



PINAL COUNTY

WIDE OPEN OPPORTUNITY

Analysis of Proposal to Incur Long-Term Indebtedness

Pledged Revenue & Revenue Refunding Obligations, Taxable & Tax-Exempt Series 2025

April 30, 2025

STIFEL | Public Finance

Description of Public Hearing

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- Pursuant to Arizona Revised Statutes — § 11-391, in order to incur any long-term obligation that is not secured by the full faith and credit of the county, the Board of Supervisors in a county with a population of less than 500,000 persons is required to:
  - Post and publish a notice of a hearing on the proposal to incur the long-term obligation in a newspaper of general circulation in the county and post the notice on the county's official web site (such notice on the county's web site must include an electronic link for commenting electronically) at least fifteen days before the date of the hearing. The county is also required to issue a press release to print and electronic media regarding the hearing.
  - Hold the public hearing, as announced in the notice, at least fifteen days prior to adopting the resolution of intention for incurring the long-term obligation
- The hearing must include analysis of:
  - The need for the project
  - The need to use long-term financing
  - Any other available options to accomplish the project (described on page 4 herein)
- In conjunction with the hearing the Board will receive oral and written comments

Public Policy Objectives

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1. Refinancing prior bonds for debt service savings

2. Address the County's net pension liability with the Arizona State Retirement System

3. Address new money Public Works projects within the County

Financing Overview

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1. Refunding
    - Realize debt service savings on existing debt

2. Address the County's net pension liability with the Arizona State Retirement System
    - Needs and objectives addressed later in the presentation

3. Public Works projects
    - Long-term financing is necessary because an upfront cash expenditure is not practical at this time based on the County's current (and projected future) cash flow needs.

Available Options to Accomplish the Project

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1. General Obligation Bonds
2. Obligations Subject to Annual Appropriation
3. Excise Tax Revenue Obligations
4. Upfront Cash Expenditure

Refunding Opportunities

Current Refunding Opportunities ($000s)

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Maturity Date Ending (August 1)	$52,700 Pledged Revenue Obligations Series 2014 Dated: 12/17/14		$40,310 Pledged Revenue Refunding Obligations Series 2014 Dated: 12/17/14		$39,075 Pledged Revenue Refunding Obligations Series 2015A Dated: 5/13/15		
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Total
2025	$3,285	5.000%	$4,910	5.000%	$3,750	5.000%	$11,945
2026	3,445	5.000%			3,950	5.000%	7,395
2027	3,620	5.000%			4,150	5.000%	7,770
2028	3,800	5.000%			4,360	5.000%	8,160
2029	3,990	3.250%			3,820 & 730	3.000 & 5.000%	8,540
2030	4,120	5.000%					4,120
2031	4,325	5.000%					4,325
2032	4,540	5.000%					4,540
2033	4,770	5.000%					4,770
2034	5,005	3.500%					5,005
	$40,900		$4,910		$20,760		$66,570
Call Features:	8/1/25 and After Callable 8/1/24 @ par		8/1/25 Callable 8/1/24 @ par		8/1/26 and After Callable 8/1/25 @ par		
Underlying Rating(s):	"AA-" (S&P) / "AA" (Fitch)		"AA-" (S&P) / "AA" (Fitch)		"AA-" (S&P) / "AA" (Fitch)		
Avg. Coupon:	4.533%		4.533%		4.375%		
Purpose:	Hunt Highway Improvements, Public Safety Radio Upgrades; Ironwood Drive Improvements and Courts		Widening and Improving Ironwood/Gantzel Road		Adult Detention Facility Expansion, Sheriff's Training Facility & Juvenile Detention Facility		

Potential bonds to be refunded

Only maturities currently with positive savings are included in the analysis on the following page*

** Subject to change.*

Current Refunding Opportunities – $50,000,000 (estimated)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Estimated Savings				
Fiscal Year	Bonds Being Refunded* Debt Service	Refunding Bonds Principal	Refunding Bonds Interest	Refunding Bonds Debt Service	Gross Savings	PV Savings
2026	$ 2,395,350	$ 300,000	$ 1,794,053	$ 2,094,053	$ 301,297	$ 298,977
2027	9,605,475	7,090,000	2,218,750	9,308,750	296,725	285,468
2028	9,601,350	7,450,000	1,855,250	9,305,250	296,100	276,193
2029	9,593,100	7,825,000	1,473,375	9,298,375	294,725	266,546
2030	5,866,013	4,405,000	1,167,625	5,572,625	293,388	256,782
2031	5,079,925	3,825,000	961,875	4,786,875	293,050	248,669
2032	5,073,800	4,010,000	766,000	4,776,000	297,800	245,002
2033	5,067,175	4,210,000	560,500	4,770,500	296,675	236,648
2034	5,064,425	4,425,000	344,625	4,769,625	294,800	228,001
2035	5,092,588	4,680,000	117,000	4,797,000	295,588	221,213
Totals	**$ 62,439,200**	**$ 48,220,000**	**$ 11,259,053**	**$ 59,479,053**	**$2,960,147**	**$ 2,563,498**

Net PV Savings:	**$ 2,563,498**
Net PV Savings as a Percent of Refunded Bonds:	**5.05%**

Refunding Statistics	Results
Avg. Ref. Coupon	4.59%
All-In TIC	3.41%
NPV Savings ($)	$2,563,498
NPV Savings (%)	5.05%
Avg Annual Savings	$296,015
Total Savings	$2,960,147

** Includes certain of the Series 2014 Pledged Revenue Bonds and the Series 2015A Pledged Revenue Refunding Bonds with positive savings currently. Subject to change.*

A ASRS Refunding

Pinal County Net Pension Liability Origins

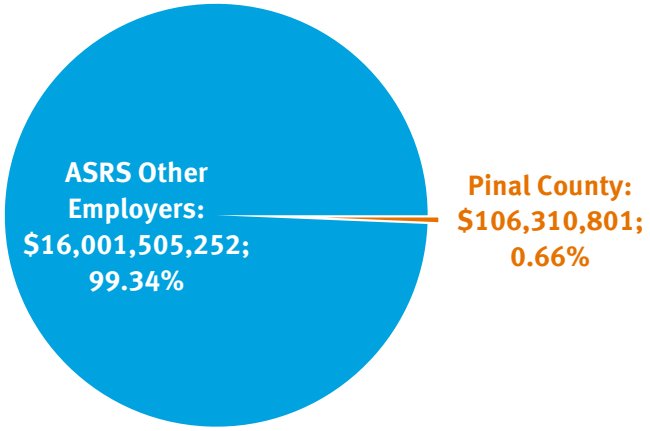
Pinal County had a $106.3 million ending net pension liability in fiscal year 2024, which is a small component of the entire $16 billion ASRS net pension liability

