PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2019

NEW ISSUE — BOOK-ENTRY-ONLY **RATINGS: See "Ratings" herein.**

In the opinion of Sherman & Howard L.L.C., Phoenix, Arizona, Bond Counsel, assuming continuous compliance by the City (as defined herein) with certain covenants described herein, interest on the Bonds (as defined herein) is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX MATTERS" herein.

DRAFT
3-20-2019

$33,065,000*
CITY OF MESA, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2019

Dated: Date of Initial Delivery *Due:* July 1, as shown on inside front cover

The City of Mesa, Arizona (the "City"), General Obligation Bonds, Series 2019 (the "Bonds") will be initially issued in book-entry-only form in the name of Cede & Co., as nominee of The Depository Trust Company, a registered securities depository ("DTC"). Beneficial interests in the Bonds will be offered for sale in the amount of $5,000 of principal due on a specific maturity date and integral multiples thereof. The Bonds are being issued to provide funds to (i) acquire and construct certain public safety improvements, parks and recreation improvements, and streets improvements and (ii) pay the costs of issuance of the Bonds.

The Bonds will mature on the dates and in the principal amounts and will bear interest from their date at the rates set forth on the inside front cover page hereof. Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2020*, until maturity or prior redemption. So long as the Bonds are in book-entry-only form, principal of and interest on the Bonds will be paid to DTC for credit to the accounts of the DTC participants and, in turn, to the accounts of the owners of beneficial interests in the Bonds. See APPENDIX E – "Book-Entry-Only System."

See Inside Front Cover for Maturity Schedule and Additional Information

Certain of the Bonds are subject to optional redemption prior to their stated maturity dates.* See "THE BONDS – Redemption Provisions," herein.

Upon their issuance, the Bonds will be direct general obligations of the City, payable as to both principal and interest from ad valorem taxes levied against all taxable property within the City without limit as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

The Bonds are offered when, as and if issued by the City and received by the Underwriter (as defined herein), subject to the approving legal opinion of Sherman & Howard L.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed upon solely for the benefit of the Underwriter by Squire Patton Boggs (US) LLP, Phoenix, Arizona, counsel to the Underwriter. It is expected that the Bonds will be delivered to DTC on or about May 23, 2019*.

This cover page contains certain information for convenience of reference only. It is not a summary of material information with respect to the Bonds. Investors must read this entire Official Statement and all appendices to obtain information essential to the making of an informed investment decision with respect to the Bonds.

WELLS FARGO SECURITIES

* Preliminary, subject to change.

$33,065,000*
CITY OF MESA, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2019

MATURITY SCHEDULE*

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® (a) (Base No. 590485)
2020	$16,525,000	%	%	
2021	615,000			
2022	635,000			
2023	650,000			
2024	680,000			
2025	705,000			
2026	735,000			
2027	765,000			
2028	795,000			
2029	825,000			
2030	860,000			
2031	890,000			
2032	920,000			
2033	945,000			
2034	985,000			
2035	1,025,000			
2036	1,065,000			
2037	1,105,000			
2038	1,150,000			
2039	1,190,000			

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* Preliminary, subject to change.

CITY OF MESA

CITY COUNCIL

John Giles, *Mayor*
Mark Freeman, *Vice Mayor*
Jen Duff, *Councilmember*
Francisco Heredia, *Councilmember*
David Luna, *Councilmember*
Kevin Thompson, *Councilmember*
Jeremy Whittaker, *Councilmember*

CITY ADMINISTRATIVE OFFICERS

Christopher Brady, *City Manager*
Kari Kent, *Assistant City Manager*
John Pombier, *Assistant City Manager*
Michael Kennington, *Chief Financial Officer*
Irma Ashworth, *Finance Director*
Dee Ann Mickelsen, *City Clerk*

BOND COUNSEL

Sherman & Howard L.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

BOND REGISTRAR & PAYING AGENT

U.S. Bank National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the General Obligation Bonds, Series 2019 (the "Bonds"), of the City of Mesa, Arizona (the "City"), identified on the cover page hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been provided by the City, the Maricopa County Assessor's, Finance and Treasurer's offices, the State of Arizona Department of Revenue, and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City, Hilltop Securities Inc. (the "Financial Advisor"), or Wells Fargo Bank, National Association (the "Underwriter"). The presentation of information, including tables of receipts from taxes and other revenue sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No person, including any broker, dealer or salesman, has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. All beliefs, assumptions, estimates, projections, forecasts and matters of opinion contained herein are forward looking statements which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon the exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, pertaining to the issuance and sale of municipal securities, nor will the Bonds be qualified under the Securities Act of Arizona in reliance upon various exemptions contained in such act. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of the Official Statement or approved this series of securities for sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy of completeness of such information.

The City, the Financial Advisor, the Underwriter, counsel to the Underwriter and Bond Counsel (as defined herein) are not actuaries, nor have any of them performed any actuarial or other analysis of the City's unfunded liabilities under the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System or the Elected Officials Retirement Plan.

The City will covenant to provide continuing disclosure as described in this Official Statement under "CONTINUING SECONDARY MARKET DISCLOSURE" and in APPENDIX G – "Form of Continuing Disclosure Certificate" pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT

$33,065,000*
CITY OF MESA, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2019

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been prepared by the City of Mesa, Arizona (the "City"), in connection with the original issuance of its $33,065,000* General Obligation Bonds, Series 2019 (the "Bonds"), identified on the cover page hereof. Certain information concerning the authorization, purpose, terms, conditions of sale, security for and sources of payment of the Bonds is set forth in this Official Statement.

Initially, the Bonds will be administered under a book-entry-only system (the "Book-Entry-Only System") by The Depository Trust Company, a registered securities depository ("DTC"). Unless and until the Book-Entry-Only System is discontinued, the Bonds will be registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in the Bonds will be offered for sale in the amount of $5,000 of principal due on a specific maturity date and integral multiples thereof, and payments of principal of and interest on the Bonds will be made to DTC and, in turn, through participants in the DTC system. See APPENDIX E – "Book-Entry-Only System."

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position, results of operations, or other affairs of the City. No representation is made that past experience, as shown by such financial or other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes ("A.R.S.") or uncodified, or the Arizona Constitution, or the Charter of the City (the "Charter") are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement, "debt service" means principal of and interest on the obligations, "County" means Maricopa County, Arizona and "State" or "Arizona" means the State of Arizona.

THE BONDS

Authorization and Purpose

The Bonds will be issued pursuant to A.R.S. Title 35, Chapter 3, Article 3; approval given by the qualified electors of the City in elections held on November 6, 2012, November 5, 2013 and November 6, 2018; and a resolution authorizing issuance of the Bonds adopted by the Mayor and Council of the City on April 1, 2019* (the "Bond Resolution"). The Bonds are being issued to provide funds to (i) acquire and construct certain public safety improvements, parks and recreation improvements, and streets improvements and (ii) pay the costs of issuance of the Bonds.

A copy of the full text of the Bond Resolution may be inspected at the Office of the Chief Financial Officer of the City, 20 East Main Street, Suite 700, Mesa, Arizona 85201.

In addition to the Bonds, the City expects to issue $125,000,000* Utility Systems Revenue Bonds, Series 2019A ("Series 2019A Bonds"), $49,130,000* Utility Systems Revenue Refunding Bonds, Series 2019B ("Series 2019B Bonds") and $85,470,000* Utility Systems Revenue Refunding Bonds, Series 2019C ("Series 2019C Bonds"), pursuant to separate official statements.

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* Subject to change.

General Provisions

The Bonds will be dated the date of initial delivery, and will bear interest from such date payable initially on January 1, 2020*, and semiannually thereafter on January 1 and July 1 of each year (each an "Interest Payment Date") until maturity or prior redemption. The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates set forth on the inside front cover page of this Official Statement.

U.S. Bank National Association will act as the initial registrar and paying agent for the Bonds (the "Registrar" and the "Paying Agent"). The City may change the Registrar or the Paying Agent at any time without prior notice. The City may retain separate financial institutions to serve as the Registrar and the Paying Agent.

The Bonds will be issued only in fully registered form in the amount of $5,000 of principal due on a specific maturity date, and any integral multiples thereof, and will be initially registered in the name of Cede & Co., as nominee for DTC. For a description of registration and transfer of the Bonds through DTC, see APPENDIX E – "Book-Entry-Only System."

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS, EXCEPT THOSE UNDER THE HEADING "TAX MATTTERS," WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

If the Book-Entry-Only System is discontinued, interest on the Bonds will be payable by check drawn on the Paying Agent, and mailed on or prior to each Interest Payment Date to the registered owners of the Bonds at the addresses shown on the books of the Registrar (the "Bond Register") on the fifteenth (15^{th}) day of the month in the month preceding each such Interest Payment Date (the "Record Date"). Principal of the Bonds will then be payable at maturity or upon redemption prior to maturity upon presentation and surrender of the Bonds to the designated corporate trust office of the Paying Agent. Additionally, if the Book-Entry-Only System is discontinued, payment of interest may also be made by wire transfer upon twenty (20) days' prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States by any owner of at least $1,000,000 aggregate principal amount of the Bonds. Interest will be computed on the basis of a year comprised of 360 days consisting of 12 months of 30 days each.

Redemption Provisions*

Optional Redemption

Bonds maturing on or prior to July 1, 20__, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 20__, are subject to call for redemption prior to maturity, at the option of the City, in whole or in part from maturities selected by the City and within any maturity by lot, on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

Notice of Redemption

So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being

* Subject to change.

so held on or prior to the date set for redemption and if not so held by such date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

Effect of Call for Redemption

Notice of redemption having been given in the manner described above, the Bonds or portions thereof called for redemption will become due and payable on the redemption date and if an amount of money sufficient to redeem all the Bonds or portions thereof called for redemption is held in separate accounts by the City or by a Paying Agent, then the Bonds or portions thereof called for redemption will cease to bear interest from and after such redemption date.

Redemption of Less Than All of a Bond

The City may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, $5,000. In that event, if the Book-Entry-Only System is discontinued, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause a new Bond in a principal amount which reflects the redemption so made to be authenticated, issued and delivered to the registered owner thereof.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

Security for the Bonds

The Bonds will be direct general obligations of the City, payable as to both principal and interest from ad valorem taxes levied against all taxable property within the City without limit as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

Following deposit of moneys into the debt service fund for payment of the Bonds, the City may invest such moneys in investments comprised of, with certain restrictions: federally insured savings accounts or certificates of deposit from eligible depositories; collateralized repurchase agreements; obligations issued or guaranteed by the United States or any agency or instrumentality thereof; obligations of the State or any Arizona city (including the City), town or school district; bonds of any county, municipal or municipal utility improvement district payable from property assessments; the local government investment pool established by the State; commercial paper of prime quality that is rated "P1" by Moody's Investors Service, Inc. ("Moody's") or rated "A+" or better by S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P") or their successors (all commercial paper must be issued by corporations organized and doing business in the United States); and fixed income securities of corporations organized and doing business in the United States rated "A" or better by Moody's and S&P. **THE PROCEEDS OF THE BONDS ARE NOT PLEDGED TO, NOR DO THEY SECURE, PAYMENT OF THE BONDS.**

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from ad valorem taxes on taxable property in the City, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

Subsequent Refunding of the Bonds

On May 11, 2016, the Governor of Arizona signed House Bill 2301 ("HB 2301"). HB 2301 provides that with respect to general obligation bonds issued after August 31, 2016, such as the Bonds, if the City were to issue refunding bonds to refund the Bonds in advance of maturity, the owners of the Bonds must rely on the sufficiency of the funds or securities held in trust for the payment of such refunded Bonds, and owners of the Bonds would have the right to rely on the levy of ad valorem property taxes.

Sources of Payment of the Bonds and Other City Bonds

The City intends to provide for the payment of the Bonds solely from the levy of ad valorem taxes; however, a portion of its other outstanding general obligation bonds may continue to be paid from certain revenues and moneys of the City's General Fund, Enterprise Funds and Special Revenue Funds. The tables appearing on pages 5, 6 and 7 of this Official Statement are a record of the revenues, expenses and changes in fund balances for each such fund for Fiscal Year 2013/14 through 2017/18. For an explanation of the characteristics and purposes of each of these funds, see APPENDIX D – "City of Mesa, Arizona – Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2018." Although the City may pay debt service on the Bonds from the funds as described above, in no event are such funds pledged to repayment of the Bonds. In the future, however, in the event such revenues and moneys are not available for this purpose, or the City determines that such general obligation bonds will not be paid therefrom, the principal of and interest on such other general obligation bonds are secured by and will be paid from the annual levy of an ad valorem tax, as described herein under "Security for the Bonds."

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of political subdivisions of the State which could have a material impact on the City and could adversely affect the secondary market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

CITY GENERAL FUND

Set forth below is a record of the City's General Fund revenues, expenditures and changes in fund balance for the most recent five fiscal years for which such information is available. This information is not intended to indicate future or continuing trends in the financial affairs of the City.

CITY OF MESA, ARIZONA
SELECTED GOVERNMENTAL INFORMATION REVENUES AND EXPENSES
(IN THOUSANDS) (a)

	2013/14	2014/15	2015/16	2016/17	2017/18
Revenues:					
Taxes	$95,177	$100,594	$104,116	$109,364	$116,024
Property Taxes	22,500	34,022	34,765	34,675	35,616
Occupancy Taxes	1,919	2,081	2,331	2,536	2,628
Licenses and Permits	15,356	15,446	17,580	18,425	20,103
Intergovernmental Revenues	112,304	117,084	118,775	129,221	138,033
Charges for Services	20,829	20,700	22,649	22,691	24,033
Fines and Forfeitures	8,012	8,096	8,795	7,911	8,155
Interest	131	595	416	46	208
Capital Contributions	65	65	300	19	75
Miscellaneous Revenues	1,498	3,973	1,148	1,466	1,768
Total Revenues	277,791	302,656	310,875	326,354	346,787
Expenditures:					
Current:					
General Government	69,314	73,901	71,651	77,649	80,860
Public Safety	205,433	214,669	223,733	229,287	237,902
Cultural-Recreational	32,495	33,850	36,516	36,493	15,705
Community Environment	8,050	9,185	13,723	14,801	38,358
Total Current Expenditures	315,292	331,605	345,623	358,230	372,825
Revenues Over (Under) Current Expenditures	(37,501)	(28,949)	(34,748)	(31,876)	(26,038)
Capital Outlay	7,853	1,758	4,580	7,976	13,261
Debt Service	31,280	34,772	33,647	35,806	38,176
Total Other Expenditures	39,133	36,530	38,227	43,782	51,437
Revenues Over (Under) Expenditures	(76,634)	(65,479)	(72,975)	(75,658)	(77,475)
Operating Transfers In (Net)	101,661	67,276	93,245	96,683	96,466
Revenues and Transfers Over (Under) Expenditures	25,027	1,797	20,270	21,025	18,991
Unrestricted Fund Balance-Beginning	77,504	99,064	100,861	121,131	142,156
(Incr.) Decr.-Restricted Funds	(3,467)	-	-	-	-
Total Fund Balance – Ending	$99,064	$100,861	$121,131	$142,156	$161,147

Source: The City.

(a) The table above includes a restatement of funds for all previous years.

CITY ENTERPRISE FUNDS

The City annually provides for a significant portion of the City's General Fund revenue from the transfer of certain net revenues generated by the City's Enterprise Funds, particularly the Utility Systems Enterprise Fund. Set forth below is a record of City Enterprise Funds revenues, expenditures and changes in fund balance for the most recent five fiscal years for which such information is available. This information is not intended to indicate future or continuing trends in the financial affairs of the City.

