

**MINUTES  
OF THE  
LA PAZ COUNTY BOARD OF SUPERVISORS  
Monday, March 14, 2016, 10:00 a.m.  
Special Meeting**

Vice Chairman Wilson called the March 14, 2016, special meeting of the La Paz County Board of Supervisors to order at 10:00 a.m. Elected Officials and Department Heads present were: Vice Chairman Wilson, Chairman Irwin (attending telephonically), Supervisor Clapperton, County Administrator/Clerk of the Board Field, Elections Director Scholl, School Superintendent Price; and Deputy Clerk of the Board Green. Others present: Mark Reader, Managing Director of Stifel, Nicolaus & Company, Inc.

**Public hearing pursuant to Arizona Revised Statutes Section 11-391, on a proposal for La Paz County to incur “long term obligations” in a principal amount not to exceed \$15,315,000 to refund and refinance some or all of the County’s outstanding Excise Tax Revenue Judgment Bonds, Series 2011A and Taxable Series 2011B to pay transaction costs and to create reserves – Board of Supervisors**

Vice Chairman Wilson stated for the record: “Now is the time and place set for the public hearing to be conducted pursuant to Arizona Revised Statutes Section 11-391, on a proposal for the County to incur “long term obligations” of the County in a principal amount not to exceed \$15,315,000 in the form of excise tax revenue refunding bonds (the “Refunding Bonds”), issued pursuant to Article 5, Sections 11-681 through 11-681.11 and Section 42-6112, Arizona Revised Statutes (the “County Judgment Bond Law”), for the purpose of refunding and refinancing some or all of the County’s outstanding Excise Tax Revenue Judgment Bonds, Series 2011A and Taxable Series 2011B (the “2011 Bonds”). Payment of the principal of and interest on the Refunding Bonds will be paid from money collected from a transaction privilege excise tax pursuant to the County Judgment Bond Law. The purpose of the hearing is solely to receive verbal or written comments from the public regarding the proposed obligations and purposes. Any action and further discussion of these matters by the Board would take place at a subsequent meeting on or after April 4, 2016.”

“We will begin with an analysis by County staff of the need to refund and refinance the 2011 Bonds, the need to use long-term obligations and any other available options to accomplish the projects. Dan Field, County Administrator will begin the presentation.”

County Administrator Field stated that this item was brought before the Board in order to look at what could be done to reduce the time and save interest regarding the judgment tax incurred relating to the Yakima lawsuit.

He stated that Mark Reader, Managing Director of Stifel, Nicolaus & Company, Inc., would continue with the presentation on the matter.

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Mr. Reader distributed a printed copy of his presentation to the Board, stating the purpose of the hearing was to educate the County on its options on refunding bonds for a significant savings.

He gave a brief history of the background of the debt and the senate bill that allowed the County to find an avenue for the judgment through a sales tax; and explained at length the details of the refinancing, going through each of the pages of his printed presentation.

He stated that the present goal was to refinance the debt through a still strong municipal bond market. He added that the sales tax revenues have been coming in at a good rate, with an excess amount from the prediction, at approximately \$3 million plus, which would be applied to the debt. He stated the debt would be refinanced in the 3% range, which would create a new structure that would pay off the debt significantly, at approximately 12 years earlier with the current revenue streams; eliminating the sales tax at a much earlier date. He added that the “cash flow” savings to the County would be approximately \$9.8 million.

Mr. Reader stated that his team would work hard to obtain the financing as presented, coming back to the Board in April with the results.

He stated that he was available for any questions from anyone.

Supervisor Clapperton asked who would be handing the financials on this matter.

Mr. Reader stated that he was the financing manager, and Timothy Pickrell, with Squire Patton Boggs, LLP, was the bond attorney; both having been associated with the County for several years.

County Administrator Field asked how the repayment time is figured with consideration of the excess taxes collected every year; whether there would be “trigger points” that would flag when the excess taxes collected would be applied.

Mr. Reader stated that the Federal “working capital” rules require that, at each budget year, their organization would work closely with County staff to calculate the overage in tax collections to pay the bonds down in that amount every year.

County Administrator Field stated, with that in mind, the pay down would be an additional 2-3 years.

Vice Chairman Wilson opened the public hearing and asked if there was anyone present who wished to comment on the proposed financing plan or projects.