- Arizona State Retirement System (ASRS) is a cost-sharing, multiple-employer retirement system in which each employer is responsible for a proportionate share of the unfunded liability
- ASRS has routinely been recognized as a best-in-class performer in terms of investment management and governance:

Awards Presented to ASRS[1]
• **Certificate of Achievement for Excellence in Financial Reporting**: Presented by the GFOA in each of the last 35 years for ASRS's ACFR
• **Award for Outstanding Achievement in Popular Annual Financial Reporting**: Presented by the GFOA in each of the last 13 years
• **Pension Standards Award for 2024**: Presented by the Public Pension Coordinating Council to ASRS for the 20th time

- ASRS, however, does have a $16 billion unfunded liability and Pinal's share is $106.3 million or 0.66%

Pinal County's Proportionate Share of ASRS Pension Debt[2]



- ***The primary drivers behind ASRS's funding position are largely national and secular trends including:***

Driver	Status
Increased Life Expectancy	National life expectancy has moved from 76.8 in 2000 to 79.4 in 2025 and drives a 4-5% increase in the Total Pension Liability[3]
Decreased Discount Rate	7% is conservative relative to ASRS's 25-year median annual return of 8.50%, but it is consistent with national best practices
Prefunding of Permanent Benefit Increases	Completed and funded
Change of Liability Accrual Method	Consistent with actuarially sound advice

[1] *https://www.azasrs.gov/sites/default/files/pdf/FY24_ACFR_WEB.pdf*
[2] *https://www.azasrs.gov/sites/default/files/pdf/FY24_GASB_68-75_Web.pdf*
[3] *https://www.macrotrends.net/global-metrics/countries/usa/united-states/life-expectancy*

ASRS Historical Returns

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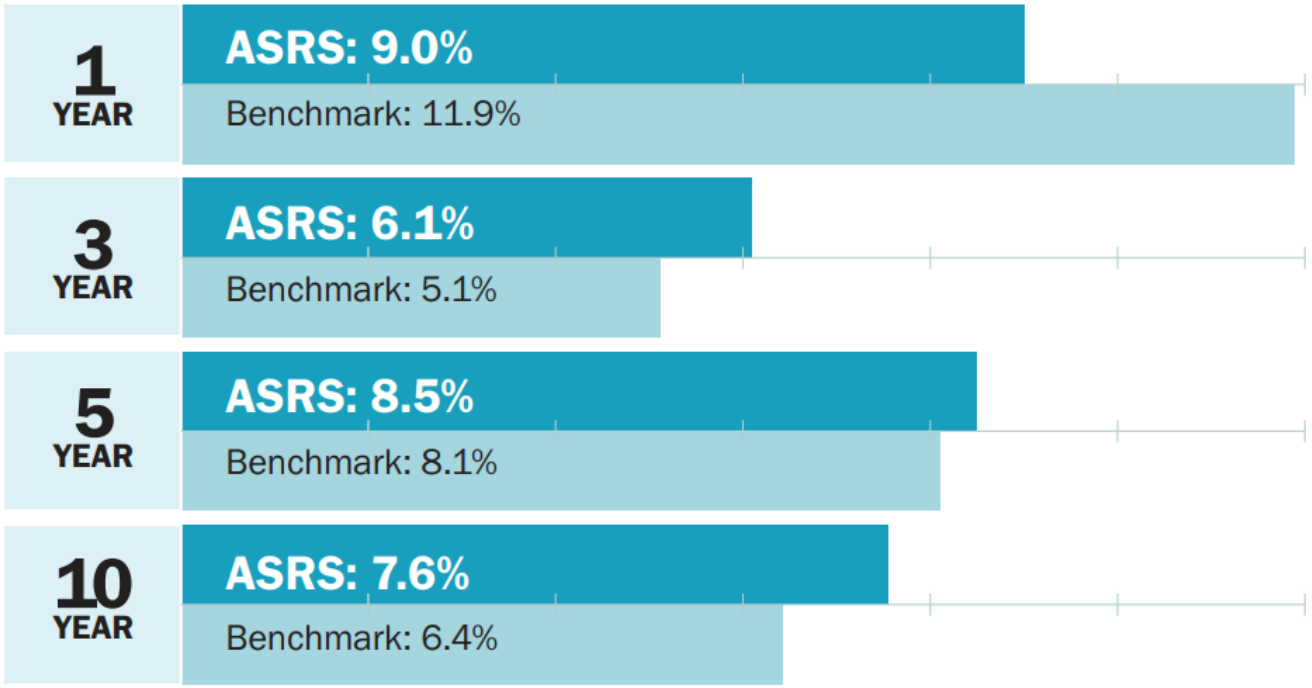
ASRS has produced strong historical returns with the trailing 10-year annualized return outperforming the current 7.0% assumed rate of return

- Despite the impact of market moving events, ASRS has outperformed its assumed rate of return on a time-weighted basis with a 10-year **annualized return of 7.6%**

Portfolio Returns and Benchmarks[1]

ASRS funds are well-diversified, professionally managed, and high-performing. These funds have outperformed the 3-year, 5-year and 10-year time weighted return ₸ benchmarks.

These data are as of June 30, 2024.



[1]*Source: ASRS audited financial reports.*

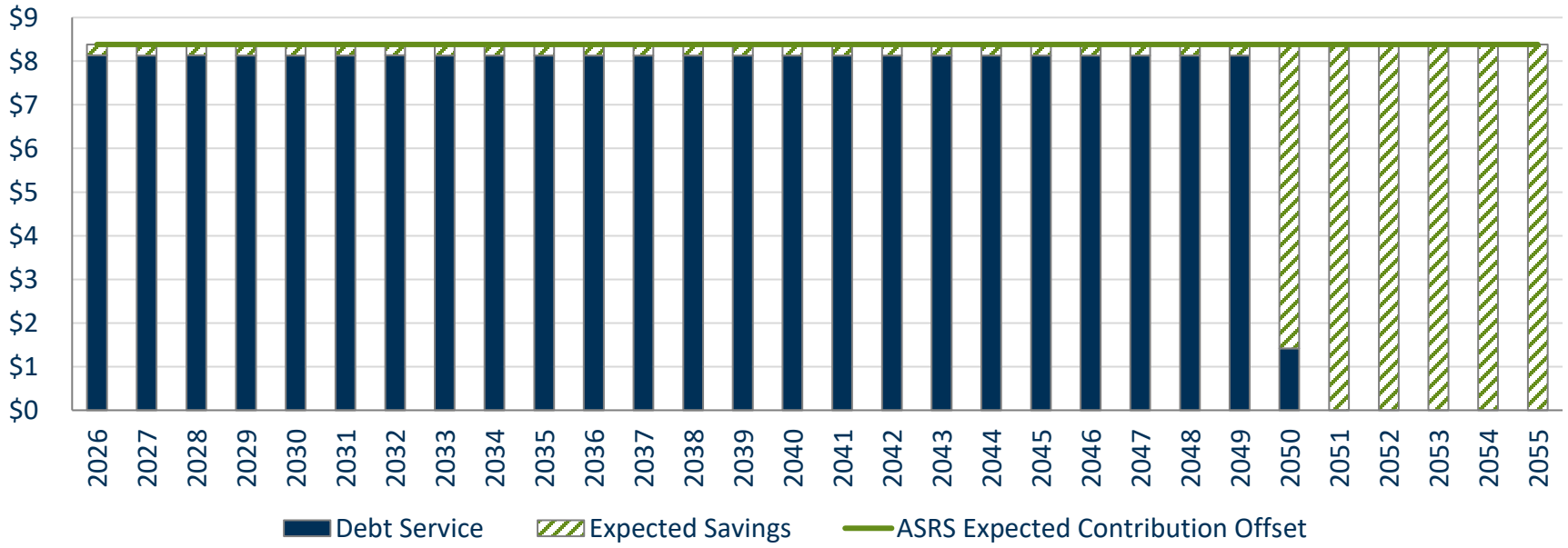
Taxable Bond Issuance to Fund ASRS Pension Liability: Current Rates

