



OFFICE OF THE COCONINO COUNTY BOARD OF SUPERVISORS

SPECIAL SESSION MINUTES

June 21, 2023, 7:30 a.m.

The meeting was held virtually via Zoom Webinar

Present: Chair Patrice Horstman, Vice Chair Jeronimo Vasquez and Supervisor Lena Fowler were present virtually via Zoom meeting technology. Supervisor Judy Begay was present telephonically.

Absent/Excused: Supervisor Matt Ryan.

Also Present: County Manager Steve Peru, Assistant County Manager/Elections Director Esliir Musta, Deputy County Manager Andy Bertelsen, Deputy County Attorney Heather Mosher, Finance Director Siri Mullaney, Clerk of the Board of Supervisors Lindsay Daley and Deputy Clerk of the Board Valerie Webber were present virtually via Zoom meeting technology.

Chair Horstman called the meeting to order at 7:30 a.m. and led the pledge of allegiance.

Call to the Public:

Clerk Daley provided instructions to attendees on how to provide comment by clicking on the raise hand icon appearing in the lower portion of their computer screen to speak or by pressing *9 if present telephonically. She noted there was no one who indicated they would like to provide public comment.

Close the Public Hearing Opened June 6, 2023 & Action Item:

1. Consideration and possible action to approve Resolution 2023-28, approving the sale and execution and delivery of pledged revenue obligations, in one or more series; approving the form and authorizing the execution and delivery of necessary agreements, instruments and documents; delegating authority to determine certain matters with respect to the foregoing, declaring official intent to be reimbursed in connection with certain capital expenditures, and declaring an emergency. **Finance**

Chair Horstman noted that this item was opened for public hearing on June 6th and has remained open to receive public comment since that date.

Upon inquiry from Chair Horstman, Clerk of the Board Lindsay Daley affirmed that no public comments have been received since the public hearing was opened on June 6, 2023.

Chair Horstman closed the public hearing at 7:35 a.m. and read the agenda title into the record.

Finance Director Siri Mullaney stated, "For background, the county has prepared a capital improvement plan for fiscal years 2023 through 2025. The County wishes to fund the capital improvement plan using long-term financing. On June 6, 2023, a public hearing was conducted pursuant to A.R.S. § 11-391 to gather public comment on a proposal to incur a long-term obligation for capital improvement projects, through the use of long-term financing. The public meeting was properly noticed and advertised, and the County provided a means for the public to comment in writing prior to the public meeting. Per Arizona Revised Statutes 11-391, the Board held the public hearing to identify alternatives including issuing long-term debt. The Board received no public comment."

Finance Director Siri Mullaney further stated, "Utilizing SAVE cooperative contracts, the County Manager and County Finance Director have been working with Stifel, Nicolaus & Company as Underwriter and the law firm of Greenberg Traurig, to act as Bond legal counsel to ensure the public financing process adheres to Arizona Revised Statute 11-391, should the Board adopt the resolution to move forward with pledged revenue obligation financing through the use of long-term financing. If the Board decides to move forward with the pledged revenue obligation financing, then the fee schedule outlined in the cooperative contracts for Stifel, Nicolaus & Company, and Greenberg Traurig, would apply and fees would be paid in accordance with such fee schedules. This is only if the financing is completed and only from proceeds of the financing. The resolution has been prepared by the law firm Greenberg Traurig and complies with the requirements set forth in the Arizona Revised Statutes 11-391. As presented and discussed on May 10, 2023, and June 6, 2023, adoption of a resolution to secure bond financing is determined to be the course of action that will result in the greatest savings to Coconino County. We do have an update for the Board. Subsequent to the final packet and staff report printing, we received three strong final bids with a very solid bid from Capital One. This bid has extremely favorable call features, meaning we can pay down the outstanding debt more quickly than the full term once we have expended the funds. The investment side of the equation has not changed materially so we should still be in the cost estimate range discussed in earlier meetings. The actual full cost will depend on how long it takes us to expend and then repay the debt service proceeds, but the scenario ranges we have run indicate we should have a net full cost, including the cost of issuance previously discussed, between \$325,000 to \$1.5 million in total over the life of the debt. We have locked in the rates for the Capital One proposal and are set to close on June 30th with your approval today. So with that, state statute requires a roll call vote on approving the resolution and per the bond attorney, the Board will allow for public comment at the meeting and read any public comments provided by mail or email, then close the public hearing that was opened on June 6, and then take action to approve the resolution. Thank you."

