



STAFF REPORT
Board Meeting of April 19, 2023

AGENDA ITEM: 10-C

PREPARED BY: Troy McNeil, Deputy Director/Fiscal Supervisor

SUBJECT:

Madera County 2006 Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2010 (Bank Qualified) (the "2010 STRBs") Partial Optional Redemption

Enclosure: Yes

Action: Approve Partial Optional Redemption of Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2010 (Bank Qualified) (the "2010 STRBs")

SUMMARY:

On June 29, 2010, MCTC issued \$17.1 million of Madera County 2006 Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2010 (Bank Qualified) (the "2010 STRBs") to fund the Ellis Street Overcrossing and Avenue 12 Interchange improvements in Madera County. Currently, a total of \$2.935 million of principal remains outstanding, consisting of \$1.43 million due on March 1, 2024 and a final principal maturity of \$1.505 million due on March 1, 2025. The 2010 STRBs are secured solely by a pledge of Measure T sales tax revenues and were issued with a 10-year optional redemption provision with no pre-payment penalty.

Staff has identified certain funds remaining on deposit that should be applied to debt service payments on the 2010 STRBs, totaling \$2.62 million. These excess funds can be applied to pay-off outstanding 2010 STRBs at no pre-payment penalty. The entire outstanding principal maturity of \$1.505 million of 2010 STRBs due on March 1, 2025 will be redeemed and approximately \$1.095 million of the March 1, 2024 maturity of 2010 STRBs will be redeemed. This redemption will result in a remaining principal amount of \$335,000 outstanding due on March 1, 2024.

Staff recommends moving forward with the partial optional redemption of the 2010 STRBs.

FISCAL IMPACT:

No fiscal impact to the approved 2022-23 Overall Work Program and Budget. By utilizing the funds on hand to redeem 2010 STRBs, an interest cost savings of approximately \$185,000 will

be generated. Additionally, the final maturity of the 2010 STRBs will be shortened by 1 year, from March 1, 2025 to March 1, 2024.