



*Information with Respect to a
November 2017 General Obligation
Bond Election*

March 30, 2017

STIFEL

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I. ELECTION RESULTS

ARIZONA FIRE DISTRICT BOND ELECTIONS (2004-2016)



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 <p>\$23,610,000 Northwest Fire District November 2016 – 68.6% Yes Votes</p>	 <p>\$10,000,000 Chino Valley Fire District November 2006 – 68.4% Yes Votes</p>
 <p>\$10,000,000 Sun City Fire District November 2016 – 63.0% Yes Votes</p>	 <p>\$9,500,000 Apache Junction Fire District September 2006 – 58.7% Yes Votes</p>
 <p>\$3,300,000 Summit Fire District November 2016 – 63.9% Yes Votes</p>	 <p>\$2,000,000 Mayer Fire District November 2006 – 76.9% Yes Votes</p>
 <p>\$16,230,000 Daisy Mountain Fire District November 2015 – 65.5% Yes Votes</p>	 <p>\$37,525,000 Northwest Fire District November 2004 – 73.6% Yes Votes</p>
 <p>\$4,135,000 Avra Valley Fire District November 2012 – 65.7%/67.6% Yes Votes</p>	 <p>\$17,220,000 Central Yavapai Fire District November 2004 – 76.69% Yes Votes</p>
 <p>\$15,000,000 Tubac Fire District November 2008 – 57.9% Yes Votes</p>	 <p>\$13,800,000 Golder Ranch Fire District September 2004 – 80.8%/85.0% Yes Votes</p>
 <p>\$17,000,000 Rainbow Valley Fire District November 2007 – 73.3% Yes Votes</p>	<p>\$10,000,000 Maricopa Fire District November 2004 – 81.0% Yes Votes</p>
 <p>\$8,000,000 Rio Rico Fire District November 2007 – 55.6% Yes Votes</p>	 <p>\$6,500,000 Three Points Fire District September 2004 – 63.7% Yes Votes</p>
 <p>\$5,000,000 Picture Rocks Fire District November 2007 – 77.1% Yes Votes</p>	 <p>\$1,325,000 Arizona City Fire District November 2004 – 73.0% Yes Votes</p>
 <p>\$861,000 Black Canyon Fire District May 2007 – 80.9% Yes Votes</p>	



2016 OVERRIDE ELECTIONS
4 of 7 Questions Approved (57.1%)

BOND ELECTIONS (2004 - 2016)			
Election Year	No. of Questions	Percent of Questions Approved	Amount Approved
2004	6	100%	\$86,370,000
2005	-	-	-
2006	3	100%	\$21,500,000
2007	4	100%	\$30,861,000
2008	1	100%	\$15,000,000
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	1	100%	\$4,135,000
2013	-	-	-
2014	-	-	-
2015	1	100%	\$16,230,000
2016	3	100%	\$36,910,000

Source: County Elections departments.

