

Item #7
File # 2023-0740

Proposition A

Refunding Bonds

Finance, Budget and Audit Committee
February 14, 2024



Proposition A Refunding Bonds

Proposition A Refunding Bond Summary

Purpose of Bonds:

1. To refund the Proposition A Series 2014-A and Proposition A Series 2015-A on their upcoming call date of July 1, 2024
2. To refinance outstanding variable rate taxable and tax-exempt commercial paper

Mode and Structure:

- Bonds will be sold to investors on a negotiated basis through underwriters selected from the previously approved underwriter bench
- Bonds will be issued at a fixed rate with maturities ranging from 2025-2042

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Summary of Estimated Refunding Results

<u>Proposition A 2024 Refunding Bonds</u>	
Average Annual Debt Service	\$12,788,773.17
Total Debt Service	\$233,075,391.03
Annual Maturities	2025-2042
All-In True Interest Cost	3.29%
NPV Savings(\$)	\$9,111,182.31
NPV Savings(%)	4.59%

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Recommendation:

- A. Adopt a resolution authorizing the negotiated sale of up to \$230 million of Proposition A Bonds

Next Steps:

- Obtain credit ratings on the Bonds
- Complete legal documentation and initiate the pre-marketing effort
- Negotiate the sale of the Bonds with the underwriters

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Discussion