Livonia Public Schools

*Finance Office*

Date: April 14, 2023

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: 2021 Bond - Sale of Second Series

I would like to discuss the sale of bonds at the Finance Committee meeting on Monday, April 24, 2023. As you may recall, the 2021 bond approved by the voters for \$186 million is scheduled to be sold in three series. The first series was sold in June 2021. The second series of \$70 million is scheduled to be sold on May 4, 2023. The third series of \$38 million is estimated to be sold in 2024.

A resolution approved by the Board of Education is needed to ratify the sale of the second series of bonds. This resolution has been prepared by bond counsel, Thrun Law, and is consistent with the authorization the Board provided at the December 12, 2022, Board of Education meeting.

Prior to every bond sale, the school district must hire a credit rating agency to assign a credit rating to the district and to the specific upcoming bond issuance. On that front, we have good news to share: S&P has upgraded the district's credit rating to A+ with a stable outlook, up one notch from our current A rating. This improved credit rating has helped us secure a lower interest rate on the second series of 2021 bonds, which reduces the interest costs of borrowing. Our financial advisor, PFM, estimates this upgraded credit rating in the current market to be worth a 0.10% lower interest rate, which equates to an estimated interest cost savings of about \$900,000 for the taxpayers in our community on this second series sale of 2021 Bonds.

Please add this item to the April 24, 2023, Finance Committee agenda. Please let me know if there are any questions.

Thank you.

AS

c: Board of Education