II. ELECTION TIMING, GENERALLY

TYPICAL MARICOPA COUNTY ELECTION TIMELINE



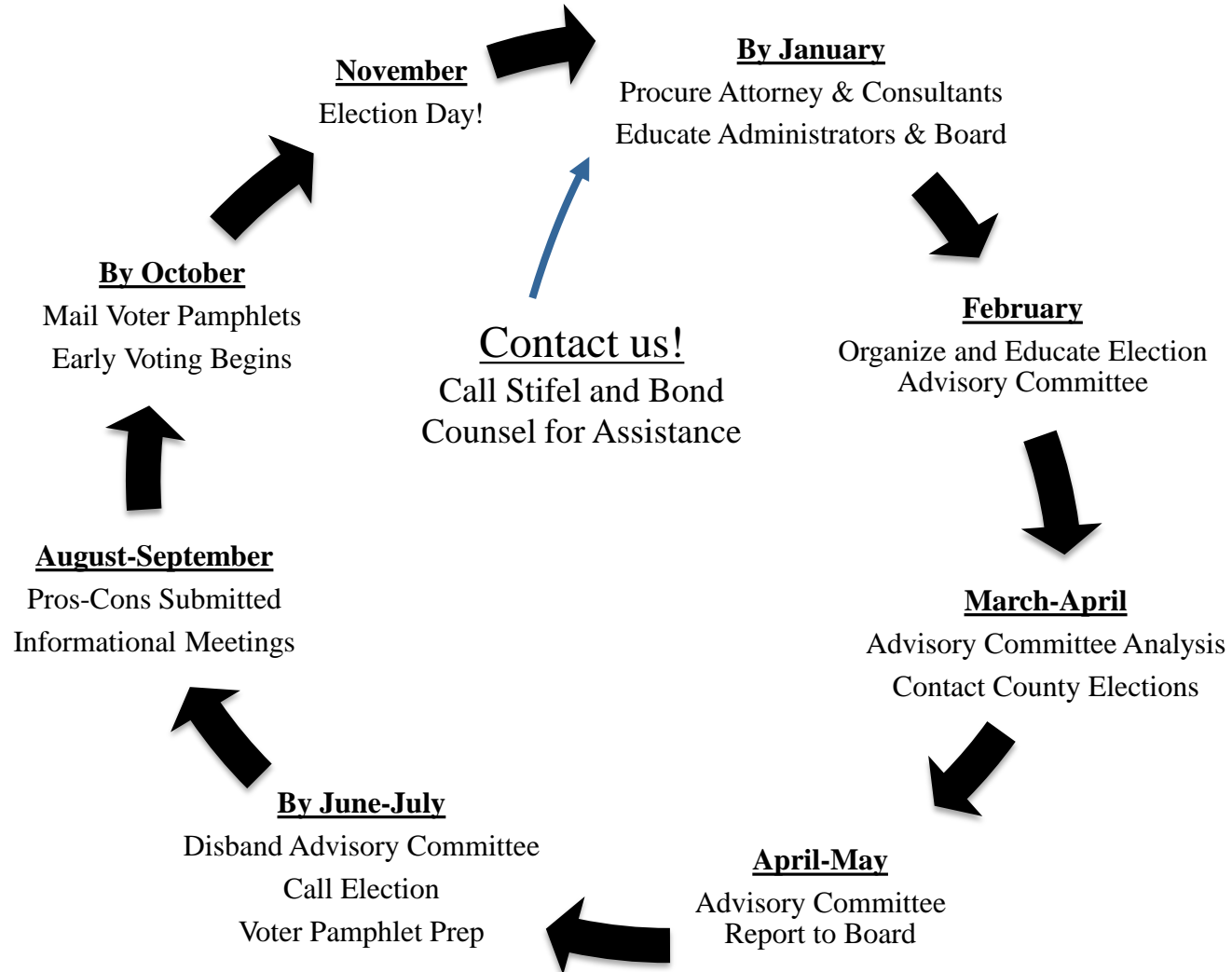
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Date	Event
June 10 (150 days before)	Maricopa County only: <ol style="list-style-type: none"> 1. Recommended date by which to call election 2. Required date for submittal of written notification of intent to call election
July 10 (120 days before)	Maricopa County only: <ol style="list-style-type: none"> 1. Deadline for submittal of signed election resolutions to county 2. Submit publicity pamphlet information for printing
July - August	Review and edit voter pamphlet. Voter pamphlet submitted for Spanish translation.
August 9 (90 days before)	Maricopa County only: pro/con arguments due
October 3 (35 days before)	Deadline for mailing publicity pamphlet
October 11 (27 days before)	Early voting starts
November 7	Election Day

OVERALL ELECTION TIMELINE, GENERALLY



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III. GENERAL OBLIGATION BONDS – FREQUENTLY ASKED QUESTIONS

What are General Obligation (GO) Bonds?

Debt obligations of the district sold to investors to raise funds for projects. Principal and fixed semi-annual interest are secured by and paid to investors by generating a bond levy funded through property taxes. The tax rate for GO Bonds is calculated annually to ensure enough funds are generated to satisfy bond payment requirements. The bond portion of the tax rate is not included within (or subject to) the statutory levy limit for a fire district.