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By depositing $106.31 million of bond proceeds with ASRS, ***the County could achieve $54.94 million of gross expected savings ($13.24 million of expected PV savings)***

Summary of Financing Plan[1]	
Dated Date	05/02/2025
Final Maturity Date	08/01/2049
All-In Borrowing Cost	5.881%
Bond Par Amount	$107,585,000
Deposit with ASRS	$106,310,801
Expected Total Cash Flow Savings[2]	**$54,942,573**
Expected Total PV Savings ($)[2,3]	**$13,235,278**
Expected Total PV Savings (% of CPP Deposit)[2,3]	**12.45%**

Impact on Pinal's Required ASRS Contributions ($mil)[2,3]



[1]*Market conditions as of February 3, 2025 at 8am MST. Stifel does not commit to underwrite at these levels. All interest rate and other assumptions used in this analysis are subject to change.*
[2]*Assumes offset accrues at 7%, the expected ARORAA provided by ASRS, and is amortized in a level fashion.*
[3]*Values are discounted at 5.881%, the All-In Borrowing Cost of the Bonds.*

Taxable Bond Issuance to Fund ASRS Pension Liability: Current Rates[1,2]

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- **Pattern of savings can be determined by the County on an annual basis with the ability to carry offset credits forward**

	[A]	[B]	[C] = [A] – [B]	[D] = NPV [C]
FY	ASRS Expected Contribution Offset ($000)	Bond Debt Service ($000)	Expected Program Savings ($000)	Expected Program Savings ($000) (NPV @5.881%)[3]
2026	$8,383	$8,133	$250	$234
2027	$8,383	$8,133	$251	$222
2028	$8,383	$8,133	$251	$209
2029	$8,383	$8,129	$254	$200
2030	$8,383	$8,132	$251	$187
2031	$8,383	$8,131	$252	$177
2032	$8,383	$8,133	$250	$166
2033	$8,383	$8,129	$254	$159
2034	$8,383	$8,129	$254	$151
2035	$8,383	$8,131	$252	$141
2036	$8,383	$8,131	$252	$133
2037	$8,383	$8,131	$252	$126
2038	$8,383	$8,133	$251	$118
2039	$8,383	$8,129	$254	$113
2040	$8,383	$8,130	$254	$107
2041	$8,383	$8,133	$251	$100
2042	$8,383	$8,130	$253	$95
2043	$8,383	$8,131	$252	$89
2044	$8,383	$8,129	$254	$85
2045	$8,383	$8,131	$252	$80
2046	$8,383	$8,132	$251	$75
2047	$8,383	$8,128	$255	$72
2048	$8,383	$8,129	$254	$68
2049	$8,383	$8,129	$255	$64
2050	$8,383	$1,416	$6,967	$1,654
2051	$8,383	$0	$8,383	$1,880
2052	$8,383	$0	$8,383	$1,775
2053	$8,383	$0	$8,383	$1,677
2054	$8,383	$0	$8,383	$1,584
2055	$8,383	$0	$8,383	$1,496
Total	**$251,497**	**$196,554**	**$54,943**	**$13,235 / 12.45%**

[1]Market conditions as of February 3, 2025 at 8am MST. Stifel does not commit to underwrite at these levels. All interest rate and other assumptions used in this analysis are subject to change.
[2]Assumes offset accrues at 7%, the expected ARORAA provided by ASRS, and is amortized in a level fashion.
[3]Values are discounted at 5.881%, the All-In Borrowing Cost of the Bonds.

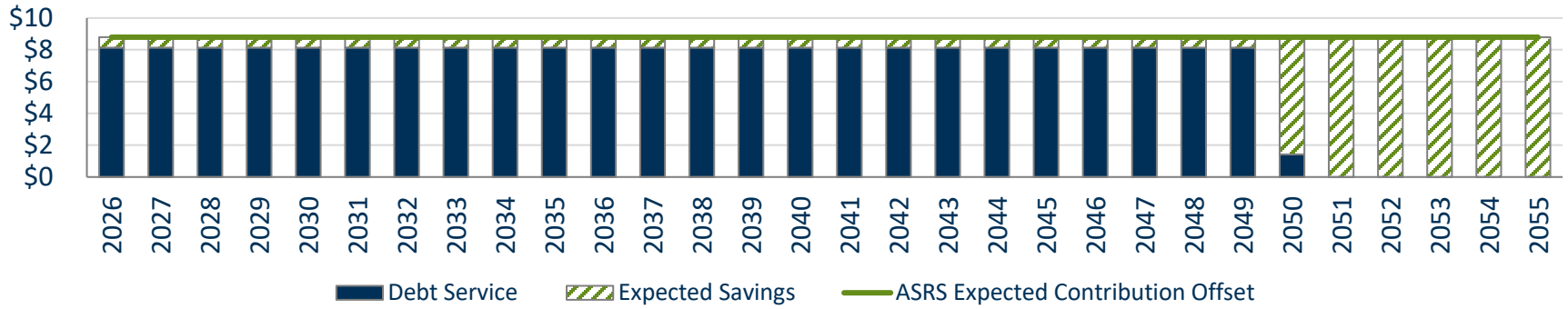
Taxable Bond Issuance to Fund ASRS Pension Liability: Sensitivity

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- Expected savings will be greater if ASRS exceeds 7% over the next 30 years and lower if not

