

COUNCIL MINUTES

June 9, 2005

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 June 9, 2005 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Kyle Jones
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

Rex Griswold
Tom Rawles

STAFF PRESENT

Paul Wenbert
Debbie Spinner
Barbara Jones

(Mayor Hawker excused Councilmembers Griswold and Rawles from the entire meeting.)

1. Receive a report from the Financial Services Manager concerning the bids received for the purchase of the City's Street and Highway User Revenue Bonds, Series 2005 (Bids have been received through an online bidding process).

Financial Services Manager Bryan Raines addressed the Council and introduced Larry Given, the City's financial advisor, and Fred Rosenfeld, the City's bond counsel. Mr. Raines provided a brief overview of the City's annual sale of municipal bonds, this year amounting to \$113 million. He also discussed the City's bond rating process with Moody's Investors Service and Standard and Poor's and noted that they have reaffirmed the City's existing bond ratings, although Moody's has retained a negative outlook on all of the City's outstanding bond obligations (General Obligation, Utility Systems Revenue, and Street and Highway User Revenue). He expressed appreciation to City Controller Kathy Pace and her staff for their efforts and hard work during the bond rating process.

Mr. Given referred to a document entitled "Summary of Bond Bidding Results" and provided a recap of the tabulation of bids with regards to the General Obligation Bonds, the Utility System Revenue Bonds, and the Street and Highway User Revenue Bonds. (See Attachment.) He advised that the winning proposals are as follows:

- General Obligation Bonds: ABN AMRO Financial Services, Inc., with a low bid of 4.15% (sold with bond insurance);
- Street and Highway User Revenue Bonds: Banc of America Securities LLC, with a low bid of 4.53%;
- Utility Systems Revenue Bonds: Lehman Brothers, with a low bid of 4.38%

Mr. Given stated that he was very pleased with the rates and recommended that the Council award the purchase of the above-referenced bonds to the low bidders and adopt resolutions authorizing issuance of said bonds.

2. Introduce, discuss, amend if desired, and act on a resolution – Resolution No. 8502

- a. Providing for the issuance and sale of \$10,225,000 Aggregate Principal amount of City of Mesa, Arizona, Street and Highway User Revenue Bonds, Series 2005; prescribing the form and other details of the Series 2005 Bonds.

It was moved by Vice Mayor Walters, seconded by Councilmember Whalen, that Resolution No. 8502 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Jones-Thom-Walters-Whalen
NAYS - None
ABSENT - Griswold-Rawles

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8502 adopted.

3. Receive a report from the Financial Services Manager concerning the bids received for the purchase of the City's Utility Systems Revenue Bonds, Series 2005 (Bids have been received through an online bidding process).

(This item was discussed under No. 1.)

4. Introduce, discuss, amend if desired and act on a resolution – Resolution No. 8503

- a. Thirteenth supplemental resolution supplementing the City's Resolution No. 6362, as amended, dated July 29, 1991, pertaining to the issuance of Utility Systems Revenue Bonds and authorizing the issuance and sale of \$91,200,000 Principal Amount of City of Mesa, Arizona Utility Systems Revenue Bonds, Series 2005; prescribing the form and other details of the Series 2005 Bonds.

It was moved by Vice Mayor Walters, seconded by Councilmember Whalen, that Resolution No. 8503 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Jones-Thom-Walters-Whalen
NAYS - None
ABSENT - Griswold-Rawles

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8503 adopted.

5. Receive a report from the Financial Services Manager concerning the bids received for the purchase of the City's General Obligation Bonds, Series 2005 (Bids have been received through an online bidding process).

(This item was discussed under No. 1.)

6. Introduce, discuss, amend if desired, and act on a resolution – Resolution No. 8504

- a. Resolution providing for the issuance and sale of \$11,705,000 Aggregate Principal Amount of City of Mesa, Arizona, General Obligation Bonds, Series 2005; providing for the annual levy of a tax for the payment of the bonds; prescribing the form and other details of the Series 2005 Bonds

It was moved by Vice Mayor Walters, seconded by Mayor Hawker, that Resolution No. 8504 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Jones-Thom-Walters-Whalen
NAYS - None
ABSENT - Griswold-Rawles

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8504 adopted.

7. Items from citizens present.

There were no items from citizens present.

8. Adjournment.

Without objection, the Special Council Meeting adjourned at 7:45 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 9th day of June 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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Attachment

CITY OF MESA, ARIZONA
SUMMARY OF BOND BIDDING RESULTS
(June 8, 2005)

General Obligation Bonds, Series 2005

<u>Bidder</u>	<u>Net Interest Cost</u>
ABN AMRO Financial Services, Inc.	4.157367
Stone & Youngberg LLC	4.223259
Citigroup Global Markets Inc.	4.244321
Merrill Lynch & Co.	4.255958
Piper Jaffray & Co.	4.289882
Wells Fargo Brokerage Services, LLC	4.319102
RBC Dain Rauscher Inc.	4.344765

Street and Highway User Revenue Bonds, Series 2005

<u>Bidder</u>	<u>Net Interest Cost</u>
Banc of America Securities LLC	4.536563
Citigroup Global Markets Inc.	4.541075
UBS Financial Services Inc.	4.546383
RBC Dain Rauscher Inc.	4.550883

Utility Systems Revenue Bonds, Series 2005

<u>Bidder</u>	<u>Net Interest Cost</u>
Lehman Brothers	4.388619
Citigroup Global Markets Inc.	4.410466
ABN AMRO Financial Services, Inc.	4.426381
Merrill Lynch & Co.	4.484167
RBC Dain Rauscher Inc.	4.516917
Bear Stearns & Co.	4.552024
Goldman, Sachs & Co.	4.563551
Piper Jaffray & Co.	4.617592
Banc of America Securities LLC	4.638532

Peacock, Hislop, Staley & Given, Inc.
(June 8, 2005)