



BUENA PARK SCHOOL DISTRICT
PRESS RELEASE
September 28, 2011

Buena Park School District Refunds General Obligation Bonds
District Property Owners to See Reduced Assessment Beginning in 2012

At its meeting on September 12, 2011 the Buena Park School District Governing Board voted unanimously to authorize refunding of up to \$6.1 million of the District's outstanding general obligation bonds to reduce the property tax assessments paid by local property owners. Superintendent Greg Magnuson stated "although the District receives no benefit from refunding the bonds, the Governing Board and administration recognize our fiduciary duty to manage the District finances, and in this case the opportunity to reduce the tax burden carried by our community members."

The outstanding debt was authorized by district voters as a part of Measure 'K' in November, 1998, and consists of two series of general obligation bonds that were issued in 1999 and 2001 and mature in 2026. "In this bond sale, without extending the final maturity of the original bonds, we took advantage of historically low interest rates to reduce our average bond rate from 4.84% to 2.73% and save local taxpayers approximately \$640,000" Magnuson added.

In structuring the refinancing, technically termed "refunding", the District placed a higher percentage of the savings in the 2012-2016 tax years to reduce the existing assessment by as much as 14% each year. "With the state of the economy, we thought it would be prudent to pass along greater savings sooner, rather than smaller annual savings through 2026" stated Barbara Michel, school board president. Overall, property owners are expected to experience an 8.2% reduction in bond related payments over the remaining life of the bonds.

The bond sale was underwritten by Piper Jaffray & Co., a prominent municipal bond firm. A representative of the firm noted that the sale was aided by very strong credit ratings that reflect the District's pragmatic financial management, and the stable local economy. Standard & Poor's assigned the Buena Park School District an "AA-" rating. The strong ratings allowed the District to attract investor interest and negotiate attractive rates on the date of sale.

The closing date for the refunding is scheduled for September 29, 2011. District property owners are expected to see the initial rate reduction on the first installment of their 2012-13 property tax bill.

The Buena Park School District proudly serves the communities of Buena Park, La Palma, Fullerton, Anaheim and unincorporated areas of North Orange County to provide educational programs to over 5,300 kindergarten through eighth grade students at its seven schools.

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