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### **(Neb.)-Bonding Options Reviewed By Commissioners**

By: Chris Fankhauser Posted at: 08/01/2012 11:49 AM

(Chadron)-Kerry Bailey with Edward Jones in Chadron answered questions from the Dawes County Commissioners at their Wednesday morning meeting regarding refunding the Dawes County Courthouse Bonds. Board member Jake Stewart asked if it would be possible to just pay the bond without re-issuing, but was advised it was silly not to take advantage of current interest rates, with Bailey saying it is possible people can make more with investments than to pay off current debt at low interest rates.

Bailey presented a resolution to the Board that explained time frames for bonds and what would be refunded back, but said the interest rate cannot be quoted at this time because it would depend on what rates were when the resolution was signed. If the interest rate would not save the County money, then the process for repayment would not proceed. The idea for repayment and re-issuing of the bonds is to lock in at a better interest rate for the County. Currently the rate is approximately 4.5%, and it is possible the County could lock in at 2%, with a potential \$36,000 to \$40,000 savings to the County.

The bonds were originally issued for the HVAC and the elevator in 2004 for the Courthouse, and the bonds were re-issued in 2009. The balance that would be re-bonded would be approximately \$540,000, with the original bond in 2004 at \$875,000. The schedule now is to go out to 2024, and Bailey would like to keep that schedule set up with D.A. Davidson and Company out of Omaha. Bailey said that he would receive 50% of the bonds for issuance to Dawes County residents, and D.A. Davidson would approach Dawes County entities for the other 50% of the bonds. Bailey said it is possible if there are remaining bonds, it could be opened up to the state of Nebraska, but in his experience, he has seen bonding usually go to neighboring counties.

Commissioner Webb Johnson said that the Board will review the information presented by Bailey and revisit the issue at the next meeting. Bailey stated that a representative of D.A. Davidson will be at the next meeting to answer any more questions. Commissioner Stacy Swinney presented an option of taking funding out of inheritance taxes and re-finance the remainder through a local bank. His idea was to cut down the principal, so even if the interest rate was higher, the amount borrowed was less. Deputy County Attorney Adam Edmund stated it all boiled down to interest rates, and that the State has discussed taking inheritance taxes away from the counties. Plus, he said he has never seen local interest rates that are as low as the possible rate that Bailey presented. Edmund suggested reading through the information from Bailey, and if it isn't what the Board wants to do, they can then look at other options.

(Questions? Comments? Email

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