

Yeah he just immediately goes to the dark side.

Sent from my iPhone

On Jan 8, 2018, at 1:04 PM, Garrett, LaRon <[LGarrett@paysonaz.gov](mailto:LGarrett@paysonaz.gov)> wrote:

Thought you might find this interesting. It sounds like he already knows how we are going to fund the Activity Center. We should of just asked him.

LaRon G. Garrett, P.E.  
Town Manager  
Town of Payson  
928-472-5041

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**From:** Paul Jepson [<mailto:ptjepson@globeaz.gov>]  
**Sent:** Monday, January 08, 2018 11:44 AM  
**To:** Garrett, LaRon  
**Subject:** Question from City of Globe

LaRon, hop all is well,

Hey take a look at this email, Is this a legit concern for the Town of Payson or is it another Norther Gila County Agitator

**Paul Jepson**  
City Manager  
City of Globe  
Cell: (602) 672-6024  
[ptjepson@globeaz.gov](mailto:ptjepson@globeaz.gov)

**From:** "Jeffrey S. Aal" <[jeffrey@jsaal.com](mailto:jeffrey@jsaal.com)>  
**Date:** January 5, 2018 at 8:13:57 AM MST  
**To:** <[mayor@globeaz.gov](mailto:mayor@globeaz.gov)>  
**Cc:** <[councildistrict1@globeaz.gov](mailto:councildistrict1@globeaz.gov)>, <[cm\\_humphrey@msn.com](mailto:cm_humphrey@msn.com)>, <[councildistrict3@globeaz.gov](mailto:councildistrict3@globeaz.gov)>, <[bigpapamike1963@gmail.com](mailto:bigpapamike1963@gmail.com)>, <[councildistrict5@globeaz.gov](mailto:councildistrict5@globeaz.gov)>, <[z99401@cableone.net](mailto:z99401@cableone.net)>  
**Subject:** Request for input on potential / requested Legislative Change to A.R.S. bond issuance provisions.  
**Reply-To:** <[Jeffrey@JSAal.com](mailto:Jeffrey@JSAal.com)>

Dear Mayor Gameros and Council Members,

My name is Jeffrey Aal. I am requesting a legislative change to A.R.S. that will impact funding of local taxing authorities' to allow for greater transparency in public finance. Should it be successful, it could cost millions in bond placement costs. That is **NOT** my goal but it may be an unfortunate byproduct. **I am**

**requesting input from various cities to see if there is any way to achieve the same goal, without the burdensome nature of the requested revision.**

The matter arises from an ongoing / current issue facing the Town of Payson. **“The Payson Provision”** if you will. It appears there may be a move to fund a revenue bond with dubious or suspect revenue. The requested legislative change to A.R.S. would be as follows:

“Please consider a modification / amendment to the Arizona Revised Statute that any ‘Revenue Bond’ that has a ‘Combination’\* / ‘Double Barrel’ feature in the indenture agreement be treated as a ‘General Obligation Bond’ requiring a vote to enact / fund. This would appear consistent with the ‘spirit’ of the general obligation bond requirements and preclude potential abuse of the ‘revenue’ bond. “

\* A Combination Bond is a municipal bond with the coupon and principal guaranteed both by the general revenue of the municipality issuing the bond and by the revenue of the project the bond finances. **If the revenue from the project is less than expected and is not enough to make payments, the municipality will make them instead.** This appears to be a “General Bond” work around. There is no apparent requirement for a General Election vote for issuance of a “Revenue Bond.”

If you care to learn more, about combination bonds, additional information may be found here.

<http://www.260chat.com/town-government/hockey-in-payson/msg2383/#msg2383>

If you care to learn how this request came about, the entire thread is a long read, but as you are involved in local politics and government issues, you may find it enjoyable or infuriating?

<http://www.260chat.com/town-government/hockey-in-payson/>

Feel free to share this information with anybody as **I would welcome input on how to resolve bond transparency concerns without a full blown referendum / ballot process.** Again, overly burdensome is not my goal. Transparency on bond costs and payment guarantees is my goal.

Thank you in advance for any input you may have. As a former resident of Mesa I have come to appreciate transparent local government. Continued success to you and Globe in 2018.

Sincerely,

Jeffrey Aal  
Payson, Arizona

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