



CITY OF ATASCADERO FINANCE COMMITTEE

MINUTES

**Tuesday, April 19, 2019
4:00 p.m.**

**Atascadero City Hall – Conference Room 306
6500 Palma Avenue, Atascadero, California**

CALL TO ORDER:

Chairperson Bourbeau called the meeting to order at 4:04 p.m.

PRESENT: COMMITTEE MEMBERS: Charles Bourbeau, Chair
Susan Funk, Vice Chair
Gere Sibbach
Jeri Rangel

ABSENT: COMMITTEE MEMBERS: Rachelle Rickard

ALSO PRESENT: Amanda Muther, Deputy City Clerk
Cindy Chavez, Deputy Administrative Services Director

A. CONSENT CALENDAR:

1. Finance Committee Draft Action Minutes – March 20, 2018

- Recommendation: Committee approve the Draft Action Minutes of the March 20, 2018 Finance Committee Meeting. [City Clerk]

Motion: By Committee Member Rangel and seconded by Chairperson Bourbeau to approve the Consent Calendar.

Motion passed 4:0 by a roll-call vote. Rickard absent.

PUBLIC COMMENT:

The following citizens spoke during Public Comment: None.

Chairperson Bourbeau closed the PUBLIC COMMENT period.

B. BUSINESS:

1. Review of the Budget Process

Administrative Services Director Rangel provided a brief overview of the budget process which included a short walkthrough of the Budget Book for Fiscal Years 2017-2019 (a digital copy is available online at www.atascadero.org/budget) and answered questions from the Committee.

Public Comment: None.

2. Review of Debt Service Funds

Administrative Services Director Rangel presented the item, distributed fund analysis handouts (Exhibits A & B), and answered questions from the Committee.

Public Comment: None.

C. INDIVIDUAL DETERMINATIONS: None.

ADJOURN

Chairperson Bourbeau adjourned the meeting at 4:48 p.m.

MINUTES PREPARED BY:



Amanda Muther
Deputy City Clerk

The following exhibits are available for review in the City Clerk's office:

- Exhibit A – Fund Analysis – 2010 Bond Debt Service Fund
- Exhibit B – Fund Analysis – 1992 Street Improvement Assessments Fund

APPROVED: April 25, 2019

Date: April 19, 2019

FUND ANALYSIS
2010 Bond Debt Service Fund

FUND							TYPE
461							Debt Service
	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 BUDGETED	2018-2019 ESTIMATED	2019-2020 REQUESTED	2020-2021 REQUESTED	
<u>REVENUES</u>							
Charges for Services	\$ 1,975	\$ 1,975	\$ 2,800	\$ 2,025	\$ 2,500	\$ 2,600	
Revenue from Use of Money	738,272	757,365	735,810	735,810	726,540	717,290	
Total Revenues	740,247	759,340	738,610	737,835	729,040	719,890	
<u>EXPENSES</u>							
Operations	(1,975)	(1,975)	(2,800)	(2,025)	(2,500)	(2,600)	
Debt Service	(972,313)	(974,825)	(975,810)	(975,810)	(971,540)	(972,290)	
Total Expenses	(974,288)	(976,800)	(978,610)	(977,835)	(974,040)	(974,890)	
Net Income	(234,041)	(217,460)	(240,000)	(240,000)	(245,000)	(255,000)	
<u>OTHER CASH SOURCES / (USES)</u>							
Decrease / (Increase) in Fiscal Agent Cash	9,041	(17,540)	(5,000)	(5,000)	(5,000)	(5,000)	
Principal (Loan To) / Repayment From Successor Agency	225,000	235,000	245,000	245,000	250,000	260,000	
BEGINNING AVAILABLE BALANCE	-	-	-	-	-	-	
ENDING AVAILABLE BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

SUMMARY OF REVENUES
2010 Bond Debt Service Fund

FUND 461							SECTION I
ACCOUNT NUMBER	REVENUE DESCRIPTION	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 BUDGETED	2018-2019 PROJECTED	2019-2020 ESTIMATED	2020-2021 ESTIMATED
<u>2010 BOND DEBT SERVICE FUND (461)</u>							
	Charges for Services						
49582.2010	Reimbursement of Trustee Fees from Successor Agency	\$ 1,975	\$ 1,975	\$ 2,800	\$ 2,025	\$ 2,500	\$ 2,600
	Revenue from Use of Money						
46110.0000	Investment Earnings	5,156	17,746	5,000	5,000	5,000	5,000
46282.2010	Interest Income- 2010 Reimbursement Agreement with Successor Agency	733,116	739,619	730,810	730,810	721,540	712,290
	Total 2010 Bond Debt Service Fund	<u>\$ 740,247</u>	<u>\$ 759,340</u>	<u>\$ 738,610</u>	<u>\$ 737,835</u>	<u>\$ 729,040</u>	<u>\$ 719,890</u>