Do Bonds Require Voter Approval?

Yes. Bonds require a simple majority at an election that can be held only on the November election date.

How much in GO Bonds can a Fire District Sell?

The amount a district can ask from voters is not limited, but statutes limit the sale amount to 6% of current net limited assessed value (less any principal outstanding from previous sales). Hence, GO bonding capacity depends upon changes in property values and the pace of principal repayment.

How Long does a District Have to Sell the Bonds?

Bonds may be sold in one or more phases over many years, but statutes do not require that any or all of the bonds be sold. Voter authority also does not sunset by statute, but legal counsel may prevent a sale if they feel the voter authority has grown stale (typically beyond 10 years).

What Items can Bond Proceeds be Used for?

Generally, any capital expense that the district lists in the ballot question, typically including land, buildings, grounds, vehicles, equipment, refinancing debt, bond issuance costs, election costs and related staff expenses. Reimbursement is eligible if within 60 days of the expenditure or if the intent to reimburse is declared prior to the expenditure.



How much Should a District Expect to Pay in Bond Issuance Costs?

Typically, an issuer will pay less than \$50,000 in administrative costs for each bond sale, including legal, credit rating, printing, advertising, disclosure and paying agent costs, plus an estimated 1.5% - 2.0% of the issuance amount in advisory and underwriting costs, depending upon the size and credit quality of the bonds. All bond issuance costs can be paid from bond premium (i.e., leaves full face amount for capital).

What Federal Restrictions does a Bond Issuer Have?

To keep interest on the bonds from being subject to federal and Arizona income taxes (providing lower interest cost to the issuer), the issuer must expect to spend the bond proceeds on capital items within three (3) years of issuance, and not for private activities. The average life of the bonds must also be less than the average life of the bond projects. For issues above \$10 million and when payment funds accumulate, issuers may need to pay interest earnings above the bond yield to the IRS (arbitrage). Issuers can avoid federal restrictions by waiving the income tax exemption and realizing the associated higher interest cost.

Who Determines the Payments?

The governing board determines the principal amounts and maturity dates (up to 30 years) and an underwriter sets the interest rates. Market conditions determine the prices investors will pay. An underwriter will typically set interest rates enough above the market to attract a price from investors that is enough greater than the face or par value of the bonds to allow the issuer to pay expenses and retain the full par amount for projects.



Who Typically Buys Bonds?

U.S. investors including money managers, investment funds, corporations, banks and high net worth individuals that benefit from interest that is typically exempt from federal and Arizona income taxes.

What are the Common Terms for Bonds?

Principal is sold in \$5,000 denominations maturing in any year up to 30 years from the issue date on an annual date set by the district governing board before the sale. Interest is set at a fixed annual rate but repaid semiannually until maturity. Early optional redemption without penalty is typically 10 years from the issuance date.

