

COUNCIL MINUTES

February 27, 2003

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 February 27, 2003 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

Mayor Hawker announced that this was a Special Council meeting and anyone in the audience who wished to address the Council regarding an agenda item should complete a blue speaker card.

1. Receive a report from the Financial Services Director concerning the receipt of bids through an online bidding service for the sale of \$22,565,000, City of Mesa, Arizona General Obligation Bonds, Series 2003.

Larry Given, Financial Advisor to the City of Mesa, stated that a summary sheet has been distributed to the Council listing the roll of the bidders and noted ABN AMRO Financial Services was the low bidder at 4.2195% for the twenty-year bonds. He added that interest rates have continued to decrease.

Mr. Given reported that a blue ribbon panel was assembled by the City last week to address concerns about the City's bond rating. He stated that Mayor Hawker, City Manager Mike Hutchinson, Utilities Manager Dave Plumb, and Financial Services Director Larry Woolf joined him in a conference call to speak to both of the Rating Agencies last week and, as a result, he was happy to report that the City maintained its bond ratings.

Mr. Given referred to the summary sheet of the General Obligation (GO) Bond bids and noted that the recommendation is that the City should award the bid to the low qualified bidder, ABN AMRO Financial Services, Inc.

2. Introduce, discuss and act on a resolution authorizing the issuance of \$22,565,000, City of Mesa, Arizona General Obligation Bonds, Series 2003, authorizing the execution and delivery of such bonds, their sale to lowest and best bidder therefore and the taking of all necessary actions in connection therewith.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Walters, that the City of Mesa authorize the issuance of \$22,565,000 in General Obligation Bonds through ABN AMRO Financial Services, Inc. at 4.2195%

City Clerk Barbara Jones responded to Mayor Hawker's inquiry by stating that no requests to speak were received from members of the audience.

Councilmember Thom asked what use was designated for the funds generated by the General Obligation Bonds.

Mr. Given advised that when the sale of bonds was ordered, the Councilmembers received a Management Report from Mr. Woolf that was signed off by Mr. Hutchinson. He noted that the report provided great detail about what the proceeds were to be used for, such as: Fire Prevention Improvements of \$9.5 million, Public Safety improvements of \$8.4 million, library improvements of \$1.46 million and storm service improvements of \$3.2 million.

Mayor Hawker noted that a motion was made and seconded to accept the low qualified bid as indicated and called for the vote.

Carried unanimously.

3. Receive a report from the Financial Services Director concerning the receipt of bids through an online bidding service for the sale of \$50,470,000, City of Mesa, Arizona, Utility Systems Revenue Bonds, Series 2003.

Mr. Given advised that the middle column of the summary sheet shows that seven bids were received for the Utility Systems Revenue Bonds at \$50,470,000 and the low qualified bidder was ABN AMRO Financial Services at 4.6037%.

4. Introduce, discuss, and act on a tenth supplemental resolution supplementing Resolution No. 6362, dated July 29, 1991, authorizing the issuance of \$50,470,000, City of Mesa, Arizona, utility Systems Revenue Bonds, Series 2003, authorizing the execution and delivery of such bonds, their sale to lowest and best bidder therefore and the taking of all necessary actions in connection therewith.

It was moved by Councilmember Jones and seconded by Councilmember Whalen that the City of Mesa authorize the issuance of \$50,470,000 in Utility Systems Revenue Bonds through ABN AMRO Financial Services, Inc. at 4.6037%.

Ms. Jones responded to Mayor Hawker's inquiry by stating that no requests to speak were received from the audience.

Councilmember Walters asked Mr. Given to refresh her memory as to why the interest rates are different and noted that the bids on this item are a little higher than on the next item.

Mr. Given replied that the reason for the difference is that the average life for the Utility System Bonds is 17 years, while the average life for General Obligation Bonds is 14 years, resulting in a lower rate on the GO Bonds.

Mayor Hawker noted that he had a motion and a second to accept the low qualified bid and called for the vote.

Carried unanimously.

5. Receive a report from the Financial Director concerning the receipt of bids through an online bidding service for the sale of \$26,805,000, City of Mesa, Arizona, Street and Highway Revenue Bonds, Series 2003.

Mr. Given referred to the list of bidders at the bottom and noted that the results of the online bidding for Highway User Revenue Bonds in the amount of \$26,805,000 indicated that Merrill Lynch & Company was the low qualified bidder at 4.5450%.

6. Introduce, discuss and act on a resolution authorizing the issuance of \$26,805,000 City of Mesa, Arizona Street and Highway Revenue Bonds, Series 2003, authorizing the execution and delivery of such bonds, their sale to lowest and best bidder therefore and the taking of all necessary actions in connection therewith.

It was moved by Councilmember Whalen and seconded by Councilmember Griswold that the City of Mesa authorize the issuance of \$26,805,000 in Street and Highway Revenue Bonds, Series 2003, to the low qualified bidder, Merrill Lynch & Company, at 4.5450%.

Ms. Jones responded to Mayor Hawker's inquiry by stating that there were no requests to speak from members of the audience.

Mayor Hawker asked if any member of the Council wished to speak and, hearing no one, he called for the vote.

Carried unanimously.

7. Adjournment.

Without objection, the Special Council Meeting adjourned at 7:38 a.m.

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 27th day of February 2003. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK