

Warrensville Heights Schools

Case Study



We're Increasing Student Achievement!

\$15,999,976.65

Classroom Facilities Improvement Refunding

Bonds, Series 2007

On November 2, 1999, Warrensville Heights Schools' voters approved a \$26,100,000 bond issue for improvements to buildings throughout the District, with 67% voting "yes". Proceeds from the resulting bond issue paid the local share of the classroom facilities improvement program sponsored by the State of Ohio. Those bonds were dated May 1, 2000.

Interest rates had dropped considerably by the fourth quarter of 2006 when Sudsina & Associates started to analyze the potential refunding of the original 2000 bonds. The District was contacted and the Administration agreed to pursue the refunding and the preparation work was begun. Sudsina & Associates was engaged to guide the process as financial advisor.

The original bonds were sold with FGIC bond insurance, with no underlying credit rating as were the refunding bonds. The premium bid on the refunding bonds was 15.8 basis points.

The refunding bonds were priced on April 10, 2007 and were dated April 24, 2007.

The refunding resulted in over \$1,400,000 savings during the remaining life of the bond, with nearly \$1,000,000, or 6.23% on a present value basis. The true interest cost on the original bonds was in the range of 5.65%, while the refunding came in at approximately 4.45%.

Key Capital Markets was selected as underwriter for the negotiated, public sale of the bonds. Squire, Sanders & Dempsey served as bond counsel.