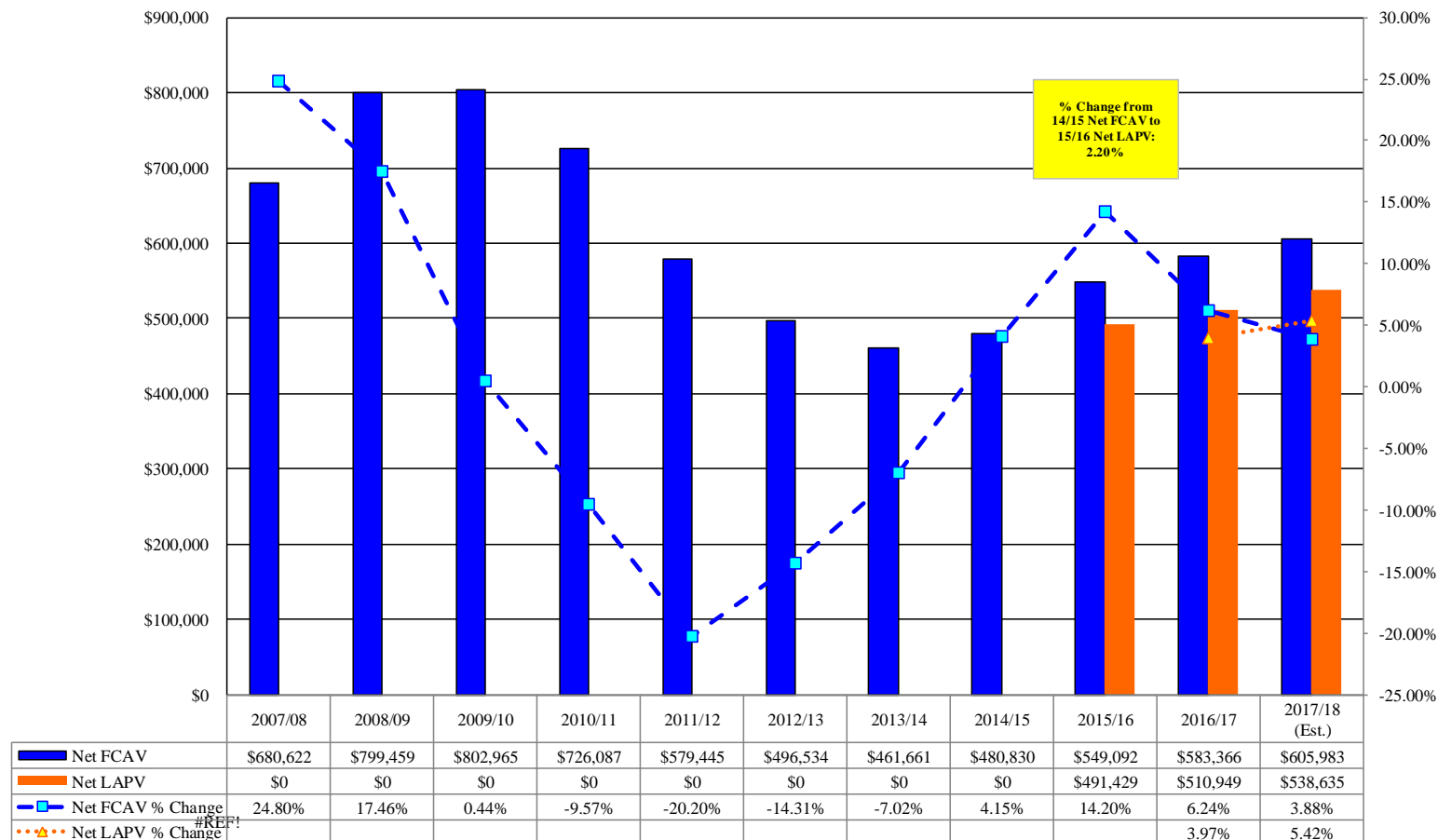
IV. DISTRICT INFORMATION

ASSESSED VALUATIONS (\$000s)



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	with 2016/17		with 2017/18 (Est.)	
	Net FCAV	Net AV for Taxes	Net FCAV	Net AV for Taxes
5-Year Average:	0.65%	-2.20%	4.29%	1.74%
10-Year Average:	1.62%	0.19%	-0.47%	-1.75%



Net FCAV = Net Full Cash Assessed Value (To Calculate Capacity)
 Net LAPV = Net Limited Assessed Property Value (To Calculate Taxes)
 Net AV = Net Assessed Property Value for Secondary Tax Purposes

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Assessors of each respective County.



2016/17 General Obligation Bond Limit

Bonding Capacity Calculation (2016/17)		Bonding Capacity Calculation (Estimated 2017/18)	
NLAPV:	\$510,949,039	NLAPV:	\$538,635,344
Multiply by:	6%	Multiply by:	6%
Calculation Base:	\$30,656,942	Calculation Base:	\$32,318,120
Less: Outstanding GO Bonds:	(None)	Less: Outstanding GO Bonds:	(None)
Total:	\$30,656,942	Total:	\$32,318,120

- Capacity can grow as Net AV increases and as GO principal is retired

V. POTENTIAL NOVEMBER 2017 GENERAL OBLIGATION BOND ELECTION

ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED IMPACT ON SECONDARY TAX RATE



