

FINANCING THE CAPITAL IMPROVEMENT PLAN (AND MEETING FINANCIAL GOALS)



March 12th, 2020

Flexible, Adaptive and Mitigating Risk

Council has demonstrated that adaptability and flexibility are key attributes to mitigating risk and fiscal resiliency.

Over the past few months, Council has diligently and thoroughly examined the prospects with various options for issuing debt obligations, even though the Town is experiencing good economic times.

This patience and dedication to finding the best solutions has resulted in finding very low costs of capital borrowing while providing flexibility for future Councils.

This presents a clear path for the Town's financial plan to ensure the Town:

- ✓ Remains compliant with the Annual Expenditure Limitation,
- ✓ Meets the Council's goal of paying down the PSPRS unfunded liability,
- ✓ Continue the CIP and status quo Town operations;
- ✓ Maintain sufficient reserves to protect the town from external stresses;
- ✓ Honor development agreement obligations to front cash for the Five Star project and invoice for reimbursement,
- ✓ Hedges the actual timing of reimbursements for the next two year.



Presented on February 27th

TOWN OF PARADISE VALLEY, ARIZONA
Excise Tax Revenue Obligation, Series 2020
6.5 Year Scenarios

	Non-callable		4-yr Par Call	
	All in TIC	Total Debt Service	All in TIC	Total Debt Service
Public Sale	1.675%	\$ 8,520,183	1.976% *	\$ 8,615,467
Private Placement Bidder 1	1.930%	\$ 8,604,525	1.990%	\$ 8,623,506

* Assumes 5 basis points reduction due to market conditions and/or potential credit rating upgrade. Current estimated All in TIC is 2.02%.

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Presented on February 27th - UPDATED

TOWN OF PARADISE VALLEY, ARIZONA
Excise Tax Revenue Obligation, Series 2020
6.5 Year Scenarios

	Non-callable		4-yr Par Call	
	All in TIC	Total Debt Service	All in TIC	Total Debt Service
Public Sale	1.675%	\$ 8,520,183	1.976% *	\$ 8,615,467
Private Placement Bidder 1	1.930%	\$ 8,604,325	1.59%	\$ 8,469,754

* Assumes 5 basis points reduction due to market conditions and/or potential credit rating upgrade. Current estimated All in TIC is 2.02%



Recommendation

- Adopt Resolution 2020-06 to authorize:
- Private Placement;
- Amount not to exceed \$8,200,000:
 - 7-year maturity
 - 4-year call

Financial Plan

- ❖ Other factors or immediate concerns for consideration?





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