DEBT REDEMPTION SCHEDULES
2010 Bond Debt Service Fund

FUND	TYPE	CODE
461	Debt Service	961

DESCRIPTION

On September 1, 2010, the City issued \$16,010,000 in Lease Revenue Bonds to be used for various redevelopment public improvement projects within the downtown area. These projects include Historic City Hall, the Centennial Bridge and Plaza Project, the Maiden Statue Placement, and Wayfinding Signage, to name just a few.

The bonds were issued by the City, rather than by the Community Redevelopment Agency of Atascadero, in order to achieve the most favorable interest rate. As part of the bond issuance, the City entered into a lease revenue financing agreement with the Community Redevelopment Agency of Atascadero. This agreement provides for full reimbursement of debt service payments to the City by the Community Redevelopment Agency of Atascadero.

In June 2011, the State Legislature dissolved redevelopment agencies throughout the State. As part of the legislation, successor agencies to the redevelopment agencies were formed. These successor agencies are intended to fulfill all commitments that were in place at the time of dissolution of the former redevelopment agencies. Although the Community Redevelopment Agency of Atascadero has been dissolved, these bonds remain an obligation of the Successor Agency to the Community Redevelopment Agency of Atascadero. Amounts equal to the principal and interest payments on the bonds are transferred in advance from the Successor Agency to the City in order to meet bond covenants and obligations.

These bonds mature between fiscal years 2015 and 2041, at interest rates ranging from 3.00% to 5.00%.

<u>DEBT SERVICE SCHEDULE</u>		FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
The terms are as follows:		2020	\$ 250,000	\$ 721,538	\$ 971,538
Issue:	<u>2010 Lease Revenue Bonds</u>	2021	260,000	712,288	972,288
Type of Debt:	Lease Revenue Bonds	2022	270,000	702,013	972,013
Dated:	September 1, 2010	2023	275,000	689,738	964,738
Principal Issued:	\$16,010,000	2024	295,000	676,963	971,963
Interest Rates:	3.00% to 5.00%	2025	305,000	664,581	969,581
Maturity Dates:	October 1, 2014 to October 1, 2040	2026	315,000	651,800	966,800
Obligated Funds:	General Fund, to be reimbursed by Successor	2027	330,000	637,250	967,250
	Agency Fund	2028	350,000	620,250	970,250
		2029	365,000	602,375	967,375
		2030	380,000	583,750	963,750

DEBT REDEMPTION SCHEDULES
2010 Bond Debt Service Fund

FUND	TYPE	CODE
461	Debt Service	961

DEBT SERVICE SCHEDULE (continued)

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2031	\$ 405,000	\$ 564,125	\$ 969,125
2032	420,000	543,500	963,500
2033	440,000	522,000	962,000
2034	465,000	499,375	964,375
2035	490,000	475,500	965,500
2036	1,365,000	429,125	1,794,125
2037	1,430,000	359,250	1,789,250
2038	1,500,000	286,000	1,786,000
2039	1,575,000	209,125	1,784,125
2040	1,655,000	128,375	1,783,375
2041	1,740,000	43,500	1,783,500
	<u>\$ 14,880,000</u>	<u>\$ 11,322,421</u>	<u>\$ 26,202,421</u>

DEBT REDEMPTION SCHEDULES
2010 Bond Debt Service Fund

FUND	TYPE	CODE
461	Debt Service	961

ACTIVITY DETAIL

OBJECT NUMBER	EXPENSE CLASSIFICATION	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 BUDGETED	2018-2019 ESTIMATED	2019-2020 REQUESTED	2020-2021 REQUESTED
<u>OPERATIONS</u>							
6503055	Trustee Fees	\$ 1,975	\$ 1,975	\$ 2,800	\$ 2,025	\$ 2,500	\$ 2,600
	Total Operations	<u>1,975</u>	<u>1,975</u>	<u>2,800</u>	<u>2,025</u>	<u>2,500</u>	<u>2,600</u>
<u>DEBT SERVICE</u>							
9106060	Principal	225,000	235,000	245,000	245,000	250,000	260,000
9106565	Interest	<u>747,313</u>	<u>739,825</u>	<u>730,810</u>	<u>730,810</u>	<u>721,540</u>	<u>712,290</u>
	Total Debt Service	<u>972,313</u>	<u>974,825</u>	<u>975,810</u>	<u>975,810</u>	<u>971,540</u>	<u>972,290</u>
ACTIVITY TOTAL		<u>\$ 974,288</u>	<u>\$ 976,800</u>	<u>\$ 978,610</u>	<u>\$ 977,835</u>	<u>\$ 974,040</u>	<u>\$ 974,890</u>

