

Mammoth Lakes Municipal Service Corporation

Subject: Receive and File Annual Report for Fiscal Year 20-21

Meeting Date: January 19, 2022

Written by: Rob Patterson – Administrative Services / Finance Director

RECOMMENDATION:

Staff recommends the Board of Directors receive and file the annual report for fiscal year 20-21

BACKGROUND:

The Mammoth Lakes Municipal Service Corporation (Corporation) was established by the Mammoth Lakes Town Council. While a separate legal entity the Corporation is governed by the Town Councilmembers sitting as the Board of the Corporation. Town Staff provides the required staff support in the capacities required by the Corporation. The Corporation was created to provide the Town a legal structure for the issuance of certain types of debt. The Corporation was used most recently in the issuance of Installment Sales Agreement (2017) for Multi-Use Facility construction, Taxable Judgement Obligation Bonds (2017) for MLLA Settlement refinance and Lease-Revenue Bonds (2015) as part of the financing for the police facility. Prior to these activities, the Corporation has not engaged in activity since 2000. This report provides information on the assets, liabilities, and financial activity of the Corporation for FY20-21.

Asset and Revenues:

The Corporation has no assets or cash. The only revenue are lease payments, made by the Town of Mammoth Lakes and Measure R – Sales Tax, which are essentially a pass through for payment to service long-term debt.

Liabilities:

The Corporation has long-term debt issued for three separate purposes two supported by lease payments from the Town of Mammoth Lakes and one from Measure R – Sales Tax Revenue. The first debt issued on August 2015 for \$3,550,000 with a 15-year term and interest rate of 3.51%. This debt was secured to refund outstanding Certificates of Participation issued in 2000 for the purchase of the Bell Shaped Property as well as funding a portion of the construction of new police facilities. This debt was secured by the Town's corporation yard while the new police facility was under construction. The outstanding balance of this debt as of 6/30/2021 is \$2,411,000. The second debt issued October 2017 for \$23,995,000 with an 18-year term and interest rate of 1.75 – 4.375%. This debt was secured to refinance of MLLA Settlement Debt. The outstanding balance of this debt as of 6/30/2021 is \$20,905,000. The third debt issued October 2017 for \$5,500,000 with a 10-year term and interest rate of 2.23%. This debt was secured

to support construction of the Multi-Use Facility and is funded by Measure R Sales Tax. The outstanding balance of this debt as of 6/30/2021 is \$3,975,000.

Changes in assets or liabilities within the year:

The Corporation had an outstanding loan obligation at the beginning of fiscal year 20-21 of \$27,291,000 for all three long term obligations. The debt was reduced by scheduled payments (principal) of \$1,794,000. These transactions are described in more detail below.

Annual Statement of Certain Transactions:

Long Term Debt – Lease Revenue Bond (2015)

The Corporation has received two lease payments from the Town of Mammoth Lakes and has subsequently made two scheduled payments totaling \$314,540.45 in debt service for Lease Revenue Bond (2015) last fiscal year. These payments reduced the outstanding principal amount to \$2,411,000 with 9 years remaining on the term.

Principal	\$224,000.00
Interest	<u>\$ 90,540.45</u>
Total debt service payments	\$314,540.45

Lease Revenue Bond (2015)

