



Town of Jerome, Arizona

March 14, 2023

Darren Hodge

Jaime Trejo

Matt Stoffel

Fred Dilly



Lead Day-to-Day Contacts



Darren Hodge

Managing Director

Experience

18 years in industry

Specializes in local government finance for cities, public utilities, and transportation agencies throughout the Western United States

Former investment banker with over \$30 billion in completed transactions

Education

B.S. in Computer Science, University of California, Santa Barbara

M.A. in Economics, University of California, Santa Barbara

Professional Designations or Licenses

Municipal Advisor Representative (Series 50)



Jaime Trejo

Senior Managing Consultant

Experience

11 years in industry

Specializes in transaction management, including debt structuring, credit rating strategy and legal document review

Formerly a credit rating analyst with S&P

Education

B.A. in History, University of California, Berkeley

M.P.P., Harvard University

Professional Designations or Licenses

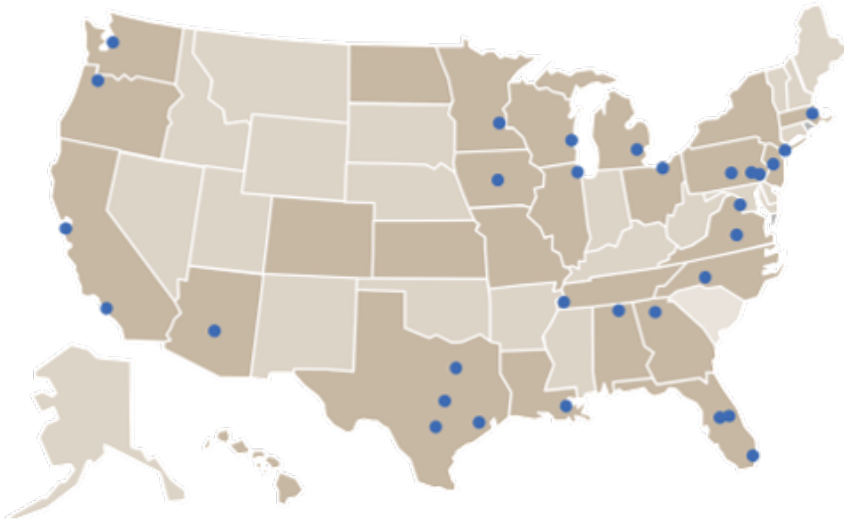
Municipal Advisor Representative (Series 50)



Who We Are

- ◆ PFM was founded in 1975 and now has 31 offices and over 350 employees nationwide
- ◆ PFM has been the number one financial advisor every year since 1998
- ◆ We combine small firm local knowledge and focus with national firm resources

PFM's National Presence

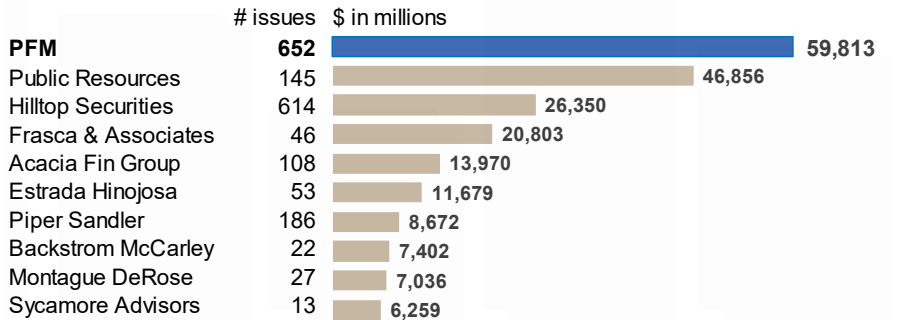


**According to PFM Internal Resources as of September 1, 2022*

2022 Full Year Overall Long Term Municipal New Issues

Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor

Source: Ipreo





What Specifically Differentiates PFM?

◆ Independence

- We do not underwrite bonds – we only provide municipal advisory services

◆ Market presence

- No firm is more active in the municipal market providing financial advisory services for bond transactions

◆ Services

- One-stop shop for municipal advisory services

◆ Client Service

- We listen to the needs of our clients and do everything with their best interests in mind, serving in a fiduciary capacity

