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Cabrillo Bonds Sold At Low Interest Rate

Cabrillo college sold \$600,000 worth of bonds yesterday afternoon—the last of three issues—at an extremely low interest rate that should enable the district to come up with a considerable savings.

The county board of supervisors awarded the bid to the Wells Fargo-American Trust company at an average interest rate of 2.738 per cent. The firm was the lowest of seven bidders.

That bid should allow a savings of approximately \$1,221,803 over original bond cost estimates for the three issues at the time of the bond election. The original estimate was figured on existing interest rates at the time of around 4.25 per cent.

Cabrillo Business Manager Lee Harris was delighted when County Auditor George Kriz computed the interest rates and made his recommendation on the bids to the supervisors.

“This should make the taxpayers happy,” he said.

The college district was fortunate in getting fairly low interest rates on all three bond sales. The first \$2 million bonds sale in August, 1960, went to the Bank of America at a 3.38 rate. The second \$4 million bonds sale went to Wells Fargo-American Trust last March at a 3.516 rate.

Recent comparable bond interest rates show the tremendously low bid made by Wells Fargo. Santa Maria high school bonds got a 3.05 rate, El Segundo unified school district got 2.91 on its bonds and El Monte high school got 2.98.

Other bids submitted to the board yesterday were Blythe and Company, 2.7868; Bank of America, 2.7933; Payne and Webber, 2.80367; United California Bank, 2.805538; County Bank of Santa Cruz, 2.81496; and Bank of California, 2.8506.