Police Facility and C.O.P refinance - Semi Annual Payments

Date	Principal	Interest	Payment
12/1/2015	\$ 45,000.00	\$ 40,496.63	\$ 85,496.63
6/1/2016	\$ 46,000.00	\$ 61,512.75	\$ 107,512.75
12/1/2016	\$ 97,000.00	\$ 60,705.45	\$ 157,705.45
6/1/2017	\$ 99,000.00	\$ 59,003.10	\$ 158,003.10
12/1/2017	\$ 100,000.00	\$ 57,265.65	\$ 157,265.65
6/1/2018	\$ 102,000.00	\$ 55,510.65	\$ 157,510.65
12/1/2018	\$ 104,000.00	\$ 53,720.55	\$ 157,720.55
6/1/2019	\$ 106,000.00	\$ 51,895.35	\$ 157,895.35
12/1/2019	\$ 107,000.00	\$ 50,035.05	\$ 157,035.05
6/1/2020	\$ 109,000.00	\$ 48,157.20	\$ 157,157.20
12/1/2020	\$ 111,000.00	\$ 46,244.25	\$ 157,244.25
6/1/2021	\$ 113,000.00	\$ 44,296.20	\$ 157,296.20
	\$ 1,139,000.00	\$ 628,842.83	\$ 1,767,842.83

Remaining Payments

Remaining Term	Principal	Interest	Total Payments
9 Years	\$ 2,411,000.00	\$ 421,814.25	\$ 2,832,814.25

Long Term Debt – Taxable Judgement Obligation Bonds (2017)

The Corporation has received two lease payments from the Town of Mammoth Lakes and has subsequently made two scheduled payments totaling \$1,867,287 in debt service for Taxable Judgement Obligation Bonds (2017) last fiscal year. These payments reduced the outstanding principal amount to \$20,905,000 with 14.5 years remaining on the term.

Principal	\$1,050,000.00
Interest	<u>\$ 817,287.00</u>
Total debt service payments	\$1,867,287.00

Taxable Judgement Obligation Bonds (2017)

Refinancing MLLA Settlement Debt

Date	Principal	Interest	Payment
4/1/2018	\$ -	\$ 375,862.50	\$ 375,862.50
10/1/2018	\$ 1,010,000.00	\$ 433,687.50	\$ 1,443,687.50
4/1/2019	\$ -	\$ 424,850.00	\$ 424,850.00
10/1/2019	\$ 1,030,000.00	\$ 424,850.00	\$ 1,454,850.00
4/1/2020	\$ -	\$ 414,550.00	\$ 414,550.00
10/1/2020	\$ 1,050,000.00	\$ 414,550.00	\$ 1,464,550.00
4/1/2021	\$ -	\$ 402,737.00	\$ 402,737.00
	<u>\$ 3,090,000.00</u>	<u>\$ 2,891,087.00</u>	<u>\$ 5,981,087.00</u>

Remaining Payments

Remaining Term	Principal	Interest	Total Payments
14.5 Years	\$ 20,905,000.00	\$ 7,129,587.08	\$ 28,034,587.08

Long Term Debt – Installment Sales Agreement (2017)

The Corporation has received two lease payments from Measure R – Sales Tax and has subsequently made two scheduled payments totaling \$614,440 in debt service for Installment Sales Agreement (2017) last fiscal year. These payments reduced the outstanding principal amount to \$3,975,000 with 6.5 years remaining on the term.

Principal	\$520,000.00
Interest	<u>\$ 94,440.50</u>
Total debt service payments	\$614,440.50

Installment Sales Agreement (2017)

Partial Funding of Community Recreation Center

Date	Principal	Interest	Payment
4/1/2018	\$ -	\$ 55,192.50	\$ 55,192.50
10/1/2018	\$ 495,000.00	\$ 61,325.00	\$ 556,325.00
4/1/2019	\$ -	\$ 55,805.75	\$ 55,805.75
10/1/2019	\$ 510,000.00	\$ 55,805.75	\$ 565,805.75
4/1/2020	\$ -	\$ 50,119.25	\$ 50,119.25
10/1/2020	\$ 520,000.00	\$ 50,119.25	\$ 570,119.25
4/1/2021	\$ -	\$ 44,321.25	\$ 44,321.25
	\$ 1,525,000.00	\$ 372,688.75	\$ 1,897,688.75

Remaining Payments

Remaining Term	Principal	Interest	Total Payments
6.5 Years	\$ 3,975,000.00	\$ 318,053.75	\$ 4,293,053.75

All payments are current on the outstanding debt and are being paid in accordance with the following schedule of payments.

