

EDUCATION

VVC Board approves bond refinance, saving taxpayers millions

Reduced interest rates allow roughly \$12 million in savings



The Victor Valley College Regional Public Safety Training Center in Apple Valley was one of several buildings that benefitted from the issuance of more than \$137 million in general obligation bonds to the VVC District in 2008. David Pardo, Daily Press

By [Charity Lindsey](#)

Staff Writer

Posted Mar. 9, 2016 at 1:27 PM

Updated Mar 9, 2016 at 5:59 PM

VICTORVILLE — The Victor Valley College Board of Trustees made a unanimous financial move to refund bonds from 2009, essentially saving taxpayers anywhere from \$10 million to \$14 million, at their board meeting Tuesday.

“Since (2009), interest rates have fallen pretty dramatically,” said Mark Adler, managing director of Piper Jaffray investment firm. “When the bonds were issued back in 2009, the average rate was around five and a half percent. In today’s market, by refunding bonds, we’re about three and a quarter percent.”

In November 2008, voters approved, by a 55 percent vote, the issuance of more than \$137 million in general obligation bonds to the VVC District that have assisted in the construction of several buildings, the development of energy projects and parking lot improvements.

California law allows for "public school districts to issue refunding bonds for all or a portion of an outstanding bond issue, provided that there is a net debt service savings to the final maturity resulting from such refunding," according to the board's agenda.

The reduced interest rates on VVC’s prior bonds will result in an estimated savings of \$12.2 million, but this value could vary depending on the market, Adler explained.

Adler said they will go to the market around the last week of March or first week of April, and if rates go up, then they’d wait to refinance at a better time.

VVC Trustee Brandon Wood questioned Adler on whether any “costs or offsets” would decrease the total savings of the deal, to which Adler said that “all fees were taken into consideration” to quote the \$10 million to \$14 million.

“It’s not very often we have the opportunity to save people money,” Wood said, expressing his enthusiasm to approve the refinancing. “We try to spend wisely, but we are normally spending.”

VVC President/Superintendent Roger Wagner noted that the board should “enter this knowing there is a window (of time)” and that although the markets fluctuates, they can expect to save taxpayers millions of dollars.

Trustees Joseph W. Brady and Dennis Henderson both urged the approval, while board President John Pinkerton asked Brady whether he foresees “any negatives” to the refinance.

“Not that I can see... I think the window is right and we have a good group,” Brady said, mentioning that Piper Jaffray is a “well-respected firm.”

Pinkerton noting after the unanimous vote, “I don’t think anybody is opposed to this.”

Charity Lindsey may be contacted at 760-951-6230 or clindsey@vvdailynews.com. Follow her on Twitter @DP_Charity.