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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		\$7,050,000 General Obligation Bonds Project of 2017 Series A (2018) Bonds Dated: 3/01/18		\$4,050,000 General Obligation Bonds Project of 2017 Series B (2023) Bonds Dated: 3/01/23		\$4,050,000 General Obligation Bonds Project of 2017 Series C (2027) Bonds Dated: 3/01/27		Estimated Additional	
Fiscal Year	Combined Valuation (a)	Principal	Estimated Interest (b)	Principal	Estimated Interest (c)	Principal	Estimated Interest (d)	Debt Service	Bond Tax Rate (e)
2016/17	\$510,949,039								
2017/18	538,635,344								
2018/19	538,635,344	\$500,000	\$446,500					\$946,500	\$0.18
2019/20	538,635,344	650,000	311,125					961,125	0.18
2020/21	538,635,344	700,000	280,250					980,250	0.18
2021/22	538,635,344	725,000	247,000					972,000	0.18
2022/23	538,635,344	750,000	212,563					962,563	0.18
2023/24	538,635,344	175,000	176,938	\$325,000	\$283,500			960,438	0.18
2024/25	538,635,344	185,000	168,625	400,000	195,563			949,188	0.18
2025/26	538,635,344	195,000	159,838	425,000	174,563			954,400	0.18
2026/27	538,635,344	205,000	150,575	450,000	152,250			957,825	0.18
2027/28	538,635,344	205,000	140,838		128,625	\$175,000	\$297,000	946,463	0.18
2028/29	538,635,344	220,000	131,100	195,000	128,625	75,000	213,125	962,850	0.18
2029/30	538,635,344	235,000	120,650	200,000	118,388	100,000	209,000	983,038	0.18
2030/31	538,635,344	245,000	109,488	215,000	107,888	100,000	203,500	980,875	0.18
2031/32	538,635,344	255,000	97,850	225,000	96,600	110,000	198,000	982,450	0.18
2032/33	538,635,344	270,000	85,738	235,000	84,788	115,000	191,950	982,475	0.18
2033/34	538,635,344	280,000	72,913	250,000	72,450	125,000	185,625	985,988	0.18
2034/35	538,635,344	295,000	59,613	260,000	59,325	125,000	178,750	977,688	0.18
2035/36	538,635,344	305,000	45,600	275,000	45,675	125,000	171,875	968,150	0.18
2036/37	538,635,344	320,000	31,113	290,000	31,238	125,000	165,000	962,350	0.18
2037/38	538,635,344	335,000	15,913	305,000	16,013	125,000	158,125	955,050	0.18
2038/39	538,635,344				0	635,000	151,250	786,250	0.15
2039/40	538,635,344				0	665,000	116,325	781,325	0.15
2040/41	538,635,344				0	705,000	79,750	784,750	0.15
2041/42	538,635,344				0	745,000	40,975	785,975	0.15
		\$7,050,000		\$4,050,000		\$4,050,000		\$22,469,963	

Average Annual Tax Rate = \$0.1738

ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED IMPACT ON SECONDARY TAX RATE



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- (a) Fiscal year 2017/18 is estimated by the Assessors of each respective Counties and assumes 5.42% growth. Subsequent years assume 0.00% growth. (Per Arizona Revised Statutes 35-454: "(i) For the first five years of the estimated debt retirement schedule, the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision. (ii) For the remaining years of the estimated debt retirement schedule, twenty per cent of the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision.")
- (b) Interest is estimated at 4.75% for the Bonds.
- (c) Interest is estimated at 5.25% for the Bonds.
- (d) Interest is estimated at 5.50% for the Bonds.

The interest rates assumed in this presentation are based on current market conditions and similar credits (with an adjustment upwards to reflect the estimated issuance date).

The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

- (e) Secondary tax rates are per \$100 of assessed valuation. Fiscal year 2017/18 assumes a delinquency rate of 0.00%. Subsequent projected tax rates are not adjusted for interest earnings, arbitrage rebate or delinquent tax collections (if any).

