

# BOND UPDATE #70

07.31.20

Here's what's been going on this week:

1. Our Team at Dykeman Architects is working hard to finish the design development phase of the new Ferndale High School project, which is an important milestone. We expect to be able to share updates about this work soon.
2. The big news this week is that Moody's Investors Service has maintained our current Aa2 credit rating. As part of a municipal bond sale, Moody's Investors Service evaluates our current and projected future health in order to assign a bond rating. In last week's update, I shared that Mark Deebach and I, with help from our consultants at DA Davidson and K&L Gates, submitted a report and participated in an interview with a rating analyst from Moody's in preparation for selling our second batch of bonds. When we went through this process last June (2019), prior to our first bond sale, our credit rating was upgraded from Aa3 to Aa2, something that doesn't happen very often. In fact, our financial consultant from DA Davidson told us we "are in rare company being upgraded." With the failure of the levy, the use of our reserve funds to balance our budget, the closure of Intalco, and the general state of Washington's economy, we went into the process this year anticipating our credit rating might be downgraded. However, Moody affirmed our Aa2 rating, citing "very strong management through the various challenges" as a primary reason. We are extremely pleased about this news for our community. While a better credit rating does not generate additional money for the District, it is a huge benefit to taxpayers because it translates into lower bond interest rates which means lower property taxes.
3. Construction is well underway on our eight secure vestibule projects throughout the district. These vestibules are intended to increase safety and security by giving us greater control over who accesses our buildings. As part of this week's update, I want to provide pictures of the work being done at Central and Skyline (below). We will continue to share progress on these projects as the work continues.

As always, feel free to reach out to me with questions or comments about any of this.

Linda

