

MAYOR
BOB TESO

VICE MAYOR
HERMAN LOPEZ

ACTING MAYOR
PAUL DIAZ

COUNCIL MEMBERS
AKANNI OYEGBOLA
RITA ROGERS
ANITA ROMERO
ROBERT ROMERO



1601 SOUTH SIXTH AVENUE
SOUTH TUCSON, AZ 85713
(520) 792-2424
FAX (520) 628-9619

CITY MANAGER
JOHN F. VIDAURRI

MEMORANDUM

Date: August 30, 2019
To: All Councilmembers
Through: John Vidaurri, City Manager
From: Lourdes Aguirre, Finance Director

Subject: 2007 Bond Refinancing

Dear Mayor & Council,

I am pleased to communicate that our Financial Advisor (Stifel Nicolaus & Company - Public Finance Firm), continues to work on seeking the best bond refinancing options available the City at this point and may be available to present to Mayor & Council at a future meeting.

Please note that we have been working diligently to complete/compile the items required for a credit analysis. Such credit analysis will help better determine what refinancing options are available to the City. The comprehensive list of required items includes:

- 1.) City audited financial statements for fiscal years ended June 30, 2014 through June 30, 2018
- 2.) Unaudited financial statements for fiscal year ended June 30, 2019
- 3.) Ordinance 19-01 on ½ cent sales tax increase effective October 1, 2019
- 4.) City sales tax revenue analysis by industry

As you might imagine, the credit analysis will review such things as revenue levels, budget sustainability, a conservative fund balance (recommended is 20-30%, but the city demonstrated improvement in recent years) and long-term liabilities which includes settled lawsuits and meeting the minimum required pension contribution on an annual basis. The City's current bond debt profile is as follows...

Principal: \$6,810,000	Interest Rate: 6.125%
Annual Bond Payment Approximately: \$600,000	Bond issue paid off Fiscal Year 2037

Should you have any questions, please do not hesitate to contact me.

Thank you,

A handwritten signature in cursive script that reads "Lourdes Aguirre".

Lourdes Aguirre
Finance Director