

## COUNCIL MINUTES

September 5, 2002

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on September 5, 2002 at 7:30 a.m.

### COUNCIL PRESENT

Mayor Hawker  
Rex Griswold  
Kyle Jones  
Dennis Kavanaugh  
Janie Thom  
Claudia Walters  
Mike Whalen

### COUNCIL ABSENT

None

### OFFICERS PRESENT

Mike Hutchinson  
Debbie Spinner  
Barbara Jones

1. To introduce, discuss and, if deemed appropriate, adopt a resolution authorizing and providing for the issuance and sale of City of Mesa, General Obligation Refunding Bonds, Series 2002A and Certificates of Ownership of Supplemental Interest Payment pertaining to such Refunding Bonds to refund previously issued and outstanding bonds of the City and to take other necessary actions with respect thereto – Resolution No. 7897.

Assistant Financial Services Director Larry Given addressed the Council concerning this agenda item and introduced Fred Rosenfeld of Gust Rosenfeld PLC, the City's bond attorney. Mr. Given commented on the fact that interest rates are presently at historic low rates and reported that staff is proposing the issuance and sale of General Obligation Refunding Bonds at a present value rate of 3.4% (true interest cost rate of 3.8%). He referred to a Debt Service Savings Summary provided to the Councilmembers and said that the proposed issuance and sale of refunding bonds in the sum of \$40,105,000 will result in a savings of \$1,408,509. He noted that the majority of savings will occur during the first two years of the term.

It was moved by Councilmember Walters, seconded by Vice Mayor Kavanaugh, that Resolution No. 7897 be adopted.

Carried unanimously.

2. To adopt a resolution supplementing Resolution No. 7896, dated August 29, 2002 authorizing and providing for the issuance and sale of \$31,985,000 in aggregate principal amount of City of Mesa, Street and Highway Revenue User Refunding Bonds, Series 2002 supplemental provisions requested by Financial Security Assurance, Inc., Municipal Bond Insurer for such bonds – Resolution No. 7898.

Mr. Given stated that staff recommends that the Council adopt the proposed Resolution to supplement Resolution No. 7896, which was adopted by the Council on August 29, 2002, to include insurance language that was requested by the bond insurer. He noted that inclusion of the proposed language also facilitates the City's AAA bond ratings.

Mr. Rosenfeld explained that the bond insurer requested the addition of the proposed language subsequent to the August 29, 2002 Council meeting.

In response to a question from Mayor Hawker concerning the financial impact of the proposed language, Mr. Given reported that the language has no impact on the debt service savings or costs involved in the refinancing.

Mr. Rosenfeld confirmed that there is no financial impact from the proposed language and added that this additional language cements the insurer's willingness to deliver the insurance policy at the time the transaction is completed.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Walters, that Resolution No. 7898 be adopted.

Carried unanimously.

In response to a question from Mayor Hawker with respect to staff's evaluation of additional bond refinancings in light of current low interest rates, Mr. Given reported that staff is in the process of evaluating the possibility of proposing the issuance of Utilities Systems Revenue Refunding Bonds. He advised that in July 2002, when staff ordered special local government securities to facilitate the issuance and sale of Street and Highway User Revenue Refunding Bonds and General Obligation Refunding Bonds, staff also ordered securities to facilitate the issuance and sale of Utility Systems Revenue Refunding Bonds. He said that staff will be evaluating this potential bond refinancing within the next few days and noted that the City has until midnight Tuesday, September 10, 2002 to finalize this securities order. Mr. Given also commented on the fact that the recent bond refinancing deals have been conducted on a tight time schedule and he voiced appreciation to Mr. Rosenfeld for his efforts to arrange these transactions on an expedited basis.

Mayor Hawker voiced the opinion that it is unlikely that interest rates will get any lower and thanked Mr. Given and Mr. Rosenfeld for their efforts.

3. Adjournment.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Walters, that the Special Council Meeting adjourn at 7:37 a.m.

Carried unanimously.

---

KENO HAWKER, MAYOR

ATTEST:

---

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Council Meeting of the City Council of Mesa, Arizona, held on the 5<sup>th</sup> day of September 2002. I further certify that the meeting was duly called and held and that a quorum was present.

---

BARBARA JONES, CITY CLERK

pjt