

FOR IMMEDIATE RELEASE:

Aug. 10, 2020



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Forest Preserve bond refinancing to save residents \$3.94 million

GENEVA, IL — By recently refinancing bonds used for 2011 land investments and capital improvements, the Forest Preserve District of Kane County will save residents \$3.94 million.

The District's 2020 bond sale took place on July 8 and closed Aug. 5. The bond size was \$21.25 million. After 39 bids from 10 different bidders, the refinancing ended with a true interest rate of 1.2665 percent and a savings of \$3.94 million, or \$3.63 million on a net present value basis. That means Kane County residents will save approximately \$350,000 to \$365,000 per year on debt service, through 2031.

“This was a really great sale,” said Chief Financial Officer Ken Stanish. “The Government Financial Officers Association (GFOA) states that savings shouldn't be less than five percent of refunded principal. This was a savings of 17.26 percent of refunded principal — the best the District has ever done.”

“It was a timing issue, as well. We were able to maintain our AA+ rating through Standard & Poor's. We received that right before the sale. There wasn't a lot on the market that Wednesday, and we attracted a lot of big players, which really drove the interest rate down,” Stanish said.

Finance & Administration Committee Chair Mark Davoust congratulated District staff on the sale. “I want to recognize staff for the fine work they're producing at the Forest Preserve District, on behalf of all Kane County residents. Executive Director Monica Meyers and Chief Financial Officer Stanish had to answer a lot of questions to maintain that AA+ rating. It is essential that we have that, as we go forward. This is truly fine work by everybody,” he said.