CITY OF MESA, ARIZONA
ENTERPRISE FUNDS
REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
(IN THOUSANDS)

	2013/14	2014/15	2015/16	2016/17	2017/18
Operating Revenue	$302,575	$310,413	$332,656	$359,060	$371,794
Operating Expense	151,559	159,909	150,603	159,458	156,203
Net Income From Operations	151,016	150,504	182,053	199,602	215,591
Development/Impact Fees	7,023	11,126	12,133	16,629	16,089
Miscellaneous Income (a)	40,792	11,416	18,426	30,798	9,445
Interest Income	1,323	1,010	3,021	934	1,691
Capital Expense	(6,177)	(2,227)	(2,408)	(6,930)	(8,605)
Replacement Expense	(6,078)	(5,957)	(6,513)	(6,843)	(4,083)
Debt Service	(67,337)	(67,886)	(70,668)	(66,923)	(96,894)
Income Before Transfers	120,562	97,986	136,044	167,267	133,234
Operating Transfers (out)	(109,520)	(97,725)	(101,325)	(109,395)	(110,364)
Net Income	11,042	751	34,719	57,872	22,870
Beginning Fund Balance	80,683	91,725	92,476	127,195	185,067
Ending Fund Balance	$ 91,725	$ 92,476	$127,195	$185,067	$207,937

(a) Fiscal Year 2013/14 Miscellaneous Income include a one-time sale of land and additional developer contributions from real estate developers.

CITY SPECIAL REVENUE FUNDS

Set forth below is a record of City Special Revenue Funds revenues, expenditures and changes in fund balance for the most recent five fiscal years for which such information is available. This information is not intended to indicate future or continuing trends in the financial affairs of the City.

CITY OF MESA, ARIZONA
SPECIAL REVENUE FUNDS
REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
(IN THOUSANDS)

	2013/14	2014/15	2015/16	2016/17	2017/18
Revenues:					
Taxes	$ 45,390	$ 45,743	$ 50,054	$ 52,971	$ 55,711
Licenses & Permits	3,441	5,446	5,674	4,727	5,016
Intergovernmental Revenues	55,473	63,048	63,718	67,468	67,572
Charges for Services	11,203	15,541	15,529	15,657	16,189
Fines and Forfeitures	1,098	1,569	1,611	1,311	1,521
Contributions	1,042	1,030	280	296	981
Interest	429	764	1,017	267	106
Miscellaneous Revenues	2,814	2,230	2,324	2,456	3,252
Total Revenues	120,890	135,371	140,207	145,153	150,348
Expenditures:					
General Government	5,763	7,165	7,797	8,711	9,349
Cultural-Recreational	6,293	6,515	7,135	7,251	28,557
Public Safety	25,931	28,901	30,795	32,605	57,699
Community Environment	48,523	51,327	51,836	53,602	7,785
Service Charges	-	-	3	2	2
Total Current	86,510	93,908	97,566	102,171	103,392
Revenues Over (Under)					
Current Expenditures	34,380	41,463	42,641	42,982	46,956
Capital Outlay	12,761	18,066	24,119	25,803	22,648
Debt Service	12,417	11,287	12,234	12,377	12,455
Total Other Expenditures	25,178	29,353	36,353	38,180	35,103
Revenues Over (Under)	9,202	12,110	6,288	4,802	11,853
Operating Transfers In/(Out)	(3,835)	(2,149)	(3,411)	(2,711)	(2,620)
Revenues and Transfers Over					
(Under) Expenditures	5,367	9,961	2,877	2,091	9,233
Fund Balance-Beginning (a)	49,295	54,662	64,623	67,500	69,591
Fund Balance-Ending (a)	$ 54,662	$ 64,623	$ 67,500	$ 69,591	$ 78,824

(a) Totals may not add, or end and beginning balances year to year may not match, due to rounding.

ADDITIONAL GENERAL OBLIGATION BONDS

The City expects to issue additional general obligation bonds in the future pursuant to existing and future voted bond authorizations. Such bonds may be secured by, and payable from, the same sources of revenue, and the same levy of ad valorem taxes, if applicable, as the Bonds and all outstanding general obligation bonds. After issuance of the Bonds, the City will have $240,666,000* aggregate principal amount of voter authorized, but unissued, general obligation bonds pursuant to voter approvals given at special bond elections held on April 28, 1987, March 26, 1996, March 9, 2004, November 5, 2013 and November 6, 2018. The purposes and amounts of such authorized but unissued bonds are set forth below.

Purpose of Bond Authorization	1987	1996	2004	2013	2018	Remaining General Obligation Bonds Authorized But Unissued*
Public Safety	$ -	$ -	$ 8,145,000	$ -	$ 74,955,000	$ 83,100,000
Fire and Medical	-	-	2,514,000	-	-	2,514,000
Library, Parks and Recreation	-	7,150,000	9,750,000	-	102,940,000	119,840,000
Library (6%)	-	7,944,000	-	-	-	7,944,000
Storm Sewer	213,000	-	6,790,000	-	-	7,003,000
Streets	-	-	-	20,265,000		20,265,000
Total	$213,000	$15,094,000	$27,199,000	$20,265,000	$177,895,000	$ 240,666,000

Source: The City.

SOURCES AND USES OF FUNDS

The proceeds of the Bonds will be applied substantially as follows:

Sources of Funds	
The Bonds	$33,065,000 *
[Net] Original Issue Premium (a)	
Total Sources of Funds	
Uses of Funds	
Deposit to Construction Fund	
Costs of Issuance (b)	
Deposit to Debt Service Fund	
Total Uses of Funds	

(a) Net original issue premium consists of original issue premium on the Bonds less original issue discount on the Bonds.

(b) Includes Underwriter's (as defined below) compensation.

* Subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS

The table below sets forth (i) the annual debt service requirements of the City's outstanding general obligation bonds, (ii) the estimated annual debt service requirements of the Bonds, and (iii) the City's estimated total annual general obligation bond debt service requirements after issuance of the Bonds.

City of Mesa, Arizona
General Obligation Estimated Debt Service Requirements (a)

Fiscal Year Ending (June 30)	General Obligation Bonds Outstanding (b)		The Bonds *		Estimated Combined Annual Debt Service *
	Principal	Interest	Principal	Interest (c)	
2019	$ 28,150,000	$12,735,874			$40,885,874
2020	19,210,000	11,759,581	$16,525,000	$1,462,208	48,956,789
2021	19,810,000	11,102,177	615,000	661,600	32,188,777
2022	20,505,000	10,437,757	635,000	637,000	32,214,757
2023	21,145,000	9,760,677	650,000	611,600	32,167,277
2024	21,960,000	9,034,391	680,000	585,600	32,259,991
2025	23,575,000	8,286,891	705,000	558,400	33,125,291
2026	25,000,000	7,439,951	735,000	530,200	33,705,151
2027	25,900,000	6,587,070	765,000	500,800	33,752,870
2028	26,950,000	5,631,895	795,000	470,200	33,847,095
2029	26,780,000	4,642,137	825,000	438,400	32,685,537
2030	20,700,000	3,670,875	860,000	405,400	25,636,275
2031	19,390,000	2,680,113	890,000	371,000	23,331,113
2032	20,250,000	2,009,663	920,000	335,400	23,515,063
2033	21,025,000	1,394,913	945,000	298,600	23,663,513
2034	8,725,000	764,663	985,000	260,800	10,735,463
2035	6,425,000	528,663	1,025,000	221,400	8,200,063
2036	6,200,000	332,663	1,065,000	180,400	7,778,063
2037	3,530,000	134,350	1,105,000	137,800	4,907,150
2038	525,000	18,375	1,150,000	93,600	1,786,975
2039			1,190,000	47,600	1,237,600
	$365,755,000		$33,065,000		

(a) Prepared by the Financial Advisor (as defined herein).

(b) Interest on the City's Taxable General Obligation Bonds, Series 2010 (Build America Bonds – Direct Pay) is without reduction of the federal subsidy payments. See footnote (b) to the "Statements of Bonds Outstanding" table on page B-2 of APPENDIX B herein.

(c) The first interest payment on the Bonds is due on January 1, 2020*. Thereafter, interest payments will be made semiannually on January 1 and July 1, until maturity or prior redemption. Interest is estimated at 4.00%.

* Subject to change.

RATINGS

Moody's and S&P have assigned credit ratings of "__" and "___", respectively, to the Bonds. Such ratings reflect only the views of Moody's and S&P. An explanation of the significance of such ratings may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and from S&P at 55 Water Street, New York, New York 10041. Such ratings may subsequently be revised downward or withdrawn entirely by Moody's or S&P, if, in their respective judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price and transferability of the Bonds. The City will covenant in its continuing disclosure certificate (see "CONTINUING SECONDARY MARKET DISCLOSURE" below) that it will cause notices to be filed with the MSRB of any formal change in the ratings relating to the Bonds. A securities rating is not a recommendation to buy, sell or hold securities, including the Bonds.

LEGAL MATTERS

Legal matters relating to the issuance and delivery of the Bonds, the validity of the Bonds under Arizona law and the tax-exempt status of the interest on the Bonds (see "TAX MATTERS" herein) are subject to the legal opinion of Sherman & Howard L.L.C., Phoenix, Arizona ("Bond Counsel"), whose services as Bond Counsel have been retained by the City. The signed legal opinion of Bond Counsel, dated and premised on the law in effect only as of the date of original delivery of the Bonds, will be delivered to the City at the time of original issuance.

The proposed text of the legal opinion is set forth as APPENDIX F. The legal opinion to be delivered may vary from the text of APPENDIX F if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Such legal opinion expresses the professional judgment of Bond Counsel as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the performance of parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

Certain legal matters will be passed upon solely for the benefit of the Underwriter by Squire Patton Boggs (US) LLP, Phoenix, Arizona, as counsel to the Underwriter.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. In the opinion of Bond Counsel, interest income on the Bonds is exempt from State of Arizona income taxes. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein. The opinion of Bond Counsel will be dated the date of delivery of the Bonds. A form of such opinion is included herein in APPENDIX F – "Form of Approving Legal Opinion."

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The City covenanted and represented in the Bond Resolution and will covenant and represent in a tax certificate of the City that: it will not take any action or omit to take any action with respect to the Bonds, any funds of the City, or any facilities financed with the proceeds of the Bonds, if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

With respect to the Bonds that were sold in the initial offering at a discount (the "Discount Bonds"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds were sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinion expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the City as the taxpayer and the Bond owners may have no right to participate in such procedures. The City has covenanted in the Bond Resolution, and will covenant in the tax certificate of the City, not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the City, the Financial Advisor, the Underwriter, Bond Counsel or counsel to the Underwriter is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

LITIGATION

No Litigation relating to the Bonds

At the time of delivery of the Bonds, an officer of the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending, or to the knowledge of the City, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or that questions the City's right or authority to receive the sources of payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, or the Continuing Disclosure Certificate, or contesting in any way the completeness or accuracy of this Official Statement, or any amendment or supplement thereto, or contesting the power or authority of the City to execute and deliver the Continuing Disclosure Certificate, or wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the Bond Resolution, or the Continuing Disclosure Certificate, or have a material adverse effect on the transaction contemplated by this Official Statement.

Other Litigation against the City

On June 23, 2017, two lawsuits against the City, City police officers and others were consolidated in the United States District Court for the District of Arizona. The lawsuits allege wrongful death and other claims related to an officer-involved fatal shooting. The plaintiffs are the decedent's spouse, two minor children, and parents. The police officer, who was charged with second degree murder, was acquitted at a criminal trial in December of 2017. In court filings and notices of claims, the plaintiffs have indicated they are seeking a combined total of $83 million in damages. The City has a $3 million self-insured retention, and $50 million of insurance coverage on top of its retention. The City maintains a $10 million trust fund balance to cover claims. This event would be considered a single incident/occurrence per the City's policy. The case remains in an early stage in the litigation process. The City has meritorious factual and legal defenses and intends to vigorously defend against any liability; but hypothetically, even if plaintiffs were to be successful, it is expected that any resulting damages would be materially and substantially less than the amounts sought by the plaintiffs.

UNDERWRITING

Wells Fargo Bank, National Association (the "Underwriter") has agreed to purchase the Bonds at an aggregate purchase price of $_________ pursuant to a bond purchase agreement (the "Purchase Contract") entered into by and between the City and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter's compensation will be $__________. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered, if any, are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower or yields higher than the public offering prices stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover may be changed from time to time by the Underwriter.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including the Underwriter, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of the Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

The Underwriter, acting through its Municipal Products Group ("WFBNA"), the sole underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include a certificate confirming that, to the best knowledge, information and belief of the City's Chief Financial Officer, the descriptions and statements contained in this Official Statement are at the time of issuance of the Bonds, true, correct and complete in all material respects and do not contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein in order to make the statements, in light of the circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended, the foregoing confirmation will also encompass such supplements or amendments.

[For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the City that has been deemed final by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.]

CONTINUING SECONDARY MARKET DISCLOSURE

The City will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2020 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices"), as set forth in APPENDIX G – "Form of Continuing Disclosure Certificate" (the "Continuing Disclosure Certificate"). The Annual Reports and Notices and any other documentation or information required to be filed by such covenants will be filed by the City with the MSRB, in a format prescribed by the MSRB. Currently the MSRB requires filing through the MSRB's EMMA system as described in APPENDIX G – "Form of Continuing Disclosure Certificate."

These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The form of the undertaking necessary pursuant to the Rule is included as APPENDIX G hereto. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Also pursuant to Arizona law, the ability of the City to comply with such covenants is subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the City not comply with such covenants due to a failure to appropriate for such purposes, the City has covenanted to provide notice of such fact in the same fashion it provides the Notices. Absence of continuing disclosure could adversely affect the Bonds and specifically their market price and transferability. The City's Finance Department has instituted processes to ensure timely and proper filing of its Annual Reports and Notices for all of the City's outstanding bonds.

The filings on March 31, 2014, February 1, 2015, and January 26, 2016 did not relate to all of the related CUSIPs; this was corrected on or before May 9, 2017. In reference to the Phoenix-Mesa Gateway Airport Authority Special Facility Revenue Bonds (Mesa Project), Series 2012, the City's Annual Report due to be filed on February 1, 2016 was not filed until March 8, 2016.

The City implemented new accounting software during Fiscal Year 2012/13, which caused delays in preparing the Annual Report for Fiscal Year 2012/13. As a result, the Annual Report due to be filed on February 1, 2014 was not filed until May 12, 2014. The new software has since been fully implemented.

Certain financial and operating data for Fiscal Years 2011/12 and 2012/13 related to the City's utility systems revenue bonds, street and highway user revenue bonds, highway project advancement notes, excise tax obligations and Phoenix-Mesa Gateway Airport Authority special facility revenue bonds were not presented in the Annual Reports in the same format as originally presented in the applicable Official Statements. Such financial and operating data related to the various bonds were subsequently prepared and filed at various times on or before January 25, 2017.

The presentation of the financial and operating data referenced above has changed over time in the City's various Official Statements. Therefore the presentation of such financial and operating data in the City's Annual Reports may match the current presentation of such financial and operating data instead of the presentation of such financial and operating data when bonds were originally issued. Similarly, certain references to financial and operating data in the City's prior disclosure certificates do not specifically identify which data within an Official Statement appendix the City was to provide in its Annual Reports. In such circumstances, the City has provided data pertaining to the City in its Annual Reports, for example excise tax collections in the City, and the City's Annual Reports do not include data not specifically pertaining to the City, for example excise tax collections in the County or State.

In reference to the City's general obligation bonds, utility systems revenue bonds, street and highway user revenue bonds, and excise tax revenue obligations, the City did not timely file certain bond insurance rating changes, but the City has filed such notices on or before September 22, 2014.

FINANCIAL ADVISOR

Hilltop Securities Inc. (the "Financial Advisor") is Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

GENERAL PURPOSE FINANCIAL STATEMENTS

The City's Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2018, a copy of which is included in APPENDIX D of this Official Statement, have been audited by CliftonLarsonAllen LLP, certified public accountants, to the extent and for the period indicated in their report thereon. The City is not aware of any facts that would make such Audited General Purpose Financial Statements misleading. The Audited General Purpose Financial Statements are for the year ended June 30, 2018 and are not current. The City neither requested nor obtained the consent of CliftonLarsonAllen LLP to include the report, and CliftonLarsonAllen LLP has performed no procedures subsequent to rendering its opinion on the financial statements.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Such estimates, projections, forecasts or other matters of opinion are forward looking statements which must be read with an abundance of caution. Information set forth in this Official Statement has been derived from the records of the City and from certain other sources, as referenced, and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as a part of a contract with the original purchasers or subsequent owners of the Bonds. **This Official Statement has been prepared by the City and executed for and on behalf of the City by its Chief Financial Officer, as indicated below.**

CITY OF MESA, ARIZONA

By: ______________________
Chief Financial Officer

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CITY OF MESA, ARIZONA
GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The City is the third largest city in the State and the 38th largest city in the United States. Founded in 1878 and incorporated in 1883, the City has a 2018 estimated population of 488,925. The following table illustrates the City's population statistics since 1990, along with the population statistics for the County and the State, respectively.

