

## COUNCIL MINUTES

January 15, 2004

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 January 15, 2004 at 7:30 a.m.

### COUNCIL PRESENT

Mayor Keno Hawker  
Rex Griswold  
Kyle Jones  
Janie Thom  
Claudia Walters

### COUNCIL ABSENT

Dennis Kavanaugh  
Mike Whalen

### STAFF PRESENT

Mike Hutchinson  
Debbie Spinner  
Barbara Jones

(Mayor Hawker excused Vice Mayor Kavanaugh and Councilmember Whalen from the entire meeting.)

### 1. Consider the following resolutions:

Financial Services Manager Bryan Raines, Fred Rosenfeld, the City's Bond Counsel, and Larry Given, a partner with Peacock, Hislop, Staley & Given, Inc., the City's financial consultants, addressed the Council relative to this agenda item.

Mr. Given reported that several weeks ago, his firm identified an opportunity in the bond market to maximize savings levels on the issuance of refunding bonds to refinance existing General Obligation Bonds, Utility Systems Revenue Bonds, and Street and Highway User Bonds. He explained that the average interest cost of the refunded debt is currently 4.99% and that the issuance and sale of the refunding bonds in the three categories will reduce that cost to 3.91%. Mr. Given referred to a Combined Debt Service Savings Report, copies of which were provided to the Councilmembers, and said that the refunding was structured to provide the majority of the City's interest cost savings in FY 2003/2004 (\$1,947,306) and \$3,293,069 over the life of the bonds.

Mr. Given expressed appreciation to RBC Dain Rauscher Inc. and U.S. Bancorp Piper Jaffray Inc., the City's Underwriters, for their efforts in this regard.

- a. Authorizing the issuance and sale of General Obligation Refunding Bonds of the City of Mesa, Arizona – Resolution No. 8178.

It was moved by Councilmember Walters, seconded by Councilmember Griswold, to approve authorizing the issuance and sale of General Obligation Refunding Bonds of the City of Mesa, Arizona, and that Resolution No. 8178 be adopted.

In response to a question from Councilmember Thom, Mr. Given clarified that Resolution No. 8178 contains a typographical error with reference to "General Obligation Bonds, Series 1998." He commented that the notation "Redemption Premium, 1.0%" is incorrect; that the accurate redemption date is 2008; and that the redemption is at the par value of the bonds and not 1% premium.

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8178 adopted.

- b. Authorizing the issuance and sale of Utility Systems Revenue Refunding Bonds of the City of Mesa, Arizona – Resolution No. 8179.

It was moved by Councilmember Walters, seconded by Councilmember Jones, to approve authorizing the issuance and sale of Utility Systems Revenue Refunding Bonds of the City of Mesa, Arizona, and that Resolution No. 8179 be adopted.

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8179 adopted.

- c. Authorizing the issuance and sale of Street and Highway User Revenue Refunding Bonds of the City of Mesa, Arizona – Resolution No. 8180.

It was moved by Councilmember Walters, seconded by Councilmember Jones, to approve authorizing the issuance and sale of Street and Highway User Revenue Refunding Bonds of the City of Mesa, Arizona, and that Resolution No. 8180 be adopted.

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8180 adopted.

Mr. Raines voiced appreciation to Mr. Given and Mr. Rosenfeld as well as City staff for their efforts and hard work relative to this item.

2. Adjournment.

It was moved by Councilmember Thom, seconded by Councilmember Jones, that the Special Council Meeting adjourn at 7:38 a.m.

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KENO HAWKER, MAYOR

ATTEST:

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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 15<sup>th</sup> day of January 2004. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

Attachment  
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CITY OF MESA, ARIZONA  
 COMBINED REVENUE REFUNDING BONDS, SERIES 2004  
 COMBINED DEBT SERVICE SAVINGS REPORT

Fiscal Year	Combined <i>Refunded</i> Debt Service	Net Refunding Debt Service	Net Debt Service Savings
2003/04	\$ 2,974,306	\$ 1,027,000	\$1,947,306
2004/05	5,204,312	5,051,595	152,717
2005/06	5,204,313	5,051,595	152,718
2006/07	5,204,312	5,051,595	152,717
2007/08	5,204,313	5,051,595	152,718
2008/09	5,204,312	5,086,595	117,717
2009/10	5,204,313	5,095,755	108,558
2010/11	5,204,312	5,094,562	109,750
2011/12	5,204,313	5,093,257	111,056
2012/13	5,204,312	5,091,840	112,472
2013/14	5,204,313	5,135,355	68,958
2014/15	7,604,312	7,557,230	47,082
2015/16	14,534,313	14,481,988	52,325
2016/17	20,494,937	20,492,400	2,537
2017/18	59,083,688	59,078,750	4,938
2018/19	<u>22,060,000</u>	<u>22,060,500</u>	<u>-500</u>
TOTAL	\$178,794,681	\$ 175,501,612	\$ 3,293,069

