



# **Town of Paradise Valley, Arizona**

**\$8,145,000**

## **Excise Tax Revenue Obligations, Series 2020 Final Pricing Summary**

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# Municipal Bond Market Update

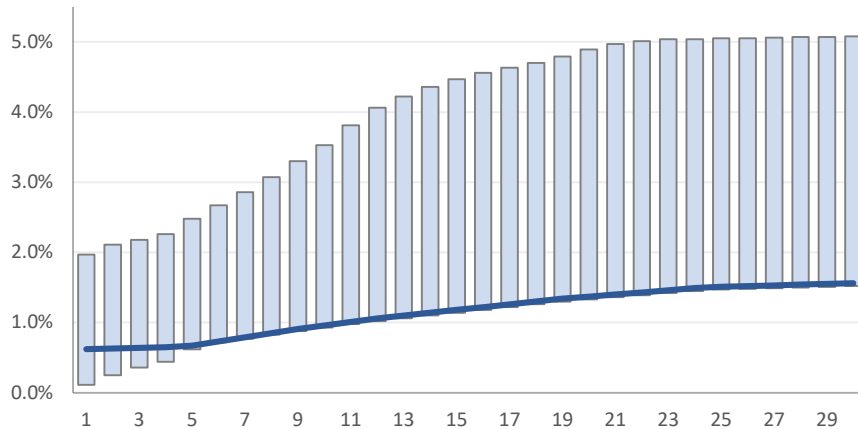
# Interest Rate Movement

## Taxable and Municipal Interest Rates Set All-Time Record Lows

**The Spread Between the 10-Year MMD and UST Went Negative**  
Comparing 10-Year UST and 10-Year AAA MMD since June 2019



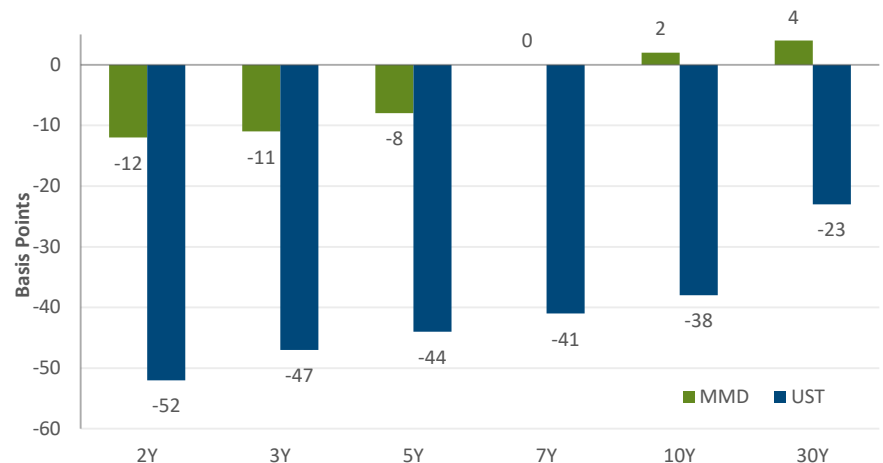
**Most MMD Rates Set All-Time Record Lows**  
10-Year Historical AAA MMD Range vs. Current AAA MMD