POPULATION STATISTICS

Year	City of Mesa	Maricopa County	State of Arizona
2018 Estimate (a)	488,925	4,294,460	7,076,199
2010 Census	439,041	3,817,117	6,392,017
2000 Census	396,375	3,072,149	5,130,632
1990 Census	288,091	2,122,101	3,665,228

(a) The July 1, 2018 population estimates include October 2015 special census data for certain jurisdictions and such data also indirectly impacts population estimates for other jurisdictions and the County.

Source: U.S. Census Bureau, Population Division – *Annual Estimates of the Resident Population* and U.S. Census Bureau – *2010 Census*, *2000 Census* and *1990 Census*. Arizona, Office of Economic Opportunity – *State, County, Place Level Population Estimates for July 1, 2018*.

The following table sets forth a record of the City's geographic area since 1970.

SQUARE MILE STATISTICS
City of Mesa, Arizona

Year	Square Miles
2010	133.14
2000	125.00
1990	122.11
1980	66.31
1970	20.80

Source: The City.

Municipal Government and Organization

The City operates under a charter form of government with citizens electing a Mayor and six City Councilmembers to set policy for the City. In 1998, a voter initiative was approved changing the way that City Councilmembers are elected from an at-large to a district system. Six districts were created in March 2000 with City Councilmembers serving staggered four-year terms. The Mayor continues to be elected at-large every four years. The Mayor and City Council are elected on a non-partisan basis, and the Vice Mayor is a City Councilmember selected by the City Council.

The City Manager, who has full responsibility for carrying out Mayor and City Council policies and administering City operations, is appointed by the Mayor and City Council. The City Manager is responsible for the appointment of City department heads. Additionally, City employees are hired under merit system procedures as specified in the City Charter. The various functions of City government and operations are undertaken by City employees working the various City departments.

City Administrative Staff

Christopher Brady, City Manager. Mr. Brady was appointed by the City Council to serve as City Manager effective January 1, 2006. Under the City's council-manager form of government, the City Manager serves as the chief operating officer of the City, one of the fastest-growing cities of the United States. Mr. Brady implements the policies established by the City Council and coordinates all City departments and other affairs assigned by the City Charter. Prior to joining the City, Mr. Brady served as Assistant City Manager for the City of San Antonio, Texas. Mr. Brady has a Bachelor of Fine Arts degree in Political Science and a Master of Public Administration degree from Brigham Young University.

Kari Kent, Assistant City Manager. Ms. Kent has been with the City since 1993. She was promoted to Solid Waste Management Director in 1999, Assistant Development Services Director in July 2001, and Neighborhood Services Director in June 2006, and was appointed Assistant City Manager in June 2007. Ms. Kent received a Bachelor of Science degree from Northern Arizona University and a Master of Public Administration degree from Arizona State University.

John Pombier, Assistant City Manager. Mr. Pombier was hired as the City Prosecutor in 2003 and was promoted to Assistant City Manager in 2011. Mr. Pombier has a law degree from Arizona State University and a Bachelor of Business Administration degree from University of Michigan School of Business.

Michael Kennington, Chief Financial Officer. Mr. Kennington was hired as the City's Chief Financial Officer in July 2012 and is responsible for the City's overall financial policies, strategies, planning and forecasts. Mr. Kennington has a Master of Accountancy degree and Master of Business Administration degree from Brigham Young University and is a Certified Public Accountant.

Economy

The City's major economic sectors are comprised of manufacturing, non-manufacturing, government and commercial activities (including construction and commerce), and tourism.

The following table sets forth unemployment rate averages for the United States, the State, the County and the City for the current year and most recent five years for which such information is available.

UNEMPLOYMENT RATE AVERAGES

Year	United States	State of Arizona(a)	Maricopa County(a)	City of Mesa(a)
2019 (b)	4.0%			
2018 (b)	3.9	4.7%	4.1%	4.1%
2017	4.4	4.9	4.2	4.2
2016	4.9	5.4	4.6	4.6
2015	5.3	6.1	5.1	5.2
2014	6.2	6.8	5.8	5.8

(a) This table includes restated data: Local Area Unemployment Statistics ("LAUS") program data is intermittently revised to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals.

(b) Data is not seasonally adjusted, is preliminary and is an average through January 2019 for the National Unemployment rate and through December 2018 for LAUS data. Data accessed February 25, 2019.

Source: U.S. Department of Labor, Bureau of Labor Statistics– *Local Area Unemployment Statistics* and *National Labor Force Statistics*.

Manufacturing and Non-Manufacturing Employment

A list of significant employers located within the City is set forth in the following table.

MAJOR EMPLOYERS
City of Mesa, Arizona

Employer	Description	Approximate Employment
Mesa Public Schools	Public Education	8,469
Banner Health Systems	Hospital Network	8,275
The Boeing Company	Helicopter Manufacturing and Assembly	3,642
City of Mesa	Government	3,582
Drivetime Automotive Group	Automotive Financing	1,276
24-7 Intouch	Communications	1,200
Gilbert Unified School District	Education	1,029
Maricopa County	Government	1,020
State of Arizona	Government	827
Mountain Vista Medical Center	Hospital	820

Source: The City, Office of Economic Development as of June 30, 2018.

Phoenix-Mesa Gateway Airport and the Airport/Campus District

Phoenix-Mesa Gateway Airport (formerly known as Williams Gateway Airport) has three runways (10,401 feet, 10,201 feet, and 9,301 feet) and a passenger terminal. Phoenix-Mesa Gateway Airport is a small-hub commercial airport serving the Phoenix-Mesa metropolitan area with direct service to over 40 cities currently provided by Allegiant Air and 2 Canadian cities through WestJet.

Phoenix-Mesa Gateway Airport is also developing as an international aerospace center with aircraft maintenance, modification, testing, and pilot training. Currently more than 40 companies operate on the airport, including manufacturer service centers for Cessna and Embraer. In Fiscal Year 2012/13, the airport commissioned Arizona State University to conduct an economic impact study. According to that study, the total economic benefit (including all multiplier effects) totaled $1.3 billion, supporting 10,470 jobs in the area. On-airport economic activity produced $373 million of output, creating employment for 2,042 on-airport workers.

Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority whose members include the City, City of Phoenix, Town of Gilbert, Town of Queen Creek, the City of Apache Junction and the Gila River Indian Community.

Adjacent to Phoenix-Mesa Gateway Airport, the Airport/Campus District serves approximately 8,700 students. The campus includes five higher education partners - Arizona State University ("ASU") Polytechnic campus, Chandler-Gilbert Community College, Embry-Riddle Aeronautical University, Mesa Community College and UND Aerospace (University of North Dakota, John D. Odegard School of Aerospace Sciences – Phoenix Flight Training Center). The ASU Polytechnic campus has expanded and added new academic buildings that doubled the instructional lab and classroom space, and added faculty offices and a 500-seat auditorium.

State Route 24, a one-mile freeway segment extending access from the existing State Route 202 freeway eastward, was completed May 2014. This freeway segment lies immediately north of Phoenix-Mesa Gateway Airport, and provides freeway access to the east side of the airport property. Such access is beneficial for the economic development of properties located on, and adjacent to, Phoenix-Mesa Gateway Airport, as well as future terminal development on the east side.

Construction

The following tables set forth annual records of building permit values and new housing permits issued within the City for the period 2014/15-2018/19.

VALUE OF BUILDING PERMITS
City of Mesa, Arizona
($000's omitted)

Fiscal Year	Residential	Commercial	Other	Total
2018/19 (a)	$517,070	$710,689	$ 4,577	$1,232,336
2017/18	872,078	510,733	3,237	1,386,048
2016/17	811,424	646,159	37,761	1,495,344
2015/16	708,158	487,914	25,752	1,221,824
2014/15	489,961	417,428	27,523	934,642

(a) Partial fiscal year data from July 1, 2018 through February 29, 2019.

Source: The City. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

NEW HOUSING PERMITS
City of Mesa, Arizona

Fiscal Year	Total New Housing Units
2018/19 (a)	2,310
2017/18	2,765
2016/17	2,455
2015/16	2,301
2014/15	1,446

(a) Partial fiscal year data from July 1, 2018 through February 29, 2019.

Source: The City. The date on which the permit is issued is not to be construed as the date of construction.

Retail

The following table sets forth a record of retail sales activity within the City.

TAXABLE RETAIL SALES
City of Mesa, Arizona

Fiscal Year	Retail Sales
2018/19 (a)	$ 2,555,771,826
2017/18	4,833,976,880
2016/17	4,566,213,555
2015/16	4,331,420,270
2014/15	4,069,591,771
2013/14	3,944,036,123

(a) Data reflects collections from July 1, 2018 through December 31, 2018.

Source: The City.

Tourism

The tourism sector is a significant contributor to the City's economy. The City's hotels, motels, golf courses, parks and playgrounds, restaurants and retail shops provide tourists with accommodations and recreational facilities. There are more than 60 hotels in the City, with all of the major hotel brands represented. The table below contains a listing of certain hotels located within the City.

HOTELS
City of Mesa, Arizona

Hotel Name	Number of Sleeping Rooms
Phoenix Marriott Mesa	275
Hilton Phoenix East-Mesa	260
Holiday Inn Mesa	246
Dobson Ranch Inn & Suites	213
Arizona Golf Resort	187
Sheraton Mesa at Wrigleyville West	180
Westgate Painted Mountain	152
Hyatt Place Phoenix-Mesa	152
Marriott Courtyard	149
Best Western Mezona Inn	132
Country Inn and Suites	126
La Quinta (West)	125
Days Hotel Mesa-Gilbert	120
Quality Inn/Suites	119

Source: Mesa Convention and Visitors Bureau.

The City owns and operates the Mesa Convention Center (the "Convention Center") which offers convention facilities. The Convention Center is situated on a 22-acre site adjacent to the Phoenix Marriott Mesa. The Convention Center includes Centennial Hall, which is a multipurpose facility of approximately 15,000 square feet, and the Centennial Conference Center and the Rendezvous Center, which offer an additional 18,500 square feet of meeting space. The City operates and maintains 58 parks, including 11 sports complexes and 133 basins covering more than 2,000 acres. In addition, the City manages 9 aquatic facilities, 2 Major League Baseball Spring Training stadiums and a par 72, 18 hole championship golf course. The award-winning Mesa Arts Center facility opened in spring of 2005 and is located in the downtown area of the City. The Mesa Arts Center is a 212,775 square-foot performing arts, visual arts and arts education facility, the largest and most comprehensive arts center in the State.

Agriculture

Although still a contributor to the economic base, the agricultural sector is no longer a significant factor of the City's economy due to the industrial, commercial and residential development which has occurred over the past 30 years. The principal products of the City's remaining agricultural sector are dairy and citrus.

CITY OF MESA, ARIZONA
FINANCIAL DATA

Current Year Statistics (For Fiscal Year 2018/19)		
City of Mesa, Arizona		
Total General Obligation Bonds to Be Outstanding	$ 398,820,000	*(a)
Total Utility Systems Revenue Bonds to Be Outstanding	1,326,938,740	*(b)
Total Street and Highway User Revenue Bonds Outstanding	76,620,000	(c)
Total Excise Tax Obligations Outstanding	66,020,000	(d)
Net Assessed Limited Property Value	3,277,965,031	(e)
Estimated Net Full Cash Value	37,880,755,006	(f)
Estimated Net Assessed Limited Property Value (For Fiscal Year 2019/20) (g)	$3,516,377,352	

(a) Represents all general obligation bonds to be outstanding following issuance of the Bonds. See "STATEMENTS OF BONDS OUTSTANDING – General Obligation Bonds to Be Outstanding" in this appendix.

(b) Represents all utility systems revenue bonds to be outstanding following issuance of the Series 2019A Bonds and Series 2019B Bonds. See "STATEMENTS OF BONDS OUTSTANDING – Utility Systems Revenue Bonds to Be Outstanding" in this appendix.

(c) Represents all street and highway user revenue bonds outstanding. See "STATEMENTS OF BONDS OUTSTANDING – Street and Highway User Revenue Bonds Outstanding" in this appendix.

(d) Represents all excise tax obligations of the City outstanding. See "STATEMENTS OF BONDS OUTSTANDING – Excise Tax Obligations Outstanding" in this appendix.

(e) Net of property exempt from taxation; reflects application of applicable assessment ratios.

(f) Estimated net full cash value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.

(g) Estimated valuations for Fiscal Year 2019/20 provided by the Arizona Department of Revenue. Valuations for Fiscal Year 2019/20 are not official until approved by the Board of Supervisors of the County on the third Monday in August for the following fiscal year. Although the final official valuations are not expected to differ materially from the estimated valuations, they are subject to positive or negative adjustments until approved by the Board of Supervisors of the County.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

* Subject to change.

STATEMENTS OF BONDS OUTSTANDING

General Obligation Bonds to Be Outstanding
City of Mesa, Arizona

Issue Series	Purpose	Original Amount	Maturity Dates	Balance Outstanding (a)
2006	Various Purpose	$ 9,710,000	7-1-13/25	$ 1,400,000
2007	Various Purpose	15,915,000	7-1-19/27	2,815,000
2008	Various Purpose	15,450,000	7-1-09/21	1,875,000
2009	Various Purpose	61,830,000	7-1-10/19	2,620,000
2010	Various Purpose	30,865,000	7-1-20/30	30,865,000 (b)
2011	Various Purpose	29,320,000	7-1-12/31	20,425,000
2012	Refunding	31,665,000	7-1-13/22	8,685,000
2012	Various Purpose	27,290,000	7-1-13/32	22,025,000
2013	Refunding	8,915,000	7-1-14/24	8,765,000
2013	Various Purpose	59,960,000	7-1-14/33	50,250,000
2014	Various Purpose	37,550,000	7-1-15/34	28,675,000
2015	Various Purpose	13,690,000	7-1-16/35	6,465,000
2016A	Refunding	20,475,000	7-1-17/27	20,355,000
2016B	Refunding	22,935,000	7-1-17/29	20,620,000
2016	Various Purpose	37,700,000	7-1-17/36	35,500,000
2017	Refunding	47,450,000	7-1-17/29	46,840,000
2017	Various Purpose	47,180,000	7-1-17/37	41,455,000
2018	Various Purpose	16,120,000	7-1-19/38	16,120,000
Total General Obligation Bonds Outstanding				$365,755,000
Plus the Bonds				33,065,000 *
Total General Obligation Bonds to Be Outstanding				$398,820,000 *

(a) Balances of General Obligation Bonds to Be Outstanding are as of the dated date of the Bonds.

(b) These bonds were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. Bonds issued under the Build America Bonds program have had such subsidy payments reduced by 6.2%, 6.6% and 6.9% for the federal Fiscal Years 2018/19, 2017/18 and 2016/17, respectively, due to sequestration reductions imposed by the federal government. Additional sequestration reductions or other reductions may be imposed by the federal government in future years. The City is required to pay the shortfall in the interest payments caused by the reduction.

* Subject to change.

