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**Bond refinancing to save Oak Park taxpayers \$2.16 million**

When the Village Board recently approved two ordinances to issue bonds, most observers may have either missed the action entirely or saw the vote as routine government business. But to taxpayers, the vote will mean a savings of more than \$2.16 million by the time the bonds mature.

The votes were not to issue new bonds, but to consolidate and refinance earlier issues to take advantage of lower interest rates. Like a homeowner refinancing a mortgage, the Village was able to reduce the interest rates and significantly lower the payments and cost of the bonds that are set to mature in 2015 and 2020.

"Bond issues aren't exactly the stuff of exciting news stories," said Village Manager Tom Barwin. "But for those of us who manage municipal resources, issuing bonds are among the most important actions we take. Governments, like property owners, often must borrow money to pay for major capital expenditures. The lower the interest rate, the lower the payments and the less that is paid when the note comes due."

Barwin said the refinancing effort also demonstrated that the Village's bond rating – the grade lenders look to when determining a government's financial health – has remained high despite the difficult economic times of the past three years.

The Village's bond rating is AA-, which represents what Standard & Poor's (S&P), the nation's pre-eminent credit rating company, calls "very strong capacity to meet financial commitments."

"Our high rating had a significant impact on the interest rate we pay and ultimately the final cost of bonds," Barwin said. "But even more important than the savings, the rating says our efforts to manage well through the challenges of a recession are viewed favorably in the financial markets."

Barwin credited Chief Financial Officer Craig Lesner and the Village's management team for their ongoing efforts to streamline operations and cut costs without sacrificing services.

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"Our hard work to keep costs down has allowed us to maintain a strong financial position, which is very important should we need to go back to the market to finance major capital improvements in the future," he said.

The refinancing will save the Village about \$700,000 on a bond for \$7.7 million set to mature in 2015, and about \$1.5 million on a \$14 million bond set to mature in 2020.

Barwin said that although the savings from the refinancing are helpful, the Village must continue to be cautious in this economy.

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