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NEWS RELEASE  
For Immediate Release  
July 25, 2014

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## **WEST COUNTY SCHOOL BOARD SAVES TAXPAYERS MORE THAN \$10 MILLION WITH BOND REFUNDING**

RICHMOND—The West Contra Costa Unified School District saved property owners more than \$10 million by refunding bonds approved by voters in 2002 and 2005, it was announced.

The district on Thursday sold \$77.46 million of General Obligation Refunding Bonds, the proceeds of which were used to pay off the original bonds. The result is \$10.3 million in savings over the lifetime of the bonds (\$9.6 million in present day savings), which are then passed on to taxpayers.

“By taking advantage of historically low interest rates and aggressively looking for ways to reduce the burden on taxpayers, the district is responsibly handling the investments our community has made in our schools” Board President Charles Ramsey said. “Those investments have resulted in safer schools and modern classrooms that have the technology our students need to compete in the modern economy.”

The refunding, which is similar to refinancing a home mortgage, pays off existing debt by borrowing money at a lower interest rate. The bonds sold on Thursday were at 3.68 percent interest, considerably lower than the 4.96 percent effective interest rate for the bonds that were refunded.

Unlike a home mortgage refinance, the bond refunding cannot extend the term of the bonds, increase the amount of debt or allow the district to generate revenue through a “cash out.”

The refunding comes weeks after the Contra County Assessor released the assessed valuation of property in the district, which showed a robust year-over-year growth of 10.75 percent. Due to the combination of current and future growth in assessed values and the savings achieved through the bond refunding, the district expects to be at or below its tax rate targets for all of its bond measures for the next three fiscal years.

Several firms composed the district’s bond finance team. The underwriting syndicate was led by Piper Jaffray & Co. as book-running senior manager with Backstrom McCarley Berry & Co., LLC serving as co-manager. KNN Public Finance, a Division of Zions First National Bank, served as Financial Advisor for the transaction. Nixon Peabody LLP served as Bond and Disclosure Counsel for the transaction.

The district’s general obligation bonds are rated Aa3 by Moody’s Investors Service. Fitch Ratings has assigned a rating of A+ to the district’s general obligation bonds. Standard & Poor’s has also assigned a rating of A+ to the district’s general obligation bonds.