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# CITY OF POMONA

## COUNCIL REPORT

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May 20, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Andrew Mowbray, Finance Director  
Rene Guerrero, Acting Public Works Director

**SUBJECT: AUTHORIZE THE EXCHANGE OF SERIES AW TAXABLE BOND PROCEEDS IN THE AMOUNT OF \$811,500 FOR PROPOSITION A FUNDS TALLING \$1,090,00 WITH THE CITIES OF DIAMOND BAR AND HIDDEN HILLS AND AMEND THE PROPOSITION A SPECIAL FUND BUDGET TO RECEIVE AND APPROPRIATE \$1,090,000 IN THE FY 2018-19 OPERATING BUDGET; AMEND THE FY 2018-19 CIP BUDGET BY UNAPPROPRIATING \$1,090,000 IN SERIES AW TAXABLE BOND PROCEEDS FROM “POMONA TRANSIT BRIDGE IMPROVEMENTS AND BEAUTIFICATION,” PROJECT #428-2590-XXXXX-67927 (PROJECT) AND APPROPRIATING \$1,090,000 FROM PROPOSITION A FUNDS TO THE PROJECT**

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### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) ADOPT RESOLUTION #2019-60 AUTHORIZING THE EXCHANGE OF SERIES AW TAXABLE BOND PROCEEDS IN THE AMOUNT OF \$727,500 FOR PROPOSITION A FUNDS IN THE AMOUNT OF \$970,000 WITH THE CITY OF DIAMOND BAR AND TO RECEIVE AND APPROPRIATE \$970,000 OF PROPOSITION A FUNDS IN THE FY 2018-19 OPERATING BUDGET; AMENDING THE FY 2018-19 CIP BUDGET BY UN-APPROPRIATING \$970,000 IN SERIES AW TAXABLE BOND PROCEEDS FROM “POMONA TRANSIT BRIDGE IMPROVEMENTS AND BEAUTIFICATION,” PROJECT #428-2590-XXXXX-67927 AND APPROPRIATING \$970,000 FROM PROPOSITION A FUNDS TO THE PROJECT**
- 2) ADOPT RESOLUTION #2019-61 AUTHORIZING THE EXCHANGE OF SERIES AW TAXABLE BOND PROCEEDS IN THE AMOUNT OF \$84,000 FOR PROPOSITION A FUNDS IN THE AMOUNT OF \$120,000 WITH THE CITY OF HIDDEN HILLS AND TO RECEIVE AND APPROPRIATE \$120,000 OF PROPOSITION A FUNDS IN THE FY 2018-**

**19 OPERATING BUDGET; AMENDING THE FY 2018-19 CIP BUDGET BY UN-APPROPRIATING \$120,000 IN SERIES AW TAXABLE BOND PROCEEDS FROM “POMONA TRANSIT BRIDGE IMPROVEMENTS AND BEAUTIFICATION,” PROJECT #428-2590-XXXXX-67927 AND APPROPRIATING \$120,000 FROM PROPOSITION A FUNDS TO THE PROJECT**

- 3) Authorize the City Manager to execute necessary contracts with the City of Diamond Bar and City of Hidden Hills to complete the exchange.

**FISCAL IMPACT:**

The net fiscal impact of this transaction is a restoration of \$278,500 in unspent Series AW taxable (RDA) bond proceeds which were budgeted to be transferred in the amount of \$1,090,000 to fund the “Pomona Transit Bridge Improvements and Beautification” CIP Project. The sale of \$811,500 of Series AW bond proceeds to two other cities in exchange for Prop A dollars leverages a combined 34.3% increase in value. The purchased Prop A funds would be deposited into the Prop A Special Revenue Fund (Fund 216); and with approval of the Resolutions above, \$1,090,000 of exchanged Prop A funds will be transferred to the Project in lieu of the previously budgeted Series AX bond proceeds. Los Angeles County Metropolitan Transportation Authority (MTA) has approved the “Pomona Transit Bridge Improvements and Beautification” project #428-2590-XXXXX-67927.

- The City of Diamond Bar is exchanging with the City at a rate of \$0.75 on the dollar. The cost to Pomona would be \$727,500 in bond proceeds, and Pomona would receive \$970,000 in restricted Proposition A funds for a 33.3% yield. The action to approve this exchange was approved by the City of Diamond Bar City Council on May 7, 2019.
- The City of Hidden Hills is exchanging with the City at a rate of \$0.70 on the dollar. The cost to Pomona would be \$84,000 in bond proceeds, and Pomona would receive \$120,000 in restricted Proposition A funds for a 42.9% yield. The action to approve this exchange is scheduled to be on the City of Hidden Hills City Council June 10, 2019 agenda.

**PREVIOUS RELATED ACTION:**

On March 4, 2019, the Council approved the creation of a new CIP project “Pomona Transit Bridge Improvements and Beautification” project #428-2590-XXXXX-67927 which is being funded by Proposition A funds and Series AW Taxable bond proceeds.

**DISCUSSION:**

The City issued Series AW Bonds in July 2007. The proceeds were used to Purchase Mission Promenade in the Former Redevelopment Agency’s Merged Project Area. Mission Promenade was sold in December 2018. The proceeds of the sale of property went back to the Former Redevelopment Agency and can be used for the same purposes. The amount of \$1,280,116 of Series AW funds were appropriated to CIP project, “Pomona Transit Bridge Improvements and

Beautification” project #428-2590-XXXXX-67927. The City would like to exchange a portion of these AW Bond proceeds for Proposition A funds from the City of Diamond Bar and the City of Hidden Hills. The City’s intent on exchanging Series AW Bond proceeds with Proposition A funds is to purchase the funds at a discount to free up bond proceeds which could be used for other qualified uses and address other needs of the City.

The City would like to amend the FY 2018-19 operating budget to receive and appropriate \$1,090,000 in Proposition A funds. Accordingly, the City would like amend the FY 2018-19 CIP budget to unappropriate \$1,090,000 in AW Bond proceeds from the CIP project “Pomona Transit Bridge Improvements and Beautification,” Project #428-2590-XXXXX-67927 and appropriate the \$1,090,000 in Proposition A funds to the project.

<b>Account Number</b>	<b>Requested Revenue Adj.</b>	<b>Requested Appropriation Adj.</b>
216-2506-40810-68002	\$1,090,000	
216-2590-89987-67927		\$1,090,000
428-2590-XXXXX-67927		\$(1,090,000) – AW Bond
428-2590-XXXXX-67927		\$1,090,000 – Prop A Fund

Prepared by:

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Dustin Andolsen  
Accounting Supervisor

**ATTACHMENT(S):**

Attachment No. 1 – Resolution No. 2019-60  
Attachment No. 2 – Resolution No. 2019-61