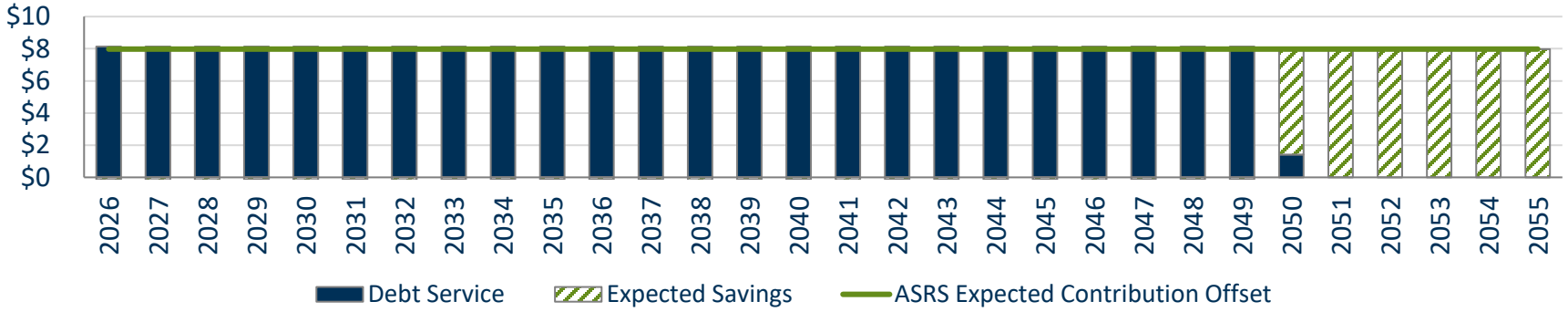
If ASRS outperforms its assumed rate of return, earning 7.5% annually over the offset period, ***the County could achieve $67.29 million of gross expected savings ($18.92 million of expected PV savings, 17.80% of par)***

Impact on Pinal's Required ASRS Contributions, Assuming a 7.5% Rate of Return ($mil)[2,3]



If ASRS underperforms its assumed rate of return, earning 6.5% annually over the offset period, ***the County could achieve $42.79 million of gross expected savings ($7.64 million of expected PV savings, 7.19% of par)***

Impact on Pinal's Required ASRS Contributions, Assuming a 6.5% Rate of Return ($mil)[2,3]



[1]Market conditions as of February 3, 2025 at 8am MST. Stifel does not commit to underwrite at these levels. All interest rate and other assumptions used in this analysis are subject to change.
[2]Assumes offset accrues at 7.5% and 6.5%, different than the expected ARORAA provided by ASRS of 7%, and is amortized in a level fashion.
[3]Values are discounted at 5.881%, the All-In Borrowing Cost of the Bonds.

New Money

$190MM New Money – *Projects List*

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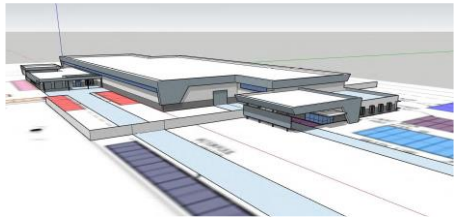


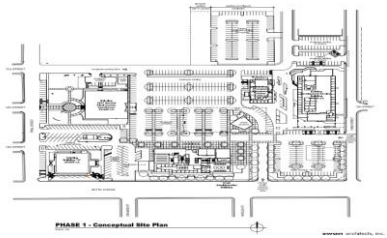




	Recommended Projects	Details	Estimated Costs
1.	Administration Building – Phase 1	One – 5 story building Total Area: 125,000 sq ft	$ 73,000,000
2.	Facilities Management Office & Warehouse	Two – 1 Story Buildings (Admin Offices/Warehouse) Total Area: 30,000 SF	17,000,000
3.	Fleet Services & Radio Shop Building	One – 1 Story Building and the IT Radio Shop Total Area: 78,000 SF	32,000,000
4.	PCSO Re-Entry Program Building	One – 2 Story Building Addition Total Area: 28,000 SF	16,500,000
5.	Juvenile Court Building	One – 3 Story Building Total Area: 70,000 SF	43,000,000
6.	Apache Junction Offices & Community Space	One – 2 Story Building Total Area: 7,500 SF	8,500,000
	Total:		**$ 190,000,000**







$190MM New Money over 30-Years

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- $190 million (estimated) Capital Improvement Project Details with a 30-Year amortization.

Period Ending	Principal	Coupon	Interest	Debt Service
6/30/2026			$ 4,863,472.22	$ 4,863,472.22
6/30/2027	$ 2,925,000.00	4.750%	8,955,531.25	11,880,531.25
6/30/2028	3,070,000.00	4.750%	8,813,150.00	11,883,150.00
6/30/2029	3,220,000.00	4.750%	8,663,762.50	11,883,762.50
6/30/2030	3,375,000.00	4.750%	8,507,131.25	11,882,131.25
6/30/2031	3,540,000.00	4.750%	8,342,900.00	11,882,900.00
6/30/2032	3,710,000.00	4.750%	8,170,712.50	11,880,712.50
6/30/2033	3,890,000.00	4.750%	7,990,212.50	11,880,212.50
6/30/2034	4,080,000.00	4.750%	7,800,925.00	11,880,925.00
6/30/2035	4,280,000.00	4.750%	7,602,375.00	11,882,375.00
6/30/2036	4,490,000.00	4.750%	7,394,087.50	11,884,087.50
6/30/2037	4,705,000.00	4.750%	7,175,706.25	11,880,706.25
6/30/2038	4,935,000.00	4.750%	6,946,756.25	11,881,756.25
6/30/2039	5,175,000.00	4.750%	6,706,643.75	11,881,643.75
6/30/2040	5,425,000.00	4.750%	6,454,893.75	11,879,893.75
6/30/2041	5,690,000.00	4.750%	6,190,912.50	11,880,912.50
6/30/2042	5,970,000.00	4.750%	5,913,987.50	11,883,987.50
6/30/2043	6,260,000.00	4.750%	5,623,525.00	11,883,525.00
6/30/2044	6,565,000.00	4.750%	5,318,931.25	11,883,931.25
6/30/2045	6,880,000.00	4.750%	4,999,612.50	11,879,612.50
6/30/2046	7,215,000.00	4.750%	4,664,856.25	11,879,856.25
6/30/2047	7,570,000.00	4.750%	4,313,712.50	11,883,712.50
6/30/2048	7,935,000.00	4.750%	3,945,468.75	11,880,468.75
6/30/2049	8,325,000.00	4.750%	3,559,293.75	11,884,293.75
6/30/2050	8,730,000.00	4.750%	3,154,237.50	11,884,237.50
6/30/2051	9,150,000.00	4.750%	2,729,587.50	11,879,587.50
6/30/2052	9,595,000.00	4.750%	2,284,393.75	11,879,393.75
6/30/2053	10,065,000.00	4.750%	1,817,468.75	11,882,468.75
6/30/2054	10,555,000.00	4.750%	1,327,743.75	11,882,743.75
6/30/2055	11,070,000.00	4.750%	814,150.00	11,884,150.00
6/30/2056	11,605,000.00	4.750%	275,618.75	11,880,618.75
	$ 190,000,000.00		**$ 171,321,759.72**	**$ 361,321,759.72**