Utility Systems Revenue Bonds to Be Outstanding
City of Mesa, Arizona

Issue Series	Purpose	Original Amount	Maturity Dates	Balance Outstanding (a)	
2004	Refunding	$ 40,345,000	7-1-14/19	$ 21,010,000	
2004	Utility Improvement	64,625,000	7-1-19/28	2,250,000	
2005	Utility Improvement	91,200,000	7-1-19/29	10,750,000	
2006	Utility Improvement	105,400,000	7-1-23/30	7,595,000	
2006	Refunding	61,300,000	7-1-09/21	45,775,000	
2006	Refunding	127,260,000	7-1-12/24	54,005,000	
2007	Utility Improvement	65,550,000	7-1-23/31	6,315,000	
2008	Utility Improvement	52,875,000	7-1-23/32	2,125,000	
2009	Utility Improvement	59,900,000	7-1-23/33	48,825,000	*(b)(c)
2009	WIFA Loans	3,758,810	7-1-10/29	1,713,740	
2010	Utility Improvement	50,380,000	7-1-34	50,380,000	(c)
2011	Utility Improvement	53,950,000	7-1-35	53,950,000	
2012	Refunding	31,580,000	7-1-16,17,20,21	14,905,000	
2012	Taxable Refunding	80,295,000	7-1-20/27	80,295,000	
2012	Utility Improvement	67,300,000	7-1-36	67,300,000	
2013	Utility Improvement	47,290,000	7-1-37	47,290,000	
2014	Utility Improvement	36,385,000	7-1-37/38	36,385,000	
2014	Utility Refunding	102,945,000	7-1-18/30	96,940,000	
2015	Utility Improvement	30,220,000	7-1-20/39	30,220,000	
2016	Utility Refunding	138,035,000	7-1-25/32	138,035,000	
2016	Utility Improvement	90,500,000	7-1-20/40	90,500,000	
2017	Utility Refunding	75,435,000	7-1-23/28	75,435,000	
2017	Utility Improvement	123,875,000	7-1-21/41	123,875,000	
2018	Utility Improvement	112,120,000	7-1-19/42	112,120,000	
Total Utility Systems Revenue Bonds Outstanding				$1,217,993,740	
Less the Utility Bonds Being Refunded				(52,225,000)	
Plus the Series 2019A Bonds (d)				111,835,000	*
Plus the Series 2019B Bonds (d)				49,335,000	*
Total Utility Systems Revenue Bonds to Be Outstanding (d)				$1,326,938,740	*

* Subject to change.

(a) Balances of Utility Systems Revenue Bonds to Be Outstanding are as of the dated date of the Series 2019A Bonds and Series 2019B Bonds.

(b) The City completed a cash defeasance of $11,075,000* of Taxable Utility Systems Revenue Bonds, Series 2009, prior to the offering of the Series 2019A Bonds and the Series 2019B Bonds. Balance shown outstanding is net of the amounts defeased.

(c) These bonds were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. Bonds issued under the Build America Bonds program have had such subsidy payments reduced by 6.2%, 6.6% and 6.9% for the federal Fiscal Years 2018/19, 2017/18 and 2016/17, respectively, due to sequestration reductions imposed by the federal government. Additional sequestration reductions or other reductions may be imposed by the federal government in future years. The City is required to pay the shortfall in the interest payments caused by the reduction.

(d) The City expects to issue $111,835,000* of Series 2019A Bonds, $49,335,000* of Series 2019B Bonds and $85,470,000* of Series 2019C Bonds, pursuant to separate official statements.

Street and Highway User Revenue Bonds Outstanding
City of Mesa, Arizona

Issue Series	Purpose	Original Amount	Maturity Dates	Balance Outstanding (a)
2004	Street Improvements	$ 9,585,000	7-1-10/23	$ 650,000
2005	Refunding	23,800,000	7-1-07/23	23,750,000
2005	Street Improvements	10,225,000	7-1-10/24	675,000
2006	Street Improvements	11,675,000	7-1-23/25	1,825,000
2007	Street Improvements	10,675,000	7-1-23/27	3,000,000
2012	Refunding	36,090,000	7-1-14/22	20,665,000
2013	Refunding	8,500,000	7-1-24	8,500,000
2015	Refunding	17,555,000	7-1-24/27	17,555,000
Total Street and Highway User Revenue Bonds Outstanding				$ 76,620,000

(a) Balances of Street and Highway User Revenue Bonds Outstanding are as of the dated date of the Bonds.

Excise Tax Obligations Outstanding
City of Mesa, Arizona

Issue Series	Purpose	Original Amount	Maturity Dates	Balance Outstanding (a)
Senior Obligations:				
2013	Excise Tax Revenue Obligations	$94,060,000	7-1-32	$49,025,000
Subordinate Obligations:				
2012	Phoenix-Mesa Gateway Airport Authority	19,220,000	7-1-14/38	16,995,000
Total Excise Tax Obligations Outstanding				$66,020,000

(a) Balances of Excise Tax Obligations Outstanding are as of the dated date of the Bonds.

* Subject to change.

Direct General Obligation Bonded Debt, Legal Limitation and Unused General Obligation Bonding Capacity (a)
City of Mesa, Arizona

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed six percent of the Net Full Cash Assessed Value of the taxable property in that city. In addition, an incorporated city may become indebted in an amount not exceeding an additional twenty percent of the Net Full Cash Assessed Value of the city for supplying such city with water, artificial light, or sewers, when the works for supplying such water, light, or sewers are or shall be owned and controlled by the municipality, and for the acquisition and development by the city of land or interests therein for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

General Municipal Purpose Bonds		Parks, Streets and Public Safety Bonds	
Total 6% General Obligation Bonding Capacity	$261,503,539	Total 20% General Obligation Bonding Capacity	$871,678,466
Less 6% General Obligation Bonds Outstanding	(647,829)	Less 20% General Obligation Bonds Outstanding	(398,172,171) *
Net 6% General Obligation Bonding Capacity	$260,855,710	Net 20% General Obligation Bonding Capacity	$473,506,295 *

(a) General obligation bonding capacity is calculated using the City's Fiscal Year 2018/19 Net Full Cash Assessed Value of $4,358,392,332. Table includes the Bonds.

Other Indebtedness
City of Mesa, Arizona

The City has other obligations which are payable from various City funds, including purchase obligations, lease obligations and other contractual commitments. For additional information with respect to such obligations, please refer to Note 8 of the City's Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2018, contained in APPENDIX D of this Official Statement.

* Subject, to change.

Direct and Overlapping General Obligation Bonded Debt to be Outstanding
City of Mesa, Arizona

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Portion Applicable to City of Mesa (a) Approximate Percentage	Net Debt Amount	
State of Arizona	None	5.259%	None	
Maricopa County	None	8.109	None	
Maricopa County Community College District	$ 380,740,000	8.109	$ 30,874,632	
Maricopa County Special Health Care District	497,125,000	8.096	40,246,753	
East Valley Institute of Technology District No. 401	None	18.200	None	
Mesa Unified School District No. 4	231,900,000	86.565	200,743,213	
Tempe Elementary School District No. 3	167,175,000	0.784	1,311,269	
Tempe Union High School District No. 213	87,580,000	0.324	283,999	
Gilbert Unified School District No. 41	110,560,000	26.105	28,861,537	
Queen Creek Unified School District No. 95	115,210,000	31.325	36,089,175	*
Higley Unified School District No. 60	109,455,000	0.848	928,526	
Eastmark Community Facilities District No. 1	27,870,000	100.000	27,870,000	
Eastmark Community Facilities District No. 2	None	100.000	None	
Cadence Community Facilities District	None	100.000	None	
City of Mesa (c)	398,820,000	100.000	398,820,000	*
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding			$ 766,029,104	*

* Subject to change.

(a) Proportion applicable to the City is computed on the ratio of Net Assessed Limited Property Value as calculated for Fiscal Year 2018/19 for the overlapping jurisdiction to the amount of such valuation which lies within the City.

(b) Includes total general obligation bonds outstanding less redemption funds on hand. Does not include authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future.

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
Maricopa County Special Health Care District	$ 304,000,000
Mesa Unified School District No. 4	300,000,000
Tempe Elementary School District No. 3	55,000,000
Gilbert Unified School District No. 41	35,660,000
Queen Creek Unified School District No. 95	40,540,000*
Eastmark Community Facilities District No. 1	405,915,000
Eastmark Community Facilities District No. 2	70,000,000 (d)
Cadence Community Facilities District	44,995,000
City of Mesa	240,666,000*(e)

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of Net Assessed Limited Property Value, of which 14 cents is currently being levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract. Does not include the obligation of the Maricopa County Flood Control District to contribute $70 to $80 million to the CAP. The Maricopa County Flood Control District's sole source of revenue to pay the contribution will be ad valorem taxes on real property and improvements.

(c) Includes the Bonds. Does not include the City's utility systems revenue bonds to be outstanding in the aggregate principal amount of $1,326,938,740*. Does not include the City's street and highway user revenue bonds outstanding in the aggregate principal amount of $76,620,000. Does not include the City's excise tax obligations outstanding in the aggregate principal amount of $66,020,000. Such obligations are secured and payable from a pledge of the City's transaction privilege tax revenues and certain other General Fund revenues.

(d) The general obligation bond election for voters to approve $70,000,000 of general obligation bond authority for Eastmark Community Facilities District No. 2 is scheduled for April 4, 2019.

(e) Net of the Bonds.

Source: The various entities.

* Subject to change.

Direct and Overlapping General Obligation Bonded Debt Ratios
City of Mesa, Arizona

		As a Percentage of City's	
	Per Capita Bonded Debt Population at 488,925 (a)	2018/19 Net Assessed Limited Property Value	2018/19 Estimated Net Full Cash Value
Direct General Obligation Bonded Debt *	$ 816	12.17%	1.05%
Direct and Overlapping General Obligation Debt *	1,567	23.37	2.02

(a) Arizona Department of Administration, Office of Employment and Population Statistics, estimate as of July 1, 2018.

Pensions and Other Post Employment Benefits
City of Mesa, Arizona

All benefitted employees of the City are covered by one of three pension systems. The Arizona State Retirement System ("ASRS") is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefited City employees, except sworn fire and police personnel and the Mayor and City Council Members, are included in the plan that is a multiple-employer cost-sharing defined benefit pension plan. All sworn fire and police personnel participate in the Public Safety Personnel Retirement System ("PSPRS") that is an agent multiple-employer defined benefit health insurance premium plan. The City's Mayor and City Council Members contribute to the State's Elected Officials Retirement Plan ("EORP") that is also a multiple-employer cost-sharing pension plan. The EORP is not described herein because of its relative insignificance to the City's financial statements. Please refer to APPENDIX D – "Audited General Purpose Financial Statements for the Fiscal Year Ended June 30, 2018" for a more detailed description of these plans and the City contributions to the various plans.

Eligible City employees also participate in the City's other post employment benefits ("OPEB") plan. Eligible City employees covered by ASRS also participate in the ASRS OPEB plan. The ASRS OPEB plan is not described below because of its relative insignificance to the financial statements.

Beginning with the Fiscal Year 2014/15, the City implemented Government Accounting Standards Board (GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which requires cost-sharing employer's pension expense component include its proportionate share of the City's pension expense, as set forth hereunder, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share.

At June 30, 2018, the City reported the following aggregate amounts related to pensions for all plans to which it contributes (in thousands):

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities	$ 1,399,889	$ 141,767	$ 1,541,656
Deferred Outflows of Resources	162,477	9,168	171,645
Deferred Inflows of Resources	67,124	8,526	75,650
Pension Expense	114,636	5,910	120,546

Arizona State Retirement System Defined Benefit Plan

ASRS was established by the State of Arizona to provide pension benefits for employees of the State and employees of participating political subdivisions and school districts. ASRS is administered by the ASRS Governing Board in accordance with A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS provides for retirement, disability, and death and survivor benefits. ASRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Arizona State Retirement System, P.O. Box 33910, Phoenix, Arizona, 85067-3910 or by calling 1-800-621-3778.

* Subject to change.

Contributions. Arizona law provides statutory authority for determining the employees' and employers' contribution amounts as a percentage of covered payroll. Employers are required to contribute at the same rate as employees. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2018, covered employees were required by state statute to contribute at the actuarially determined rate of 11.50% (11.34% pension plus 0.16% long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.50% (10.90% for retirement, 0.44% for the health insurance premium benefit, and 0.16% for long-term disability) of the active members' annual covered payroll. The City's contribution to the ASRS for the year ending June 30, 2018 was $17,649,613, with 74.70% paid from governmental funds, 4.64% paid from internal service funds, and 20.66% paid from enterprise funds.

Additionally, the City is required to pay an ASRS Alternate Contribution Rate ("ACR") for retired members who return to work on or after July 1, 2012, in any capacity and in a position ordinarily filled by an employee of the City to mitigate the potential impact that retired members who return to work may have on the ASRS Trust Fund. The contribution rate for Fiscal Year 2017/18 was 9.49% (9.26% for retirement, 0.10% for the health insurance premium benefit, and 0.13% for long-term disability). The City's ACR contributions to the ASRS for the year ending June 30, 2018 were $104,653.

Pension Liability. At June 30, 2018, the City reported a liability of $255,729,281 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The City's proportion measured as of June 30, 2017, was 1.64160%, which was a decrease of 0.0189% from its proportion measured as of June 30, 2016.

The net pension liability measured as of June 30, 2018 will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the City's net pension liability as a result of these changes is not known.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2018, the City recognized pension expense for ASRS of $8,082,437. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,668
Changes of assumptions	11,107	7,647
Net difference between projected and actual earnings on pension plan investments	1,836	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,360	2,126
City contributions subsequent to the measurement date	17,650	-
Total	$ 31,953	$ 17,441

Public Safety Personnel Retirement System

The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plan and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan. The PSPRS is jointly administered by a nine-member board known as the Board of Trustees, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information. This report is available on the PSPRS website at www.psprs.com.

On February 16, 2016, the Governor of Arizona signed into law pension overhaul legislation which makes several changes to the PSPRS. The changes, which only affect new hires that start work after July 1, 2017, will require new public employees to serve until the age of 55 before being eligible for full pension benefits. The legislation caps pension benefits for new hires and splits the cost of pensions 50/50 between employers and new employees, offers new hires the option of a 100% defined contribution plan and ties cost-of-living adjustments to the regional Consumer Price Index, with a cap of 2% (the "COLA Provision"). The COLA Provision also applies to current members of the PSPRS due to voter approval at an election held on May 17, 2016.

In 2016, a suit was then pending questioning employee contribution increases to, and possibly decreased benefits from, the PSPRS. The Arizona Supreme Court determined in a similar 2016 suit that 2011 legislative reforms that increased EORP employee contribution rates and created new conditions to pension benefit increases were unconstitutional. In response to the ruling, EORP employers must return excess contributions to impacted employees; who, under the contested law, had their employee retirement contribution rate increased above the rate that existed prior to the 2011 legislation. Based on the EORP decision the PSPRS suit was terminated and the parties agreed to abide by the EORP decision. This requires the City to refund the higher employee contributions required by the 2011 legislation. Likewise, those who retired after the effective date of the 2011 legislation may be owed retroactive benefit increases calculated under the previous permanent benefit increase formula. Retroactively increasing retiree benefits may have an adverse impact on the employer funded status and future employer contribution rates.

On November 21, 2017, Maricopa County Superior Court (the "Court") awarded the interest of 5.25% from the date each contribution was withheld to the date excess contributions were returned. Prior to knowing the rate for PSPRS, on July 21, 2017, the City refunded $13,495,164 of excess PSPRS contributions and on January 4, 2018 paid $1,820,197 of pre-judgement and post-judgement PSPRS interest. The City has made all required payments pursuant to such ruling.

Employees Covered by Benefit Terms. At June 30, 2018, the following employees were covered by the agent plans' benefit terms:

	PSPRS Firefighters Pension	PSPRS Pension	Police Health
Inactive employees or beneficiaries currently receiving benefits	240	537	537
Inactive employees or beneficiaries entitled to but not yet receiving benefits	58	143	55
Active employees	376	756	756
Total	674	1,436	1,348

Contributions and Annual OPEB Cost. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active Member Pension	City Pension	City OPEB
PSPRS - Fire	7.65% - 11.65%	43.67%	0.37%
PSPRS - Police	7.65% - 11.65%	45.00%	1.17%
PSPRS Tier 3 - Fire	10.59%	10.59%	0.25%
PSPRS Tier 3 - Police	10.02%	10.02%	0.21%

Also, statute required the City to contribute a legacy cost of pension unfunded liability at the actuarially determined rate expressed as a percent of annual covered payroll of 28.93% for City police employees who were PSPRS Tier 3 members, in addition to the City's required contributions to the PSPRS Tier 3 Risk Pool for these City police employees.

