

Mammoth Lakes Town Council
Agenda Action Sheet

Meeting Date: June 21, 2017

Prepared By: Daniel C. Holler, Town Manager

Submitting Department: Administration

Title: Biannual review of financing options for MLLA settlement debt and authorization to pursue potential financing of outstanding obligation.

Recommended Motion: Authorize the Town Manager to pursue options to issue judgment obligation bonds as a potential means to finance the MLLA settlement debt.

Background Information: The Mammoth Lakes Land Acquisition (MLLA) settlement agreement requires the Town to use its reasonable efforts to finance its payment obligations to MLLA. Town is obligated to inform MLLA twice a year as to the potential to finance the Town's obligation. In completing the most recent review there is the potential for the Town to finance its obligation. Town financing will depend on a number of factors including final interest rates, bond rating, term, requirement for a reserve account, the ability to purchase insurance and the contribution by the Town of up to \$500,000. Staff is requesting authorization in proceeding with the review and some initial document development. This includes preparing for the bond rating and finding out if bond insurance is available and if so at what cost and if it is feasible. The bonds would be sold in the open market place. Preliminary estimates are for an annual savings of \$50,000 to \$150,000. Initial information will be brought back to Council in July to determine whether or not to proceed with the financing and to consider the commitment of up to \$500,000 to the financing. If it is determined to move forward final approval of the various bond documents would occur at the August Council Meeting.

Attachments:

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