Pledged Revenues & Coverage

Historical and Projected Excise Tax Collections

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Source	Actual 2019/20	2020/21	2021/22	2022/23	Unaudited Actual 2023/24
County General Excise Tax Revenues	$ 20,121,457	$ 24,692,328	$ 30,303,596	$ 36,030,382	$ 39,645,418
Gross State Shared Revenues	$ 40,458,279	$ 48,435,559	$ 58,269,430	$ 63,395,362	$ 66,363,660
Less: ALTCS Contribution	(13,755,300)	(13,364,756)	(9,323,509)	(15,690,433)	(13,774,319)
Less: AHCCCS Contribution	(3,037,917)	(3,048,726)	(3,051,927)	(3,070,649)	(3,100,864)
Net State Shared Revenues	$ 23,665,062	$ 32,022,077	$ 45,893,994	$ 44,634,280	$ 49,488,477
Vehicle License Tax Revenues	$ 13,398,599	$ 16,342,441	$ 16,329,451	$ 17,156,998	$ 17,821,430
PILT Revenues	$ 1,494,081	$ 1,481,010	$ 1,555,616	$ 1,780,988	$ 1,904,986
Total County General Excise Tax Revenues, Net State Shared Revenues and Vehicle License Tax Revenues	$ 58,679,199	$ 74,537,856	$ 94,082,657	$ 99,602,648	$ 108,860,310

** Figures were pulled from the County's ACFRs and were displayed in thousands.*

Source: Annual Comprehensive Financial Reports of the County and the Budget and Research Department of the County.

Preliminary Debt Service Requirements & Coverage: Projected Market Rates[1]

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Fiscal Year	Pledged Revenues	Outstanding Debt Service[2]	2025 Refunding Obligations Principal (8/1)	2025 Refunding Obligations Interest	Tax-Exempt 2025 Obligations Principal (8/1)	Tax-Exempt 2025 Obligations Interest	Taxable 2025 Obligations (ASRS) Principal (8/1)	Taxable 2025 Obligations (ASRS) Interest	Total Aggregate Debt Service	Maximum Annual Debt Service Coverage
2022/23	$ 99,602,648									
2023/24	108,860,310									
2024/25		$ 31,814,733							$ 31,814,733	
2025/26		29,535,381	$ 300,000	$ 1,794,053		$ 4,863,472	$ 3,590,000	$ 4,539,499	44,622,405	
2026/27		19,172,759	7,090,000	2,218,750	$ 2,925,000	8,955,531	2,270,000	5,861,133	48,493,173	
2027/28		20,244,750	7,450,000	1,855,250	3,070,000	8,813,150	2,380,000	5,753,081	49,566,231	2.20 x
2028/29		20,241,761	7,825,000	1,473,375	3,220,000	8,663,763	2,495,000	5,636,424	49,555,323	
2029/30		24,002,083	4,405,000	1,167,625	3,375,000	8,507,131	2,620,000	5,511,688	49,588,528	
2030/31		20,098,617	3,825,000	961,875	3,540,000	8,342,900	2,755,000	5,377,209	44,900,601	
2031/32		20,122,025	4,010,000	766,000	3,710,000	8,170,713	2,900,000	5,231,554	44,910,292	
2032/33		20,117,545	4,210,000	560,500	3,890,000	7,990,213	3,055,000	5,075,306	44,898,564	
2033/34		20,140,699	4,425,000	344,625	4,080,000	7,800,925	3,225,000	4,907,540	44,923,789	
2034/35		20,124,320	4,680,000	117,000	4,280,000	7,602,375	3,405,000	4,727,347	44,936,042	
2035/36		20,133,490			4,490,000	7,394,088	3,595,000	4,534,449	40,147,026	
2036/37		19,358,216			4,705,000	7,175,706	3,805,000	4,327,778	39,371,701	
2037/38		19,328,982			4,935,000	6,946,756	4,025,000	4,107,140	39,342,879	
2038/39		12,781,106			5,175,000	6,706,644	4,260,000	3,871,610	32,794,359	
2039/40		12,265,900			5,425,000	6,454,894	4,510,000	3,620,099	32,275,892	
2040/41		12,252,293			5,690,000	6,190,913	4,780,000	3,351,352	32,264,557	
2041/42		12,265,417			5,970,000	5,913,988	5,070,000	3,062,041	32,281,446	
2042/43		12,262,014			6,260,000	5,623,525	5,380,000	2,751,937	32,277,476	
2043/44		12,285,949			6,565,000	5,318,931	5,710,000	2,422,841	32,302,721	
2044/45		12,261,254			6,880,000	4,999,613	6,055,000	2,073,715	32,269,582	
2045/46		8,178,938			7,215,000	4,664,856	6,425,000	1,703,371	28,187,165	
2046/47		8,164,782			7,570,000	4,313,713	6,820,000	1,308,620	28,177,115	
2047/48		8,157,696			7,935,000	3,945,469	7,245,000	887,725	28,170,889	
2048/49		8,156,243			8,325,000	3,559,294	7,690,000	440,795	28,171,332	
2049/50		8,158,990			8,730,000	3,154,238	3,520,000	105,336	23,668,564	
2050/51		8,164,503			9,150,000	2,729,588			20,044,090	
2051/52		8,171,346			9,595,000	2,284,394			20,050,740	
2052/53		8,178,086			10,065,000	1,817,469			20,060,554	
2053/54					10,555,000	1,327,744			11,882,744	
2054/55					11,070,000	814,150			11,884,150	
2055/56					11,605,000	275,619			11,880,619	
		$ 456,139,877	$ 48,220,000	$ 11,259,053	$ 190,000,000	$ 171,321,760	$ 107,585,000	$ 91,189,590	$ 1,075,715,280	

1. *The interest rates for the 2025 Refunding Obligations and Tax-Exempt 2025 Obligations are as of March 2025 and the Taxable 2025 Obligations interest rates are as of February 2025. Stifel does not commit to underwrite at these levels. All interest rate and other assumptions used in this analysis are subject to change.*

2. *Net of the bonds being refunded, which includes certain maturities of the Series 2014 Pledged Revenue Bonds and the 2015 Pledged Revenue Refunding Bonds.*

Source: Annual Comprehensive Financial Reports of the County and the Budget and Research Department of the County.