The City's contributions to the plans for the year ended June 30, 2018, were:

	Pension	OPEB
PSPRS - Fire	$ 10,479,094	$ -
PSPRS - Police	21,607,876	733,111
PSPRS Tier 3 - Police	118,307	38,484

A court decision resulted in refunds of excess member contributions to certain fire and police members. The City received a credit memo from PSPRS that equaled the amount of the refunds. The City used the credit memo to reduce its contribution to the plan for the year ended June 30, 2018.

The City is also required to pay a PSPRS ACR for retired members who return to work in any capacity and in a position ordinarily filled by an employee of the City, unless the retired member is required to participate in another State retirement system and the retired member returned to work before July 20, 2011. The ACR rate is equal to the portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the fiscal year beginning July 1, based on the actuarial calculation of the total required contribution for the preceding fiscal year ended on June 30. The contribution rate for the year ended June 30, 2018 was 28.93% for both fire and police. The City's ACR contributions for the year ending June 30, 2018 were $0 for fire and $46,544 for police.

Liability. At June 30, 2018, the City reported the following pension liabilities of $193,863,669 and $377,891,929 for fire and police, respectively. The City also reported an OPEB liability of $8,457,302 for police.

The net liabilities were measured as of June 30, 2017, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 % to 7.4 %, decreasing the wage inflation from 4 % to 3.5 %, and updating mortality, withdrawal, disability, and retirement assumptions.

The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011.

The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the City's PSPRS net pension liabilities as a result of the refunds is not known.

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2018, the City recognized pension expense of $24,251,275 and $53,757,450 for fire and police, respectively. The City also recognized OPEB expense of $803,662 for police.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources (in thousands):

PSPRS – Fire Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 10,803
Changes in assumptions	30,119	-
Net difference between projected and actual earnings on pension plan investments	2,430	-
City contributions subsequent to the measurement date	10,479	-
Total	$ 43,028	$ 10,803

	Pension		OPEB	
PSPRS – Police	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 302	$ 7,729	$ 261	$ -
Changes in assumptions	49,357	-	-	279
Net difference between projected and actual earnings on pension plan investments	3,887	-	-	334
City contributions subsequent to the measurement date	21,726	-	772	-
Total	$ 75,272	$ 7,729	$ 1,033	$ 613

Other Post Employment Plan

The City provides post-employment medical care (OPEB) for retired employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's self-insurance health insurance plan which covers both active and retired members. The benefits, benefit levels and contribution rates are determined annually by the City's Benefits Advisory Board and approved by the Mesa City Council. The plan is not accounted for as a trust fund, and an irrevocable trust has not been established to account for the plan.

Employees Covered by Benefit Terms. As of July 1, 2017 (date of most recent valuation), membership consisted of:

Active Employees	3,308
Retirees	2,029
Spouses	1,279
Total	6,616

OPEB Liability. The plan operates on a pay-as-you-go basis and thus has no assets. The total OPEB liability measured as of June 30, 2017 is $705,713,533. The June 30, 2016 liability is based on a no gain/loss rollback of the June 30, 2017 valuation results.

The impact of changes from the June 30, 2016 results include the following:

- Change in the S&P Municipal Bond 20 Year High Grade Rate Index. The discount rate, based on this index, changed from 2.71% at June 30, 2016 to 3.13% at June 30, 2017. The impact on OPEB liability from this change was a decrease of $46,955,496.

OPEB Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2018, the City recognized OPEB expense of $33,650,778. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	-	39,064
Net difference between projected and actual earnings on pension plan investments	-	-
City contributions subsequent to the measurement date	20,358	-
Total	$ 20,358	$ 39,064

PROPERTY TAXES

The City operated without a property tax from Fiscal Year 1944/45 to Fiscal Year 2008/09. The City began to impose a property tax in Fiscal Year 2009/10 for payment of a portion of the City's outstanding general obligation bonds.

Recent Constitutional and Statutory Changes Affecting Property Taxes

Beginning in Fiscal Year 2015/16 and for each fiscal year thereafter, a voter-approved constitutional amendment and related enabling legislation imposes additional limits on the growth in taxable value of most real property and improvements, including mobile homes, used for levying ad valorem property taxes, including both primary and secondary ad valorem taxes. Primary ad valorem taxes are levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and certain special taxing districts as described below. Secondary ad valorem taxes are levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts as described below.

Prior to Fiscal Year 2015/16, the value of real property and improvements, including mobile homes, used for levying primary ad valorem taxes was based on a limited property value described below ("Primary Property Tax Value") and the value used for levying secondary ad valorem taxes ("Secondary Property Tax Value") was based on full cash value ("Full Cash Value") described below. The Primary Property Tax Value for property increased by the greater of either 10% of the prior year's Primary Property Tax Value or 25% of the difference between the prior year's Primary Property Tax Value and the current year's Full Cash Value. There was no limit on the growth of Full Cash Value or Secondary Property Tax Value. See "Tax Procedures – Determination of Full Cash Value" herein. As more fully described below, property assessment ratios were then applied against these respective values, and property exempt from taxation was netted out of the valuation, to arrive at "Net Assessed Primary Value" and "Net Assessed Secondary Value." The tax rate imposed for primary tax and secondary tax purposes was then applied against the respective Net Assessed Primary or Net Assessed Secondary Value to determine the respective primary and secondary tax levy amounts.

Beginning with Fiscal Year 2015/16 and thereafter, both primary ad valorem taxes and secondary ad valorem taxes are levied based upon a revised limited property value (the "Limited Property Value"), which (i) for locally assessed property (as described below) in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, is equal to the lesser of (a) the Full Cash Value of the property or (b) an amount five percent greater than the Limited Property Value of such property determined for the prior year and (ii) for centrally valued property (as described below) is equal to the Full Cash Value. Property that is subject to an equalization order that the State Legislature exempts from the above property tax limitation is also valued at Full Cash Value. There is no limit on the growth of Full Cash Value of such exempted or centrally assessed property. The property tax assessment ratios are then applied against the Limited Property Value, and property exempt from taxation is netted out of the Limited Property Value, to arrive at "Net Assessed Limited Property Value." The tax rates imposed for both primary tax and secondary tax purposes are then applied against the Net Assessed Limited Property Value to determine the respective primary and secondary tax levy amounts.

Because Fiscal Year 2015/16 was the first year for implementation of the constitutional amendment and use of Limited Property Values and Net Assessed Limited Property Values, there is limited comparative data for such property values from prior fiscal years to present in this Official Statement. Accordingly, prior-year information is presented using the then-applicable, but now replaced valuation rules, including Net Assessed Primary Values and Net Assessed Secondary Values.

Additional changes may be made to the manner in which properties are valued for tax purposes and taxes are levied. The City cannot determine whether any such measures will become law or how they might affect property tax collections for the City. However, removing or amending limits on the growth rate of Limited Property Value for locally assessed property would require further amendment to the State Constitution.

Ad Valorem Taxes

General

For tax purposes in Arizona, real property is either valued by the Assessor of the County or by the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Arizona Department of Revenue is referred to as "centrally valued" property and includes: (1) property used in the business of patented or unpatented producing mines, mills and smelters; (2) producing oil, gas and geothermal interests; (3) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (4) aircraft regularly scheduled and operated by an aircraft company; (5) standing timber; (6) pipelines; and (7) personal property, except mobile home.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts, certain special taxing districts, and the State are primary taxes. These taxes are levied against the Net Assessed Limited Property Value of the taxing jurisdiction. The State does not currently levy ad valorem taxes but the State currently requires a county (including the County) to levy a "State equalization assistance property tax" to provide equalization assistance to school districts in such county which is used to offset the cost of State equalization to those school districts.

The amount of primary taxes levied by a county (including the County), city, town and community college district is constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit amount plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). Each taxing entity's maximum allowable property tax levy limit amount was rebased to the amount of actual 2005 primary property taxes levied (plus amounts levied against property not subject to taxation in the prior year). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional state aid. In the case of the County, a primary tax of $0.5123 per $100 of Net Assessed Limited Property Value is levied for this purpose to provide equalization assistance funds to local school districts in the County.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are levied against the Net Assessed Limited Property Value. There is no limitation on annual levies for voter-approved bond indebtedness and certain special district assessments are also unlimited. Pursuant to a statutory change effective in 2018, school districts subject to desegregation orders levy secondary property taxes in addition to secondary property taxes levied for debt service or budget overrides. Debt service on the Bonds is payable solely from secondary property taxes.

Tax Procedures

Tax Year

The Arizona tax year is defined as the calendar year, although tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year, when payment of the second installment of property taxes for the prior tax year becomes delinquent.

General

On or before the third Monday in August of each year, the Board of Supervisors of the County prepares the tax roll that sets forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County (the "Treasurer"). With the various budgetary procedures having been completed by the governmental entities, the appropriate primary and secondary tax rate for each jurisdiction is then applied to the Net Assessed Limited Property Value of each parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the fiscal year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

The State Legislature, from time to time, may change the manner in which taxes are levied, including changing the assessment ratios and property classifications. The City cannot determine whether any such measures will become law or how they might affect property tax collections for the City. However, removing or amending limits on the growth rate of Limited Property Value for locally assessed property would require further amendment to the State Constitution.

Determination of Full Cash Value

The first step in the tax process is the determination of the Full Cash Value of each parcel of real property within the State. Full Cash Value is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value." "Market value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally includes the market approach, the cost approach and the income approach. As a general matter, the various county assessors use a cost approach for commercial/industrial property and a sales data approach for residential property. Arizona law allows taxpayers to appeal the county assessor's valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land at the same Full Cash Value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Arizona law provides for a property valuation "freeze" on Full Cash Value for certain residential property owners 65 years of age and older. Owners of residential property may obtain such freeze against valuation increases (the "Property Valuation Protection Option") if the owners' total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the valuation reverts to its then-current Full Cash Value. Any freeze on increases in Full Cash Value will translate to the assessed value of the affected property as hereinafter described.

Following the determination of the Full Cash Value, the Assessor of the County then determines the Limited Property Value by applying any applicable property growth limitations as described under "Recent Constitutional and Statutory Changes Affecting Property Taxes" above.

Assessment Ratios

All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the applicable Limited Property Value to obtain the assessed valuation. The appropriate property classification ratio is applied to the applicable Limited Property Value of each property parcel to determine the assessed valuation for such parcel. The current assessment ratios for each class of property are set forth in the following table.

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2014	2015	2016	2017	2018
Mining, Utility, Commercial and Industrial (b)	19.0%	18.5%	18.0%	18.0%	18.0%
Agricultural and Vacant Land (b)	16.0	16.0	15.0	15.0	15.0
Owner Occupied Residential	10.0	10.0	10.0	10.0	10.0
Leased or Rented Residential	10.0	10.0	10.0	10.0	10.0
Railroad Private Car Company and Airline Flight Property (c)	16.0	15.0	14.0	15.0	14.0

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation

(b) Full Cash Values, up to an amount established by law for each tax year, on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2018, such maximum amount is $167,130. This exemption is indexed annually for inflation. Any portion of the Full Cash Value in excess of that amount will be assessed at the applicable rate.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed value for primary and secondary purposes of all mining, utility, commercial, industrial, and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total limited value used for primary tax purposes of such properties.

Source: *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Tax Procedures

On or before the third Monday in August of each year, the Board of Supervisors of the County prepares the tax roll that sets for the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer. With the various budgetary procedures having been completed by the governmental entities, the appropriate primary and secondary tax rate for each jurisdiction is then applied to the Net Assessed Limited Property Value of each parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the fiscal year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

The State Legislature, from time to time, may change the manner in which taxes are levied, including changing the assessment ratios and property classifications. The City cannot determine whether any such measures will become law or how they might affect property tax collections for the City. However, removing or amending limits on the growth rate of Limited Property Value for locally assessed property would require further amendment to the State Constitution.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State, County, and other taxes, in September of each year and are payable in two installments on the subsequent October 1 and March 1. The delinquent tax dates are November 1 and May 1 and delinquent taxes are subject to a penalty of 16% per annum unless the full year's taxes are paid by December 31. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) At the close of the tax collection period, the Treasurer prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer to deliver a treasurer's deed to the certificate holder as prescribed by law.

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on a property of a bankrupt taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of a bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the City, the Financial Advisor, the Underwriter nor their respective attorneys, agents or consultants have undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the Treasurer is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Direct and Overlapping Assessed Values and Total Tax Rates
Per $100 Assessed Value

Overlapping Jurisdiction	2018/19 Net Assessed Limited Property Value	2018/19 Total Tax Rate Per $100 Assessed Value
State of Arizona	$62,328,357,186	None
Maricopa County	40,423,232,421	$1.8750 (a)
Maricopa County Community College District	40,423,232,421	1.3754
Maricopa County Fire District Annual Levy (b)	40,423,232,421	0.0107
Maricopa County Flood Control District (b)	37,003,666,851	0.1792
Maricopa County Special Health Care District	40,489,188,615	0.2941
Maricopa County Library District (b)	40,423,232,421	0.0556
Central Arizona Water Conservation District (b)	40,489,188,615	0.1400
East Valley Institute of Technology District No. 401	18,011,211,782	0.0500
Mesa Unified School District No. 4	3,030,255,065	7.2163
Tempe Elementary School District No. 3	1,449,460,520	4.9040
Tempe Union High School District No. 213	3,506,028,130	2.6443
Gilbert Unified School District No. 41	1,900,979,361	6.1051
Queen Creek Unified School District No. 95	452,696,977	7.6135
Higley Unified School District No. 60	638,319,595	7.2107
Eastmark Community Facilities District No. 1	52,059,735	4.1500
Eastmark Community Facilities District No. 2	N/A	N/A (c)
Cadence Community Facilities District	541,547	4.1500
City of Mesa	3,277,965,031	1.0201

(a) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in Fiscal Year 2018/19 has been set at $0.4741 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276.

(b) The assessed valuation of the Flood Control District does not include the personal property assessed valuation within the County. The Net Assessed Limited Property Value for the Central Arizona Water Conservation District reflects the assessed valuation located within Maricopa County only. The County is mandated to levy a tax annually in support of County fire districts. All levies for library districts, hospital districts, fire districts, technology districts, water conservation districts and flood control districts are levied on the Net Full Cash Assessed Value.

(c) Eastmark Community Facilities District No. 2 2018/19 Net Assessed Limited Property Value information was not available from the County. Eastmark Community Facilities District No. 2 has elections scheduled for April 4, 2019 to authorize general obligation bonds and an operation and maintenance ad valorem tax.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Maricopa County 2018 Tax Levy*, Maricopa County – Finance Department.

Combined Total Tax Rates
Per $100 Assessed Value

There are 18 taxing jurisdictions which overlap the City's boundaries. The total overlapping property tax rate per $100 of assessed value for property owners within the City ranges from $10.0851 to $15.7435.

Source: Maricopa County Finance Department.

Assessed Value by Property Classification (a)
City of Mesa, Arizona

Set forth below is a breakdown of the City's Net Assessed Limited Property Value by property classification for the most recent five years such information is available.