Lease Revenue Bond (2015) Police Facility - Refinance COP

Amount \$ 3,550,000
Interest Rate 3.510%
Term 15 Years

Date	Beginning Balance	Annual Interest Accrued	Payment - Principal	Payment - Interest	Total Payment	Annual Debt Service	Ending Balance
4-Aug-15	\$ 3,550,000	\$ -	\$ -	\$ -	\$ -		\$ 3,550,000
1-Dec-15	\$ 3,550,000	\$ 40,497	\$ 45,000	\$ 40,497	\$ 85,497		\$ 3,505,000
1-Jun-16	\$ 3,505,000	\$ 61,513	\$ 46,000	\$ 61,513	\$ 107,513	\$ 193,009	\$ 3,459,000
1-Dec-16	\$ 3,459,000	\$ 60,705	\$ 97,000	\$ 60,705	\$ 157,705		\$ 3,362,000
1-Jun-17	\$ 3,362,000	\$ 59,003	\$ 99,000	\$ 59,003	\$ 158,003	\$ 315,709	\$ 3,263,000
1-Dec-17	\$ 3,263,000	\$ 57,266	\$ 100,000	\$ 57,266	\$ 157,266		\$ 3,163,000
1-Jun-18	\$ 3,163,000	\$ 55,511	\$ 102,000	\$ 55,511	\$ 157,511	\$ 314,776	\$ 3,061,000
1-Dec-18	\$ 3,061,000	\$ 53,721	\$ 104,000	\$ 53,721	\$ 157,721		\$ 2,957,000
1-Jun-19	\$ 2,957,000	\$ 51,895	\$ 106,000	\$ 51,895	\$ 157,895	\$ 315,616	\$ 2,851,000
1-Dec-19	\$ 2,851,000	\$ 50,035	\$ 107,000	\$ 50,035	\$ 157,035		\$ 2,744,000
1-Jun-20	\$ 2,744,000	\$ 48,157	\$ 109,000	\$ 48,157	\$ 157,157	\$ 314,192	\$ 2,635,000
1-Dec-20	\$ 2,635,000	\$ 46,244	\$ 111,000	\$ 46,244	\$ 157,244		\$ 2,524,000
1-Jun-21	\$ 2,524,000	\$ 44,296	\$ 113,000	\$ 44,296	\$ 157,296	\$ 314,540	\$ 2,411,000
1-Dec-21	\$ 2,411,000	\$ 42,313	\$ 115,000	\$ 42,313	\$ 157,313		\$ 2,296,000
1-Jun-22	\$ 2,296,000	\$ 40,295	\$ 117,000	\$ 40,295	\$ 157,295	\$ 314,608	\$ 2,179,000
1-Dec-22	\$ 2,179,000	\$ 38,241	\$ 119,000	\$ 38,241	\$ 157,241		\$ 2,060,000
1-Jun-23	\$ 2,060,000	\$ 36,153	\$ 121,000	\$ 36,153	\$ 157,153	\$ 314,394	\$ 1,939,000
1-Dec-23	\$ 1,939,000	\$ 34,029	\$ 123,000	\$ 34,029	\$ 157,029		\$ 1,816,000
1-Jun-24	\$ 1,816,000	\$ 31,871	\$ 126,000	\$ 31,871	\$ 157,871	\$ 314,900	\$ 1,690,000
1-Dec-24	\$ 1,690,000	\$ 29,660	\$ 128,000	\$ 29,660	\$ 157,660		\$ 1,562,000
1-Jun-25	\$ 1,562,000	\$ 27,413	\$ 130,000	\$ 27,413	\$ 157,413	\$ 315,073	\$ 1,432,000
1-Dec-25	\$ 1,432,000	\$ 25,132	\$ 132,000	\$ 25,132	\$ 157,132		\$ 1,300,000
1-Jun-26	\$ 1,300,000	\$ 22,815	\$ 135,000	\$ 22,815	\$ 157,815	\$ 314,947	\$ 1,165,000
1-Dec-26	\$ 1,165,000	\$ 20,446	\$ 137,000	\$ 20,446	\$ 157,446		\$ 1,028,000
1-Jun-27	\$ 1,028,000	\$ 18,041	\$ 139,000	\$ 18,041	\$ 157,041	\$ 314,487	\$ 889,000
1-Dec-27	\$ 889,000	\$ 15,602	\$ 142,000	\$ 15,602	\$ 157,602		\$ 747,000
1-Jun-28	\$ 747,000	\$ 13,110	\$ 144,000	\$ 13,110	\$ 157,110	\$ 314,712	\$ 603,000
1-Dec-28	\$ 603,000	\$ 10,583	\$ 147,000	\$ 10,583	\$ 157,583		\$ 456,000
1-Jun-29	\$ 456,000	\$ 8,003	\$ 149,000	\$ 8,003	\$ 157,003	\$ 314,585	\$ 307,000
1-Dec-29	\$ 307,000	\$ 5,388	\$ 152,000	\$ 5,388	\$ 157,388		\$ 155,000
1-Jun-30	\$ 155,000	\$ 2,720	\$ 155,000	\$ 2,720	\$ 157,720	\$ 315,108	\$ -
Totals		\$ 1,050,657	\$ 3,550,000	\$ 1,050,657	\$ 4,600,657	\$ 4,600,657	

