

TO: MAYOR AND COUNCIL

FROM: BRYAN RAINES, Deputy City Manager

SUBJECT: RECEIPT OF BOND SALE BIDS

DATE: MAY 19, 2010

On May 19, 2010, the City of Mesa received bids through an on-line bidding service for the sale of the following bonds (numbered to correspond with the 05/19/10 Agenda):

- 2a City of Mesa Taxable General Obligation Bonds, Series 2010, \$30,865,000
- 2b. City of Mesa Taxable Utility System Revenue Bonds, Series 2010, \$50,380,000
- 2c. City of Mesa Highway Project Advancement Notes, Series 2010, \$25,000,0000

If Council agrees, the following motions adopting each of the respective resolutions would be appropriate:

- 2a. Providing for the issuance and sale of \$30,865,000 aggregate Principal Amount of City of Mesa, Arizona, Taxable General Obligation Bonds, Series 2010 (Build America Bonds – Direct Pay); providing for the annual levy of a tax for the payment of the bonds; prescribing the form and other details of the Series 2010 Bonds and awarding the sale of Taxable General Obligation Bonds, Series 2010 (Build America Bonds – Direct Pay), to Morgan Keegan & Co., Inc., who submitted the lowest and best bid with a taxable net interest cost of 5.597828% and an adjusted net interest cost of 3.637996%.
- 2b. Supplementing the City's Resolution No. 6362, as amended, dated July 29, 1991, pertaining to the issuance of Taxable Utility Systems Revenue Bonds and authorizing the issuance and sale of \$50,380,000, Principal Amount of City of Mesa, Arizona, Taxable Utility Systems Revenue Bonds, Series 2010 (Build America Bonds – Direct Pay); prescribing the form and other details of the Series 2010 Bonds and awarding the sale of Taxable Utility Systems Bonds, Series 2010 (Build America Bonds – Direct Pay), to BMO Capital Markets, who submitted the lowest and best bid with a taxable net interest cost of 6.100000% and an adjusted net interest cost of 3.965000%.
- 2c. Providing for the issuance and sale of \$25,000,000 aggregate Principal Amount of City of Mesa Highway Project Advancement Notes, Series 2010, approving the form of the Trust Agreement and awarding the sale of Highway Project Advancement Notes, Series 2010 to Hutchinson, Shockey, Erley & Co., who submitted the lowest and best bid with a net interest cost of 2.991682%

The net interest cost for the listed sales fall within the levels previously forecasted.

xc: Peacock, Hislop, Staley & Given
Gust Rosenfeld P.L.C.