Finance Calendar

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April 2025						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 2025						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 2025						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2025						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Date	Event	Responsibility
April 30th	**ARS 11-391 Public Hearing.**	**PC, GT, Stifel**
Week of May 5th – or before	Draft Preliminary Official Statement (POS), Resolution and legal documents submitted to financing team.	All Parties
Week of May 12th	Draft Credit rating power point presentations.	Stifel, PC
May 13th	POS Due Diligence.	All Parties
May 19th	All documents due to Clerk in advance of May 28th meeting.	All Parties
May 28th	**BOS considers a Resolution authorizing (delegating) authority to the County Manager and CFO to effectuate the transaction. --- June 27th date allowable if necessary.**	**PC, Stifel, GT**
May 29th	Rating Agency meetings. Rating applications submitted 2 weeks prior.	PC, Stifel
June 16th	Distribute POS to prospective investors.	All Parties
June 23rd and 24th	Investor Meetings – in process of being organized.	PC, Stifel
Week of July 14th	**Obligation Underwriting.**	**All Parties**
July 30th – on or around.	Bond closing.	All Parties

Financing Team:					
PC	=	Pinal County, Arizona – Issuer	**BS**	=	Ballard Spahr – UW's Counsel
GT	=	Greenberg Traurig – Bond Counsel			
Stifel	=	Stifel, Nicolaus & Company, Inc. – UW			

D Bond Market Update

Municipal Market Outlook (Week of April 21, 2025)

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UPCOMING ISSUANCE
$1.6B Connecticut State GO (1.3BTE/0.3BT), Aa3/AA-/AA-/AA+
$1.07B Massachusetts Commonwealth GO, Aa1/AA+/AA+
$920MM Los Angeles USD, CA GO (655T/265), Aa2/NR/AAA/AAA
$803MM Los Angeles, CA Wastewater Rev (658TE/145T), AA-/AA
$673MM NYC Muni Water Fin Auth, NY Rev, -/AA+/-, 2028, 33-39
$475MM Washington State GO, Aaa/AA+/AA+
$439MM North Carolina Grant Anticipation Rev, Aa3/AA, 2026-40
$425MM Onondaga Civic Dev Corp, NY Rev - Syracuse Univ, Aa3/AA-
$416MM Allegheny Cnty Airport Auth, PA Pittsburgh Airport Rev, A2/AA/A/A+ AGC
$375MM Michigan Fin Auth Rev - Corewell Health, Aa3/AA
30-Day Visible Supply: $24.2 Billion **7-Day Visible Supply**: $14.4 Billion

MAJOR ECONOMIC DATA			
RELEASE	**DAY**	**ESTIMATE**	**ACTUAL**
Leading Index - March	21-Apr	-0.5%	
US Manufacturing PMI - April	23-Apr	49.3	
New Home Sales - March	23-Apr	681K	
Durable Goods Orders - March	24-Apr	1.5%	
Existing Home Sales - March	24-Apr	4.14M	

TAXABLE MUNICIPAL GO/MAKE WHOLE TREASURY SPREAD				
	5/5	**10/10**	**20/30**	**30/30**
AAA	20	45	70	80
AA	25	55	85	95
A	50	80	115	125
BBB	115	150	190	200

RATE DATA				
	TODAY	**WEEK PRIOR**	**MONTH PRIOR**	**YEAR PRIOR**
AAA GO				
2 YEAR	3.02	3.23	2.62	3.15
5 YEAR	3.15	3.37	2.80	2.78
10 YEAR	3.44	3.66	3.12	2.74
15 YEAR	3.81	4.01	3.47	3.19
20 YEAR	4.24	4.43	3.97	3.57
30 YEAR	4.46	4.64	4.21	3.90
US TREASURY				
2 YEAR	3.78	3.92	4.05	4.99
5 YEAR	3.95	4.09	4.11	4.67
10 YEAR	4.38	4.43	4.32	4.62
30 YEAR	4.87	4.83	4.61	4.71
FED FUNDS	4.25-4.50	4.25-4.50	4.25-4.50	5.25-5.50
PRIME RATE	7.50	7.50	7.50	8.50
MIG 1 - 1YR	3.21	3.21	2.82	3.61
MUB ETF	103.540	102.310	105.860	106.470
SIFMA 7DAY	4.37	4.41	3.62	4.35
SOFR	4.31	4.33	4.30	5.30
MSRB 7DAY TRD	$90,452MM	$116,210MM	$70,654MM	$55,355MM
BOND BUYER INDEXES				
20 Bond GO[1]	5.20	5.11	4.29	3.79
11 Bond GO[2]	5.10	5.01	4.19	3.69
25 Bond REV[3]	5.49	5.40	4.58	4.08

[1] GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa2 & S&P's AA

[2] GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa1 & S&P's AA+

[3] Revenue bonds maturing in 30 years, avg. rating equivalent to Moody's A1 & S&P A+

COMMENTARY

The Municipal Market showed solid signs of recovery from the Tariff Trama and returned to functioning in an orderly fashion. Municipal supply will remain elevated as the market recovers. Last week supply reached over $10 billion in the holiday-shortened week. This week shows an estimated $14.4 billion expected to price. Municipal Mutual Funds faced continued outflows with Lipper reporting outflows of-$1.25 for the week ending 4/16 . The four-week moving average stands at -$1.3 billion. High Yield Muni Funds had outflows of -$522 million. Secondary selling pressure remains a concern. Ratios for AAA Muni GO's to UST finished the week at 80% in the 5-year maturity, 79% in the 10-year and 93% in the 30-year.

Interest Rate Forecast

- According to Federal Reserve Chairman Jerome Powell, U.S. tariffs are creating a "challenging scenario." Speaking at the Economic Club of Chicago, Powell said the latest adjustment in fiscal policy will expectedly result in higher inflation and slower growth, making it difficult for the Fed to manage both sides of its dual mandate, suggesting the Fed will be in no rush to adjust policy.

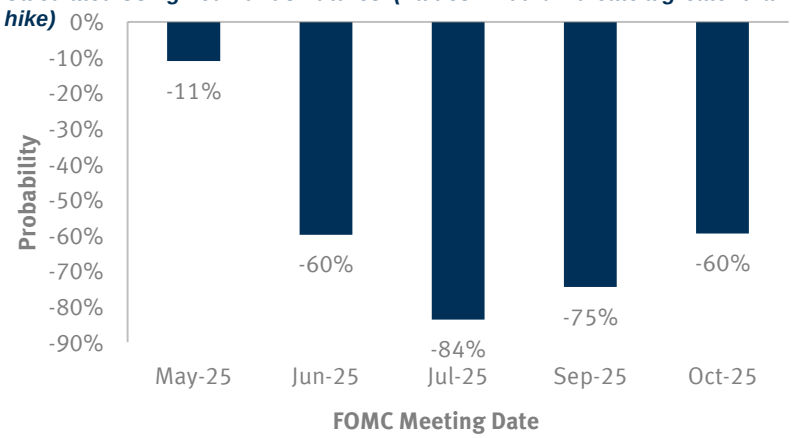
- Last week, domestic retail spending surged in March after a lackluster average pace of -0.4% across January and February. Rising 1.4% at the end of Q1, the gain was largely in line with expectations and marks the largest monthly increase since January 2023. Year-over-year, retail sales increased 4.6% in March, the strongest annual gain since July 2023.

