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Pittsburg Unified School District Refinances School Bonds and the Transaction Saves Tax Payers Millions of Dollars

Pittsburg, CA, December 20, 2019… Pittsburg Unified School District closed two general obligation bond financings, raising $32.0 million to fund new capital projects and $27.2 million to refinance bonds issued by the District in 2010. The sale closed on December 12, 2019. Both series of bonds will be repaid from proceeds of a special property tax levy approved by voters. District voters have approved five separate bond authorizations since 2004, most recently was Measure P, which passed in November of 2018 by a vote of 64.8% in favor.

Proceeds from the sale of the new money bonds will allow the District to continue its ongoing facilities improvement program. The District has been investing in its facilities on an ongoing and consistent basis since voters approved Measure E in November of 2004. "*Thanks to the support of Pittsburg voters, bond funds allow us to build new schools, modernize facilities, replace portable buildings, and provide ideal learning environments for our students and teachers,"* said Hitesh Haria, Associate Superintendent, Business Services. "*By taking advantage of low interest rates and refinancing the bonds, we are saving our tax payers millions of dollars in property taxes."*

Among the projects scheduled to be funded from this most recent series of bonds are completing a full campus replacement at Parkside Elementary School and technology improvements throughout the District, which will positively impact every school in the District. The bonds associated with technology will be fully repaid within five years. According to Larry Scott, Director of Facilities, "*there are so many benefits to the* *improvements we're making to these campuses. Not only do they look better, but they're more functional, more efficient, and easier to maintain.*"

With the refinancing, the District took advantage of historically low interest rates in order to generate taxpayer savings. By issuing refunding bonds at current interest rates and using the proceeds to redeem bonds issued at higher interest rates, the District was able to reduce payments on the impacted bonds from $95.6 million to $53.8 million (a savings of $41.8 million, or $10.2 million in present value) and shorten the remaining term by seven years (from August 1, 2052 to August 1, 2045). It was the ninth time the District has issued refunding bonds. "*This is how it's supposed to work,*" explains Dave Olson, Senior Vice President at Backstrom, McCarley, Barry & Co., who leads the financial advisory team. "*The Board knows the community has been generous with regard to their support of the bond program and, in turn, the Board's always wanting to do right by the community. As long as interest rates remain low, an active refunding program is one way to do that.*"

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