



STATE OF INDIANA OFFICE OF THE TREASURER

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CITIES AND SCHOOL DISTRICTS SAVE ON FUEL COSTS

Nearly \$300,000 saved in 2011 by participating in the fuel budgeting program

Indianapolis (January 18, 2012) – Several Indiana cities and school districts saved a combined \$296,800.97 by participating in the Indiana Bond Bank Fuel Budgeting Program (BBFBP). “It is good news whenever we save taxpayer dollars,” said State Treasurer Richard Mourdock, who oversees the fuel budgeting program.

Began three years ago, the BBFBP provides protection against fuel price spikes by pooling the fuel consumption of many municipalities and hedging the price. A community which chooses not to participate is left at the mercy of the global oil markets because most hedging programs require a unit of local government to consume at least 42,000 gallons per year. By joining the BBFBP, however, every city and school district in Indiana can potentially save on their fuel bills.

Furthermore, unlike many hedging programs, which require maintenance of a physical supply of fuel, the BBFBP is simply a financial transaction. Consequently, there are no constraints on the choice of fuel vendors and the municipality is free to maintain its existing contracts.

Below is a list of the cities and school districts which participated in the BBFBP, and consequently paid less than other Indiana cities and school districts for their fuel in 2011:

Avon Community School Corporation, City of Elkhart, City of Lafayette, City of Mishawaka, City of Terre Haute, Elwood Community School Corporation, Greenwood Community School Corporation, Metropolitan School District (MSD) of Perry Township, MSD of Warren Township, and MSD of Wayne Township.