Bloomberg Consensus Yield Curve Projections (%)

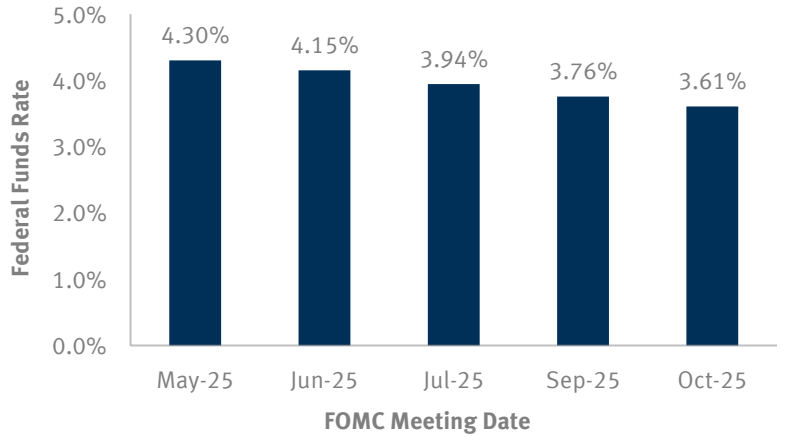
Market Consensus Yield Curve Projections (%)					
	Current	Q2 25	Q3 25	Q4 25	Q1 26
Fed Funds	4.50	4.40	4.20	4.00	3.85
2-Yr UST	3.81	3.86	3.80	3.73	3.72
10-Yr UST	4.34	4.23	4.24	4.23	4.22
30-Yr UST	4.80	4.50	4.49	4.48	4.50

Market Consensus Probability of a Rate Hike at Upcoming Fed Meetings

Calculated Using Fed Funds Futures. (Values > 100% indicate a greater than 25 bp hike)



Market Consensus Implied Overnight Effective Rate After Each Fed Meeting

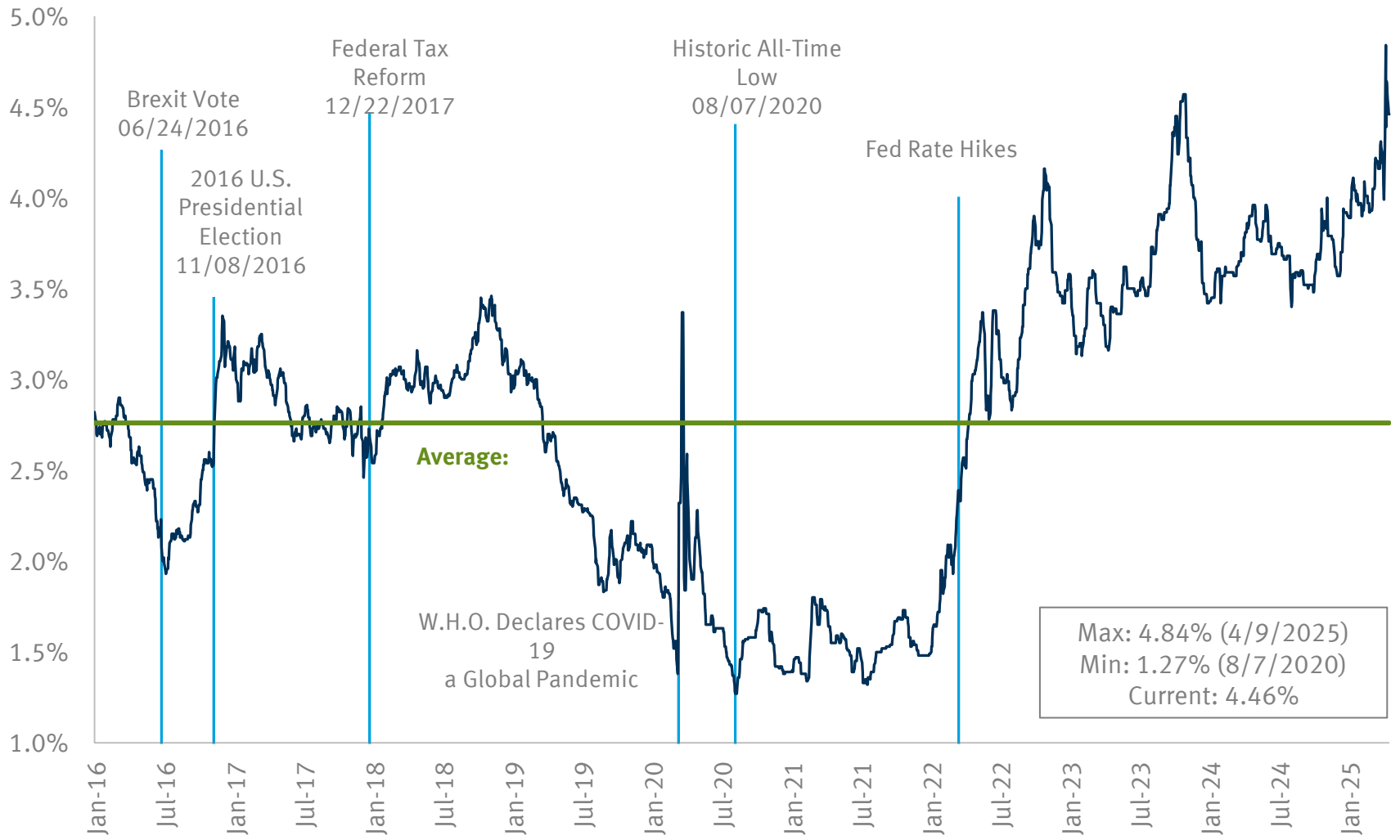


Sources: Stifel Fixed Income Strategy Department, US Treasury, Bloomberg, Thomson Reuters. As of April 18, 2025.

Market Volatility: A Defining Characteristic

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30-Year AAA MMD Since 2016



Source: Thomson Reuters. As of April 18, 2025.

Disclaimers

Pension Obligation Bonds ("POBs") are a source of financing for unfunded actuarial liabilities of pension funds and can serve a valuable function. However, the success of a POB financing is dependent on a number of assumptions proving to be accurate, and the failure of any of these assumptions is a risk that a government issuing POBs should consider.

