



NEWS RELEASE

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Contact info:

Victoria Brunn

PIO, Director of Community Outreach

209.858.0764

vbrunn@musd.net

Continuing study in review of community facility district program by Board of Trustees

Manteca Unified School District Board of Trustees continues to study the community facility district program as it applies to different areas within our boundaries. Superintendent Messer joined by District CBO, Jacqui Breitenbucher presented study findings to the Board of Trustees during the intensive study session. Superintendent Messer, "we want to continue to be diligent in the use of community funds to ensure we are providing a safe learning environment for our students."

The study session and the Board meeting were attended by financial and special tax advisors from California Financial Services, bond counsel from Orrick, Herrington & Sutcliff LLP, and representation from the underwriter of Stifel Nicolaus & Co to provide council and immediate advice.

Following a three-hour intensive study session, the School Board of Trustees reconvened for the regularly scheduled evening Board meeting. At which time, the Board directed staff to prepare the necessary legal documents and special tax reports to declare the projects within CFD 1989-1 complete and recalculate and reduce tax rates with the CFD to reflect that no additional special taxes will be required to fund facility projects authorized in 1989. Taxpayers within the CFD will see the impact of any such reductions in their 2016-17 tax bills that will be mailed this fall. The Board also requested that the Special Tax Consultant provide a reasonable projection of the final year when taxes will be levied and identify if any of the parcels are entitled to a special "veterans" parcel tax reduction based on the year in which their taxes were first paid by each parcel. The Board additionally directed staff to identify the amount of special taxes on deposit in the District CFD accounts that are not required to meet current scheduled debt service payments and pay for the annual cost of administering and maintaining the CFD.

The Board further directed staff to prepare a plan for using any such available amounts to retire outstanding financing leases (COPs) that were issued to fund CFD 1989-1 approved projects that have been historically paid from special taxes. The District will use any such available funds to retire any such obligations in a manner that will shorten the time that taxes will need to be collected for property owners within CFD-1989-1.

In addition, the Board authorized staff and the financing team to proceed with the preparation of bond documents to refinance CFD bonds in CFDs 1989-1, 1989-2 and 2000-3. The three bond refinancing's would currently save taxpayers approximately \$3.9 million in debt service payments over the next 18 years.

Actual savings will be based on interest rates at the time that the bonds are sold. Staff will prepare bond documents for Board consideration at the August meeting at which time the Board will receive an update of potential savings in each of the three CFDs. The refunding CFD bonds are expected to be sold by the end of the calendar year provided that interest rates remaining relatively stable in the next six months. The benefit to taxpayers would first appear on the 2017-18 tax bills.

The Board further directed that the special tax consultant for CFD 2005-4, primarily serving the City of Lathrop, reduce the special taxes for homeowners to match the tax rates levied in the City of Manteca's CFD 2000-3. The decision to lower the tax rate in CFD 2005-4 is an annual authorization by the Board that will be reflected on the 2016-17 tax bills this fall. The proposed maximum tax reduction is from \$1,800 to \$1,300 for 2016-17. The Board will annually re-evaluate the need for future taxes in CFD 2005-4 based on future development in Lathrop and the cost of building schools for the children who live within the CFD. The Board will act on final approval of this item at its July Board Meeting when all CFD taxes are normally approved by the Board.

In conclusion, we are reminded on the front cover of the study session workbook, as a community “each of us must come to care about everyone else’s children...we must recognize that the welfare of our children and grandchildren is ultimately linked to the welfare of all other people’s children. The good life for our own children can be secured only if a good life is also secured for all other people’s children,” stated Lillian Katz, international leader in early childhood education.

All documents presented at both the study session and board meeting may be found on MUSD website: <http://www.mantecausd.net/about-musd/cfd>

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The Manteca Unified School District (MUSD) serves more than 23,500 students. MUSD School Board will ensure every school day is relevant, rigorous, and leads students to become productive and engaged members of a global society while residing in the central valley. MUSD is committed to providing a safe environment where all students will thrive with the tools, resources and support needed to achieve their academic and personal potentials.

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