



CITY OF OAK PARK

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City of Oak Park Refinances 2006 Street Improvement Bonds to Save \$1.2 Million **Street Improvement Bond Refinancing**

October 14, 2015, Oak Park, Michigan – The City of Oak Park refinanced their 2006 Street Improvement Bonds from a 4.5% interest rate to a 2.52% interest rate to save nearly \$1.2 million, net. For the average taxpayer owning property in the City of Oak Park, that equates to an annual savings of approximately \$50 to \$75 per taxpayer.

“We were able to refinance the City’s 2006 Street Improvement Bonds in a manner in which we pass along savings directly to our taxpayers through a decrease in their property taxes,” said City Manager Erik Tungate who credits a lower interest rate, a window of opportunity to refinance, and the remaining length of time in the amortization schedule as the contributing factors. “We are always in pursuit of opportunities to save our residents money, either directly or through city operations, and this is the result of our most recent efforts.”

As a result of the refinancing process, the City’s 2006 Street Improvement Bonds were refinanced at a much lower rate from a 4.5% to a 2.52%. With 15 years amortization remaining, the \$1.2 million in savings is tied directly to the debt-service payment allocated from taxpayer property taxes.

In 2013, Oak Park refinanced its 2003 Street Improvement Bonds from a 4.5% to a 1.9% interest rate on the remaining 15-year amortization to save approximately \$1.8 million.

“It is always a proud moment when the City can explain a tax reduction, versus a tax increase,” said Oak Park Mayor Marian McClellan. “The City government, from City Council to the City administration, is committed to reform which finds efficiencies and creates growth. We accomplish this by being responsive to the needs of our residents and our business community while promoting a strong culture of excellence.”

These refinancing opportunities serve as further examples of the City’s financial growth. Like many cities around the nation, in August of 2012 the City of Oak Park was facing an operating deficit of \$2 million and, with previous administration, laid-off 32 City employees in an effort to save costs. In 2015, three years later, the City has a strong 15% general fund balance and is no longer in financial distress.

The City of Oak Park is situated on the southern-most border of Oakland County, Michigan, and serves as a suburban ambassador to Detroit. Incorporated as a city in 1945, Oak Park's current population exceeds 29,300 and is home to more than 500 local businesses, including corporate headquarters.

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