

COUNCIL MINUTES

June 5, 2014

The City Council of the City of Mesa met in a Special Council Meeting in the Council Chambers, 57 East 1st Street, on June 5, 2014 at 7:31 a.m.

COUNCIL PRESENT

Alex Finter
Terry Benelli*
Dennis Kavanaugh
David Luna
Dave Richins
Scott Somers*

COUNCIL ABSENT

Christopher Glover

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

(*Councilmembers Benelli and Somers participated in the meeting through the use of telephonic equipment.)

Mayor Finter excused Vice Mayor Christopher Glover from the entire meeting.

1. Take action on the following resolutions:

- 1-a. Adopting a resolution authorizing the issuance and sale of utility systems revenue bonds of the City of Mesa, Maricopa County, Arizona – Resolution No. 10479.

Chief Financial Officer Mike Kennington introduced Larry Given of Wedbush Securities, the City's Financial Advisor, who was prepared to address the Council.

Mr. Kennington reported that on June 4, 2014, the City received several bids for the sale of General Obligation (G.O.) Bonds and Utility Systems Revenue Bonds. He advised that G.O. Bonds were accepted at 3.24%, and Utility Systems Revenue Bonds at 3.996%. He added that the rate for both bids is comparable to last year's rate and added that he is pleased with the results.

In response to a comment from Mayor Finter, Mr. Given explained that staff continues to monitor the market and reacts as quickly as possible, which provides savings to the citizens of Mesa.

Mr. Given explained that the City measures the net present value savings and will not accept below 3% in net present value savings.

In response to a question from Mayor Finter, City Manager Christopher Brady stated that the total sum in tax savings is approximately \$70 million.

Mr. Kennington provided an example on how the debt percentage information is calculated. He explained that the City of Mesa is compared to other cities in the State by reviewing the utilization percentage of the total limit, which is established by State law based on assessed property values. He added that with this G.O. Bond sale, the City is at 47% of the limit and advised that in comparison to other communities, the City of Mesa remains in good standing with respect to the limit amount.

Mr. Brady commented that values below 50% are modest, and that since the City started issuing G.O. Bonds, there has been a rise in values. He explained that when values increase, the percentage increases as well.

Mayor Finter stated that this information can be viewed on the City of Mesa's website at Mesaaz.gov, and added that the information includes the maximum percentage allowed by State law.

In response to a question from Mayor Finter, City Attorney Debbie Spinner explained that items 1-a and 1-b each require a separate motion.

It was moved by Councilmember Luna, seconded by Councilmember Kavanaugh that Resolution No. 10479 be approved.

Mayor Finter declared the motion carried unanimously by those present.

- 1-b. Adopting a resolution authorizing the issuance and sale of general obligation bonds of the City of Mesa, Maricopa County, Arizona – Resolution No. 10480.

It was moved by Councilmember Luna, seconded by Councilmember Kavanaugh, that Resolution No. 10480 be approved.

Mayor Finter declared the motion carried unanimously by those present.

2. Items from citizens present.

There were no items from citizens present.

3. Adjournment.

Without objection, the Special Council Meeting adjourned at 7:42 a.m.

ATTEST:

ALEX FINTER, MAYOR

DEE ANN MICKELSEN, 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 5th day of June, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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