

WESTERN SCHOOL DISTRICT

1400 S. DEARING ROAD • PARMA, MICHIGAN 49269
Phone (517) 841-8100 • Fax (517) 841-8801

February 27, 2020

Dear Parents and Community Members,

The Western Board of Education and I take our responsibilities to those in our community very seriously. Our mission is to work together with our community to educate all students as individuals to become successful in a complex world. An important part of our partnership with taxpayers is to use the funds they entrust us with carefully, effectively and wisely.

I am pleased to share that on February 19th we were able to refund bonds issued in 2012 at a lower interest rate. This refunding saved approximately \$3.2 million over the life of the bonds.

“Refunding” is simply a technical term for “refinancing” as it applies to bonds. In the same way that many of you have taken advantage of lower interest rates to refinance your home mortgages, we refinanced the balance of the \$24.5 million bonds issued in 2012. That will result in reduced interest payments, which reduces the amount of tax dollars necessary to repay the bonds.

The result of our refinancing was even better than we initially expected. When our district and PFM Financial Advisors started discussing the idea of refunding bonds back in November 2019, we anticipated that the process would reduce our debt obligation by about \$1 million. By January, we anticipated that the number would be closer to \$2 million. On the day of the sale, it was \$3,230,806. This is considered an actual savings over the life of the bonds that will be realized in the later years during the bond repayment period. The Western Board of Education approved the process in December and finalized the sale of the new bonds at their February 24th meeting.

This isn't the first time Western has gone down this road. This is the fourth time in the past decade that we have refunded bonds. The reduction in debt obligation through refunding bonds in 2011, 2013, 2016 and 2020 totals more than \$7.1 million. It is very important that we are diligent with our finances and always on the lookout for opportunities to save money and reduce the financial burden on our taxpayers.

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Thank you for your support of the school board, the administration, the staff and the students of the Western School District. We believe strongly in being responsible with the funds you have entrusted us with. That will never change.

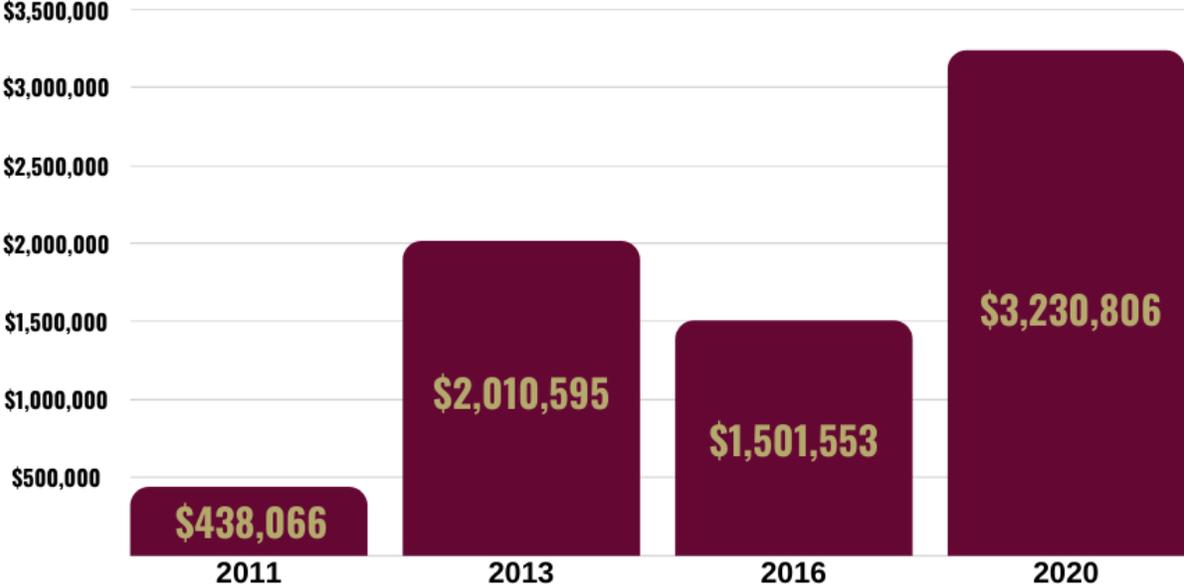
Sincerely,



Michael R. Smajda
Superintendent

Tax dollars saved through bond refunding from 2011-2020

(Savings reflected over the full course of each individual bond.)



TOTAL: \$7,181,020