

PRESS RELEASE

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Charlotte Community to Save \$21 Million in Bond Interest Costs

The Board of Education of Charlotte Public Schools is proud to announce the successful sale of its School Building and Site Bonds, Series A and Series B. These bonds were sold under the American Recovery and Reinvestment Act (ARRA) of 2009. Series A Bonds - Recovery Zone Economic Development Bonds in the amount of \$8,600,000 and Series B Bonds - Qualified School Construction Bonds in the amount of \$15,000,000, represent the voter authorized amount of \$23,600,000. The Bonds are to be used for the purpose of remodeling, furnishing and refurbishing and equipping and re-equipping school buildings; erecting, furnishing and equipping additions to the high school; acquiring, installing and equipping and re-equipping school buildings for technology; developing, improving and equipping and re-equipping playgrounds and play fields; developing and improving sites; and paying the costs of issuing the Bonds.

In preparing to sell the School Building and Site Bonds, Series A and B, the School District, working with their financial advisor, Stauder, Barch & Associates, requested that Standard & Poor's Ratings Services, evaluate the School District's credit quality. The School District received a rating of "A+" from S&P. The rating agency cited the School District's good income levels and strong market value per capita and strong financial management in their rationale for providing this School District outstanding underlying rating.

"Because of the timing of this bond sale and the availability of expected interest credits from the IRS, about \$21 million in interest savings and cost avoidance will directly benefit local property owners over the life of the bond due to reduced interest rates," said Charlotte board president Ron Schultheiss. "All Michigan school districts still have major financial challenges on the operational side of their budgets due to the economy, but this bond will put Charlotte in a much more favorable position to protect our investment in school facilities," he said.

"I am so pleased that the community has chosen to invest in their public schools to keep their students safe and secure. Quality schools enhance property values and attract new families," Superintendent Nancy Hipskind said.

In addition to the dollars saved with the new bonds, the district has saved taxpayers \$2.4 million in interest through an ongoing review and refinancing of past bond issues, just as an individual would refinance their home.

The School District's financing was conducted by the Michigan investment banking office of the brokerage firm, Stifel Nicolaus, the financial advising firm, Stauder, Barch & Associates and the law firm serving as bond counsel, Thrun Law Firm, P.C.

The School District's Recovery Zone Economic Development Bonds were sold at a true interest rate of 3.84% with a final maturity of 2040 (a repayment term of approximately 30 years). The School District's Qualified School Construction Bonds were sold at an estimated true interest rate of 0.65% with a final maturity of 2026 (a repayment term of approximately 16 years).

Brenda L. Voutyras, Managing Director with Stifel Nicolaus states, "Charlotte Public Schools Bonds were well received by the bond market. We experienced a high level of demand which resulted in a lower cost of borrowing than was originally anticipated."