



Meeting Minutes

Public Improvement Corporation

Wednesday, March 23, 2016

5:30 PM

Goodyear City Hall, Room 230
190 N. Litchfield Rd.
Goodyear, AZ 85338

1. **CALL TO ORDER**

President Feir called the PIC Meeting to order at 5:30 p.m.

2. **ROLL CALL**

Present: 4 - President Feir, Boardmember Delleo, Boardmember Fabritz and Boardmember Paschen

Absent: 1 - Boardmember Schroeder

Staff Present: Finance Director Larry Lange, City Clerk Maureen Scott, and Management Assistant Khala Stanfield

Others Present: Zach Sakas with Gust Rosenfeld, Shawn Dralle with J.P. Morgan, and Larry Givens with FirstSouthwest, a division of Hilltop Securities Inc.

3. **APPROVE MINUTES**

- 3.1 [MINUTES](#) Approve draft minutes of the Public Improvement Corporation Meeting held on July 7, 2015.
[24-2016](#)

MOTION by Boardmember Delleo, SECONDED by Boardmember Fabritz, to APPROVE the July 7, 2015 draft minutes. The motion carried by the following vote:

Ayes: 4 - President Feir, Boardmember Delleo, Boardmember Fabritz and Boardmember Paschen

Absent: 1 - Boardmember Schroeder

4. **CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR-None**

SECOND ROLL CALL

Boardmember Schroeder arrived at 5:35 p.m.

Present: 5 - President Feir, Boardmember Delleo, Boardmember Fabritz, Boardmember Paschen and Boardmember Schroeder

5. **OLD BUSINESS-None**

6. NEW BUSINESS

- 6.1** [2016-07](#) APPROVE CORPORATE RESOLUTION NO. 2016-07 APPROVING THE AMENDMENTS TO THE LEASE-PURCHASE AGREEMENTS AND TRUST INDENTURES PERTAINING TO THE GOODYEAR PUBLIC IMPROVEMENT CORPORATION (THE "CORPORATION") SERIES 2007 BONDS AND SERIES 2008 BONDS; AUTHORIZING THE ISSUANCE OF THE CORPORATION'S MUNICIPAL FACILITIES REVENUE REFUNDING BONDS, SERIES 2016A FOR THE PURPOSE OF REFUNDING A PORTION OF THE SERIES 2007 BONDS AND SERIES 2016B BONDS FOR THE PURPOSE OF REFUNDING A PORTION OF THE SERIES 2008 BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS CORPORATE RESOLUTION; AND DELEGATING CERTAIN DUTIES.

Finance Director Larry Lange presented. This proposal is to refinance and issue approximately \$77 million of new bonds to refinance approximately \$77 million of already existing bonds.

Two significant benefits will be achieved:

1. The present value savings will be just shy of \$12 million, which is very significant.
2. To take care of the existing debt service for the ballpark.

When issued in 2007, the city expected reimbursement from the Arizona Sports Tourism Authority (AZSTA). The city is not sure if they will receive the money from AZSTA, however, there is still a financial responsibility to pay the ballpark if the AZSTA doesn't come through. This refinancing provides a great tool because of the debt service after the refinancing. The payments are leveling out over a period of time. Nothing is being extended. The City Council has been setting aside money to pay the principal when it comes up. That would bring the payment to \$10M. With this refinancing, it will bring the amount down to \$9.5M a year and a savings of \$500,000 a year. This meeting is the first step in this process. If approved, the City Council will be considering it on March 28, 2016.

Two reasons why we are doing this:

1. Paying more interest on bonds than the investments we were earning.
2. Larry Lange is retiring in April and he wanted to get this process done and get the savings locked in before he leaves. This is very steady and predictable. Staff recommends adopting Resolution 2016-007.

Board Questions and Discussion:

***Can the Bonds be called?** Lange said no, we cannot call the bonds today. The bond call dates for \$44M is July 2017, and the other \$33M is July 2018. The city is going to sell \$44M worth of bonds and then turn around and buy \$47M in U.S. government securities. It will have guaranteed returns to match the securities at that point in time. There are securities that are designed to do that.

***What are the plans for the \$12M?** Lange said, in the future, they won't have to go out and find the money if AZSTA doesn't come through with payment. The AZSTA is not currently giving any money to the city to pay for the ballpark.

***The ballpark contract with the teams expires in 2028, will the city be upgrading the ballpark facilities?** Lange said three or four years ahead of the expiration, negotiations will take place with the teams to upgrade the facilities.

***Projected maximum interest rate for the refinance issue is 5% and that depends on market condition.** The \$12M is based on estimates of the market today. Lange said he still has hopes that the AZSTA will reimburse the city eventually.

***Will these issuances have a bond rating?** Givens said yes, it will be through Standard and Poors.

MOTION by Boardmember Delleo, SECONDED by Boardmember Paschen, to ADOPT Resolution 2016-007. The motion carried by the following vote:

Ayes: 5 - President Feir, Boardmember Delleo, Boardmember Fabritz, Boardmember Paschen and Boardmember Schroeder

7. INFORMATION ITEMS-None

8. ADJOURNMENT

There being no further business to discuss, President Feir adjourned the PIC Meeting at 6:10 p.m.

MOTION by Boardmember Delleo, SECONDED by Boardmember Schroeder, to ADJOURN the PIC Meeting. The motion carried by the following vote:

Ayes: 5 - President Feir, Boardmember Delleo, Boardmember Fabritz, Boardmember Paschen and Boardmember Schroeder

President

Date