



2019 Bonds Sales Update

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2019 Bond Sales

- General Obligation Bonds

Series 2019 Bonds \$33M

- Utility Systems Revenue Bonds

Series 2019A Bonds \$94M

Series 2019B Refunding Bonds \$54M

Series 2019C Refunding Bonds \$79M

2019 Bond Ratings Process

- Requested a rating from two independent rating agencies, S&P and Moody's
- Agencies conducted an in depth analysis of the City using the following common themes:
 - Economy
 - Management
 - Finances
 - Capital and Infrastructure
 - Debt and Pensions

2019 Bond Ratings Results

- S&P raised its long-term rating to AA with stable outlook from AA- on the City's GO bonds and reaffirmed their AA- rating on the City's utility revenue bonds.
- Moody's maintained their Aa2 rating with a stable outlook for both our general obligation and utility revenue bonds.

	Moody's	S&P	Fitch	Meaning
Investment Grade	Aaa	AAA	AAA	Prime
	Aa1	AA+	AA+	High Grade
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper Medium Grade
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Lower Medium Grade
	Baa2	BBB	BBB	
	Baa3	BBB-	BBB-	
Junk	Ba1	BB+	BB+	Non Investment Grade Speculative
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly Speculative
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	Substantial Risks
	Caa2	CCC	CCC	Extremely Speculative
	Caa3	CCC-	CCC-	In Default w/ Little Prospect for Recovery
	Ca	CC	CC+	
		C	CC	
			CC-	In Default
	D	D	DDD	

2019 Mesa Bond Market Demand

- General Obligation Bonds

Series 2019 Bonds - 2.3X *(in total orders vs. par amount)*

- Utility Systems Revenue Bonds

Series 2019A Bonds – 4.6X

Series 2019B Refunding Bonds – 1.4X

Series 2019C Refunding Bonds - 2.5X

2019 Bond Sales Results

- 'New Money' Bonds – Interest cost realized was better than forecasted.

General Obligation – Interest Cost of 2.7%
\$4.5 M less interest cost over life of bonds
(\$704k over forecasted period)

Utility Revenue – Interest Cost of 3.3%
\$31.5 M less interest cost over life of bonds
(\$3.6M over forecasted period)

2019 Bond Sales Results

- Utility System Revenue Refunding Bonds – Savings realized was better than expected.

As of our March presentation, we expected to generate \$12 M of debt service savings.

Series 2019 B&C, generated \$16.9M of debt service savings.

