

CASE STUDY

FINANCING FOR PENSIONS | NOVEMBER 3, 2021



\$44,665,000 | CERTIFICATES OF PARTICIPATION | TAXABLE SERIES 2021

Sun City Fire District | Sun City, Arizona

PENSION BONDS

Client Profile

The Sun City Fire District is located in Sun City, Arizona.. The District responds to approximately 16,000 requests for emergency and non-emergency service annually and is located on the northwest side of the Phoenix Metro area in Maricopa County. This encompasses a total of 17 square miles. The District serves the unincorporated areas of Sun City, with a population of approximately 45,000.

The Project & Structure

Stifel served as sole manager on the Sun City Fire District's Certificates of Participation, Taxable Series 2021. The proceeds were used to finance a payment to the Arizona Public Safety Personnel Retirement System for a portion of the District's unfunded pension liability and to fund a contingency reserve fund for use by the District. The Certificates were rated 'A+' by S&P and 'AA-' by Fitch. The certificates were taxable, structured as serial certificates through 2031 with term certificates in 2036, 2041, and 2047, and were sold with a 10-year optional redemption feature.

Pricing Results

The sale received over \$128 million in orders (2.9x subscription) from 19 different institutional investors, allowing Stifel to lower yields by two to three basis points for most maturities, ultimately achieving a TIC of 3.394%. This rate is expected to generate \$30.9 million in cash flow benefit or \$20.3 million in net present value benefit. The District used \$6.2 million of certificate proceeds to establish a contingency reserve fund to manage future pension risks.

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