Upon inquiry from Chair Horstman, Finance Director Siri Mullaney stated the capital rates with Capital One is 4.5% which is within the range that was discussed at the last meeting.

Finance Director Mullaney introduced Representative Jack Leeper with Stifel Financial Corporation, Special Counsel Paul Gales and Michael Cafiso with Greenberg Traurig, LLP, who were all present virtually.

Special Counsel Paul Gales explained that this resolution has an emergency clause that will require four (4) yes votes and if the Board doesn't think they have four yes votes today the item should be continued to the next meeting; without having the emergency clause the Board cannot close on June 30th.

Chair Horstman asked if there were any questions or comments from members of the Board. There were none. Chair Horstman noted the Board had an extensive discussion on this matter during the May 10, 2023 Board meeting and it was discussed during the three week budget meeting process. She added that the County has the capital/money to provide for the County's budget however, the County is running into a situation for the next fiscal year of running up against the County's expenditure limit; it is most important that the County does not exceed that expenditure limit. She spoke about the importance of meeting the needs of the community and county by completing capital projects as part of the 2024 fiscal year. She acknowledged that the bonding process is something that is available to the County at a 4.5% interest rate where the County will be able, with the current money on hand, handle the debt service and still fulfill capital projects as part of Fiscal Year 2024.

She added that the County has received assurances and advice from expert bond counsel and underwriters that the County is proceeding in accordance with Arizona law and with the County Attorney's Office assurance that the Board is proceeding in accordance to County and State of Arizona process in obtaining these bonds. She further acknowledged that the Board approving the resolution, the pledged revenue obligations and approving the documents and instruments are in the best interest of Coconino County and it is her intent if a motion is made to accept and approve the item.

Vice Chair Vasquez agreed that the Board has discussed this matter and based on where the County is at this time, this is the best plan moving forward. He stated he supports this item.

Supervisor Begay said she fully supports this agenda item.

Supervisor Fowler said she appreciates staff for doing the research and for knowing how other counties in the State of Arizona have worked on these types of bonds. She added that she appreciates the education provided to the public and the delaying to allow for public input. She thanked all the work staff has put into this matter and said she supports the item.

Chair Horstman said she would entertain a motion to approve item 1 as she read into the public record.

Motion: Move to approve as the Chair read into the record, **Action:** approve, **Moved by:** Supervisor Lena Fowler, **Seconded by:** Supervisor Judy Begay.

Chair Horstman conducted a roll call vote as follows:

District 2, Vice Chair Jeronimo Vasquez voted “Aye.”

District 4, Supervisor Judy Begay voted “Aye.”

District 5, Supervisor Lena Fowler voted “Aye.”

District 1, Chair Horstman voted “Aye.”

District 3, Supervisor Matt Ryan was absent (*not present for the meeting*).

Chair Horstman stated for the record the motion passed unanimously with a 4-0 vote.

Special Counsel Paul Gales thanked staff and the Deputy County Attorney for their work and perseverance.

Upon inquiry from Chair Horstman, Deputy County Attorney Heather Mosher stated she had nothing to add.

County Manager Peru thanked the Board for their support of the Capital Plan and explained that staff will be providing information regarding capital financing during the final budget adoption on June 27th. A presentation will be provided that includes full context and increments of the budget process and of the Capital Plan.

There being no further discussion, Chair Horstman adjourned the meeting at 7:52 a.m.

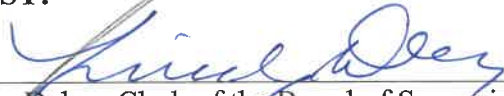
COCONINO COUNTY BOARD OF SUPERVISORS

(SEAL)



Patrice Horstman, Chair

ATTEST:



Lindsay Daley, Clerk of the Board of Supervisors