Taxable Judgment Obligation Bonds (2017)

Amount \$ 23,995,000
Interest Rate 1.750 - 4.375%
Term 18 Years

Date	Beginning Balance	Coupon (Rate)	Annual Interest Accrued	Payment - Principal	Payment - Interest	Total Payment	Annual Debt Service	Ending Balance
1-Apr-18	\$ 23,995,000		\$ 375,863	\$ -	\$ 375,863	\$ 375,863	\$ 375,863	\$ 23,995,000
1-Oct-18	\$ 23,995,000	1.750%	\$ 433,688	\$ 1,010,000	\$ 433,688	\$ 1,443,688		\$ 22,985,000
1-Apr-19	\$ 22,985,000		\$ 424,850	\$ -	\$ 424,850	\$ 424,850	\$ 1,868,538	\$ 22,985,000
1-Oct-19	\$ 22,985,000	2.000%	\$ 424,850	\$ 1,030,000	\$ 424,850	\$ 1,454,850		\$ 21,955,000
1-Apr-20	\$ 21,955,000		\$ 414,550	\$ -	\$ 414,550	\$ 414,550	\$ 1,869,400	\$ 21,955,000
1-Oct-20	\$ 21,955,000	2.250%	\$ 414,550	\$ 1,050,000	\$ 414,550	\$ 1,464,550		\$ 20,905,000
1-Apr-21	\$ 20,905,000		\$ 402,737	\$ -	\$ 402,737	\$ 402,737	\$ 1,867,287	\$ 20,905,000
1-Oct-21	\$ 20,905,000	2.500%	\$ 402,737	\$ 1,075,000	\$ 402,737	\$ 1,477,737		\$ 19,830,000
1-Apr-22	\$ 19,830,000		\$ 389,300	\$ -	\$ 389,300	\$ 389,300	\$ 1,867,037	\$ 19,830,000
1-Oct-22	\$ 19,830,000	2.750%	\$ 389,300	\$ 1,105,000	\$ 389,300	\$ 1,494,300		\$ 18,725,000
1-Apr-23	\$ 18,725,000		\$ 374,106	\$ -	\$ 374,106	\$ 374,106	\$ 1,868,406	\$ 18,725,000
1-Oct-23	\$ 18,725,000	3.000%	\$ 374,106	\$ 1,140,000	\$ 374,106	\$ 1,514,106		\$ 17,585,000
1-Apr-24	\$ 17,585,000		\$ 357,006	\$ -	\$ 357,006	\$ 357,006	\$ 1,871,113	\$ 17,585,000
1-Oct-24	\$ 17,585,000	3.250%	\$ 357,006	\$ 1,175,000	\$ 357,006	\$ 1,532,006		\$ 16,410,000
1-Apr-25	\$ 16,410,000		\$ 337,913	\$ -	\$ 337,913	\$ 337,913	\$ 1,869,919	\$ 16,410,000
1-Oct-25	\$ 16,410,000	3.375%	\$ 337,913	\$ 1,215,000	\$ 337,913	\$ 1,552,913		\$ 15,195,000
1-Apr-26	\$ 15,195,000		\$ 317,409	\$ -	\$ 317,409	\$ 317,409	\$ 1,870,322	\$ 15,195,000