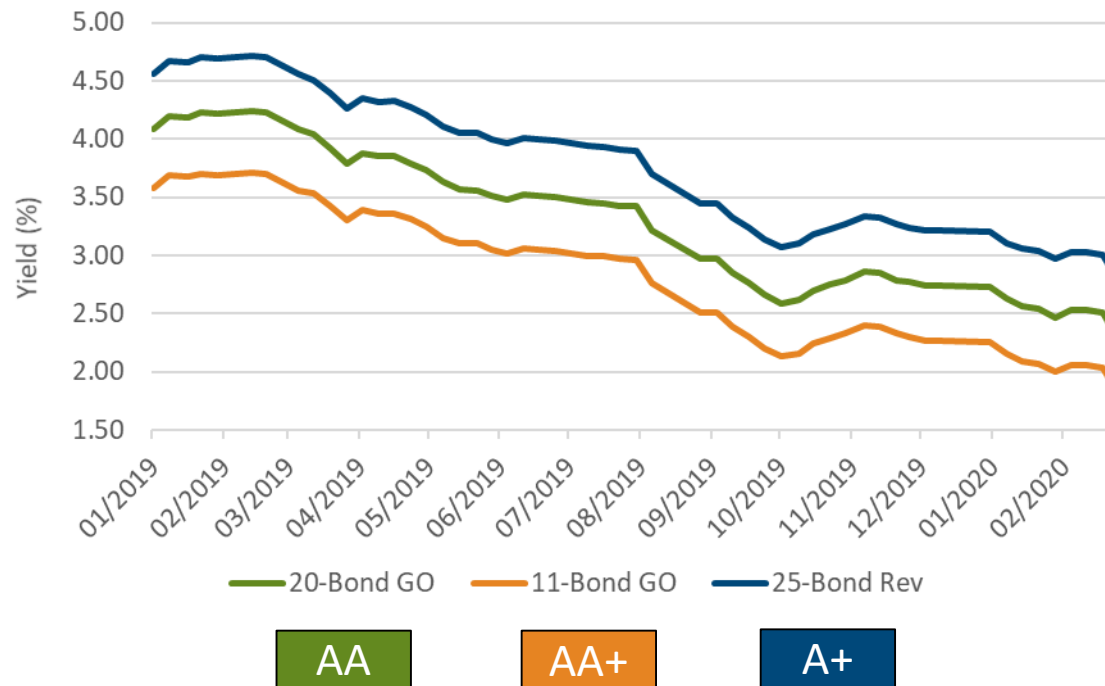


**30-Year UST Fell More than 30 Basis Points in One Day**  
Comparing 30-Year UST and 30-Year AAA MMD since June 2019



**Treasuries Decline Far More Rapidly than MMD**  
February 27, 2020 to March 6, 2020

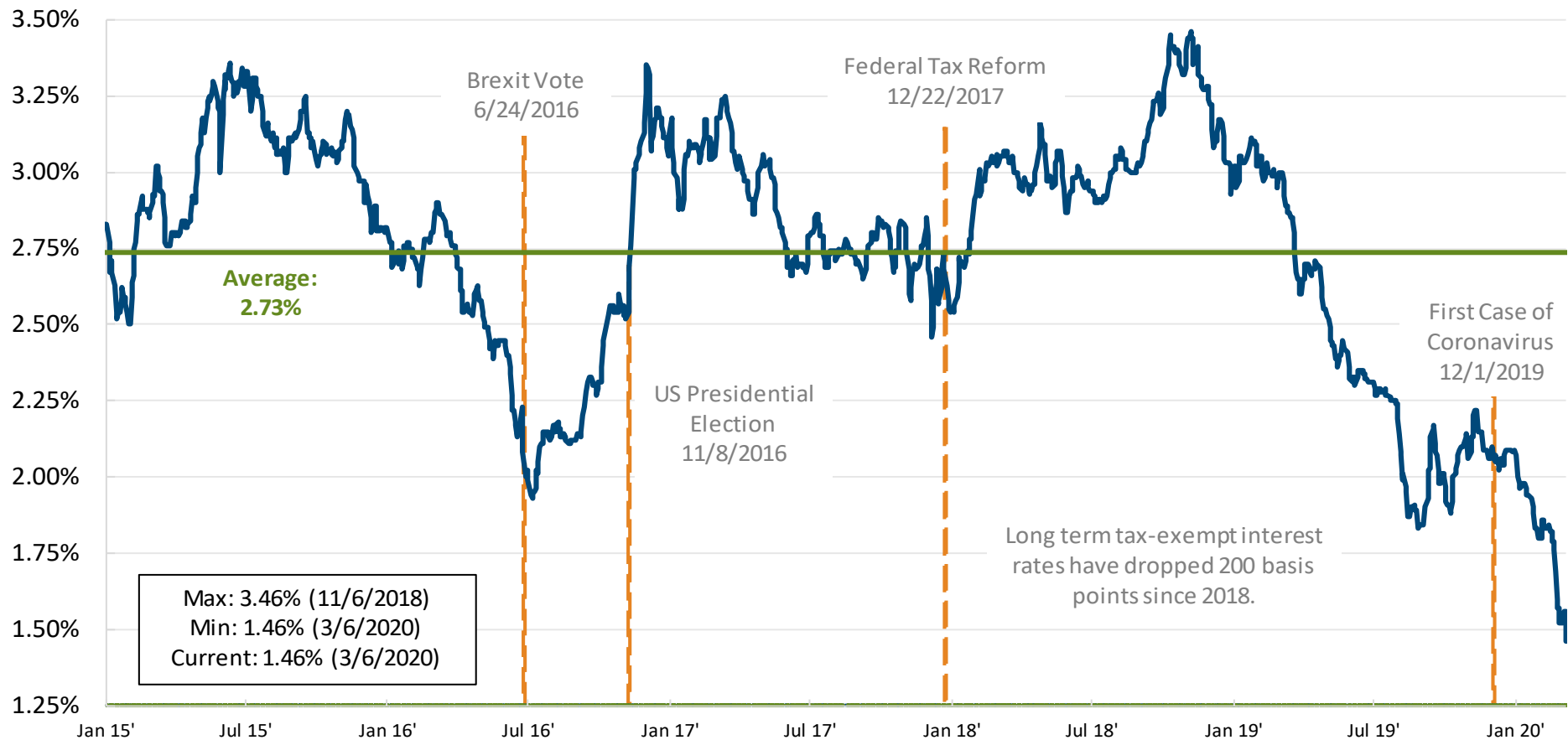




## Definitions of the Bond Buyer Indices:

- The 20-Bond GO Index is the average yield of 20 selected GO bonds maturing 20 years from now, with an average credit rating equivalent to S&P's "AA".
- The 11-Bond GO Index is a subset of the 20-Bond GO Index. It shows the average yield of 11 selected bonds from the 20-Bond GO Index, with an average credit rating equivalent to S&P's "AA+".
- The 25-Bond Rev Index is the average yield of 25 selected Revenue bonds maturing 30 years from now, with an average credit rating equivalent to S&P's "A+".

