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Debt Refinancing Affirms Roselle's Strong Financial Position

With interest rates at historical lows, many people have refinanced their mortgages in order to save money. The Village of Roselle looked at the savings in its water/sewer fund when it recently refinanced a part of its debt, which will amount to a reduction of over \$354,000 in interest charges over the life of the debt.

After receiving reports that the calculated savings passed on to the Village would be significant, the Village Board passed an ordinance in June initiating refinancing efforts with parameters requiring a savings of at least 3 percent. The bonds were sold on July 6, with a savings yield of 12.88 percent.

According to Finance Director Tom Dahl, the Village refinanced \$2.47 million in alternate revenue bonds while not extending the amount of time necessary to pay off the debt, which will be paid off in 2033. The debt was originally incurred for a construction project at the Devlin Wastewater Treatment Plant in 2008.

As a part of the process for issuing the bonds, the Village underwent a "rating call" with Standard & Poor's on June 13. The Village's AA+ rating was reaffirmed at this time. The AA+ rating is the second highest category that can be achieved and indicates that Roselle's capacity to meet its financial commitment on debt is very strong. This strong rating allows the Village to borrow at lower interest rates and reflects the Village's strong commitment to financial stability.

"We are always looking for opportunities to save money," said Mayor Gayle Smolinski. "The recent refinancing of our debt is part of a continual effort to exercise fiscal responsibility."

-30-

Please contact Finance Director Tom Dahl at (630) 671-2830 for additional information.