1-Oct-26	\$ 15,195,000	3.500%	\$ 317,409	\$ 1,255,000	\$ 317,409	\$ 1,572,409		\$ 13,940,000
1-Apr-27	\$ 13,940,000		\$ 295,447	\$ -	\$ 295,447	\$ 295,447	\$ 1,867,856	\$ 13,940,000
1-Oct-27	\$ 13,940,000	3.625%	\$ 295,447	\$ 1,300,000	\$ 295,447	\$ 1,595,447		\$ 12,640,000
1-Apr-28	\$ 12,640,000		\$ 271,884	\$ -	\$ 271,884	\$ 271,884	\$ 1,867,331	\$ 12,640,000
1-Oct-28	\$ 12,640,000	4.250%	\$ 271,884	\$ 1,355,000	\$ 271,884	\$ 1,626,884		\$ 11,285,000
1-Apr-29	\$ 11,285,000		\$ 243,091	\$ -	\$ 243,091	\$ 243,091	\$ 1,869,975	\$ 11,285,000
1-Oct-29	\$ 11,285,000	4.250%	\$ 243,091	\$ 1,410,000	\$ 243,091	\$ 1,653,091		\$ 9,875,000
1-Apr-30	\$ 9,875,000		\$ 213,128	\$ -	\$ 213,128	\$ 213,128	\$ 1,866,219	\$ 9,875,000
1-Oct-30	\$ 9,875,000	4.250%	\$ 213,128	\$ 1,475,000	\$ 213,128	\$ 1,688,128		\$ 8,400,000
1-Apr-31	\$ 8,400,000		\$ 181,784	\$ -	\$ 181,784	\$ 181,784	\$ 1,869,913	\$ 8,400,000
1-Oct-31	\$ 8,400,000	4.250%	\$ 181,784	\$ 1,540,000	\$ 181,784	\$ 1,721,784		\$ 6,860,000
1-Apr-32	\$ 6,860,000		\$ 149,059	\$ -	\$ 149,059	\$ 149,059	\$ 1,870,844	\$ 6,860,000
1-Oct-32	\$ 6,860,000	4.250%	\$ 149,059	\$ 1,605,000	\$ 149,059	\$ 1,754,059		\$ 5,255,000
1-Apr-33	\$ 5,255,000		\$ 114,953	\$ -	\$ 114,953	\$ 114,953	\$ 1,869,013	\$ 5,255,000
1-Oct-33	\$ 5,255,000	4.375%	\$ 114,953	\$ 1,675,000	\$ 114,953	\$ 1,789,953		\$ 3,580,000
1-Apr-34	\$ 3,580,000		\$ 78,313	\$ -	\$ 78,313	\$ 78,313	\$ 1,868,266	\$ 3,580,000
1-Oct-34	\$ 3,580,000	4.375%	\$ 78,313	\$ 1,750,000	\$ 78,313	\$ 1,828,313		\$ 1,830,000
1-Apr-35	\$ 1,830,000		\$ 40,031	\$ -	\$ 40,031	\$ 40,031	\$ 1,868,344	\$ 1,830,000
1-Oct-35	\$ 1,830,000	4.375%	\$ 40,031	\$ 1,830,000	\$ 40,031	\$ 1,870,031		\$ -
Totals			\$ 10,020,674	\$ 23,995,000	\$ 10,020,674	\$ 34,015,674	\$ 34,015,674	

