

Case Study Jackson Local Schools

\$48,500,000 School Improvement Bonds, Series 2004
\$7,440,000 Refunding Bonds, Series 2004
\$19,045,000 Refunding Bonds, Series 2005

In March, 2004 Jackson voters approved a \$48,500,000 bond issue for various capital improvements throughout the District. In advance of that election, Sudsina & Associates was engaged to assist with the underwriter selection, to guide the rating process and to oversee the ultimate pricing of the bonds.

The District began the issuance process with a A+ rating by Standard & Poor's, which had last been confirmed with a new money issue in 2000. Since then, the District's finances and local economy strengthened considerably.

The rating process resulted in the District gaining a rating upgrade to AA-. The bonds were ultimately underwritten by A.G. Edwards in May, with bond insurance provided by FGIC. Bricker & Eckler served as bond counsel.

As the 2004 bond issue was being prepared, interest rates dropped to the point where it appeared the District's 1993 and 2000 bond issues would make sense to refund. However, when it came time to price the \$48.5 million new money issue, rates rose sufficiently to push savings levels of the refundings below acceptable threshold. However, by September, 2004 the 1993 bond issue surpassed the pre-set 3% savings threshold and was priced on September 19, 2004 netting taxpayers over \$2.3 million in debt service savings.

Not until April, 2005 did savings levels on the 2000 bond issue approach viability. On April 7, 2005 the 2000 bond issue was refunded resulting in over \$4.8 million in debt service savings. Both the 1993 and 2000 refundings had savings boosted by the District's decision to shorten the final maturity on each with the refunding bonds in order to make room in the future for expected building needs that will require additional debt.

JACKSON LOCAL SCHOOL DISTRICT



Jackson
High School



Jackson Memorial
Middle School



Sauder Elementary



Lake Cable Elementary



Amherst Elementary



Strausser Elementary