## 30-Year AAA MMD Since January 1, 2015



## Final Pricing Summary

1. RFP sent to 30+ financial institutions
2. 14 responses were received
3. Lowest bidder significantly below cover bid and others
4. Initial low bid: 6.5 year amortization: 1.71% (4-year par call)
  - a. Final Bid: 1.09% (down from 1.19%)
  - b. PP more efficient by approximately 30 basis points
  - c. \$1,411,000 – annual debt service payment

1. Resolution Authorizing the Placement of Obligations
2. Excise Tax Purchase Agreement
3. First Excise Tax Trust Agreement
4. Placement Agent Agreement
5. Written Policies and Procedures for Tax-Advantaged Obligations

### CLOSING

1. On or around March 19, 2020



# Amortization Schedule – Private Placement – 6.5 years

## BOND DEBT SERVICE

Town of Paradise Valley, Arizona  
Excise Tax Revenue Bonds, Series 2020  
Private Placement - 6.5 years - Callable 8/1/24 - @ 1.09%

Dated Date 03/19/2020  
Delivery Date 03/19/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/19/2020					
02/01/2021	650,000	1.090%	76,943.10	726,943.10	
08/01/2021	645,000	1.090%	40,847.75	685,847.75	1,412,790.85
02/01/2022	670,000	1.090%	37,332.50	707,332.50	
08/01/2022	670,000	1.090%	33,681.00	703,681.00	1,411,013.50
02/01/2023	675,000	1.090%	30,029.50	705,029.50	
08/01/2023	680,000	1.090%	26,350.75	706,350.75	1,411,380.25
02/01/2024	685,000	1.090%	22,644.75	707,644.75	
08/01/2024	685,000	1.090%	18,911.50	703,911.50	1,411,556.25
02/01/2025	695,000	1.090%	15,178.25	710,178.25	
08/01/2025	690,000	1.090%	11,390.50	701,390.50	1,411,568.75
02/01/2026	700,000	1.090%	7,630.00	707,630.00	
08/01/2026	700,000	1.090%	3,815.00	703,815.00	1,411,445.00
	8,145,000		324,754.60	8,469,754.60	8,469,754.60

SOURCES AND USES OF FUNDS

Town of Paradise Valley, Arizona  
Excise Tax Revenue Bonds, Series 2020  
Private Placement - 6.5 years - Callable 8/1/24 - @ 1.09%

Dated Date                    03/19/2020  
Delivery Date                03/19/2020

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	8,145,000.00
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	8,145,000.00
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Uses:	
<hr/>	
Project Fund Deposits:	
Project Fund	8,000,000.00
Delivery Date Expenses:	
Cost of Issuance	144,595.00
Other Uses of Funds:	
Additional Proceeds	405.00
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	8,145,000.00
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# Bond Summary Statistics - Private Placement – 6.5 years

## BOND SUMMARY STATISTICS

Town of Paradise Valley, Arizona  
Excise Tax Revenue Bonds, Series 2020  
Private Placement - 6.5 years - Callable 8/1/24 - @ 1.09%

Dated Date	03/19/2020
Delivery Date	03/19/2020
First Coupon	02/01/2021
Last Maturity	08/01/2026
Arbitrage Yield	1.089475%
True Interest Cost (TIC)	1.089475%
Net Interest Cost (NIC)	1.090000%
All-In TIC	1.593914%
Average Coupon	1.090000%
Average Life (years)	3.658
Duration of Issue (years)	3.582
Par Amount	8,145,000.00
Bond Proceeds	8,145,000.00
Total Interest	324,754.60
Net Interest	324,754.60
Total Debt Service	8,469,754.60
Maximum Annual Debt Service	1,412,790.85
Average Annual Debt Service	1,330,327.95
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Bond	8,145,000.00	100.000	1.090%	3.658	3.582	2,876.40
	8,145,000.00			3.658		2,876.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,145,000.00	8,145,000.00	8,145,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(144,595.00)	
- Other Amounts			
Target Value	8,145,000.00	8,000,405.00	8,145,000.00
Target Date	03/19/2020	03/19/2020	03/19/2020
Yield	1.089475%	1.593914%	1.089475%

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