	Net Assessed Limited Property Value				Net Assessed Secondary Value
Class	2018/19	2017/18	2016/17	2015/16	2014/15
Utilities, Commercial & Industrial	$ 949,143,814	$868,501,324	$ 842,966,181	$ 827,345,515	$ 848,947,715
Agriculture and Vacant	81,878,254	87,211,175	91,036,617	94,775,525	97,241,337
Residential (Owner Occupied)	1,522,700,651	1,409,559,520	1,312,536,592	1,243,570,283	1,291,605,977
Residential (Rental)	717,002,790	677,001,729	635,036,793	590,390,020	580,094,614
Railroad	797,482	830,845	774,537	828,031	881,550
Historic	6,181,190	5,576,451	5,713,230	844,139	2,273,888
Improvements	178,597	212,315	226,661	159,403	127,673
	$3,277,965,03	$3,048,893,35	$2,888,290,61	$2,757,912,91	$2,821,172,75

(a) Fiscal Year 2015/16 through 2018/19 indicates Net Assessed Limited Property Value utilizing updated constitutional and statutory property valuation requirements. Fiscal Year 2014/15 indicates the then-applicable, but now replaced, Net Assessed Secondary Value.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Comparative Assessed Value Comparisons and Trends (a)

Fiscal Year	City of Mesa	Maricopa County	State of Arizona
Net Assessed Limited Property Value			
2018/19	$ 3,277,965,031	$ 40,423,232,421	$ 62,328,357,186
2017/18	3,048,893,359	38,251,891,249	59,404,007,785
2016/17	2,888,290,611	36,135,494,474	56,589,592,481
2015/16	2,757,912,916	34,623,670,323	54,840,074,052
Net Assessed Secondary Value			
2014/15	$ 2,821,172,754	$ 35,079,646,593	$ 55,352,051,074

(a) Fiscal Year 2015/16 through 2018/19 indicates Net Assessed Limited Property Value utilizing updated constitutional and statutory property valuation requirements. Fiscal Year 2014/15 indicates the then-applicable, but now replaced, Net Assessed Secondary Value.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Estimated Net Full Cash Value (a)
City of Mesa, Arizona

Fiscal Year	City of Mesa
2018/19	$ 37,879,259,506
2017/18	34,722,772,801
2016/17	32,414,724,417
2015/16	29,165,292,711
2014/15	23,856,664,882

(a) The City's estimated Net Full Cash Value approximates the total market value of all taxable property located within the City, less the estimated exempt property within the City as calculated by the State of Arizona Department of Revenue, Division of Property and Special Taxes.

Net Assessed Property Values of Major Taxpayers (a)(b)
City of Mesa, Arizona

Taxpayer (c)	2018/19 Net Assessed Limited Property Value	As % of City's Total 2018/19 Net Assessed Limited Property Value
BANNER HEATH SYSTEMS	$35,804,596	1.09%
SACHS RANCH CO LLC/HURLEY LAND CO LLC	24,334,660	0.74
MPT OF MESA LLC	23,510,550	0.72
QWEST CORPORATION	13,018,121	0.40
A T & T PROPERTY TAX	11,195,618	0.34
HUGHES HELICOPTERS INC	9,397,343	0.29
WHITESTONE VILLAGE SQUARE AT DANA PARK LLC	8,273,089	0.25
WAL-MART STORES INC	7,690,804	0.23
RIVERVIEW POINT LP	7,327,499	0.22
WESTERN B WEST AZ LLC	6,743,328	0.21
EAST MESA MALL LLC	6,727,188	0.21
MESA CAMPUS LLC	6,494,123	0.20
DTR1C-SGW LLC/DTL-SGW LLC	6,421,022	0.20
TRW VEHICLE SAFETY SYSTEMS INC	5,719,016	0.17
STAPLEY OFFICE INC	5,399,196	0.16
	$178,056,153	4.34%

(a) The City has not made an independent determination of the financial position of any of the City's major property taxpayers.

(b) Indicates Net Assessed Limited Property Value utilizing current constitutional and statutory property valuation requirements.

(c) Some of the major taxpayers are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the Filings can be obtained from the public reference section of the Commission at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the internet on the Commission's EDGAR database at www.sec.gov.

None of the City, Bond Counsel, the Underwriter, counsel to the Underwriter or Financial Advisor has examined the information set forth in the Filings for accuracy or completeness, nor have they assumed responsibility for the same.

Source: Maricopa County Treasurer's Office.

SPECIAL NOTE*: The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.*

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the Full Cash Value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the Full Cash Value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the City would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after *electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer and the City have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP's in lieu contribution.*

Since 1964, when the in lieu contribution was originally authorized by the Arizona Revised Statutes, SRP has always made that election. The Fiscal Year 2018/19 in lieu Net Full Cash Assessed Value of SRP within the City is $70,727,989 which represents approximately 2.1577% of the Net Assessed Limited Property Value in the City. SRP's total estimated contribution in lieu of property tax payments was approximately $721,496 for Fiscal Year 2018/19.

Real and Secured Property Taxes Levied and Collected
City of Mesa, Arizona

Prior to Fiscal Year 2009/10, the City had operated without a property tax levy since Fiscal Year 1944/45. Beginning in Fiscal Year 2009/10 the City imposed a property tax for payment of a portion of the City's outstanding general obligation bonds. The table below sets forth the City's tax collections since Fiscal Year 2013/14.

	City of Mesa, Arizona		Collected to 6-30 of Initial Fiscal Year (a)		Cumulative Collection to February 28, 2019 (a)	
Fiscal Year	Tax Rate	City Tax Levy	Amount	% of Levy	Amount	% of Levy (b)
2018/19	$1.0201	$33,438,521	(c)		$20,732,814	62.00%
2017/18	1.0968	33,424,797	$32,905,633	98.45%	33,309,143	99.65
2016/17	1.1578	33,440,629	32,765,223	98.28	33,084,281	98.93
2015/16	1.2125	33,532,275	32,811,426	98.53	33,203,643	99.02
2014/15	1.1853	33,410,265	32,640,782	98.39	33,039,195	98.89
2013/14	0.8636	22,097,241	21,676,493	98.34	21,961,944	99.39

(a) Taxes are collected by the Treasurer. Taxes in support of debt service are levied by the County Board of Supervisors as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County General Fund.

(b) Percentage of levy collected is calculated using the adjusted levy as of 6-30 of the initial Fiscal Year or as of the query date, respectively.

(c) 2019 taxes in course of collection: first installment due 10-01-18, delinquent 11-01-18; second installment due 03-01-19, delinquent 05-01-19.

Source: Maricopa County Treasurer's Office.

CITY OF MESA, ARIZONA
UTILITY SYSTEMS INFORMATION

Electric System

The City Energy Resources Department's Electric Utility System ("Electric System") has been in operation since 1917. The Electric System's electric service area ("ESA") covers approximately five and a half square miles including the downtown business center of the City. As of Fiscal Year 2017/18, the Electric System served a total of 17,066 customers comprised of 14,501 residential and 2,565 commercial and other customers. The summer system experienced a peak demand in Fiscal Year 2017/18 of approximately 84.42 megawatts ("MW"s) and fiscal year system energy requirements of 334,479 megawatt hours ("MWh"s) were metered at the Rogers Substation, the Electric System's point of supply.

During Fiscal Year 2017/18, the Electric System's power and transmission resource scheduling and utilization were managed through its participation in the Resources Management Services program ("RMS") administered by the Western Area Power Administration ("Western") of the United States Department of Energy. Western provided scheduling, dispatching and accounting functions and purchased supplemental power, as needed, on a monthly, daily and real-time basis. The RMS group consists of the City, Electrical District Number Two (ED-2), the Town of Fredonia, Aha Macav Power Service, and the Cortaro-Marana Irrigation and Drainage District. As part of the RMS group, Western pools these entities' loads and resources to achieve the benefits of diversity and greater economies of scale in purchased power transactions.

The supply-side resource portfolio of the Electric System for Fiscal Year 2017/18 was comprised of long-term purchased power agreements and short-term seasonal and daily power market purchases. The Electric System contracts for long-term power based on the results of competitive requests for proposals. Additionally, as a member in RMS, the City has access to the wholesale power supply market and the ability to engage in *ad hoc,* short-term firm and non-firm transactions. Current power supply resources for the Electric System are as follows:

		Maximum Contract MW	
Electric Power Resources	Expiration Dates	Summer	Winter
Western Area Power Administration (a):			
Parker-Davis Project	Sep-2028	10.4	8
Colorado River Storage Project	Sep-2024	4.3	3.4
Citigroup Energy Inc. (b)	Mar-2020	15	15
Exelon Generation Company, LLC (c)	Aug-2020	10	-
Exelon Generation Company, LLC (d)	Oct-2018	10	-
Shell Energy North America, L.P. (e)	Dec-2018	10	11
Shell Energy North America, L.P. (f)	Sep-2020	15	-

(a) The City and Western are parties to two long-term contracts that provide hydroelectric power from the Parker-Davis Project ("P-DP") and the Colorado River Storage Project ("CRSP"). The P-DP contract expires on September 30, 2028, and the CRSP contract expires on September 30, 2024.

(b) The City and Exelon Generation Company, LLC ("Constellation") were parties to a 5-year firm 15 MW, 7 x 24, base-load power purchase and sale agreement for demand and associated energy which was scheduled to expire on March 31, 2017 but was extended and expired September 30, 2018. This agreement has been replaced by a new 1.5-year firm 15 MW, 7 x 24, base-load power purchase and sale agreement for demand and associated energy with Citigroup Energy Inc. which became effective October 1, 2018 and is scheduled to expire on March 31, 2020.

(c) The City and Constellation are also parties to a 5-year firm 10 MW, 7 x 16, on-peak power purchase and sale agreement for demand with associated energy beginning July 1, 2016 (for power in July and August) and expiring August 31, 2020.

(d) The City and Constellation were also parties to a 5-year firm 10 MW, 7 x 16, on-peak, Day-Ahead Call Option power purchase and sale agreement for firm energy beginning June 1, 2014 and expiring October 31, 2018. This supply contract is expected to be replaced via a request for proposals ("RFP") currently scheduled to be issued during April 2019.

(e) The City and Shell Energy North America, L.P. ("SENA") were also parties to a 5-year firm 11-0 MW, 7 x 24, base-load power purchase and sale agreement for demand and associated energy beginning January 1, 2014 and terminating December 31, 2018. This contract has monthly varying power demand levels from a low of 0 MWs to a high of 11 MWs. This supply contract is also expected to be replaced via the request for proposals ("RFP") currently scheduled to be issued during April 2019. Power supply requirements for January – May 2019 will be met in the interim with market-based power purchases.

(f) The City and SENA are also parties to a 3-year firm 15 MW, 7 x 16, on-peak power purchase and sale agreement for demand and associated energy beginning May 1, 2016 and terminating September 30, 2020.

The City's purchased power and energy resources are contractually transmitted over Western's Parker-Davis and Pacific-Intertie transmission systems on a point-to-point basis from Western's 500/230 kilovolts ("kV") West Wing Substation to Western's 230 kV Pinnacle Peak Substation and then to the 230/69 kV Rogers Substation, jointly owned by the Salt River Project, Western and the City (the City's current transmission contracts with Western expire on September 30, 2018. Beginning October 1, 2018, the City's new transmission contractual arrangements with Western will become effective with the City reducing its point-to-point Pacific Intertie transmission (West Wing to Pinnacle Peak) capacity from 25 MW to 15 MW and switching its Parker-Davis transmission from point-to-point service to network integrated transmission service). Power and energy are then transmitted through Rogers Substation 230/69 kV transformers to the City's two (2) radial 69 kV lines and then to four (4) City-owned and operated 12 kV electrical distribution substation facilities. Power is then transmitted and distributed to the City's service area through associated distribution transformers and lines. As of Fiscal Year 2017/18 there were approximately 197.1 miles of overhead primary and approximately 251.8 miles of underground primary distribution lines that distribute power to the City's end-use customers.

The table below contains information with respect to the City's Electric System.

Current Electric System Fees and Charges

Description of Electric Services	Fee/Charge (a) (2018/19)
Residential Electric Service = E1.1	
Monthly Bill Per Meter	
May 1 to October 31	
Customer Charge	$11.75
Usage Charge	
First 1200 kWh	$0.05128 per kWh
> 1200 kWh	$0.04822 per kWh
November 1 to April 30	
Customer Charge	$11.75
Usage Charge	
First 800 kWh	$0.03765 per kWh
> 800 kWh	$0.01633 per kWh
Energy Cost Adjustment Factor (b)	
Minimum	$11.75
Non-Residential Service = E3.1	
Monthly Bill Per Meter	
May 1 to October 31	
Customer Charge (c)	$6.22
Demand Charge	
Generation	
First 50 kW	$0.00 per kW
>50 kW	$3.52 per kW
Distribution	
First 50 kW	$0.00 per kW
>50 kW	$0.3968 per kW
Energy Cost Adjustment Factor(b)	
Distribution	
First 15,000 kWh	$0.06491 per kWh
15,001-75,000 kWh	$0.04125 per kWh
>75,000 kWh	$0.02901 per kWh
November 1 to April 30	
Customer Charge (c)	$6.22
Demand Charge	
Generation	
First 50 kW	$0.00
>50 kW	$3.20 per kW
Distribution	
First 50 kW	$0.00
>50 kW	$0.115 per kW
Energy Cost Adjustment Factor (b)	
Distribution	
First 15,000 kWh	$0.05375 per kWh
15,001-75,000 kWh	$0.03692 per kWh
>75,000 kWh	$0.02060 per kWh

(a) The City may require special service agreements for consumers requiring large electric loads.

(b) The Energy Cost Adjustment Factor is a monthly per kilowatt hours ("kWh") charge that was implemented November 1, 2004, which allows for the full recovery of the costs of fuel and purchased power. The average Fiscal Year 2017/18 factor for residential was $0.04870 per kWh and the average Fiscal Year 2017/18 factor for non-residential was $0.03735 per kWh.

(c) Monthly Customer Charge for single phase E3.1 customers. Monthly Customer Charge for three phase E3.1 customers is $12.24.

Source: The City. The information above reflects only certain basic fees and charges of the City's Electric System and is not a comprehensive statement of all such fees.

Electric System Rate Increases
(2014 through 2018)

Date	Rate Increase
August 1, 2018	$1.00 (a)
August 1, 2017	$1.25 (b)
August 1, 2016	$1.50 (c)
August 1, 2015	$1.50 (c)
August 1, 2014	$0.79 (d)

(a) For residential customers only, the monthly fixed component of rates (Electric System Service Charge) was increased by $1.00.

(b) For residential customers only, the monthly fixed component of rates (Electric System Service Charge) was increased by $1.25.

(c) For residential customers only, the monthly fixed component of rates (Electric System Service Charge) was increased by $1.50.

(d) For residential customers only, the monthly fixed component of rates (Electric System Service Charge) was increased by $0.79.

Source: The City.

Electric System Customers
(Fiscal Years 2013/14 through 2017/18)

Fiscal Year	Residential Customers	Commercial Customers	Other Customers	Total Customers
2017/18	14,501	2,350	215	17,066
2016/17	14,418	2,358	215	16,991
2015/16	14,311	2,333	210	16,854
2014/15	14,170	2,362	171	16,703
2013/14	13,966	2,322	172	16,460

Source: The City. The schedule immediately above reflects customers as of June 30 for each fiscal year.

The following is a list of the ten largest Electric System customers in order by revenue for Fiscal Year 2017/18.

Ten Largest Electric System Customers

Mesa Public Schools
Ensemble Mesa Partners, LLC
Centurylink, Inc.
Mesa Cold Storage, Inc.
Valley Metro Rail
Rohrer Corporation
Mesa Arizona Temple
Promise Hospital of Phoenix, Inc.
Epicurean Fine Food, Inc.
Benedictine University

The combined 2017/18 Electric System fees/charges for the top ten Electric System customers set forth above was $2,982,124, constituting 9.5% of the total 2017/18 Electric System operating revenue. No individual Electric System customer above constitutes more than 3% of the total 2017/18 Electric System operating revenue. Additionally, while the list above is representative of the top ten Electric System customers as of Fiscal Year 2017/18, customer consumption can fluctuate, among other things, with customer process changes, efficiency enhancement, changes to business practices and locations, and the weather. This can result in yearly shifts in the rankings of the specific customers. However, the City consistently uses budget forecasting methods to account for such variances.

The City also receives electric services from the Electric System, and records the revenue as interdepartmental revenue. For Fiscal Year 2017/18, Electric System interdepartmental revenues were $3,365,456. The City as a customer constitutes approximately 10.7% of the total 2017/18 Electric System operating revenue.

Source: The City.