Note: The information in this analysis is not intended to be used as the primary basis for determining an issuer's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the issuer, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.

November 7, 2017 Authorization	\$15,150,000
Series A (2018)*	\$7,050,000
Series B (2023)*	4,050,000
Series C (2027)*	4,050,000
Total	\$15,150,000
No expiration of authorization	
<i>* Estimated future issue(s), subject to change.</i>	



ESTIMATED AVERAGE COST TO TAXPAYER

The following tables illustrate the estimated annual and monthly cost to taxpayers, including principal and interest, based on varying types of property, property values and assessed values. To determine your estimated tax increase, refer to your property tax statement which identifies the specific assessed value of your property.

ESTIMATED AVERAGE ANNUAL BOND TAX RATE PER \$100 OF ASSESSED VALUATION: \$0.1738

RESIDENTIAL PROPERTY (Assessed at 10.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
\$345,162 (c)	\$34,516 (c)	\$59.99	\$5.00
100,000	10,000	17.38	1.45

The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$250,000 is estimated to be \$43.45 per year for 24 years or \$1,042.91 total cost. (d)

COMMERCIAL PROPERTY (Assessed at 18.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
\$486,332 (c)	\$87,540 (c)	\$152.14	\$12.68
1,000,000	180,000	312.84	26.07

The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$1,000,000 is estimated to be \$312.87 per year for 24 years or \$7,508.96 total cost. (d)

AGRICULTURAL AND OTHER VACANT PROPERTY (Assessed at 15.0%)			
Value for Tax Purposes (a)	Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
\$105,632 (c)	\$15,845 (c)	\$27.54	\$2.30
100,000	15,000	26.07	2.17

The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$100,000 is estimated to be \$26.07 per year for 24 years or \$625.75 total cost. (d)



ESTIMATED AVERAGE COST TO TAXPAYER

- (a) Value for tax purposes if the full cash value of your property as it appears on your tax bill and does not necessarily represent the market value. Beginning with fiscal year 2015/16, this value cannot increase by more than five percent from the prior year if the property has not changed. For commercial property, only locally assessed property is subject to this limit.
- (b) Cost based on the estimated average bond tax rate over the life of the bond issue and other financing assumptions which are subject to change.
- (c) Estimated average value of owner-occupied residential properties, commercial properties or agricultural and vacant properties, as applicable, within the Issuer as provided by the Arizona Department of Revenue.
- (d) Assumes the net assessed valuation of the property changes at the lesser of five percent or half the rate of the Issuer's total net assessed value shown on the projected debt service schedule.

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Appendix



ARIZONA FIRE DISTRICTS				
	Lease Purchase	General Obligation (GO) Bonds		Pay Go
Typical Use	Buildings (with land), vehicles and equipment	Any capital item having longer average life than the bonds		Capital with shorter life
Security	Lease payments, subject to annual appropriation First lien on equipment and real property	Ad valorem taxes on secondary assessed valuation of all taxable property within the district District assets or project do not secure financing		Not applicable
Repayment Source	Available levy limit, including override	Above and separate from levy limit		Available levy limit, including override
Sizing Limitation	Available levy limit, essentiality and value of collateral	Limited to 6% of current secondary assessed valuation		Available levy limit, including override
Amortization	Typically 15 years or less Little flexibility to deviate from level payments	Up to 40 years maximum. Substantial flexibility to deviate from level payments		Year to year
Election	None required	November election required		Not applicable, unless funded with override
Investor Placement	Private placement with sophisticated institutional investor through request for proposals Public sale of \$5,000 denominations of Certificates of Participation (COPs) in the lease with typical municipal investors Investor demand more limited	Private placement with typical municipal investor through request for proposals Public sale of \$5,000 denominations of GO Bonds with typical municipal investors Broad investor acceptance	Governmental assisted purchase may be available through GADA and USDA/RD	Not applicable
Timing / Other	Typically longer than GO Bond issuance Real estate, title and environmental considerations can complicate and delay issuance process	GO bond issuance typically takes 6-8 weeks First issuance is typically possible within 3-4 months after successful election		Not applicable