



**BOARD OF SUPERVISORS AGENDA ITEM REPORT**

Requested Board Meeting Date: February 5, 2019

RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE PREPAYMENT OF LEASE-PURCHASE OBLIGATIONS AND PREPAYMENT OF OUTSTANDING CERTIFICATES OF PARTICIPATION WITH COUNTY FUNDS; AUTHORIZING  
**Title:** THE APPOINTMENT OF DEPOSITORY TRUSTEES AND THE EXECUTION OF DEPOSITORY TRUST AGREEMENTS AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE PREPAYMENT OF SUCH OBLIGATIONS; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.

**Introduction/Background:**

In 2013, the County issued approximately \$25 million in Certificates of Participation (COPs) to construct the Fleet Services Building and to complete various Facilities Management Projects. These COPs currently have a 10 year life and will mature in fiscal year 2022-23. Because the County Services has sufficient funds to payoff this debt in fiscal year 2018-19, the debt service expense and the prepayment of this debt was included in the fiscal year 2018-19 Adopted Budget.

**Discussion:**

This resolution authorizes staff to use available cash for this prepayment.

**Conclusion:**

To save approximately \$600,000 of future debt service payments.

**Recommendation:**

Staff recommends that the Board of Supervisors approve this resolution authorizing the County Administrator to prepay the 2013 Certificates of Participation.

**Fiscal Impact:**

The prepayment of the COPs will save the County approximately \$600,000 of future debt service payments.

**Board of Supervisor District:**

- 1       2       3       4       5       All

Department: Finance and Risk Management Telephone: 724-8410

Contact: Michelle Campagne Telephone: 724-8410

Department Director Signature/Date: Michelle Campagne 1/23/19

Deputy County Administrator Signature/Date: Jan Zarka 1-23-19

County Administrator Signature/Date: C. Delutsky 1/23/19

**RESOLUTION NO. 2019-\_\_\_**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE PREPAYMENT OF LEASE-PURCHASE OBLIGATIONS AND PREPAYMENT OF OUTSTANDING CERTIFICATES OF PARTICIPATION WITH COUNTY FUNDS; AUTHORIZING THE APPOINTMENT OF DEPOSITORY TRUSTEES AND THE EXECUTION OF DEPOSITORY TRUST AGREEMENTS AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE PREPAYMENT OF SUCH OBLIGATIONS; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.**

WHEREAS, Pima County, Arizona (the "County"), as lessee, previously entered into a Lease-Purchase Agreement, dated as of June 1, 2008 (the "Original Lease-Purchase Agreement"), which has been amended to date by First through Seventh Amendments (collectively, the "Lease-Purchase Agreement") with U.S. Bank National Association, as trustee under the below-described Trust Agreement (the "Trustee"), as lessor (in such capacity, the "Lessor"), pursuant to which the Lessor leases to the County, as lessee, certain leased property (collectively, the "Prior Lease-Purchase Obligations"); and

WHEREAS, the Trustee and the County have also previously entered into a Trust Agreement, dated as of June 1, 2008 (the "Original Trust Agreement"), which has been supplemented to date by First through Seventh Supplements (collectively, the "Trust Agreement"), pursuant to which the Trustee executed and delivered Certificates of Participation, Series 2008 (the "2008 Certificates"), Certificates of Participation, Series 2009 (the "2009 Certificates"), Certificates of Participation, Series 2010 (the "2010 Certificates"), Certificates of Participation, Series 2013A (the "2013A Certificates"), Refunding Certificates of Participation, Series 2013B (the "2013B Certificates"), Certificates of Participation, Series 2014 (the "2014 Certificates"), Certificates of Participation, Series 2015 (the "2015 Certificates"), Certificates of Participation, comprising Certificates of Participation, Series 2016A (the "2016A Certificates") and Certificates of Participation, Taxable Series 2016B (the "Taxable 2016B Certificates"), and Certificates of Participation, comprising Certificates of Participation, Series 2018 (the "2018A Certificates) and Certificates of Participation, Taxable Series 2018B (the "Taxable 2018 Certificates"), for the purpose of financing and refinancing the costs of certain projects of the County (collectively, the "Prior Certificates"); and

WHEREAS, the Board may in the future authorize the execution and delivery of additional lease-purchase obligations ("Additional Lease-Purchase Obligations" and, together with the Prior Lease-Purchase Obligations, the "Lease-Purchase Obligations") and additional certificate of participation ("Additional Certificates" and, together with the Prior Certificates, the "Certificates") to finance or refinance projects of the County, under the conditions permitted in the documents authorizing the execution and delivery of the Lease-Purchase Obligations and the Certificates; and

WHEREAS, if the County Administrator of the County deems it prudent and advantageous to prepay any Lease-Purchase Obligations and Certificates from time to time prior to the payment dates thereof, it may be necessary for the County to execute and deliver one or more depository

trust agreements or escrow agreements (each a “Depository Trust Agreement”) with a depository trustee or escrow agent named therein (each a “Depository Trustee”); and

WHEREAS, the County has determined that it is advantageous and in the public interest to provide for and approve such prepayment of any outstanding Lease-Purchase Obligations or Certificates from time to time prior to the payment dates thereof in order to secure the financial advantages for the County:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

1. The Chairman, Vice Chairman or Acting Chairman of this Board or the County Administrator of the County (each an “Authorized Officer”) are each hereby authorized, empowered and directed, in the name and on behalf of the County, to deliver deposit instructions to the Trustee and to execute or attest, as required, and deliver Depository Trust Agreements and any related agreements or documents (collectively, the “County Documents”) related to the prepayment of Lease-Purchase Obligations or Certificates, in such forms as shall be reviewed by counsel to the County and approved by the Authorized Officer executing the same.

2. From and after the execution and delivery of the County Documents in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary or desirable in connection with the execution and delivery of deposit instructions or the County Documents or the prepayment of Lease-Purchase Obligations or Certificates, including, without limitation, calling for prepayment of such Certificates for which payments are being provided and directing the transfer of County funds to the Trustee or the Depository Trustee for the purpose of such prepayment.

3. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

[Remainder of page left blank intentionally]

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County,  
Arizona, on \_\_\_\_\_, 2019.

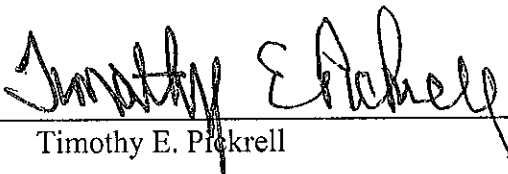
By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP,  
Bond Counsel

By:   
Timothy E. Pickrell