DETAIL BACKUP

OBJECT NUMBER	EXPENSE CLASSIFICATION	DESCRIPTION	BASIS	2019-2020 AMOUNT	2020-2021 AMOUNT
6503055	Trustee Fees	Payment to Bank of New York for trustee services provided in accordance with original debt agreement	Estimate	\$ 2,500	\$ 2,600
9106060	Principal	Scheduled repayment of principal	Agreement	250,000	260,000
9106565	Interest	Current year interest on debt	Agreement	721,540	712,290

DEBT REDEMPTION SCHEDULES
1992 Street Improvement Assessment Fund

FUND	TYPE	CODE
492	Debt Service	992

DESCRIPTION

This fund is used to account for fees assessed in the 1992 Street Improvement Assessment District and the related debt service payments. This Assessment District was formed in 1992 in order to construct street improvements in two non-contiguous sections of the City: the Las Encinas area and the 3F Meadows area. The City made the final payment on the debt service for bond issue in fiscal year 2008-2009.

The last bond payment was made in September 2008; however funds remained in the District. These funds were used to complete a micropaving project within the District and final administrative close out of fund in fiscal year 2017-2018.

DEBT SERVICE SCHEDULE

The terms are as follows:

Issue: **Las Encinas & 3F Meadows Improvement Bonds**
(1992 Street Improvement Bonds)

Type of Debt: 1915/1913 Act Assessment Bonds

Dated: August 19, 1993

Principal Issued: \$903,356

Interest Rates: 3.00% to 6.20%

Maturity Dates: September 2, 1994 to September 2, 2008

Obligated Funds: Assessments levied within the Assessment District for this purpose

Date: April 19, 2019

FUND ANALYSIS
1992 Street Improvement Assessments Fund

FUND 492							TYPE Debt Service
		<u>2016-2017 ACTUAL</u>	<u>2017-2018 ACTUAL</u>	<u>2018-2019 BUDGETED</u>	<u>2018-2019 ESTIMATED</u>	<u>2019-2020 REQUESTED</u>	<u>2020-2021 REQUESTED</u>
REVENUES							
Revenue from Use of Money		\$ 216	\$ 792	\$ -	\$ -	\$ -	\$ -
Total Revenues		<u>216</u>	<u>792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES							
Capital Outlay		(2,929)	(173,355)	-	-	-	-
Total Expenses		<u>(2,929)</u>	<u>(173,355)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income		(2,713)	(172,563)	-	-	-	-
BEGINNING AVAILABLE BALANCE		<u>175,276</u>	<u>172,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING AVAILABLE BALANCE		<u><u>\$ 172,563</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUMMARY OF REVENUES
1992 Street Improvement Assessments Fund

FUND							SECTION
492							I
ACCOUNT NUMBER	REVENUE DESCRIPTION	2016-2017 ACTUAL	2017-2018 ACTUAL	2018-2019 BUDGETED	2018-2019 PROJECTED	2019-2020 ESTIMATED	2020-2021 ESTIMATED
<u>1992 STREET IMPROVEMENT ASSESSMENTS FUND (492)</u>							
	Revenue from Use of Money						
46110.0000	Investment Earnings	\$ 216	\$ 792	\$ -	\$ -	\$ -	\$ -
	Total 1992 Street Improvement Assessments Fund	<u>\$ 216</u>	<u>\$ 792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEBT REDEMPTION SCHEDULES
1992 Street Improvement Assessment Fund

FUND	TYPE	CODE
492	Debt Service	992

ACTIVITY DETAIL

<u>OBJECT NUMBER</u>	<u>EXPENSE CLASSIFICATION</u>	<u>2016-2017 ACTUAL</u>	<u>2017-2018 ACTUAL</u>	<u>2018-2019 BUDGETED</u>	<u>2018-2019 ESTIMATED</u>	<u>2019-2020 REQUESTED</u>	<u>2020-2021 REQUESTED</u>
<u>CAPITAL OUTLAY</u>							
8301478	92 Street Improvement District						
	Micropaving Project	\$ 2,929	\$ 173,355	\$ -	\$ -	\$ -	\$ -
	Total Capital Outlay	2,929	173,355	-	-	-	-
ACTIVITY TOTAL		<u>\$ 2,929</u>	<u>\$ 173,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>