Peacock, Hislop, Staley & Given, Inc.  
 Dated: January 14, 2004

CITY OF MESA, ARIZONA

\$46,445,000

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004

DEBT SERVICE SAVINGS REPORT

Fiscal Year	<i>Refunded</i> Debt Service	Net <i>Refunding</i> Debt Service	Net Debt Service Savings
2003/04	\$ 1,518,337	\$716,435	\$ 801,902
2004/05	2,292,375	2,204,415	87,960
2005/06	2,292,375	2,204,415	87,960
2006/07	2,292,375	2,204,415	87,960
2007/08	2,292,375	2,204,415	87,960
2008/09	2,292,375	2,239,415	52,960
2009/10	2,292,375	2,248,575	43,800
2010/11	2,292,375	2,247,382	44,993
2011/12	2,292,375	2,246,077	46,298
2012/13	2,292,375	2,244,660	47,715
2013/14	2,292,375	2,248,175	44,200
2014/15	2,292,375	2,246,450	45,925
2015/16	8,292,375	8,244,650	47,725
2016/17	10,083,000	10,084,000	-1,000
2017/18	33,600,000	33,600,000	<u>0</u>
		TOTAL	\$ 1,526,358

Peacock, Hislop, Staley & Given, Inc.  
 Dated: January 14, 2004



CITY OF MESA, ARIZONA

\$40,345,000  
 UTILITY SYSTEMS REVENUE REFUNDING BONDS, SERIES 2004

DEBT SERVICE SAVINGS REPORT

Fiscal Year	<i>Refunded</i> Debt Service	Net Refunding Debt Service	Net Debt Service Savings
2003/04	\$ 1,013,969	\$ 209,826	\$ 804,143
2004/05	2,027,938	1,983,680	44,258
2005/06	2,027,937	1,983,680	44,257
2006/07	2,027,938	1,983,680	44,258
2007/08	2,027,937	1,983,680	44,257
2008/09	2,027,938	1,983,680	44,258
2009/10	2,027,937	1,983,680	44,257
2010/11	2,027,938	1,983,680	44,258
2011/12	2,027,937	1,983,680	44,257
2012/13	2,027,938	1,983,680	44,258
2013/14	2,027,937	2,003,680	24,257
2014/15	2,027,938	2,027,980	-42
2015/16	2,027,937	2,026,337	1,600
2016/17	5,192,938	5,189,650	3,288
2017/18	17,869,687	17,866,250	3,437
2018/19	22,060,000	22,060,500	<u>-500</u>
		TOTAL	\$ 1,234,501
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Average Interest Cost of Refunded Debt			5.05%
Average Interest Cost of Refunding Bonds			4.02%

Peacock, Hislop, Staley & Given, Inc.  
 Dated: January 14, 2004

CITY OF MESA, ARIZONA

\$17,760,000

STREET & HIGHWAY USER REVENUE REFUNDING BONDS, SERIES 2004

DEBT SERVICE SAVINGS REPORT

Fiscal Year	<i>Refunded</i> Debt Service	Net <i>Refunding</i> Debt Service	Net Debt Service Savings
2003/04	\$ 442,000	\$ 100,739	\$ 341,261
2004/05	884,000	863,500	20,500
2005/06	884,000	863,500	20,500
2006/07	884,000	863,500	20,500
2007/08	884,000	863,500	20,500
2008/09	884,000	863,500	20,500
2009/10	884,000	863,500	20,500
2010/11	884,000	863,500	20,500
2011/12	884,000	863,500	20,500
2012/13	884,000	863,500	20,500
2013/14	884,000	883,500	500
2014/15	3,284,000	3,282,800	1,200
2015/16	4,214,000	4,211,000	3,000
2016/17	5,219,000	5,218,750	250
2017/18	7,614,000	7,612,500	<u>1,500</u>

TOTAL \$ 532,211

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Average Interest Cost of Refunded Debt 4.99%

Average Interest Cost of Refunding Bonds 3.91%

Peacock, Hislop, Staley & Given, Inc.  
 Dated: January 13, 2004