Natural Gas System

The City Energy Resources Department's Natural Gas Utility System ("Natural Gas System") has been in operation since 1917, and was ranked by the American Public Gas Association ("APGA") as of Fiscal Year 2017/18, as the 11th largest publicly-owned natural gas utility system in the United States in terms of customers served. The Natural Gas System's service territory is comprised of two major service areas: 1) the City Service Area ("CSA") of approximately 90 square miles within the City limits; and 2) the Magma Service Area ("MSA"), a 236 square mile system located southeast of the City in Pinal County, Arizona. As of Fiscal Year 2017/18, the City's combined Natural Gas System operated 1,358 miles of distribution mains and served approximately 63,969 total customers comprised of 61,452 residential and 2,517 commercial and other customers.

The City's Natural Gas System's natural gas supplies and associated contracts have been structured to fulfill not only existing system requirements, but anticipate system growth and peak needs of that growth. During Fiscal Year 2017/18, the Natural Gas System's natural gas supplies were provided by Shell Energy North America, L.P. ("SENA"). The natural gas supplies provided by SENA came from both the San Juan Basin in New Mexico and the Permian Basin in West Texas. The natural gas was transported via a major pipeline system owned and operated by El Paso Natural Gas Company LLC, a Kinder Morgan company ("EPNG"). EPNG provided the transport service under the terms and conditions of Transportation Service Agreements ("TSA") No. FT2AF000 and No. FT2AE000 that were effective February 1, 2013. During Fiscal Year 2013/14, TSA No. FT2AE000 was extended for 10 years effective July 1, 2014 given that it was due to expire June 30, 2014; TSA No. FT2AF000 continues on an "evergreen" year-to-year basis. The TSAs provide the City's Natural Gas System with the ability to transport its total, daily natural gas supplies to the current five (5) Natural Gas System-owned gate stations located in both the CSA and MSA.

For Fiscal Year 2017/18, the Natural Gas System experienced a total coincident hourly system peak demand of 957.8 dekatherm hours ("DTh/hr") on February 26, 2018 in the CSA and 394.0 DTh/hr on January 23, 2018 in the MSA. Total natural gas supply deliveries at the Natural Gas System's gate stations during Fiscal Year 2017/18 were 3,054,401 dekatherm ("DTh"). Facilities and distribution infrastructure necessary to provide service to the majority of the CSA has been completed with the exception of infill projects. Continued growth of the Natural Gas System, especially in the MSA will require the extension of distribution mainlines and associated infrastructure in order to serve developing residential and commercial areas.

The following tables provide information with respect to the City's Natural Gas System.

Current Natural Gas System Fees and Charges

Description of Natural Gas Services		Fee/Charge (2018/19)
City Service Area Residential Gas Service = G1.1		
May 1st through October 31st		
Gas System Service Charge	$	14.31
First 25 Therms		0.6685 / therm
All Additional Therms		0.2167 / therm
Natural Gas Supply Cost Adjustment (a)		
November 1st through April 30th		
Gas System Service Charge	$	17.24
First 25 Therms		0.6685 / therm
All Additional Therms		0.4926 / therm
Natural Gas Supply Cost Adjustment (a)		
City Service Area General Gas Service = G3.1		
May 1st through October 31st		
Monthly Service Charge	$	33.66
First 1200 Therms		0.5280 / therm
All Additional Therms		0.3166 / therm
Natural Gas Supply Cost Adjustment (a)		
November 1st through April 30th		
Monthly Service Charge	$	43.34
First 1200 Therms		0.5718 / therm
All Additional Therms		0.4574 / therm
Natural Gas Supply Cost Adjustment (a)		
Magma Service Area Residential Gas Service = GM1.1		
May 1st through October 31st		
Gas System Service Charge	$	15.30
First 25 Therms		0.7370 / therm
All Additional Therms		0.2388 / therm
Natural Gas Supply Cost Adjustment (a)		
November 1st through April 30th		
Gas System Service Charge	$	18.54
First 25 Therms		0.7370 / therm
All Additional Therms		0.5433 / therm
Natural Gas Supply Cost Adjustment (a)		
Magma Service Area General Gas Service = GM3.1		
May 1st through October 31st		
Monthly Service Charge	$	40.48
First 1200 Therms		0.6522 / therm
All Additional Therms		0.3910 / therm
Natural Gas Supply Cost Adjustment (a)		
November 1st through April 30th		
Monthly Service Charge	$	52.41
First 1200 Therms		0.7061 / therm
All Additional Therms		0.5648 / therm
Natural Gas Supply Cost Adjustment (a)		

(a) The Natural Gas Supply Cost Adjustment allows for the full recovery of the cost of natural gas. It is a monthly per billed therm charge. The average factor for Fiscal Year 2017/18 for residential and general service was $0.29752 per therm.

Source: The City. The table above reflects only certain basic fees and charges of the City's Natural Gas System and is not a comprehensive statement of all such fees.

Natural Gas System Rate Increases (2014-2018)

Date	Rate Increase
August 1, 2018	$0.45 (a)
August 1, 2017	$0.75 (a)
August 1, 2016	$1.00 (a)
August 1, 2015	$1.29 (a)
August 1, 2014	$1.14

(a) The increase in the monthly fixed component of rates (Service Charge) affected both residential and non-residential customers.

Source: The City.

Natural Gas System Customers
(Fiscal Years 2013/14 through 2017/18)

Fiscal Year	Residential Customers	Commercial Customers	Other Customers	Total Customers
2017/18	61,452	2,289	228	63,969
2016/17	59,515	2,268	227	62,010
2015/16	57,908	2,252	224	60,384
2014/15	55,786	2,206	224	59,216
2013/14	55,615	2,175	221	58,011

Source: The City. The schedule immediately above reflects customers as of June 30 for each fiscal year.

The following is a list of the ten largest Natural Gas System customers in order by revenue for Fiscal Year 2017/18.

Ten Largest Natural Gas System Customers

Banner Desert Medical Center
Regional Public Transit Authority
Commercial Metal Company
Waste Management of Arizona, Inc.
Banner Corporate Center-Mesa
Arizona Corrugated Container, LLC
The Boeing Company
Banner Gateway Hospital
Cal-Am Properties, Inc

The combined Fiscal Year 2017/18 Natural Gas System fees/charges for the top ten Natural Gas System customers set forth above was $3,131,824, constituting 8.0% of the total Fiscal Year 2017/18 Natural Gas System operating revenue. No individual Natural Gas System customer constitutes more than 3% of the total Fiscal Year 2017/18 Natural Gas System operating revenue. Additionally, while the list above is representative of the top ten Natural Gas System customers as of Fiscal Year 2017/18, customer consumption can fluctuate, among other things, with customer process changes, efficiency enhancement, changes to business practices and locations and the weather. This can result in yearly shifts in the rankings of the specific customers. However, the City consistently uses conservative budget forecasting methods to account for such variances.

The City receives gas services from the Natural Gas System and records the revenue as interdepartmental revenue. For Fiscal Year 2017/18 Natural Gas System interdepartmental revenues for the City were $609,175.

Source: The City.

Water System

The water utility system of the City (the "Water System") serves a population of over 496,000, residing within a 158 square mile area. The Water System currently consists of approximately 157,000 residential, commercial and other connections. The City is well positioned to provide reliable delivery of quality water to meet current and future demands.

Water is provided from three general sources: the Salt and Verde River system, the Colorado River via the Central Arizona Project ("CAP") canal, and groundwater wells. In addition, the City has rights to stored groundwater in an amount equal to approximately five times its annual demand to mitigate future drought. The City is designated with a 100-Year Assured Water Supply by the Arizona Department of Water Resources. Currently, the City has legal access to approximately twice the amount of water that it delivers, allowing adequate supplies for growth. The City has worked hard to provide current and future availability of water supplies for normal and drought conditions.

Surface water from the Salt and Verde Rivers is treated at the Val Vista Water Treatment Plant. The plant is jointly owned by the City and the City of Phoenix ("Phoenix"). Currently, the plant has a treatment capacity of 220 million gallons per day ("mgd"), of which the City owns 90 mgd. The plant produces approximately 36% of the water delivered by the City.

Colorado River water is delivered to the City via the CAP Canal. The water is treated at the Brown Road Water Treatment Plant ("BRWTP") and the Signal Butte Water Treatment Plant ("SBWTP"). Currently the BRWTP has a treatment capacity of 72 mgd and produces approximately 41% of the City's water. SBWTP was completed in June 2018 and has a capacity to treat 24 mgd of CAP water. SBWTP produced approximately 13% of the City's water in 2018.

Groundwater wells produce the remaining 10% of the water delivered by the City on an average day. The City currently has 32 active groundwater wells with a pumping capacity of approximately 83 mgd. The continued development of new wells provides water supplies for future growth, but more importantly, provides redundancy in case of drought, scheduled maintenance of surface water canals, or operational issues within the surface water system.

In addition to the plants and wells outlined above, the City has 19 reservoirs and other storage facilities in the Water System service area capable of holding 109 million gallons of treated water. The City has approximately 2,485 miles of water distribution mains. A backflow prevention program has been implemented to protect the quality of the drinking water from possible sources of contamination. The total current capacity of the Water System is approximately 245 mgd. The record peak demand day occurred in 2005 and amounted to approximately 138 million gallons of water delivered. The average demand in calendar year 2018 was 87 mgd, with a peak day of 121 million gallons.

The City is actively involved in promoting water conservation. As public education plays a large role in conservation, the City makes available a variety of free publications, participates in community and business sponsored events, maintains a speaker's bureau, and sponsors a youth education program. The City has also instituted a rebate program for low water use landscaping, and has generally incorporated an inclining block rate structure to encourage water conservation.

The City's water master plan was updated in 2018.

The following tables provide information with respect to the City's Water System.

Current Water System Fees and Charges

Description of Water System Services	Fees/Charges (2018/19)
Monthly Minimum Bill-All Classes, All Zones*	
3/4 Inch	$28.10
1 Inch	$31.47
1 1/2 Inch	$44.05
2 Inches	$57.78
3 Inches	$114.44
4 Inches	$181.25
6 Inches	$347.11
8 Inches	$514.03
10 Inches	$696.38
*Includes the first 3,000 gallons of water as a minimum charge for capacity availability	
Monthly Volume Charge - Residential	
First 9,000 Gallons of Water	$3.19/1,000 Gallons
Next 9,000 Gallons of Water	$4.79/1,000 Gallons
Next 6,000 Gallons of Water	$5.77/1,000 Gallons
Additional Usage	$6.46/1,000 Gallons

Source: The City. The table above reflects only certain basic fees and charges of the City's Water System and is not a comprehensive statement of all such fees.

Water System Rate Increases (2014-2018)

Date	Rate Increase
July 1, 2018	2.00%
July 1, 2017	3.50%
July 1, 2016	5.00%
July 1, 2015	5.00%
July 1, 2014	7.00%

Source: The City.

Water System Customers
(Fiscal Years 2013/14 through 2017/18)

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Total Customers
2017/18	130,806	10,793	4,570	146,169
2016/17	129,008	10,532	4,553	144,093
2015/16	126,612	10,703	4,545	141,861
2014/15	124,230	10,456	4,492	139,178
2013/14	123,064	10,197	4,486	137,747

Source: The City. The schedule immediately above reflects customers as of June 30 for each fiscal year.

The following is a list of the ten largest Water System customers in order by revenue for Fiscal Year 2017/18.

Ten Largest Water System Customers

Mesa Public Schools
The Church of Jesus Christ of Latter-Day Saints
Cal-Am Properties, Inc.
Gilbert Public Schools
Commercial Metal Company
Arizona State University-East
Banner Desert Medical Center
DMB Mesa Proving Grounds, LLC
Viewpoint RV Resort, LLC
Bella Via Community Association

The combined Fiscal year 2017/18 Water System fees/charges for the top ten Water System customers set forth above was $6,665,167 constituting 4.5% of the total Fiscal Year 2017/18 Water System operating revenue. No individual Water System customer above constitutes more than 1.6% of the total Fiscal Year 2017/18 Water System operating revenue. Additionally, while the list above is representative of the top ten Water System customers as of Fiscal Year 2017/18, customer consumption can fluctuate, among other things, with customer process changes, efficiency enhancement, changes to business practices and locations and the weather. This can result in yearly shifts in the rankings of the specific customers. However, the City consistently uses budget forecasting methods to account for such variances.

The City also receives water services from the Water System and records the revenue as interdepartmental revenue. For Fiscal Year 2017/18 Water System interdepartmental revenues for the City were $4,263,155.

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Source: The City.

Wastewater System

The City's wastewater collection system (the "Wastewater System") currently serves approximately 127,000 connections.

The Phoenix-operated 91st Avenue Wastewater Treatment Plan ("WWTP"), which is jointly owned by the City, Phoenix, and three other nearby municipalities within the Sub-Regional Operating Group ("SROG"), currently has a 205 mgd capacity. The City's share of that amount is approximately 29 mgd.

The City's Northwest Water Reclamation Plant ("NWWRP") currently has a treatment capacity of 18 mgd. Reclaimed water from the NWWRP is primarily delivered to the Granite Reef Underground Storage Project where it is stored to meet future potable water demands. The NWWRP also has solids treatment processing capabilities.

The Southeast Water Reclamation Plant ("SEWRP") serves the northeastern part of the City and has a plant liquids handling capacity of 8 mgd. Bio-solids from the SEWRP are sent to the Greenfield Water Reclamation Plant ("GWRP") for further processing.

The GWRP is a regional plant operated by the City, and co-owned with the Towns of Gilbert and Queen Creek. The GWRP serves the southeast portion of the City and a segment of the northeast portion of the City. GWRP currently has a treatment capacity of 16 mgd of which the City owns 4 mgd. The GWRP currently has bio-solids processing capacity of 24 mgd, of which the City owns 12 mgd. An expansion is underway at the GWRP, which will provide the City with a total of 14 mgd of liquids handling capacity, and 22 mgd for solids on completion, anticipated in the fall of 2020.

Reclaimed water from the SEWRP and the GWRP is delivered to the Gila River Indian Community (the "Community") for agricultural use as part of a contractual water exchange. Through this exchange, the City receives four acre-feet of CAP water for delivery by its potable system for every five acre-feet of reclaimed water that is delivered to the Community.

In addition to the various treatment facilities outlined above, the City has approximately 1,699 miles of sewer mains, 15 lift stations, 21 odor control stations, 7 metering stations, and 41 diversion structures in its wastewater collection system. In addition, the City is part owner in the Baseline/Southern Interceptors, and the Salt River Outfall interceptor mains that transport sludge and wastewater to the 91st Avenue WWTP. The City's Wastewater System master plan was updated in 2018.

The City's Wastewater System and current agreements allow for a treatment capacity of approximately 60 mgd. The average during calendar year 2018 was 34.6 mgd, with a peak day of 36.9 million gallons.

The following tables provide information with respect to the City's Wastewater System.

Current Wastewater System Fees and Charges

Description of Wastewater System Services	Fee/Charge (2018/19)
Residential Sewer Service - Inside City	
Monthly Bill	
Service Charge	$19.27
User Charge Component (average winter water consumption)	$1.58 / 1,000 gallons
Capital Related Component (average winter water consumption in excess of 5,000 gallons)	$2.86 / 1,000 gallons
General Commercial Sewer Service - Inside City	
Monthly Bill	
Service Charge	$19.81
User Charge Component (all water used)	$1.58 / 1,000 gallons
Capital Related Component (all water used in excess of 5,000 gallons)	$2.86 / 1,000 gallons
Multi-Unit Dwelling Sewer Service - Inside City	
Monthly Bill	
Service Charge	$19.81
User Charge Component (all water used)	$1.58 / 1,000 gallons
Capital Related Component (all water used in excess of 5,000 gallons)	$2.86 / 1,000 gallons
Industrial Sewer Service - Inside City	
Monthly Bill	
Capital Component	
Flow (in excess of 5,000 gallons)	$2.786 / 1,000 gallons
Biochemical Oxygen Demand ("BOD") (in excess of lbs. contributed in first 5,000 gallons)	$0.216 / pound
Suspended Solids ("SS") (in excess of lbs. contributed in first 5,000 gallons)	$0.179 / pound
	User Charge Component
Flow	$0.819 / 1,000 gallons
BOD	$0.400 / pound
SS	$0.239 / pound
Minimum - Capital Component (includes use of 5,000 gallons)	$15.29
User Charge Billing Component	$3.83

Source: The City. The table above reflects only certain basic fees and charges of the City's Wastewater System and is not a comprehensive statement of all such fees.

