

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: February 2, 2012**

**SUBJECT:** Proposed Refinancing Series 2003 Wastewater Revenue Bonds

**SUBMITTING DEPARTMENT:** Management Services

**PREPARED BY:** Bill Kauppi, Management Services Director  
Robert Casillas, Stone & Youngberg

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** (a) Stone & Youngberg – Refinancing Outlook and 2012 Financial & Municipal Markets

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**SUMMARY/BACKGROUND:** Since the late 1980s, Bob Casillas (Stone & Youngberg) has served as the investment banker/underwriter for the Town. Recently, Bob has advised the Town that market conditions may be such that the Town may consider refinancing its Series 2003 Wastewater Revenue Bonds. His preliminary analysis (attached) suggests the potential for an estimated net present value savings of approximately \$450,000 (representing a savings of 6.65%...well above the Town policy of only considering refinancing if savings are greater than 2.50%).

Bob has also provided information about other potential savings if the Town is able to convince the Water Infrastructure Finance Authority of Arizona to allow the Town to pre-pay some or all of the 2005 and 2007 loans the Town has with WIFA. At this point, whether pre-payment of those loans would be involved is still being investigated.

Staff proposes that a resolution be presented to the Council for adoption at the next regular meeting (February 9, 2012) that would authorize the Town Manager to sign certain documents related to refinancing the Series 2003 Bond (and potentially the WIFA loans) if market conditions meet requirements set forth in the resolution.

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**OPTIONS ANALYSIS:** N/A For discussion only.

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**ACTION OPTION:** N/A For discussion only.

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**RECOMMENDATION:** N/A For discussion only.

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**FISCAL ANALYSIS:** Staff is continually looking for savings in debt service costs. In this case, the costs are related to wastewater utility rates and such savings ultimately benefit rate payers.

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved  Denied  Tabled/Deferred  Assigned to \_\_\_\_\_