Among the assumptions that are important to a POB financing, and the risks associated with those assumptions providing to be inaccurate, are the following:

- **Assumption:** The POB proceeds amount is calculated to achieve a specified funding target defined by the issuer. **Risk:** This amount is calculated based on known components of the issuer's unfunded liability at the time of pricing. The projected unfunded liability at any given point in time is subject to achieving defined assumptions in an actuarial report, and actual experience may vary. If the actual unfunded liability upon closing of the bonds is higher or lower than the projected unfunded liability, the issuance of the POBs may result in a funding level that is above or below the target level defined.
- **Assumption:** The investment yield on the POB proceeds once deposited in the pension fund will equal or exceed the yield on the POBs. **Risk:** If the investment yield on the POB proceeds is less than the yield on the POBs, and the decline is not offset by positive changes in other assumptions, the issuance of the POBs may actually increase the unfunded actuarial liability.
- **Assumption:** Payroll increases during the term of the POBs will be as anticipated when the unfunded actuarial liability was estimated at POB issuance. **Risk:** If payroll increases during the term of the POBs exceed expectations, and the increases are not offset by positive changes in other assumptions, the POB proceeds will not suffice to cover the unfunded actuarial liability.
- **Assumption:** Cost of living adjustments ("COLAs") will be as anticipated when the unfunded actuarial liability was estimated at POB issuance. **Risk:** If COLAs exceed expectations during the term of the POBs, and the increases are not offset by positive changes in other assumptions, the POB proceeds will not suffice to cover the unfunded actuarial liability.
- **Assumption:** Various assumptions used in calculating the unfunded actuarial liability -- such as mortality rates, early retirement incentives, types of payrolls covered by the pension fund -- will be as anticipated at the time of POB issuance. **Risk:** If there are reductions in mortality rates, increases in early retirement incentives, expansions of the payrolls covered by the pension plan during the term of the POBs, and these changes are not offset by positive changes to other assumptions, the POB proceeds will not suffice to cover the unfunded actuarial liability.

In addition to analyzing potential benefits that are based on achieving assumptions made in estimating the unfunded actuarial liability, we will also analyze potential budgetary benefits or losses based on various prospective levels of the pension systems' earnings to assist you in gauging the likelihood of success of a POB transaction. It should be noted that potential budgetary benefits vary from year to year. Actual benefits or losses and the success of the POB financing cannot be known until the POBs have been paid in full.

Stifel, Nicolaus & Company, Incorporated ("Stifel") has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stifel is providing all information and advice contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC's Municipal Advisor Rule, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

Stifel is providing information and is declaring to the proposed municipal issuer that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's-length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or counsel as you deem appropriate.

Appendix

Preliminary Debt Service Requirements & Coverage: Public Notice Rates[1]

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Fiscal Year	Pledged Revenues	Outstanding Debt Service[2]	2025 Refunding Obligations		Tax-Exempt 2025 Obligations		Taxable 2025 Obligations (ASRS)		Total Aggregate Debt Service	Maximum Annual Debt Service Coverage
			Principal (8/1)	Interest	Principal (8/1)	Interest	Principal (8/1)	Interest		
2022/23	$ 99,602,648									
2023/24	108,860,310									
2024/25		$ 31,814,733							$ 31,814,733	
2025/26		29,535,381	$ 985,000	$ 1,427,007		$ 5,128,471	$ 4,320,000	$ 3,375,740	44,771,598	
2026/27		19,172,759	7,155,000	2,465,625	$ 2,800,000	9,446,750	2,035,000	6,008,288	49,083,422	
2027/28		20,244,750	7,515,000	2,098,875	2,945,000	9,303,125	2,135,000	5,907,470	50,149,220	2.17 x
2028/29		20,241,761	7,895,000	1,713,625	3,095,000	9,152,125	2,240,000	5,800,145	50,137,656	
2029/30		24,002,083	8,335,000	1,307,875	3,255,000	8,993,375	2,355,000	5,686,189	53,934,522	
2030/31		20,098,617	3,975,000	1,000,125	3,425,000	8,826,375	2,480,000	5,563,553	45,368,669	
2031/32		20,122,025	4,170,000	796,500	3,600,000	8,650,750	2,610,000	5,431,722	45,380,997	
2032/33		20,117,545	4,380,000	582,750	3,785,000	8,466,125	2,750,000	5,289,598	45,371,018	
2033/34		20,140,699	4,600,000	358,250	3,975,000	8,272,125	2,905,000	5,137,073	45,388,147	
2034/35		20,124,320	4,865,000	121,625	4,180,000	8,068,250	3,065,000	4,975,246	45,399,441	
2035/36		20,133,490			4,395,000	7,853,875	3,240,000	4,801,185	40,423,549	
2036/37		19,358,216			4,620,000	7,628,500	3,430,000	4,613,710	39,650,426	
2037/38		19,328,982			4,855,000	7,391,625	3,630,000	4,412,652	39,618,259	
2038/39		12,781,106			5,105,000	7,142,625	3,845,000	4,197,905	33,071,636	
2039/40		12,265,900			5,370,000	6,880,750	4,075,000	3,968,395	32,560,044	
2040/41		12,252,293			5,645,000	6,605,375	4,320,000	3,723,020	32,545,688	
2041/42		12,265,417			5,935,000	6,315,875	4,580,000	3,459,515	32,555,807	
2042/43		12,262,014			6,240,000	6,011,500	4,865,000	3,177,582	32,556,096	
2043/44		12,285,949			6,560,000	5,691,500	5,165,000	2,875,604	32,578,053	
2044/45		12,261,254			6,895,000	5,355,125	5,490,000	2,552,225	32,553,604	
2045/46		8,178,938			7,250,000	5,001,500	5,835,000	2,208,511	28,473,949	
2046/47		8,164,782			7,620,000	4,629,750	6,200,000	1,841,699	28,456,231	
2047/48		8,157,696			8,010,000	4,239,000	6,590,000	1,450,325	28,447,020	
2048/49		8,156,243			8,420,000	3,828,250	7,015,000	1,028,750	28,448,243	
2049/50		8,158,990			8,850,000	3,396,500	7,465,000	574,802	28,445,293	
2050/51		8,164,503			9,305,000	2,942,625	5,435,000	170,387	26,017,515	
2051/52		8,171,346			9,785,000	2,465,375			20,421,721	
2052/53		8,178,086			10,285,000	1,963,625			20,426,711	
2053/54					10,815,000	1,436,125			12,251,125	
2054/55					11,365,000	881,625			12,246,625	
2055/56					11,950,000	298,750			12,248,750	
		$ 456,139,877	$ 53,875,000	$ 11,872,257	$ 190,335,000	$ 182,267,346	$ 108,075,000	$ 98,231,286	$ 1,100,795,766	

1. *The interest rates for the 2025 Refunding Obligations and Tax-Exempt 2025 Obligations are as of April 2025 and the Taxable 2025 Obligations interest rates are as of February 2025. 50 basis points were added to the interest rates to account for potential market volatility. Stifel does not commit to underwrite at these levels. All interest rate and other assumptions used in this analysis are subject to change.*

2. *Net of the bonds being refunded, which includes certain maturities of the Series 2014 Pledged Revenue Bonds and the 2015 Pledged Revenue Refunding Bonds.*

Source: Annual Comprehensive Financial Reports of the County and the Budget and Research Department of the County.