

North Clackamas Schools bond sale popular with investors

Bonds raise \$322 million for school building upgrades

North Clackamas Schools sold \$322 million of the voter approved \$433 million in bonds last week. The tax-free bonds were extremely popular among investors. Due to their demand, the bonds sold at a lower interest rate than originally expected and will realize nearly \$31 million in premium funds over the issuing amount. Premium funds are held in contingency and could be used to cover unanticipated costs or cost increases during the implementation of numerous bond projects. Implementation of the bond will be overseen by the North Clackamas School Board and a Community Bond Oversight Committee.

“The district’s popularity among investors is a reflection of the excellent credit ratings that we maintain. These ratings are primarily due to strong financial performance and fund balances in recent years. The district met its promise to voters as expected; continuing the current tax levy rate of \$2.37/\$1,000,” says Chief Financial Officer Mary Knigge. Having received more than three times the number of bond orders over available bonds, the bonds carry a 4.09% interest rate over 25 years.

The bond measure approved by voters in November 2016, will

- Renovate/remodel schools, some as old as 90 years, to help ensure that students graduate ready for college and careers
- Address security, safety and seismic needs
- Address facility maintenance issues such as replacing worn-out roofs, heating/cooling, plumbing and electrical systems
- Modernize classrooms
- Increase student access to technology
- Add space to relieve school overcrowding

The sale of the additional \$110 million in principal is anticipated in fiscal year 2018-2019.

Find more information about the bond at www.nclack.k12.or.us/bondinfo.