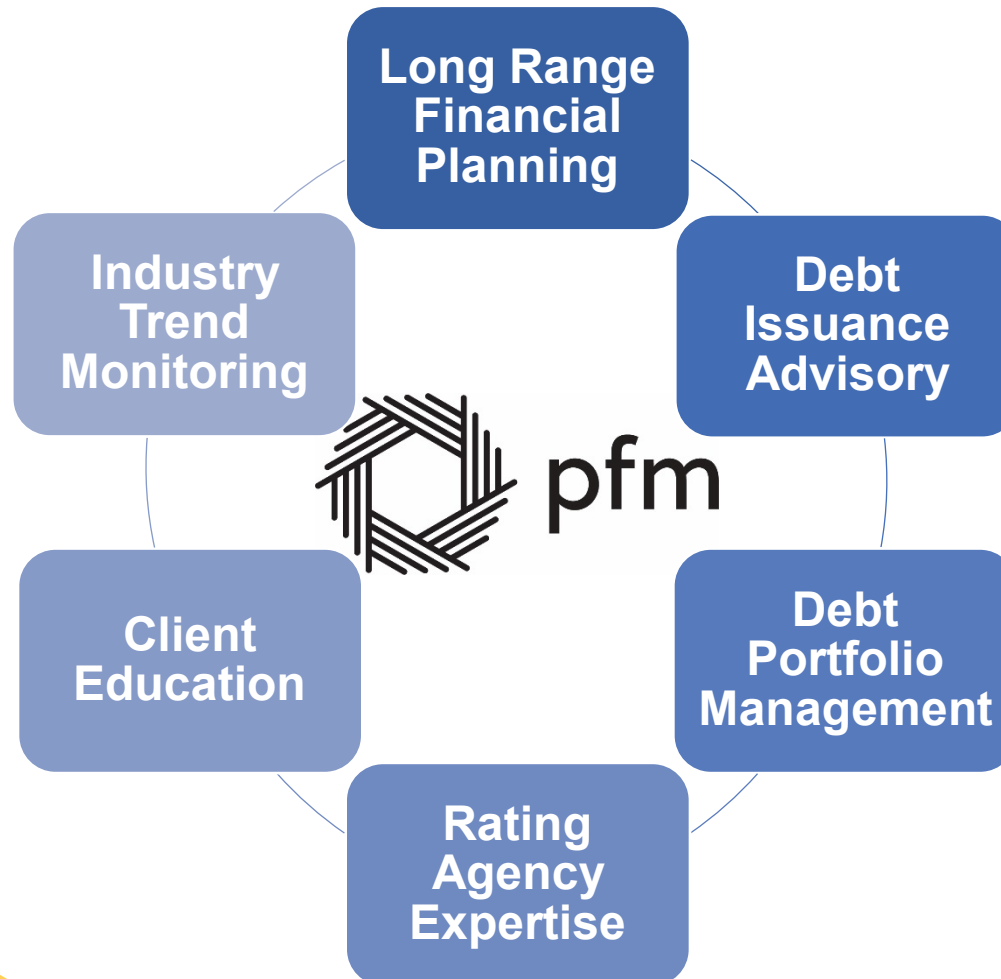
◆ Resources

- Access to public finance information, industry data and research similar to that of Wall Street banks



PFM Provides Market Leading Financial Advisory Services

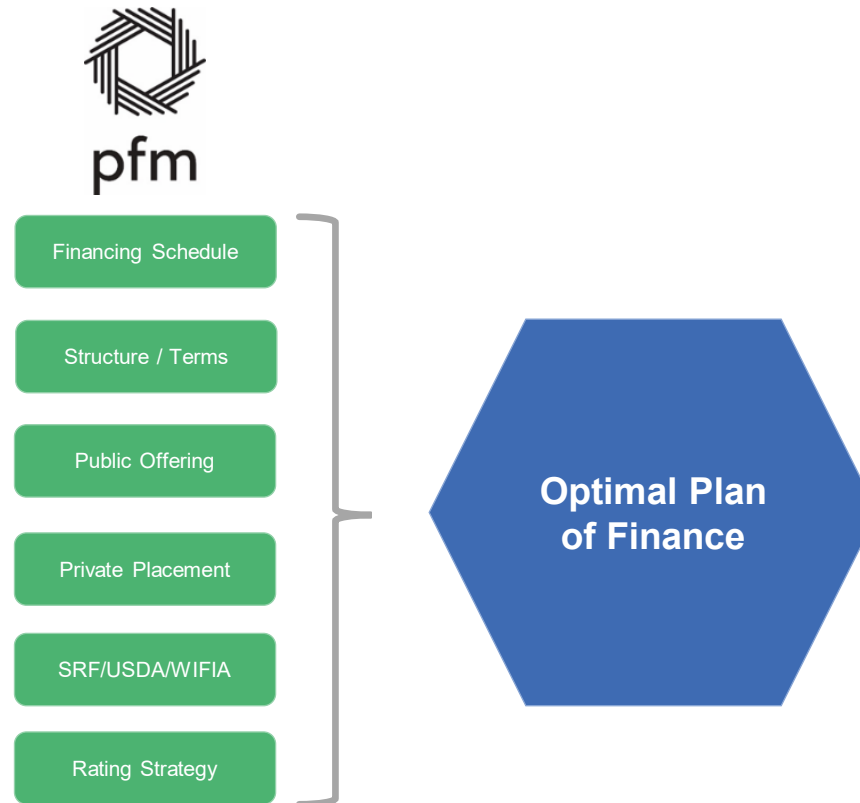
- PFM is an independent financial advisor with market-leading experience, expertise, resources, and capabilities required to navigate today's municipal environment





Developing Borrowing Strategies to Fund Specific Needs

- While the goal is to avoid debt, when borrowing is beneficial, PFM will develop a plan of finance customized to the specific needs of the Town





Comparison of Funding Sources

	Public Market	Private Placement	Federal/State Loans
Benefits	<ul style="list-style-type: none">• Borrowing terms more customizable• Predictability of receipt of funds	<ul style="list-style-type: none">• Lower issuance expenses• No need for ratings/disclosure• Time efficient	<ul style="list-style-type: none">• Attractive interest rates• Draw down structure of many loans provides funding efficiency• Potential for grant funding and/or forgiveness
Considerations	<ul style="list-style-type: none">• Disclosure requirements• Issuance expenses	<ul style="list-style-type: none">• Terms and covenants may be more restrictive• Term of loans may be constrained• Market demand less predictable	<ul style="list-style-type: none">• Terms and covenants may be restrictive• Structuring flexibility• Issuance timeline• Ongoing reporting requirements• Potential impacts of “federalizing” project



USDA Loans

- ◆ USDA loans can be a cost-effective means of project funding for certain entities
- ◆ USDA loans provide secured long-term financing, but require secured interim financing for construction costs
 - ◆ USDA loans are only able to be drawn upon once construction is completed
- ◆ Interim financing has traditionally been secured through either:
 - ◆ Bank loans / secured lines of credit
 - ◆ Public note issuances
- ◆ USDA has communicated that a waiver of secured interim financing is available “when interim financing is cost prohibitive or unavailable”



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