

Q&A Spotlight: Leigh Ann Biernat, CPA and Senior Vice President at Stephens Public Finance

Leigh Ann Biernat, CPA and Senior Vice President at Stephens Public Finance, was the lead banker on an \$85.81 million [issuance](#) of public safety charges revenue bonds for the Arkansas Development Finance Authority (ADFA). Stephens served as principal underwriter driving the complex transaction, which was executed in December and whose bond payments commenced in June.

Biernat helped create value for the Arkansas Division of Emergency Management (ADEM) on financing enhancements to the Arkansas Wireless Information Network (AWIN), and set up a flow of funds that should benefit future borrowings. In this Q&A, she explains what it took to make the deal happen.

1. What was the client's goal, from both a public financing and telecommunications perspective?

Part of ADFA's mission is to provide financing for business and economic development projects, as well as capital improvements for state agencies. ADFA's goal was to provide ADEM access to a low cost of funds for projects, efficiently and effectively. ADEM's goal was to maximize receipt of public safety charges to upgrade, expand, operate and maintain AWIN, with the option for future financings. AWIN connects over 30,000 users and 1,000 state agencies, so future technology upgrades are likely.

2. Did working on this deal involve conducting significant research for these public entities?

Yes. Bond professionals are not always consulted when new legislation is enacted that will ultimately be used for bond financing. So we began with studying legislation affecting the use of bond financing, then we compiled historical information on cellular and wireless charges prior to the new legislation to see how they changed as a result. Multiple parties benefit from public safety charges, both monthly and quarterly, so understanding the flow of funds based on the new law also was very important.

3. As lead banker on this deal, how did you work with different stakeholders to solve their needs?

During the structuring process, bondholder protections were added, enhancing the credit from an investor perspective. A flow of funds waterfall was designed to provide security for the bonds and quarterly disbursements to ADEM. Although ADFA bonds reliant on lease appropriation have enjoyed an AA- bond rating for numerous state agencies, state agencies facilities bonds secured by a specific revenue stream have not. I'm proud of the rating of this issue and that the bonds were well received in the marketplace.

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