

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 3/13/2019

**Staff Report No.** 19-059

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**TO:** AC Transit Financial Corporation Board of Directors

**FROM:** Michael A. Hursh, General Manager

**SUBJECT:** Financial Statements for the Second Quarter Ended December 31, 2018

### BRIEFING ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving the Financial Statements for the AC Transit Financing Corporation for the Second Quarter Ended December 31, 2018.

#### **BUDGETARY/FISCAL IMPACT:**

Consistent with the amortization tables, accrued interest on all COPs fiscal year to date as of December 31, 2018 was \$339,000, slightly less than that of the prior fiscal year due to the overall maturity of the debt portfolio, including the final maturity of the 2012 refunding debt.

#### **BACKGROUND/RATIONALE:**

The Financing Corporation was created to provide financing assistance to the Alameda-Contra Costa Transit District. The Board receives quarterly and annual reports on the Financing Corporation's financial results. The financial statements reflect the two active Certificates of Participation (COP) financings as follows:

- Series 2012 secured the refinancing of the Series 2001 for the purchase and refurbishment of the General Office headquarters. This obligation has been fully repaid as of August 1, 2018.
- Series 2009 secured financing for the purchase of the 66th Avenue property and has scheduled payments to August 2034. Fiscal year to date principal payments were \$445,000 and fiscal year to date accrued interest is \$336,000. The one time call on this series initially becomes available in May 2019. Staff has been in discussions with the District financial advisors as to our options, timing, and potential interest savings (current estimates come in at greater than \$2 million of interest savings over the remaining life, to 2034) if we were to exercise our option to do a refunding for this 2009 Certificate of Participation.

#### **ADVANTAGES/DISADVANTAGES:**

This report does not recommend a course of action with notable advantages or disadvantages.

**ALTERNATIVES ANALYSIS:**

An Alternative analysis does not apply to this report.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR 18-293 AC Transit Financing Corporation Financial Statements for the Period Ending June 30, 2018.

**ATTACHMENTS:**

1. AC Transit District Financing Corporation Internal Financial Statements for the Quarter Ended December 31, 2018.

**Approved by:**

Claudia L. Allen, Chief Financial Officer

**Reviewed by:**

Ralph Martini, Controller

**Prepared by:**

Ken Myers, Finance Administrator