Wastewater System Rate Increases (2014-2018)

Date	Rate Increase
July 1, 2018	2.50%
July 1, 2017	4.00%
July 1, 2016	5.00%
July 1, 2015	5.00%
July 1, 2014	7.00%

Source: The City.

Wastewater System Customers (Fiscal Years 2013/14 through 2017/18)

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Industrial Customers	Other Customers	Total Customers
2017/18	120,507	5,651	4,436	0	0	130,594
2016/17	118,743	5,622	4,418	0	0	128,783
2015/16	114,107	5,597	4,399	0	0	124,103
2014/15	113,901	5,488	4,362	0	0	123,751
2013/14	112,813	5,457	4,352	1	0	122,623

Source: The City. The schedule immediately above reflects customers as of June 30 for each fiscal year.

The following is a list of the ten largest Wastewater System customers in order by revenue for Fiscal Year 2017/18.

Ten Largest Wastewater System Customers

Salt River Pima-Maricopa Indian Community
Mesa Public Schools
Cal-Am Properties, Inc.
Town of Gilbert
Platypus Development, LLC
Arizona State University-East
Banner Desert Medical Center
IMT-LB Del Coronado/Mesa LLC
Wal-Mart Stores, Inc.
Bre Apartment Holdings III, Inc.

The combined Fiscal Year 2017/18 Wastewater System fees/charges for the top ten Wastewater System customers set forth above was $6,188,101 constituting 7.46% of the total Fiscal Year 2017/18 Wastewater System operating revenue. No individual Wastewater System customer above constitutes more than 2.0% of the total Fiscal Year 2017/18 Wastewater System operating revenue. Additionally, while the list above is representative of the top ten Wastewater System customers as of Fiscal Year 2017/18, customer consumption can fluctuate, among other things, with customer process changes, efficiency enhancement and changes to business practices and locations. This can result in yearly shifts in the rankings of the specific customers. However, the City consistently uses budget forecasting methods to account for such variances.

The City receives wastewater services from the Wastewater System and records the revenue as interdepartmental revenue. For Fiscal Year 2017/18 Wastewater System interdepartmental revenues for the City were $298,796.

Source: The City.

Solid Waste System

The City's solid waste system (the "Solid Waste System") is the exclusive provider of solid waste collection services to single family residences located within the City. Standard residential solid waste service includes once per week collection of trash and once per week collection of recyclables. Single-family residences and many multi-family residences are serviced using automated side-loader trucks, thereby reducing the personnel required from a collection crew to a single driver/operator. The City's solid waste collection system utilizes both blue barrel and green barrel curbside recycling programs. The blue barrel Recycling Program accepts paper, plastic containers #1-#7, glass bottles and jars and metal cans and the green barrels are for the Green Yard Waste Program. A 29% diversion rate in materials going to landfills is realized from these programs. The residential Solid Waste System currently consists of approximately 128,000 customers. The City currently has approximately 2,200 customers who have metal bin service. The City's permanent Household Hazardous Materials facility opened in the fall of 2018.

The City competes with private solid waste hauler and collection services for commercial customers within the City. As of July 2016, the City competes with private solid waste haulers for apartment complexes with five or more units.

In 2014, the City entered into six agreements with eleven landfills, transfer stations, and recycling centers for the disposal of solid waste and processing of recycle materials. These additional facilities allow the City to reduce its overall operating costs. These facilities meet all Federal Subtitle D requirements.

Current Solid Waste System Fees and Charges
Residential Solid Waste System Monthly Billing (Fiscal Year 2018/19)

Rates Applicable Per Dwelling Unit (4 or Less Residential Units Per Structure)

R1.2, R1.2A, R1.21, R1.22; R1.23, R1.28

Rate R1.2*:	$29.34 per dwelling unit for once per week 90 gallon trash barrel and recycling barrel collection.
Rate R1.2A*:	$26.19 per dwelling unit for once per week 60 gallon trash barrel and recycling barrel collection.
Rate R1.21:	$13.85 per additional 90 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months. This rate is only eligible for R1.2, R1.24 and R1.29 customers.
Rate R1.22:	$13.85 per additional 60 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months.
Rate R1.23:	$31.48 for the first 90 gallon trash barrel in addition to the R1.2 or R1.24 rate for twice per week trash collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

Rates Applicable Per Dwelling Unit (5 or More Residential Units Per Structure)
R1.21, R1.22, R1.23, R1.24, R1.25, R1.28

Rate R1.24*:	$26.19 per dwelling unit for a multi-unit structure with five or more residential units for once per week 90 gallon trash barrel and recycling barrel collection when the water account servicing the units is active with one bill payee.
Rate R1.21:	$13.85 per additional 90 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months. This rate is only eligible for R1.2, R1.24 and R1.29 customers
Rate R1.22:	$13.85 per additional 60 gallon trash barrel collected on the same day as the first trash barrel. Service will be billed for a minimum of six months.
Rate R1.23:	$31.48 for the first 90 gallon trash barrel in addition to the R1.2 or R1.24 rate for twice per week trash collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R1.25*:	$26.19 per dwelling unit for a multi-unit structure with five or more residential units for once per week 60 gallon trash barrel and recycling barrel collection when the water account servicing the units is active with one bill payee.

Rates Applicable Per Dwelling Unit (Every Other Week Recycling)
R1.28, R1.29, R2.9A, R2.9B

Rate R1.29*:	$28.38 per dwelling unit for once per week 90 gallon trash barrel collection and every other week recycling barrel collection.
Rate R2.9A*:	$25.22 per dwelling unit for once per week 60 gallon trash barrel collection and every other week recycling barrel collection.
Rate R2.9B*:	$23.74 per dwelling unit for once per week 35 gallon trash barrel collection and every other week recycling barrel collection.
Rate R1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months
Rate R.1.28:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service. Service will be billed for a minimum of six months.

* A $0.84 per billing cycle Mesa Green and Clean fee will be assessed to each dwelling unit. Service will be billed for a minimum of six months.

Commercial Solid Waste System Monthly Billing

Rate R3.8, R6.2:	$29.34 for the first 90 gallon trash barrel and recycling barrel for once per week collection.
Rate R3.8A, R6.2A:	$26.19 for the first 60 gallon trash barrel and recycling barrel for once per week collection.
Rate R3.81, R6.21*:	$13.85 per additional 90 gallon trash barrel for once per week collection on same geographic in-zone day as the first barrel. This rate is only eligible for R3.8 and R6.2 customers.
Rate R3.83, R6.23*:	$13.85 per additional 60 gallon trash barrel for once per week collection on same geographic in-zone day as the first barrel.
Rate R3.82, R6.22:	$31.48 for the first 90 gallon trash barrel in addition to the above R3.8, R6.2 rate for twice per week collection. A $13.98 service fee applies to each additional barrel that is serviced twice per week.
Rate R3.88, R6.28*:	$6.93 per 90 gallon green waste barrel collected once per week in conjunction with City of Mesa trash service.

Source: The City. The table above reflects only certain basic fees and charges of the City's Solid Waste System and is not a comprehensive statement of all such fees.

Solid Waste System Rate Increases
(2014-2018)

Date	Rate Increase
July 1, 2018	2.00%
July 1, 2017	3.50%
July 1, 2016	4.00%
August 1, 2015	5.00%
July 1, 2014	6.90%

Source: The City.

Solid Waste System Customers
(Fiscal Years 2013/14 through 2017/18)

Fiscal Year	Residential Customers(a)	Commercial Customers (b)	Other Customers	Total Customers
2017/18	128,723	2,258	300	131,281
2016/17	125,986	2,531	300	128,817
2015/16	134,259	2,481	300	137,040
2014/15	132,209	2,428	300	134,937
2013/14	130,073	2,436	300	132,809

(a) Fiscal Year 2013/14 through 2015/16 originally were calculated using the average number of residential customers. These numbers have been revised to reflect the customer count as of June 30 each fiscal year.
(b) Fiscal Year 2013/14 through 2014/15 included both special handling and caster services for certain customers. These numbers have been revised to count these commercial customers only once.

Source: The City. The schedule immediately above reflects customers as of June 30 for each fiscal year.

The following is a list of the ten largest Solid Waste System Customers in order by revenue for Fiscal Year 2017/18.

Ten Largest Solid Waste System Customers

Cal-Am Properties, Inc.
Mesa Public Schools
MHC Viewpoint, LLC
Norton S. Karno APC ERT
Casa Fiesta Tempe Ltd. Ptsp.
Mobile Homes Communities
MHC Monte Vista, LLC
Tesoro at Greenfield Condo Assoc.
Sierra Villages Associates, LLC
Las Palmas, LTD

The combined Fiscal Year 2017/18 Solid Waste System fees/charges for the top ten Solid Waste System customers set forth above was $2,047,973 constituting 3.4% of the total Fiscal Year 2017/18 Solid Waste System operating revenue. No individual Solid Waste System customer above constitutes more than 1.1% of the total Fiscal Year 2017/18 Solid Waste System operating revenue.

The City receives solid waste services from the Solid Waste System and records the revenue as interdepartmental revenue. For Fiscal Year 2017/18 Solid Waste System interdepartmental revenues for the City were $543,073.

Source: The City.

Billing and Collection Procedures

The City bills its utility customers in cycles throughout the month with each customer being billed at approximately the same time every month. Electric, gas and water accounts are based on meter readings, wastewater charges are based on water usage and solid waste disposal fees vary depending on the size of the containers and frequency of collections.

The City's collection procedures for delinquent utility accounts involve a series of billings and notices with a discontinuance of service at the end of 72 days. Due to the collection procedures, utility deposits required on various accounts and the nature of the service being provided, the City has experienced write-offs at or below one-half of one percent during the past four fiscal years.

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APPENDIX D

CITY OF MESA, ARIZONA

AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The following audited financial statements are the most recent available to the City. These audited financial statements are not current and may not represent the current financial conditions of the City.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

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BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC will act as securities depository for the Bonds. The Bonds will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bonds certificate will be executed and delivered for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has a rating of "AA+" from Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered through its Participant to the Registrar, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interests in the Bonds, on DTC's records, to the Registrar. The requirement for physical delivery of Bonds in connection with an optional tender or mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Registrar's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

NONE OF THE CITY, THE UNDERWRITER OR THE FINANCIAL ADVISOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS, OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE AUTHORIZING RESOLUTION; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE BONDS; (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (5) ANY OTHER MATTERS.

APPENDIX F

FORM OF APPROVING LEGAL OPINION

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[Closing Date], 2019

Mayor and City Council
City of Mesa, Arizona

$_____,000
City of Mesa, Arizona
General Obligation Bonds, Series 2019

Ladies and Gentlemen:

We have acted as bond counsel to the City of Mesa, Arizona (the "City"), in connection with the issuance of its General Obligation Bonds, Series 2019, in the aggregate principal amount of $____,000 (the "Bonds"), pursuant to an authorizing resolution of the Mayor and City Council of the City adopted on April 1, 2019* (the "Bond Resolution"). The Bonds are dated the date of initial delivery and bear interest payable January 1 and July 1 of each year, commencing January 1, 2020*. In such capacity, we have examined the City's certified proceedings and such other documents and such law of the State of Arizona and of the United States of America as we have deemed necessary to render this opinion letter.

Regarding questions of fact material to our opinions, we have relied upon the City's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding general obligations of the City.

2. All of the taxable property of the City is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, in the same manner as other taxes of the City, an annual tax upon the taxable property in the City sufficient to pay the principal of and interest on the Bonds when due.

3. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is exempt from Arizona taxable income under Arizona income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the City's certified proceedings and in certain other documents and certain other certifications furnished to us.

* Subject to change.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City incurred pursuant to the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement dated May ___, 2019, relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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$33,065,000*
CITY OF MESA, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2019

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP No. 590485)

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered May __, 2019, by the City of Mesa, Arizona (the "Issuer"), in connection with the issuance of the Issuer's General Obligation Bonds, Series 2019, in the original aggregate principal amount of $___,000 (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Issuer adopted on April 1, 2019 (the "Bond Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Bond Counsel" shall mean Sherman & Howard L.L.C. or such other nationally recognized bond counsel as may be selected by the Issuer.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB in compliance with the Rule.

"Material Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

a. The Issuer shall, or shall cause the Dissemination Agent to, not later than February 1 of each year, commencing February 1, 2020, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

* Subject to change.

b. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit "A."

c. The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(2) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least forty-five (45) days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements for the fiscal year ending on the preceding June 30 prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available. If the Issuer's audited annual financial statements are not submitted with the Annual Report and the Issuer fails to provide EMMA a copy of its audited annual financial statements within thirty (30) days of receipt thereof by the Issuer, then the Issuer shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit "B".

b. An update of the type of information identified in Exhibit "C" hereto, which is contained in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

a. Principal and interest payment delinquencies;

b. Non-payment related defaults, *if material*;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers or their failure to perform;

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

g. Modifications to rights of bondholders, *if material*;

h. Bond calls, *if material*, and tender offers;

i. Defeasances;

j. Release, substitution or sale of property securing repayment of the Bonds, *if material*;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;*

m. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

n. Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

o. Incurrence of a Financial Obligation of the Issuer, *if material*, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, *if material*; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

"*Materiality*" shall be determined in accordance with applicable federal securities laws.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds. Such termination described above in (i) shall not terminate the obligation of the Issuer to give notice of such defeasance, prior redemption or payment in full of all the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

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* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Compliance by the Issuer. The Issuer hereby covenants to comply with the terms of this Disclosure Certificate. The Issuer expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter, Bond Counsel or the Issuer's financial advisor.

SECTION 14. Subject to Appropriation. Pursuant to Arizona law, the Issuer's undertaking to provide information in accordance with this Disclosure Certificate is subject to appropriation to cover the costs of preparing and sending the Annual Report and notices of Material Events to EMMA. Should funds that would enable the Issuer to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact will be made in a timely manner to EMMA in the form of Exhibit "D" attached hereto.

SECTION 15. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities laws.

[Signature Page to Follow]

DATE: [Closing Date], 2019

CITY OF MESA, ARIZONA

By:____

Its:Chief Financial Officer

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Mesa, Arizona

Name of Bond Issue: General Obligation Bonds, Series 2019, in the aggregate principal amount of $______,000.

CUSIP: 590485

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate executed on [Closing Date], by the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________________.

Dated: ______________, _____

CITY OF MESA, ARIZONA

By:____

Its:____

EXHIBIT "B"

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: City of Mesa, Arizona

Name of Bond Issue: General Obligation Bonds, Series 2019, in the aggregate principal amount of $______,000.

CUSIP: 590485

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer failed to provide its audited annual financial statements with its Annual Report or, if not then available, within thirty (30) days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate executed [Closing Date], with respect to the above-described Bonds. The Issuer anticipates that the audited annual financial statements for the fiscal year ended June 30, 20__, will be filed by ______________________.

Dated: ______________, _____

CITY OF MESA, ARIZONA

By:____

EXHIBIT "C"

INDEX OF OFFICIAL STATEMENT INFORMATION TO BE UPDATED

1. Subject to the provisions of Sections 3 and 4(a) hereof, annual audited financial statements of the Issuer.

2. Annually updated financial information and operating data of the type contained in the following subsections of the Official Statement:

    a. Security for and Sources of Payment of the Bonds – Sources of Payment of the Bonds and Other City Bonds; and

    b. Appendix B – Financial Data – Statements of Bonds Outstanding

3. In the event of an amendment pursuant to Section 9 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

EXHIBIT "D"

NOTICE OF FAILURE TO APPROPRIATE FUNDS

Name of Issuer: City of Mesa, Arizona

Name of Bond Issue: General Obligation Bonds, Series 2019, in the aggregate principal amount of $______,000.

CUSIP: 590485

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated [Closing Date].

Dated: ______________, _____

CITY OF MESA, ARIZONA

By:____
Its:____

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