Installment Sales Agreement (2017) - Multi Use Facility

Amount \$ 5,500,000
Interest Rate 2.230%
Term 10 Years

Date	Beginning Balance	Annual Interest Accrued	Payment - Principal	Payment - Interest	Total Payment	Annual Debt Service	Ending Balance
19-Oct-17	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -		\$ 5,500,000
1-Apr-18	\$ 5,500,000	\$ 55,193	\$ -	\$ 55,193	\$ 55,193	\$ 55,193	\$ 5,500,000
1-Oct-18	\$ 5,500,000	\$ 61,325	\$ 495,000	\$ 61,325	\$ 556,325		\$ 5,005,000
1-Apr-19	\$ 5,005,000	\$ 55,806	\$ -	\$ 55,806	\$ 55,806	\$ 612,131	\$ 5,005,000
1-Oct-19	\$ 5,005,000	\$ 55,806	\$ 510,000	\$ 55,806	\$ 565,806		\$ 4,495,000
1-Apr-20	\$ 4,495,000	\$ 50,119	\$ -	\$ 50,119	\$ 50,119	\$ 615,925	\$ 4,495,000
1-Oct-20	\$ 4,495,000	\$ 50,119	\$ 520,000	\$ 50,119	\$ 570,119		\$ 3,975,000
1-Apr-21	\$ 3,975,000	\$ 44,321	\$ -	\$ 44,321	\$ 44,321	\$ 614,441	\$ 3,975,000
1-Oct-21	\$ 3,975,000	\$ 44,321	\$ 530,000	\$ 44,321	\$ 574,321		\$ 3,445,000
1-Apr-22	\$ 3,445,000	\$ 38,412	\$ -	\$ 38,412	\$ 38,412	\$ 612,733	\$ 3,445,000
1-Oct-22	\$ 3,445,000	\$ 38,412	\$ 545,000	\$ 38,412	\$ 583,412		\$ 2,900,000
1-Apr-23	\$ 2,900,000	\$ 32,335	\$ -	\$ 32,335	\$ 32,335	\$ 615,747	\$ 2,900,000
1-Oct-23	\$ 2,900,000	\$ 32,335	\$ 555,000	\$ 32,335	\$ 587,335		\$ 2,345,000
1-Apr-24	\$ 2,345,000	\$ 26,147	\$ -	\$ 26,147	\$ 26,147	\$ 613,482	\$ 2,345,000
1-Oct-24	\$ 2,345,000	\$ 26,147	\$ 565,000	\$ 26,147	\$ 591,147		\$ 1,780,000
1-Apr-25	\$ 1,780,000	\$ 19,847	\$ -	\$ 19,847	\$ 19,847	\$ 610,994	\$ 1,780,000
1-Oct-25	\$ 1,780,000	\$ 19,847	\$ 580,000	\$ 19,847	\$ 599,847		\$ 1,200,000
1-Apr-26	\$ 1,200,000	\$ 13,380	\$ -	\$ 13,380	\$ 13,380	\$ 613,227	\$ 1,200,000
1-Oct-26	\$ 1,200,000	\$ 13,380	\$ 595,000	\$ 13,380	\$ 608,380		\$ 605,000
1-Apr-27	\$ 605,000	\$ 6,746	\$ -	\$ 6,746	\$ 6,746	\$ 615,126	\$ 605,000
1-Oct-27	\$ 605,000	\$ 6,746	\$ 605,000	\$ 6,746	\$ 611,746	\$ 611,746	\$ -
Totals		\$ 690,743	\$ 5,500,000	\$ 690,743	\$ 6,190,743	\$ 6,190,743	